

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifty-eighth day of the One Hundred Eighth Legislature, Second Session. Our chaplain for today is Senator Walz. Please rise.

WALZ: Good morning, colleagues. Lord, thank you for this day and for this opportunity to serve. Thank you for your abundant grace and for being the constant and consistent love in my life. I pray for your help and reminder to always extend that love to others. I pray that I can make others smile today, to make others happy, and to contribute to the reason why someone's life is better. Fill me with the fruits of the spirit, love, joy, peace, patience, kindness, goodness, faithfulness, gentleness, and self-control so I can be a blessing to others. Lastly, I ask that you take care of my colleagues and all those who work to support the people we serve. Amen.

KELLY: I recognize Senator Bostelman for the Pledge of Allegiance.

BOSTELMAN: Please join me in 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.

KELLY: I call to order the fifty-eighth day of the One Hundred Eighth Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

CLERK: I have no corrections this morning, sir.

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

CLERK: There are, Mr. President, amendments to be printed from Senator Bostar to LB1300. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Albrecht would like to recognize our physician of the day, Dr. Dave Hoelting of Pender. Please stand and be recognized by your Nebraska Legislature. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR464, LR465, LR467, and LR468. Mr. Clerk, please proceed to the first item on the agenda.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CLERK: Mr. President, Select File, LB1317. First of all, there are E&R amendments, Senator.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB1317 be adopted.

KELLY: Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. All those opposed say nay. They are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Erdman would move to bracket the bill until April 18, 2024.

KELLY: Senator Erdman, you're recognized to open.

ERDMAN: Thank you-- thank you, Mr. President. So this morning we're going to visit about LB1317. And I had made a-- or brought a discussion about American-- Buy American to be in our EV chargers. And so I was informed that there would be an amendment that would be brought to make sure that we're protecting the security of the United States by not having these, these chargers hooked up to our infrastructure. I just seen the amendment this morning. I was informed that the amendment would be coming-- forthcoming, just very-- seen it this morning about 8:30. I haven't had a chance to analyze that completely yet, but Senator Bostar has told me that that amendment is included in, in his amendment. That's his opinion. So we'll wait to see exactly whether that'd be the case or not and then I'll decide what to do with my bracket motion. Thank you.

KELLY: Thank you, Senator Erdman. Senator Ibach would like to announce some guests in the north balcony, 10th, 11th, and 12th graders from Maywood. Please stand and be recognized by your Nebraska Legislature. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. I stand in support of the bracket motion and have concerns about multiple things in this bill, but the first thing that I have concern about is LB863 that was folded into this bill. Although there was a lot of opposition and no proponents, the bill was still for some reason voted 8-0, and it was presented as a cleanup bill. What it actually does is it eliminates LB38 that was approved by the very same committee the previous year. LB38 was in reference to federal retirement and taxation, and it was done in response to the fact that we went ahead and took taxation off of people that were paying Social Security, as it should have been. But

this was a group of people that were left out. Now I'm going to go back to transcripts. I'm going to talk a little bit more on this just to kind of show you what this is really about and how it was received the first time. So in February, February 15, the Revenue Committee in 2023 heard LB38, which was my bill, and there were several people that were trying to resolve this issue. And the response after my introduction from Senator Linehan was: OK, OK-- and I don't write these transcripts, I'm reading them verbatim. I'm guessing this isn't quite what she said grammatically, not intent. I think the intent is correct. OK, OK-- this is Senator Linehan-- but the-- but my thought on this-- and I appreciate very much Senator Blood bringing this bill because this is actually more what I was trying to do and didn't do it right. The people who are really getting, I think, treated unfairly now is they don't get Social Security, they only get their federal retirement so they're treating them very differently and they're in the same age group. So that was the response to LB38. LB38 did pass out of Revenue and moved forward. And then we were told over the summer that there was going to be a movement to eliminate the bill. And that did happen, and that was LB863 and that was Senator Linehan's bill. And she calls it a cleanup bill. LB38 was intended to address federal retirement income under the prior retirement systems, the Civil Service Retirement System, which did not contribute to Social Security and was not deductible under any portion of the retirement income from Nebraska state income taxes. Individuals that were under that system were put on a level playing field with those who could already deduct Social Security. However, by including those under the Federal Employment Retirement System, the current retirement system, those individuals now have an extra or additional item they can deduct from their state income tax. With Social Security now being 100% deductible from state income tax of this year, this bill rebalances everyone to be able to deduct the same level from the state income taxes. So, basically, what she did is she disallowed them the ability, even though they can't pay into Social Security because they aren't given that ability to have the same level of deduction. And if you listen to the people who came and testified against it, and there were many, they better explain why this is a problem. Good afternoon, Vice Chairman and members of the Revenue Committee and Chairman of the Revenue Committee. I'm here today to testify in opposition of LB863. My name is Harold Klaege. I'm the president of the National Active and Retired (Federal) Employees Association Nebraska. NARFE is a dedicated protective enhancing the earned pay retirement health benefits for federal employees, retirees, and their survivors. We're disappointed to see the change in how federal annuities would be--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: One minute.

BLOOD: --taxed. You know, I testified at the committee hearing on LB38 last year to help explain the different retirements. And, you, this committee approved it, LB38 to be amended into AM906, which became LB754, and you voted 8-0. So, you know, what, what happened? What changed? You know-- yeah, since '87 new federal employees are retired under the FER System is a combination of Social Security and, you know, it's a mix. But the biggest question is the federal annuity portion of each system is reported on the same CSA 1099R. So you get your statement for what you received in federal benefits. There's no way to determine whether you are a CSRS or a FERS with that. Also to add to that, I looked this morning at the fiscal note and the Department of Revenue says the fiscal note for this bill is zero. So it's not really fiscally revenue, it's not changing. You know, and the biggest thing we want to do is, you know, states of Iowa, Kansas, Oklahoma--

KELLY: That's your time, Senator.

BLOOD: Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I yield my time to Senator Blood.

KELLY: Senator Blood, you have 4 minutes, 52 seconds.

BLOOD: Thank you, Mr. President, and thank you, Senator DeBoer. South Dakota, Wyoming don't tax federal annuities, both FERS and CSRSs. And what we're trying to do is-- and I have a bunch of coworkers that have already left the state to go to a more tax-friendly state. Gosh, we hear that all the time about property taxes. I guess it just doesn't apply to everything. In fact, Iowa is even more friendly because they don't even tax Social Security or any of the IRAs or 401(k)s. So, you know, we're pretty well want to try-- we pretty well want to try to keep the FERS annuity people here in the state. You know you're not giving up much dollars, but if you have that spending dollars here to help buy products and pay taxes and keep the state of Nebraska robust, you know. So with that, I thank you for your time, if you have any questions. There's a long list of people who came and testified against this bill. And during LB38, they explained why the bill, as was written, was a good bill. I want you to know that the number of federal retirees residing in Nebraska is approximately 13,980, and the

total retired and active federal employees in Nebraska amounts to \$28,193. Nebraska's top five employers include the United States Postal Service and the Department of Defense, not to mention the close to 1,400 federal employees involved in Nebraska ag. So federal employees constitute a huge backbone for services for Nebraska taxpayers. Federal retirees that began working for a federal agency before 1984 are covered by the CSRS or the Civil Service Retirement System. This retirement system requires them to pay 7%-- it requires them to pay 7% into the system, but are not covered by Social Security. Those employees that started after 1984 are covered under the Federal Employees Retirement System. This includes a combination of federal annuities, Social Security, and a 401(k) type of plan. While Social Security taxes have been alleviated through LB873, 100% of federal annuities still are subject to Nebraska income tax. These annuities currently average out to \$2,317 per month for federal retirees. Again, our neighbor state Iowa had already passed legislation for tax exemption on federal annuities for federal retirees. In 2022, the Iowa legislature eliminated state taxes on pensions beginning in 2023 for those over 55 years of age, including federal annuities. Previously, LB873 was passed to help with vital tax relief on Social Security. But for Nebraska to retain more retirees to remain in the state, we needed to include tax exemption for federal annuities. Increasingly, retirees continue to be attracted to move to more tax-friendly states like Florida and Texas, and Nebraska is falling behind, as many of you keep telling us when we talk about property taxes. As cost of living expenses are rising for the foreseeable future in-- for the foreseeable future, and Nebraska needs to adapt to keep retirees residing and contributing to our state. That was part of the introduction of LB38. We explained what we were doing and how we were doing it, and it was met with praise by the committee. So what's changed? And that's what these retirees want to know, because we were bombarded with calls when this bill was dropped. They didn't understand how they could come and testify at a hearing and then be totally ignored the following year and have it be changed and be introduced as a cleanup bill. We have a lot more information we're going to change-- we're going to share. It's really a shame more people aren't listening, that we have people chatting because I think this is an important issue. I think many of you, especially for our, our folks that are retired military, you know federal employees. You know--

KELLY: One minute.

BLOOD: --when we had a bill that pertained to taxation of military retirement, there was a demographic that was left out. And Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

Brewer was very open to allowing us to close that loophole to make sure that nobody was left behind. And that is what we did with LB38. With that, I'll wait until my next time to talk further. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Senator Linehan, you are recognized to speak.

LINEHAN: [MICROPHONE MALFUNCTION] Mr. President. And this wasn't exactly where I was planning on starting on this bill this morning, but I will address Senator Blood's concerns. So this is what happened, it was a mistake that happened. I had a bill-- so when we-- I'm very familiar-- personally familiar with the federal retirement system. I am a federal retiree. I, however, didn't start working for federal government until 1997, so I never had an option to just be on the FERS. My option is I could contribute to a TSP, which it's tax deferred, and the federal government matches it. So it's, like, 5% of your salary if you match it. Up to 5%, they'll match. And then you paid into Social Security. Because in the '80s, the federal government tried to move away from a defined retirement plan because it was very expensive. So what the Legislature, Congress did is what legislatures do, they, they split it. Half of your retirement was going to be Social Security, and they left half of it to FERS, federal retirement. But whereas FERs used to be under the-- under the old plan, almost 80% of your salary, it's now considerably less than that. So when we passed Social Security exemption 2 years ago or 3 years ago now, the people who were on the old system, the old FER System, came to me and complained that it wasn't fair because they never paid into Social Security, so they were getting left out of the boat. And I agreed, and I did a bill that said if you are in the old system and you didn't qualify for Social Security, we would, in fact, give you an exemption on the old. But it was only supposed to be for people who were in the old system. Now, many of those people are not with us anymore, but there were in the '80s when they did this plan, they gave the employees a choice. You can stay on the old plan or you can go to the new plan. I knew people that were young in the '80s, just starting out a career, that even then decided to stay on the old plan. So this was supposed to be a fix. It was not supposed to exempt my federal retirement. If that was the-- if that was what we were doing, I would have had to file a conflict. Senator Blood brought a bill, I thought it did the same thing. So I said use Senator Blood's bill. Because, as we all know, when you're trying to get legislation passed in the Legislature, the more people you can have in a package, the more likely you're going to get the votes. And then after we left last spring, I looked at it and I'm like, wait a minute, there's a mistake

here. I talked to the Fiscal Office, I talked to Drafting. The language is very confusing because it's both FERS, both the current bill is called FERS and the old is called FERS. So I talked to Drafting, yes, there might be a mistake. I talked to Fiscal, yes, there might be a mistake. And then it took me, like, 30 days and I think I called Charles, who's on my-- on the Revenue Committee staff, and I said get them all in a room. We have a problem here because the fiscal note only said it would be around \$2 million a year. \$2 million. And I knew that couldn't be right. If it's-- if you're going to take all federal retirees, as Senator Blood has said, the Post Office, USDA, any civilians at Offutt-- and you're going to take-- it's going to be a lot more than \$2 million. Yes, as a matter of fact, it's over-- it'd be about \$14 million. So we passed a bill last year that wasn't what the committee-- the Chair of the committee--

KELLY: One minute.

LINEHAN: --nor the committee thought we were doing. And this is clearly to fix that. I know that everybody would like not to pay taxes on their retirement. And we-- and I'm fine if this Legislature goes that way. But the two examples Senator Blood used, Wyoming, Wyoming doesn't have income taxes so that's kind of a false comparison. And I'm familiar with Colorado, but Colorado also caps what you cannot pay in your retirement. And I think if you keep-- if we keep-- if Nebraska decides that you're going to do more, whether it's FERS or any of the other retirement systems we have in the state, you're going to have to come up with a cap, because you could be having people-- if, if I am in the Military and then I am a federal employee and then I'm on Social Security, you can imagine we're getting pretty large incomes here. So most of the states-- and I think this might be the way to go, you pay-- I think in Colorado it's \$38,000 of retirement income you don't pay taxes on.

KELLY: That's your time, Senator.

LINEHAN: Thank you, Mr. President.

KELLY: Thank you, Senator Linehan. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, I still stand in support of the bracket. This is one of many bills I have issues with in this package. I'm going to say something and I'm not sure how to say it without sounding unkind, but to me, what I just heard is the committee didn't do their job because Senator Linehan, again, praised

this bill, said it was written better than her bill. And I have my actual introduction and transcripts where I clearly said that we were eliminating state taxes on pensions beginning in 2023 for those over 55 years of age, including federal annuities. I said what the bill did. I don't understand why there's so much confusion in how the bill was supposedly written wrong. Because if that was indeed the case, then that was the committee's job. Should it have been capped, the committee could have done an amendment, but instead I was told it was a great bill. And I found out about all of these meetings, none of which I was invited to, none of which I was informed to-- informed of by Senator Linehan's office or anybody in the Revenue Committee. I don't know if they were actually involved in these meetings, but I found out about it from retirees who'd heard it through the grapevine. Sinking a bill because the committee didn't do their job when it was clear what the bill did, now saying that the bill was written in a wonky way that was really confusing, when, again, that was not the response on the day of the hearing, seems wrong. It also seems counterproductive to this constant message that you guys are always saying, retirees are leaving the state. They're overtaxed. People aren't going to move to our state. They're overtaxed. I guess it really just depends on who you want to tax. You know, I know we're going to get on to, to LB388 soon and we're gonna talk about why we shouldn't do 100% tax on, on hemp. I'm really confused by the messaging that I'm hearing. And I, I can kind of guess how this is probably going to go because there's been a lot of people digging in their heels and not really listening to debate on the floor, but shame on us. Shame on us for passing a bill that had a public hearing that had a long list of proponents. Shame on us for not listening to the opponents the second time around and not fixing it. If you wanted a cap, why didn't you put a cap on in an amendment in the committee? If the fiscal note looked wrong, why didn't we address that before it hit the floor? I don't understand why we would pass something and then act like it was a huge mistake, unless, of course, a committee didn't do their job. Which, again, I don't like saying on the mic, but I am puzzled. And when I named off states, I named off states that were in somebody else's testimony. So I'm not the one saying the state, Senator Linehan, just so you know. So here's another retired federal employee. He worked for the USDA Natural Resources Conservation Service for more than 15 years. During his career, he provided assistance to farmers and ranchers, natural resources districts. His wife and he moved their two young children to begin a career in the USDA. He's a proud federal service person and a participant in the Federal Employees Retirement System--

KELLY: One minute.

BLOOD: --the federal annuity, Social Security, and the Thrift Savings Plan, which is like a typical 401(k) type of plan. As you know, the Legislature passed LB873 in 2022 to help protect the retirement income of our senior citizens by eliminating the state taxes on Social Security benefits. Last year, the Legislature passed LB754 to also eliminate state, state taxes on federal annuity benefits for employees in both the older Civil Services Retirement System and the newer Federal Employment Retirement System. However, to our surprise, LB863 has been introduced this year to eliminate the tax exemption for the FERS, our retirees, and I believe the annuity payment to federal retirement should be treated the same whether a FERS annuity or for a CSRS annuity. The 1099 issued to retirees does not specify if, if the annuity were earned under the FER System or the CRS-- CSRS system. Several nearby states do not tax federal annuities. I won't name off the states because one of them is apparently wrong. So speaking for myself and for the other federal retirees from across the state--

KELLY: That's your time, Senator. Thank you, Senator Blood. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. Hope everyone had a good night. Have a busy day ahead of us. So I am-- I have a lot of questions about LB1317 itself. And, and I'm listening to this conversation between Senator Blood and Senator Linehan, which was not an area that I had questions about. But now I do have questions about, and I'm looking at the fiscal note for LB863 and it looks like it has increased revenue. Would Senator Blood yield to a question?

KELLY: Senator Blood, would you yield?

BLOOD: Yes.

M. CAVANAUGH: Thank you, Senator Blood. So if I'm understanding this correctly, I'm-- Senator Blood stands behind me and so I don't know which direction to look. Hi.

BLOOD: Hi.

M. CAVANAUGH: If I understand this correctly, that this bill amended into the other-- the current bill, LB1317, it generates revenue, meaning we stop spending money, basically. Is it-- it can't generate revenue, it's, it's cutting an expense. Right? Tell me what you're-- tell me what it does.

BLOOD: So I would compare it to when we eliminated taxation on Social Security.

M. CAVANAUGH: OK.

BLOOD: Because as you've heard, there's a combination of ways that they choose to, to utilize retirements. They can choose Social Security and they can choose 401(k). They have a, a list of 4 or 5 things they can choose from. And because they aren't just Social Security, many states see it as an item that should not be taxed. And federal employees felt that because they had to do like an either or and they couldn't just do Social Security, that they wanted that ability to not be taxed. And it seemed fair and it seemed right.

M. CAVANAUGH: OK. So by not do-- by eliminating that, that exemption of taxing them, that's where the revenue comes in because we're now collecting that tax.

BLOOD: Right.

M. CAVANAUGH: OK. OK.

BLOOD: Right.

M. CAVANAUGH: I see. So--

BLOOD: So we make money by not taxing them on those annuities.

M. CAVANAUGH: By tax-- we make money by taxing them.

BLOOD: Right.

M. CAVANAUGH: OK. And last year we passed a bill to not tax them.

BLOOD: Right.

M. CAVANAUGH: So our budget that we've been operating on for this year took that into account.

BLOOD: I would assume so. That's something, to be really frank, I have not followed up on.

M. CAVANAUGH: Presumably. So, OK. Thank you. I appreciate it. There's quite a bit in this bill. And so I would encourage you, colleagues, to take a look this morning at it. And I'm just looking at this, this one particular one. I know we talked about this-- I believe we talked about this on Select File. At this point, these things are kind of

running together. I don't know about for all of you, but for me, they are starting to run together. A lot of different tax packages out there. So I am confused and I, I did hear Senator Blood mention this, that this particular bill was added to the committee amendment even though it only had opponents. And I went and looked online to the online comments and it also only had opponents, no neutral, and no proponents. So I, I am-- I do find it sort of, I guess, unsettling that we would make this change because we need to be providing some level of stability in our policymaking. And much like last night, we passed--

KELLY: One minute.

M. CAVANAUGH: --legislation, and then the next year we change our mind and pass new legislation. And the people whose lives it impacts have no stability. And the same thing happened with LB1402 last night, and it'll be here again tonight, is that we passed a bill-- you passed a bill last year and, and the people organized a petition. They got the signatures from the people in all of our communities and it's going on the ballot. And so to circumvent that, you all moved forward a bill that will essentially take away the people's right to vote on their own taxes. And this, this bill, LB863, has kind of a similar theme. We're taking away a tax break that we gave last year.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President, and good morning, colleagues. I appreciate the dialogue happening between Senator Blood and Senator Linehan to learn more about the component that she's concerned about that impacts a lot of folks in her district and then other similarly situated across the state. But one thing I wanted to set is, perhaps, a, a broader global note at the outset of this 58th day in our legislative session and looking at what is a robust, jam-packed agenda. I appreciate and understand that there's always a lot of frenetic activity, particularly towards the end of session when time is constrained and deals need to be cut and people are looking for a path forward on their various proposals and priorities. And this is probably a point in this session where things start to feel and look a little bit messy and a little bit fraught. And that's one thing, just as I was trying to prepare for today, looking at the agenda, looking

at some of the complex amendments that were filed on the consequential bills before us and having an opportunity to connect with constituents, with business leaders, with schools to assess the, the fiscal implications and the policy implications. I, I guess I-- I'm just-- I want to put this out there. And if folks have general ideas that they would like to respond to, I, I think it would be appreciated to help us understand, maybe, where we're going, what the end game is here. There's no less than six very consequential tax bills before us on the agenda today. And I asked similar questions during the tax debates last year. But my, my question today is what is the goal? Where are we headed here? What are the revenue targets that we are seeking to hit? What does that mean for businesses? What does that mean for schools? What does that mean for average families? Are these tax proposals equitable? Are they sustainable? Are they affordable and how do they fit into our shared goals of continuing the good life for the majority of Nebraskans through strong infrastructure, through economic development, through education, through stewardship of our natural resources, through support for our ag industry? I know it's sometimes hard to take a step back and, and look at the bigger picture when we're involved in the minutia of putting together the, the technical aspects of these different parts and trying to make it work from a political perspective, which I know is another layer on top of things here. But as I'm trying to assess kind of where we are in terms of whether or not these are, are, are bills that represent good policy, I, I don't know what the ultimate goal is from the leadership in the state, whether that emanates from the majority of senators in the Legislature or from the Governor's Office. I appreciate and understand that there's been a consistent laser-like focus to, quote unquote, reduce property tax burden which, of course, we all share. But there's no doubt that we have different solutions and ideas about how to get there. And I'm just not clear at this stage in the debate how our--

KELLY: One minute.

CONRAD: --decisions-- thank you, Mr. President-- on these various measures advance good policy. And if we have done the projections to think through the short-, mid-, and long-term implications of what this means for our state and for our constituents and for our businesses and for ag and for schools. I-- I'm not sure with the moving parts that are, are coming forward and were presented last night in a significant and complex amendment, particularly on LB388, that, that we've had the time to run the numbers. And, of course, people can still come down on whatever side they think is best for their constituents or for the state. But I, I do want to just add a, a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

point of caution that, that I don't think we have a, a clear sense or a clear baseline that we're working from together about what those implications are and that's why you're sensing a great--

KELLY: That's your time, Senator.

CONRAD: Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. Good morning again, colleagues. And I'll-- I'm going to go back first to Senator Blood's concerns here this morning. And then I will respond to Senator Conrad's which are all very good questions. I've got-- I think-- shuffling papers, running around. I think a page-- I've got pages distributing the two fiscal notes from Senator Blood's bill and from the fiscal note that the committee used-- the Revenue Committee used last year to do the bill that we're talking about this morning. The Revenue Committee does a good job. I'm very proud of the Revenue Committee. We work very hard and we've gotten a lot done. And we, we have to depend on the fiscal notes. Senator Blood, will you yield for a question?

KELLY: Senator Blood, would you yield?

BLOOD: Yes.

LINEHAN: Senator Blood, do you agree that, as committees, we have to-- we have to depend on what the fiscal notes say, right?

BLOOD: I think we depend on them but we should question them if we have concerns with them.

LINEHAN: Trust me, you can ask the Fiscal Office, I question them quite a bit. But when I got-- thank you, Senator Blood-- when I got a fiscal note back, it said this was going to be \$2 million. I thought that looked reasonable because there aren't that many people that are on the old FER System. And I think we're completely missing the fact that if you're on the new FER System, which I am, you get Social Security, you qualify for Social Security, and you don't have to pay taxes on it. This idea that somehow we left the new FERS people out of the deal, that's just not true. They don't pay any Social Security taxes on their retirement Social Security income. In addition, if some of them, which I'm guessing more than a few are former Military, they're not paying any retirement on their Military pay. So to come forward now and say they shouldn't-- I agree, if we want to have a

bill next year, I won't be here, whoever's in charge of Revenue, Legislature, come back and have a bill where you let-- nobody pays on X number of dollars of their retirement income. That's what a lot of states do to keep retirees in. I think that's a good plan. But that's not what we were doing last year. What we were trying to do was play fair with people who didn't pay into Social Security, they paid into FERS, and they were getting left out. Now, if we had gotten-- the committee had gotten an accurate fiscal note which said that this was going to cost \$12 million a year, we would not have put it in the package. I remember, yes, last year we said-- well, no, 2 years ago-- well, whatever year, we do every year, the Revenue package, the Revenue Committee puts together packages. We bring them to the floor. They all cost too much. I said this at the beginning of the year, and then we get the fiscal notes back and we adjust them. And all the bills that are going to be up today, we adjusted. To Senator Conrad's concerns, which are very legitimate, how does this fit into the big package? We have-- the budget comes out first. It always has to go first so we know what we're going to spend, and then we know what revenues we haven't spent, and that's where we look for if we can do anything on reducing taxes. That's what we did last year. That's what we're doing this year. That's what we've done every year I've, I've been Chair of the Revenue Committee, and I am in meetings with Senator Clements. And Senator Clements is very good about telling me that we are over the top. We can't do that, you have to cut back. And then when Senator Clements gets done telling me that, I get called to the administration. And Lee Will tells me you're over the top, you can't do that, you have to narrow it down. And then we try to get back to individual senators. We don't always do a great job of that, especially a short session, guys, it's very hard. And I'm going to say this, it's really hard when you're not on the floor. Like, when people come up to me and say, well, you don't talk--

KELLY: One minute.

LINEHAN: --to me. I, I can't talk to you if you're not here. So this is not-- we, we didn't make a mistake. We went-- I've got staff looking up the transcript of what we passed last year, and I'm absolutely certain I stood on the floor and said what we were doing, and it was to take care of the people that are only on FERS. I did not stand here and say we're going to include all FER retirees. That is not what I said. That's not what was said in the hearings. So if we want to look back to the legislative record about what we said on the floor, that's what we said. This was take care of people who weren't on Social Security, did not have a Social Security. I find it really ironic this morning I'm standing up and defending not cutting taxes,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

because that's where I find myself. We can't ignore fiscal notes, and I can't write--

KELLY: That's your time.

LINEHAN: --the Revenue Committee can't write legislation that we don't have right fiscal notes for.

KELLY: Thank you, Senator Linehan. Senator Erdman, you are recognized to speak.

ERDMAN: Thank you, Mr. President. Been working with Senator Bostar trying to figure out where the amendment may be and how we go forward. And he has showed me that the amendment is in Senator von Gillern's amendment. I think it's AM3447 that hasn't come up yet, but it is in there. I take exception to one issue in that amendment, and I've dropped a floor amendment to fix that. I'll give you a heads-up what it is. It's on page 4, line 5, on AM3470-- AM3447, I think the number is. And line 5 says: the Governor may waive these requirements. These requirements that we're putting in place says they must buy parts from American-made industry or those countries that aren't on the list. And so I'm OK with the amendment except for that part. We have two distinct branches or three distinct branches of government. I don't think that we pass this amendment and then give the authority for the Governor to strike it. So I have an amendment to strike that part of that amendment. I think that will be agreed to by Senator von Gillern and Senator Bostar. And my intention is not to hold up this bill, but my intention is to get what we need to have in here to protect us, the United States, as well as Nebraska. So I will continue the discussion. I don't plan on taking this bracket motion for the full 4 hours, but I have a recommit motion that I may drop in if we don't seem to be getting to it. So I'd like to withdraw this motion so we can get to the amendments and have a discussion about that. Thank you.

KELLY: Thank you, Senator Erdman. Without objection, it is withdrawn. Senator Murman would like to announce some guests in the north balcony, 12th graders from Holdrege High School and please stand and be recognized by your Nebraska Legislature. Senator Blood, you're recognized to speak and this is your third time on the motion.

BLOOD: Thank you, Mr. President. Fellow senators, I am still going to talk a little bit about some of the opposition. This is Steve Masterson, he was unable to tell us who he works for, which usually means he works for a federal office that he's not allowed to say where he works. But as he says: I've already paid tax on my portion of the

first contribution. So in a sense, I'm being double taxed. Roth IRAs, we pay the citizens to pay the tax ahead of the time, and they don't get taxed when they take the money out. And I think so in a sense, I think I'm being double taxed and I don't-- sorry, this is how the transcripts are written, so I apologize. I also, like other folks have said, I don't know why FERS employees are being taxed and not CSRS, or I think the Military is also not being taxed. And something else, I kind of try to look up some, some facts, and what I learned from the IRS is that Nebraska pays 6, in fact-- paid 6 in 2019, paid 6/10 of 1% of the federal revenue. Yet, they're kind of claiming 10-- 100% of the ability to tax me, which if that makes any sense, it doesn't. I don't think that makes sense. And the other thing I learned is that Nebraska receives about 64 cents back from the federal government for every dollar paid in. But I'm just asking you not to try and have me make up the difference. Find some other way of getting tax revenue back to our state. And I wanted to thank Senator Linehan. Is she here? Thanks for trying to reduce taxes. I just want to ask you to not do it in this method. And that's all I have to say. Thank you. In both hearings, it was clear what we were trying to eliminate taxation-wise. It was said clearly in my introduction. When it comes to fiscal notes, I have to say that when I sit on a committee if a fiscal note doesn't look right, then I take it to the Fiscal Office and I ask them, hey, can you justify this? I don't understand this. We may have thousands of federal employees, but how many of them are actually retired? And I thought that that's what the fiscal note was based on as did, obviously, members of the committee. This is the second time this year that we've tried to supersede a previous bill or a previous action. I don't understand that type of legislation. I don't understand why we can't stick to our word. Now I know that there's a lot of things on the underlying bill that people have issues with that we're gonna be talking about this for a long time, but I wanted the federal employees who had celebrated the fact that they finally had taxation eliminated on a deal they made with the federal government and actually the state government as well, that I was going to fight for it because this makes no sense. We're going to give you something and then take it back. And I don't understand why nobody came to talk to me since that was my bill originally. I don't understand the purpose of that to hear things second hand, hear it through the grapevine, and hear it from Nebraskans who are up in arms and troubled by this. Again, if you look at both bills, there was no opposition the first time, and lots of proponents, plenty of opposition the second time, and no proponents, but yet still voted out 8-0. If there's confusion, that should have been resolved last year instead of, oh, no, we panicked, we did something wrong.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: One minute.

BLOOD: I don't think we did anything wrong. What we did was we provided tax relief, which we talk about on this floor all the time to our federal employees. And a very small percentage of the retirement is Social Security. So I purposely don't comprehend what happened. I don't know if this is good government, but I want it put on record that I was fighting for these people who we are now taking something away from. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Mr. Clerk, for items. Next item on the bill, Mr. Clerk.

CLERK: Thank you, Mr. President. Senator Linehan, I have MO1350 to recommit the bill with the note that you would withdraw.

KELLY: Without objection, it is withdrawn.

CLERK: In that case, Mr. President, Senator Hansen would move to amend with AM3362.

KELLY: Senator Hansen, you're recognized to open.

HANSEN: Thank you, Mr. President. AM3362-- I won't say it is a simple amendment, but it kind of is. It came out of Revenue Committee 8-0. It didn't have any opposition. It has to do with clarifying gold and silver in statute when it has to-- when it comes to coins right now. Bullion is defined in the state of Nebraska that has to do with bars and ingots and commemorative medallions. We are now just including coins, notes, leaf, foil, film because there's different ways people purchase gold and silver in the state of Nebraska. So this is including that as part of bullion. So it's kind of more of a definition change or inclusion-- inclusion in definition. We also include a definition of central bank digital currency. Some of you might remember that Senator Clements also did this as well in a different area of statute when it came to banking. This has to do with defining central bank digital currency using very similar language that he used in this area of statute and money does not include central bank digital currency. We also have that clarified in statute. Several states have induced and progressed legislation similar to this. These states include Georgia, Iowa, Kansas, Mississippi, Oklahoma, and West Virginia. Georgia recently held a hearing on their bill. Iowa, Kansas, and Oklahoma have passed their respective measures out of subcommittees and full committees. And this was amended in committee to make sure that we do not include gold and silver as excluding it from capital gains when it

comes to retirement. So those will still be included, capital gain nets and losses when it comes to retirement plans, so. It's modeled after an amendment inserted in the Kansas bill before it passed out of committee. The language would ensure that this exemption would not apply to capital gains or losses experienced from sale of gold and silver bullion as a result of taxable distributions from any retirement plan account. So just that, in essence, is what the amendment includes. And like I said, again, it got voted out 8-0 and there was no opposition during the hearing. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Senator Kauth has some guests in the north balcony, fourth graders from St. Stephen the Martyr in Omaha. Please stand and be recognized by your Nebraska Legislature. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I think I rise in support of AM3362. Senator Hansen did come over to talk to me about it and I have not that strong of feelings about gold and silver. They're nice. They're pretty. They can be pretty. I think some wars have been fought over them. So, you know, this does seem like a reasonable fix to this or change to this bill. So I'm probably not going to say too much more about it except that, yeah, gold and silver bullion. Would Senator Hansen yield to a question?

KELLY: Senator Hansen, would you yield to a question?

HANSEN: Yes.

M. CAVANAUGH: What is the history of the word bullion?

HANSEN: Usually, I'm pretty astute in definition and language in my bills that I am unfamiliar with.

M. CAVANAUGH: OK. Well, are you familiar with a show called: Way with Words?

HANSEN: I don't think so. No.

M. CAVANAUGH: It's on public radio. It's a fantastic program. And maybe we should call in to them and ask them for the history of the word bullion.

HANSEN: We could.

M. CAVANAUGH: We should.

HANSEN: And this is a momentous event when you and I actually agree on a bill. So this is actually pretty good.

M. CAVANAUGH: And I full-throatedly agree with AM3362. I don't know if I could agree with it anymore.

HANSEN: All right. Good.

M. CAVANAUGH: So thank you. Thanks for yielding to my question.

HANSEN: Thank you.

M. CAVANAUGH: OK. Well, I see other people in the queue so I'm going to get out. I was in the queue on the last motion, so I wasn't intending to speak on this amendment, but since Senator Hansen so graciously came over to explain it to me, I thought I would speak on my support. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Again, good morning, colleagues. And I really want to thank members of the Revenue Committee for their candor and openness in helping those of us on the floor who did not have the benefit of sitting through the public hearings and hashing out some of these issues in Executive Sessions to, to kind of get up to speed about where we are, where we were, where we are now, and, and kind of what the plan is moving forward. And one particular issue that I wanted to raise in regards to LB1317 that I have had the chance to talk with Revenue Committee members about, and I know they, they have a great deal of detail to bring forward to help illuminate some of these issues for, for, for the body. I think Senator Bostar is punched in. I've had a chance to talk to Senator Dungan, and I know that Senator von Gillern also has substantive amendments to address some of these issues. But there has been a lot of media attention and a lot of outreach from different parties in relation to some of the big thinking around developing amusements, developing shopping districts, youth sports districts, recreation districts, good life districts, so to speak, and trying to figure out what that means for discrete projects that are well known and are out there, and kind of what the current law is being utilized or contemplated for, for other communities. So in a very simplistic understanding of the landscape, it seems that the existing law related to the good life projects needs to be addressed, needs to be reformed, needs to be updated to take into account some unintended consequences, but trying to get a better

understanding of how parties were acting in reliance to existing law, how these changes will change behavior for some of those projects that are out there, and just really trying to get a clearer-- a clearer understanding about some of the technical aspects of the components related to good life districts in LB1317. I know just reading media reports and having a chance to briefly examine some of the committee hearings in Revenue on these issues, that there were significant questions raised about constitutionality, about legality. There seemed to be a great deal of disagreement amongst landowners in some of the impacted communities. And I'm, I'm just trying to understand if, perhaps, some of those questions and concerns have been addressed. It's my general understanding that Senator von Gillern has been deeply involved in those negotiations and has substantive amendments pending to try and help us get a better understanding about those discrete issues, perhaps close some loopholes or unintended consequences that all parties seem to agree need to happen with the good life policies, and then maybe can help us understand how, how that tax policy would work moving forward. So I wanted to lift those seriously and substantively on the record. And I, I know that I'm getting a lot of questions from constituents and stakeholders that are talking about how does this project work? What does that mean for the state as a whole? Is there a special tax preference or treatment--

KELLY: One minute.

CONRAD: --there-- thank you, Mr. President-- that's available to other communities? And if not, why not? Just really trying to sort out the nuts and bolts of some of those questions before even deciding, you know, whether to give a thumbs up or thumbs down or a green or a red. There are serious substantive questions that, that I appreciate additional dialogue on. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Linehan, you're recognized to speak.

LINEHAN: I'll be short on this. I just want to go back to this FER situation. I've got staff looking for the floor debate that we had last year, and when I get it I will hand it out. But I know on the floor debate, I was very clear that this was for people who were on the old system, not on Social Security. And as far as Social Security's not near as much as the FERS retirement, I-- again, I know personally how this works and they're about equal. So it is not-- and if you're in upper income levels, as we all know, Social Security goes out depending on how much you make and how much you pay in. Same with FERS. They're about equal. So I don't think it's fair to say that we

are-- we're being unfair to these people. And when I have that, which we're looking for, when I have the floor debate and my opening explaining it, I think it'll be very clear what we were trying to do. So, hopefully, now you've got the fiscal notes and understand why it's really important we get this passed this morning because it was-- going back to Senator Conrad being careful and looking at the numbers, and making sure we have money to pay for things, we did not pass a \$12 million fiscal note. We passed a \$2 million fiscal note. That's what we said we were doing. That was what was on the green sheet. That's our Bible about this time of the year. So I, I am sorry that people thought we did something we didn't do or didn't mean to do. And I-- again, I saw this in June. I knew in July we had to fix it. I, I don't-- I don't know that we didn't call Senator Blood's office. I didn't think Senator Blood thought that we did that, frankly. None of the conversations we had said that's what we were doing. Thank you, Mr. President.

KELLY: Thank you, Senator Linehan. Senator Bostar, you're recognized to speak.

BOSTAR: Thank you, Mr. President, and, and thank you, colleagues, for the conversation we've been having so far this morning. I just wanted to briefly kind of follow up on what Senator Conrad was speaking to, relating to the good life districts. So last year, we, we put in statute the enacting legislation for the creation of good life districts and we at the time wanted to ensure that we weren't creating an opportunity for only one entity or one developer or one project. So we made decisions with the creation of that law to ensure that eligibility would be broader than having a, a, a singular opportunity in the state. And needless to say, that was certainly accomplished. The problem is we opened the door too far. Where it stands now, essentially anything can be a good life district. And if you talk to folks about what's being proposed, there's a lot of stuff that you wouldn't necessarily have thought would have been the intent behind this initiative. And the benefits of the good life districts, which is the reduction in the sales taxes, the benefits can be gained functionally without having to do much of any development. And so this is-- this is a significant problem. So the current statute in my opinion is broken. And, and I think that that's shared by most of the Revenue Committee. I won't-- I won't speak for all of them, but our conversations in committee on this issue have certainly led me to believe that I think we're all-- we're all in agreement that this-- the current statute does not work well for the state of Nebraska. So we need to make these changes. If we don't, we are worse off. I understand people have questions and concerns about good life

districts and, and I share them. And the committee has been working to actually bring in some real guardrails, bring in some controls, and trying to get a handle on this before, frankly, things spin even further out of control. We've been-- we've been doing work with-- partnered with other senators. You know, Senator Wayne had a bill on the floor where we initially put in a, a three good life district cap. Because of outside pressure, that had to be increased to five. But I just-- I want to-- I want to make sure that folks have an understanding of where at least the Revenue-- the Revenue Committee is coming from as it approaches this conversation around good life districts, which is we need better controls, we need better restrictions. Everything shouldn't be a good life district. And the legislation in LB1317, at the very least, is a step in the right direction of adding some of those controls in place. Thank you, Mr. President.

KELLY: Thank you, Senator Bostar. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. I would like to discuss this-- Senator Hansen's proposal. Would he yield to some questions?

KELLY: Senator Hansen, would you yield?

HANSEN: Yes.

CLEMENTS: Senator Hansen, was this a bill that you brought-- this, this amendment as part of a bill?

HANSEN: Yes.

CLEMENTS: What bill number was that?

HANSEN: I have in front of me. Hey, Ellie, Ellie, what bill number was that?

CLEMENTS: Well, while they get to-- while they get that to you--

HANSEN: LB1305.

CLEMENTS: OK. And was it voted out of committee?

HANSEN: Yes. They, they amended it in committee to make sure that capital gains from retirement was not included as part of this. So retirement, if people ever buy gold and silver as part of a retirement plan, it will still be subject to capital gains and net losses. That

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

was the amended version that came out of committee, and it came 8-0. And the bill had no opposition during the hearing.

CLEMENTS: And I thought we were not adding bills to other bills on the floor at this time. Have, have you gotten approval to do this?

HANSEN: Yeah, I actually did this prior to that announcement and I put it on Select File, so it was a while ago.

CLEMENTS: All right. Well, let's discuss the-- what the bill is really doing. I see that you're defining bullion to add coins. Let's just talk about coins, and that's gold coins and silver coins or just gold coins?

HANSEN: Gold and silver from my understanding.

CLEMENTS: Oh, OK. Oh, I see, gold, silver, platinum, palladium.

HANSEN: Yes.

CLEMENTS: All right. And the-- a person having bullion that-- well, is legal to own bullion in-- these days?

HANSEN: Yes. Prior, it wasn't.

CLEMENTS: All right. That's what I thought. Why are we adding coins as a definition of bullion?

HANSEN: Sure. Coins, along with notes, leaf, foil, and film have become a more popular version that people sometimes buy. Like, if you go to coin stores, like, I know there's some in Omaha where they sell different versions of gold and silver that you can buy. It just doesn't come in giant bars, like, from Fort Knox anymore. Some people buy it in coins and notes and leaf now.

CLEMENTS: That would be like, say, a \$20 gold piece from 1920, but it's worth \$1,000 or whatever it's worth.

HANSEN: Yeah, it could be. Yeah, or American Eagles that they sell now that the federal government makes.

CLEMENTS: Oh, there are new ones that are made now?

HANSEN: Yep. Yep, every year they make new ones, American Eagle silvers or even 10th of an ounce or 100th of an ounce or 1,000th of an ounce gold coins now, too.

CLEMENTS: So if you invest in one of those and the value goes up and then you sell it, this-- what does this bill do?

HANSEN: It's more defining what bullion is.

CLEMENTS: Well, but this bill is going to exempt the capital gain on that. Is that right?

HANSEN: Not in retirement, because if it's-- once it's classified as-- once it's classified as currency. Yes.

CLEMENTS: If it's a personal investment, then I see where it said that it is going to be deducted from your federal adjusted gross income. So you'd pay federal capital gains tax, but this would exempt the state capital gain. Is that right?

HANSEN: Correct.

CLEMENTS: And could you, again, tell me the reason for that?

HANSEN: Because now the coins anywhere just can be classified as currency and so currency in the state of Nebraska and I think, I don't know where-- anywhere else, is not taxable. And we, we passed sales and use tax exemptions on gold and silver years ago. And so we're-- that was already-- gold and silver bullion is already not subject to sales and use tax.

KELLY: One minute.

CLEMENTS: All right. Well, very good. Thank you, Senator Hansen. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen and Clements. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President, and good morning, colleagues. Again, I really want to thank my friend Senator von Gillern for taking time to help me learn more about the negotiations around the good life components of this measure and get up to speed on his great work to try and update the framework for this idea and balance the competing interests and ideas that are out there from the business community, from local governments, and trying to, to make sure that it's good policy. It seems that there's broad consensus that the good life proposal, as written as it stands today in existing law, is unworkable and needs updates. And the work that he and other members of the Revenue Committee have been doing to try and provide a clearer,

stronger framework to that proposal is appreciated. And I know he has substantive amendments up that we need to, to get to so that we can make those updates and adjustments. And I'm not particularly interested in wading into a battle between various and sundry developers, but I do want to make sure that community concerns and local control issues are being addressed, that we are addressing any concerns about unintended consequences for, perhaps, how communities are utilizing this program, and making sure that, overall, we have a clear understanding about what the state benefit is for preferential tax treatment for some of these, these different projects and ideas. And to be clear, as a parent who has just recently put their toes into the world of youth sports, I, I understand that there is a lot of revenue to be-- to be gained there. So I want to make sure that Nebraska is thinking big and creatively and innovatively about how we can create entertainment districts, districts that are attractive for families, either on staycation, residents here in Nebraska, or bringing in folks from surrounding states. And, you know, I, I-- I'm open-minded to a lot of the general goals in that regard, but I, I do just want to make sure that we're thinking through the legal and policy issues and also just have a clear understanding about some of the bottom line. I also appreciate the information that Senator von Gillern passed out to us this morning trying to kind of walk through the different bills that are a part of this proposal and trying to get an update or an estimate on what the fiscal impact might mean. I saw, of course, that there was an updated fiscal note filed yesterday on this, which is complex and, and I'm working through and I also know that the fiscal notes themselves can't be updated until we pass new amendments or the, the Fiscal Office has a clear, clear direction from the Legislature about what the fiscal implications might mean. And for other members who are trying to get up to speed and, and stakeholders that are looking at this issue, it, it would be helpful, I think, if, if Revenue Committee members or Appropriations Committee members-- and I, I, I know you might not be able to be super specific at this point time in--

KELLY: One minute.

CONRAD: --time-- thank you, Mr. President-- but could just help, help the body understand what-- what's the overall price tag? What's the fiscal impact if LB317 [SIC] moves forward with the proposed substantive amendments? And what does that mean for our bottom line and other priorities that are still pending on our agenda? So if folks could just help us get a general understanding about what we estimate the fiscal impact of this proposal to mean, how that works with our balanced budget constraints, and then how that works with other

competing proposals. I, I think that would illuminate members' thinking on how to interface with the significant tax proposals before us today. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Hansen, you're recognized to close and waive closing. Members, the question is the adoption of AM3362. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, 5 nays on adoption of the amendment, Mr. President.

KELLY: AM3362 is adopted. Mr. Clerk.

CLERK: Mr. President, next up, Senator Machaela Cavanaugh would move to amend with FA426.

KELLY: Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Well, I didn't know I had an amendment coming up, I thought I was further down. Well, let's see what this amendment does. Oh, I can ask the Clerk. Mr. Clerk, what is FA426?

CLERK: Senator, FA426 would strike Section 2 of LB1317.

M. CAVANAUGH: OK. Thank you, Mr. Clerk. Strike Section 2. Well, let's just see what Section 2 is of LB1317 and if we want to do that. Oh, I'm looking at the-- have to-- so this is the thing, you have to look at the, the committee amendment because we adopted the committee amendment and we're on Select File so there we go. Section 2: The Legislature finds that there is a high degree of competition among states and municipalities in our nation in their efforts to provide incentives for businesses to expand or locate in their respective jurisdictions; and municipalities in Nebraska are unable to effectively assist the development within good life districts formed pursuant to the Good Life Transformational Projects Act because their inability under Nebraska law to raise sufficient capital to replace the state sales tax which is reduced when a good life district is established. Without an efficient-- efficiency replacement-- efficient, efficient replacement-- I'm not sure what that word is-- replacement of such sales tax with local sources of revenue, development within good life districts will fall short of reaching the full potential intended by the Legislature when it enacted the Good Life Transformational Projects Act, resulting in lower sales tax revenues for the state. To prevent such diminished revenues for the state and to promote economic development where good life districts exist, local sources of revenue must be established which are tailored

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

to meet the needs of the local community and benefit the state if the voters in the municipality determine that it is in the best interest of their community to do so. OK. I'm sure I had a wonderful reason that I wanted to strike that language. I currently cannot recall what that was so I'm going to withdraw my amendment. Thank you, Mr. President.

KELLY: So ordered on-- the, the amendment is withdrawn.

CLERK: Mr. President, I have AM3427 from Senator von Gillern with a note that he would wish to withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Machaela Cavanaugh would move to amend with FA427.

KELLY: Senator Dungan would like to announce some guests in the north balcony, 9th graders from Northeast High School in Lincoln. Please stand and be recognized by your Nebraska Legislature. Senator Machaela Cavanaugh, you're recognized to open on your floor amendment.

M. CAVANAUGH: Thank you, Mr. President. Mr. Clerk, what is my floor amendment?

CLERK: Senator, FA427 would strike Section 1 of LB1317.

M. CAVANAUGH: Ah, thank you, Mr. Clerk. Strike Section 1. That makes more sense. I probably should have filed that one first before the last one because that is, "Sections 1 to 23 of this act shall be known and may be cited as the Good Life District Economic Development Act." I don't think I need to spend time on that so I will withdraw. Thank you, Mr. President.

KELLY: The-- so ordered. It is withdrawn. Mr. Clerk.

CLERK: Mr. President, Senator Bostar would move to amend with FA429.

KELLY: Senator Bostar, you're recognized open on the floor amendment.

BOSTAR: Thank you, Mr. President, and thank you, colleagues. FA429 represents the amendment that creates a compromise and satisfies the oppositional parties on the electric vehicle legislation create-- contained within LB1317. If you recall from General File, we had a spirited debate regarding the provisions related to the first right of refusal that the private sector maintained over public power within

the draft language of the bill. What the amendment would do that, that satisfies everyone-- I won't say makes everyone happy, but, but removes opposition from all parties-- would place a sunset on the first right of refusal after 3 years, and then any projects that had been developed or in construction up to that point would get a 10-mile buffer around it that would prevent the development from public power in those cases, but that would be it. After those 3 years, what hadn't been developed would be fair game for all parties to develop as they saw fit. So this addresses those concerns. It solves those problems. It's, I think, generally what we like to see. So I would encourage your support for FA429. Thank you.

KELLY: Thank you, Senator Bostar. Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. Good morning again, colleagues. I want to, again, thank Revenue Committee members for taking the time off the mic and on the mic to help us all kind of get up to speed on the status of negotiations and what those policy proposals have resulted in and as reflected by the various substantive amendments on this measure pending this morning. I, I just want to reiterate, there's no concerted effort, at least by me, to stop this bill. But when you look at a, a measure that has a, a title that is, is that long, and you look at a fiscal note that's 47 pages long, that's unusual, to say the least, for our policy process in Nebraska. Not casting dispersions, but just seeing technical components like that kind of pop up should, should not necessarily raise red flags, but should be pause for concern so that people can have a good understanding of the complexities of what are contained in these measures. It's my understanding that, overall, this measure will not have a negative fiscal impact on the state, but it is meant to instead be a revenue generator. And that can be helpful to taking care of our other critical state programs and making sure that we have the resources and investments to, to carry those forward and to making sure that we modernize and update our tax code, as we continually do, to close loopholes, to make it more modern, to make it more competitive, to make it more workable. And it sounds like a lot of the components that are put together in LB1317 are meant to do just that. So I also noticed, and I don't think that there's a floor amendment filed on this, but I know that Senator Bostar has worked really hard on one component in this legislation that I wanted to lift the body's attention to in relation-- bless you-- in relation to low-income housing and how that is valued and assessed and, and what that means, particularly in the, the city of Lincoln that has been struggling with this issue. It has been litigated. We recently received a decision

back from the Supreme Court, essentially saying that the, the matter was not ripe and we needed to have more policy work and preliminary steps before the court would weigh in. But knowing that the status quo provided, I think, a significant amount of unintended consequences to the development of low-income housing, we do need to get a resolution on that. And I know Senator Bostar and Revenue Committee members have worked very closely with home builders, with the city of Lincoln, with Lancaster County, with TERC, with the People's City Mission, and other folks that are trying to meet a significant community need by building that kind of housing, but are seeing some of those goals frustrated by how our tax law implicates their work. So I was just hoping that we could have a little bit more clarity on that point. And in recognition that if these policy resolutions are not adequate to address the situation, this could be an area that, that would see additional litigation in the future. And so it's ever more important that we do--

KELLY: One minute.

CONRAD: --have a, a clear record of the Legislature's intent in this regard. So I'd appreciate Senator Bostar or Revenue Committee members also speaking to that component, which, I don't think is subject of a substantive amendment. And otherwise, without the Q&A, we would not have the benefit of that dialogue. So thank you, Mr. President, and thank you to Senator Bostar and others who might be willing to, to share more information about the, the housing component. Thank you.

KELLY: Thank you, Senator Conrad. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you. I want to just speak a little bit to Senator Bostar's FA429. I appreciate him bringing that amendment and, and Senator DeKay and public power and the motor fuels industry for reaching an agreement. I think it's a compromise. Definitely, it's a compromise. I think nobody's happy with it, but they, they can live with it, so. But just to give you a little color, I think it's important to note that in Nebraska, we are a public power state so the Nebraska Public Power District is the primary generator of power, and they wholesale that power to other areas and other districts that then become retailers to, in their particular territories, to be able to sell electricity to you as a consumer to light your home and to your farms and ranches and so on. And then some of the cities out there have their own power generation and, and they use that, of course, to sell to retail clients as well. However, the petroleum marketers are people have, historically, been the ones who have refueled our cars and have built the infrastructure along the interstate, in particular,

to-- for truck stops and to be able to have inside sales, restrooms, restaurants, all those things, all those amenities for the traveler. So the federal NEVI funds are out there now. We are running out of time to commit to those NEVI funds. We have to use those funds within the next 5 years to invest in charging stations, particularly down the interstate corridor. Why is that important? Well, it's important because if we're going to be in Nebraska along I-80 and you've got people driving hybrids or in many-- in some cases, total electric vehicles, they're going to need to charge along the way. And that's what the NEVI funds were really developed to do. So the question then becomes who should build out these charging stations? These chargers are of different speeds. You've got the high-speed chargers, which could probably charge your vehicle in about 20 minutes. Those are the high-speed chargers, about a million bucks to put those in. You can get the slow-speed chargers, which are the ones you can plug into your car overnight, so those would maybe work in a motel situation to where they could plug it in overnight and charge it there. So the question then becomes who should be building these? Who has jurisdiction? Certainly, public power would say, hey, we produce the power, you know, we ought to be able to do it. Petroleum marketers, on the other hand, believe that, hey, we're the ones that are providing the infrastructure and the fueling for motor fuels, so why not us? But whoever does it, we need somebody to do it. And we need to be able to utilize the NEVI funds now to be able to drive that cost down. And when you start looking at where electric cars are right now and where our electric generation is at, our capacity, there are some issues. So if you're going to sink \$1 million into a high-speed charger, you're going to want to make sure that there's nobody going to be too close to you that's going to divide the limited traffic that you're going to have. And so that's what the petroleum marketers are concerned about. They would like-- they have the infrastructure in place today. They would be the right ones to build them on the interstate. But, yet, at the same time, they want to make sure that this is going to work for them. Public power wants to be able to sell the power, and they want to make sure that these stations get built. So this was the compromise with the 3-year right of first refusal to where public power decides they want to put one somewhere they would-- the petroleum marketers have the right of first refusal to put one in. That, that goes in place for 3 years. Also, if you put one in, you're protected within a 10-mile radius of, of someone else or public power, in particular, coming in and building another one, because that could take away from what you're doing. We also want to be cognizant of the fact that you could use ratepayers' funds to be able to subsidize public power where the motor fuels people would have to rely upon profits within their

inside sales, restaurants, and so on. So we think that, in my mind, the motor fuels industry is in better position to take care of this and to place these chargers in the stations if we're talking about the high-speed units.

KELLY: One minute.

JACOBSON: So-- thank you, Mr. President-- so with that in mind, we'd like to be able to see this work for them. But they want some time to get this started and they want some protection on the back end. So I think that's what this has done. Again, I don't know that everybody's thrilled with the agreement, but I think they're certainly satisfied. So I appreciate Senator Bostar and Senator DeKay working with them to get something worked out. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Senator Erdman, you are recognized to speak.

ERDMAN: Thank you, Mr. President. I'm going to use a line from Senator Jacobson. I'm going to be brief. OK, that got a laugh from some people. Here's the-- here's the issue. This is a sunset. I've been here, let's see, today is 58, so 597 days in the Legislature in the session. I can count on one finger the amount of bills that had a sunset that actually were sunset. So those of you that are going to continue, and some of you may be here when this sunset is supposed to be applicable, I'm not a betting man but on this one I would bet that it doesn't sunset. So just be aware whoever agreed to the 3-year sunset, public power, whoever it was, you better have your ducks in a row in '27 or whenever the sunset is supposed to happen, that it does actually happen. Because if I'm still around, notify me that I was wrong. But I doubt that this will sunset. I understand what Senator Jacobson said. It's an agreement reached, and I have to believe that to be the case. And so I would advance to move this so we can get to the other amendments. Thank you.

KELLY: Thank you, Senator Erdman. Senator Linehan would like to announce some guests in the south balcony, fourth graders from Westridge Elementary in Elkhorn. Please stand and be recognized by your Nebraska Legislature. Senator Vargas, you're recognized to speak.

VARGAS: Thank you very much. It's a miracle I heard that out there, actually. I wanted to rise in support of a couple of different bills that were part of this for, for good reasons. So one, thanking Senator Bostar for his work on the broadband exemption within the qualified census tracts. I know there's no fiscal impact, but I think it's

important to just call out that this in particular targeting qualified census tracts and lower-income individuals from getting this broadband exemption locally is very, very good for lower-income Nebraskans. And fits in with something that-- unless you're in a qualified census tract right now, I think people forget that for individuals that are in qualified census tracts, you are lower income, you are of higher poverty, you're-- have higher under, under and unemployment. And when you're adding all these different things on top of cost of living raises, inflation, and when we're talking about trying to make sure we're giving taxpayers back money in a targeted way, and I think similar to what Senator Conrad was, was sharing in regards to some of the other components here for the-- for the housing bills, I think that is an important-- an important thing to call out here in terms of a good piece of legislation within this. And I also wanted to thank Senator Bostar for his work on the tuition fix. It was something that was needed and necessary and it's, it's more of a bit of a cleanup. And then I, I also wanted to call out the fact that there-- within all of this package and part of the reason why I do think it's important to, to pass, is this is generating revenue to be able to offset and reduce the amount of nightmares that Senator Dorn and Senator Clements will have in the future here. So-- and I believe with the last fiscal note, it's somewhere in the region of \$8 to \$12 million revenue raiser every single year, which doesn't include the federal revenue raising that will come through some provisions that are passed on this. So I think it's important because, again, as you look at the green sheet and as I keep reminding everyone, if we passed every-- let me make sure I get the correct number-- if we passed every bill on Final Reading, on Select File, and E&R Initial, by the end of '26-27, that is-- well, we are significantly down, hundreds of millions of dollars down. So there still are conversations that are to be had on which bills we will be prioritizing and passing as-- that have a fiscal impact. I know that Senator Linehan and other people on the Revenue Committee have been working on, on reducing the revenue impact on a lot of these revenue bills. It still doesn't absolve the rest of the body here or any of us on every single other bill that we are passing on Final Reading, and I know that this is a task also put in the hands of the Speaker, which is whichever bills that are passed first on Final Reading that have a fiscal note will be the first bills that are taking away from the amounts that we have sort of left remaining, that sort of \$23, you know, million dollars by the end of 2027, which means that every single vote you're making on an A bill, it is saying this is more important than the other A bills that are currently on Select or Final Reading right now. So I just want to make sure that's very clear, because then if there's a point where people are asking why

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

didn't my A bill get passed or why didn't my, my bill get passed, it's going to be because we ran out of money and because-- well, I'm assuming the Chairman and the Speaker are going to say we are--

KELLY: One minute.

VARGAS: --we don't have any more money to be able to pay for those A bills. There's no money available for the floor anymore. So we should be asking questions on which bills are getting prioritized that have a General Fund obligation right now that are getting scheduled. What is the prioritization with that scheduling? And are we focusing on bills that are just smaller FTE or fee-processing bills that we should be passing that are small or are these \$500,000, \$1 million, \$1.5 million General Fund obligations? But I'm calling that out because I know we have been kind of moving along supporting every single A bill, supporting moving bills. But at a certain point, people may be voting against their own interest in other bills that have a General Fund obligation right now. And I want to make sure people are aware of that when you're voting for an A bill. So we will get to this point. I'm sort of also publicly charging our Chair--

KELLY: That's your time, Senator.

VARGAS: Thank you very much.

KELLY: Thank you, Senator Vargas. Senator DeKay, you're recognized to speak.

DeKAY: Thank you, Mr. President, and good morning, body. I'd just like to speak on behalf of FA429 and urge your support for this amendment. There were a group of people that worked very hard to bring the amendment closer together that would be fairer for everybody involved. A lot of conversation took place behind the scenes yesterday, and I'd like to show my appreciation by thanking Senator Bostar and Senator Jacobson for their work on this and to the parties involved for them being able to compromise and come together. I know not everybody got everything they wanted, but I think we came close to doing as well as we could with it. So I urge your support for FA429. Thank you.

KELLY: Thank you, Senator DeKay. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Again, good morning, colleagues. I just had a few additional questions to dovetail. And I appreciate Senator Vargas lifting up some of the really exciting components of this legislation as well, which will help to address connectivity for

unserved and underserved areas in regards to broadband access, which we know is absolutely critical for all of our citizens to have access, thereto, in a global economy for work, for accessing medical care, for doing school things, for paying bills. It's really challenging, if not impossible, to navigate daily life without access to reliable Internet. So I think that can go a long way and is definitely important for a, a lot of our underserved areas. The questions that I wanted to ask either committee members through Q&A or perhaps rhetorically if they'd like to respond on their own time is, one, how does the good life proposal-- and maybe we can take this up in Senator von Gillern's substantive amendment-- how does the good life proposal interface with TIF? Does it? Does it complement? Are there any sort of unintended consequences, therein? I'm just trying to understand how the policy design works between a newer program like the good life district and existing programs like TIF and what that means for the bottom line and advancing our, our shared goals. The other thing that I am hoping is that, perhaps, Senator Bostar star can just walk us through kind of what the current law is that's causing frustration for developers that are trying to do the right thing in increasing access to housing to help low-income families and populations, and how the changes in this law that's brought forward will take care of some of the issues that have been raised during our experience in litigation and recent Supreme Court decision as well. And I think-- I think that would be very helpful. The final point that I think Senator Vargas was right to mention, and going back and putting on my former Appropriations hat, I, I just think that this might be an important point for education for the entirety of the body to kind of think through how these policy proposals impact the green sheet, and perhaps ask Senator Clements or other members of the Appropriations Committee to help the body understand how our balanced budget requirement works. Thankfully, Nebraska has a, a long-standing, thoughtful provision to ensure that we are good stewards of the taxpayer dollars, to make sure that we pay our bills, that we don't incur fiscal liabilities that we can't attend to. And I think that, in line with our overall polit-- policy approach to our finances has helped us to take a conservative approach that has kept our financial position strong, whether that's looking at reserves, whether that's looking at retirement, whether that's looking at investments, whether that's looking at budgetary and tax-related issues. So I think it might be helpful-- and I see Senator Dorn sitting there, unfortunately for him he's right in my line of sight-- but if, if somebody would, would maybe just follow up on the points Senator Vargas rightly raised from an Appropriations perspective to help the body understand--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: One minute.

CONRAD: --how-- thank you, Mr. President-- how the balanced budget component in our state constitution interfaces with our bottom line at this point in time. Does it come into play, essentially, when we set the, the biennial budget in, in the first part of the biennium? Does it come into play now as we're making adjustments in, in the second year of the biennium? And then what does that mean for our treatment of the out years and those projections as well? I think just a 101 kind of explanation or understanding of those issues might be important to lift at this point in time. Thank you, Mr. President. Appreciate the, the time and look forward to any feedback from committee members who might be able to speak to those points.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Bostar, you're recognized to close on the floor amendment.

BOSTAR: Thank you, Mr. President. So-- and I am going to punch in, that way I'm, I'm up in the queue to speak to some of the elements of the legislation that Senator Conrad-- we're, we're talking about. But for right now, just to, to summarize, FA429 addresses the conflicts that existed between the public power entities and the petroleum marketers. And I think we had a good conversation on it. I-- in particular, I really want to say that, you know, this compromise wouldn't have happened without public power and petroleum marketers, you know, negotiating in good faith as well as the, the real, real efforts of Senator DeKay and Senator Jacobson. We wouldn't have gotten to this point without, without all of that coming together. So with that, colleagues, I would ask for your green vote on FA429. Thank you, Mr. President.

KELLY: Thank you, Senator Bostar. Members, the question is the adoption of FA429. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays adopt-- on adoption of the floor amendment, Mr. President.

KELLY: FA429 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Bostar would move to amend with AM3378.

KELLY: Senator Bostar, you're recognized to open.

BOSTAR: Thank you, Mr. President. This amendment, we were just trying to clean things up this morning and get everything filed that we

needed to. This represents language relating to the, the arena turnback provisions that were left out of another piece of legislation that we've already advanced to Final Reading. So we're, we're, we're picking it up here, that way we don't have to waste more time coming back from Final to, to addressing this. So we're just addressing it here. It would tweak the current program in order to enhance usability for different kinds of projects. Again, these projects all have to be evaluated by DED and approved by the Governor. And I'll, I'll-- that being said as well, I'll say that I have a floor amendment coming that would amend this that would actually make the enactment of the language in AM3378 not-- it would put a sunrise on it so it wouldn't even start or be eligible to be used until 2027. So I would appreciate your support for AM3378 so we can just kind of get this moving along. Thank you very much.

KELLY: Thank you, Senator Bostar. Senator Hansen would like to announce some guests in the north balcony, fourth graders from Fort Calhoun Elementary. Please stand and be recognized by your Nebraska Legislature. Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Bostar would move to amend the amendment with FA434.

KELLY: Senator Bostar, you're recognized to open on FA434.

BOSTAR: Thank you, Mr. President. Thank you again, colleagues. Like I said, FA434 creates an enactment for AM3378 and pushes it out to 2027. I'd appreciate your green vote on everything that's on the board. Thank you very much.

KELLY: Thank you, Senator Bostar. Returning to the queue. Senator Bostar, you're next in the queue.

BOSTAR: Thank you, Mr. President. Well, I said that I would speak to some of the challenges we've been having in, in Lancaster County, but it's gone beyond that, that, that Senator Conrad had, had brought up, that we have legislation within LB1317 to address and, I think, speaks to, I think, really the nature of what this Revenue package is about. This is in a lot of ways a, a kind of a, a, a cleanup package trying to update things, correct things, and make sure everything in statute is aligned with our intention. So that speaks to the good life districts, as I-- as I talked about earlier, right? The current-- the current statutes on the books don't work, certainly, don't work the way we intended. And I don't think-- don't work for Nebraska. So that's one. And another piece in here related to affordable housing,

so what happened was we have current statutes in law related to the valuation of affordable housing projects, specifically as they relate to Section 42 of Federal Code for affordable housing. The [MICROPHONE MALFUNCTION] the way our statute worked was leading to some unintended consequences, especially as time went on. So what was happening was there were valuations that were being produced in accordance and in line with the statutes that we have that were producing a zero dollar and negative dollar valuations for properties. Obviously, that's unacceptable. And, and it was unacceptable for Lancaster County. So the assessor-- well, the, the county-- I think it was through the assessor, but, but that detail I'm less-- I'm less confident in, sought some relief and guidance through TERC. TERC allowed the county to change the manner in which they were valuing the properties and, basically, pushed the county into valuing the properties at full market value, which is also, frankly, unacceptable. Right? These are properties that cannot recoup market rates, market rents, and so cannot support market valuation because the property just isn't worth it if you can't get the return. The asset just doesn't have that value. And so at market rates, we're talking about thousands of a percent increase in the property taxes paid by affordable housing projects. If we-- that led to a lawsuit, jumping ahead to what we're doing in this bill. This bill contains the statutory language that's agreed upon by all parties within this. The developers, the homebuilders, the county, the, the county attorney's office is working on it, working on the lawsuit in the case, the law firm that sued the county representing the, the housing developers, everybody came in, in support of this bill. So this would address it, it creates more of a rolling average. Be eliminating the propensity to see some of these negative and zero valuations. And, and I believe this will settle those legal issues. And it also will provide property tax relief to very, very nece-- necessary projects, affordable housing projects, as well as assisted living communities that are serving Medicaid waiver patients. And so-- and, and as well as sales--

KELLY: One minute.

BOSTAR: --restricted housing. And so sales restricted housing, that's where you have a deed restriction, like if you-- if you literally cannot sell your house for more than a certain amount of money, it doesn't make sense for us to attach a, a, a valuation that's directly correlated with your taxes on a value in excess of that. Because if you can't sell it for that, it can't be valued above that. It just doesn't make any sense. And so we're addressing that. On that particular point, if you have a sales-- a deed restriction, a sales restricted housing project, you're at market value or what you're

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

capped at, whichever is lower since you actually cannot exceed that amount. So LB1317 has a lot of really important things in it that solve a lot of problems for the state. I would encourage your support for all-- everything that's on the board. Thank you.

KELLY: Thank you, Senator Bostar. Senator Vargas, you're recognized to speak.

VARGAS: Thank you very much. We had a really good conversation over there with the Speaker, and with the Chair of Appropriations, and with some other Appropriations members. You know, a part of this is within this debate. Again, this is a good bill, appreciate Senator Linehan, Chairwoman Linehan, and Senator Bostar, and this is a revenue-generating bill. But what we're also starting to talk about as we're getting to these next, at the end of this year is-- you know, I won't be here, many of us won't be here to have a, a fine look at where we'll be at the end of 2027, in terms of our spending and a balanced budget by the end of 2027. Every obligation in terms of an A bill that we passed this year is going to further draw us down, and we will have to balance the budget based off our cash reserves, and we can do that. But because new spending obligates us into the future years, we will be putting ourselves in a very precarious situation if we are not mindful of what we do and do not vote for from here on in, which also means that for every A bill that we vote on, it is puts-- putting us in a situation in two places. One, these are bills that will obligate us in a-- in this next biennium. And if revenue receipts are lower than what our projections are, we will be forced to make cuts from our budget, our biennium budget, or we'll be forced to not fund bills that have been passed, and that will be left up to the Appropriations Committee, or will be left up to the Governor, potentially even in vetoes, even this year. It's the reason why I, I'm putting like an asterisk of caution on anything that is costing us more revenue. I know we were going to-- we will talk about LB388. I do want to thank the Revenue Committee for finding offsets, you know, and, and looking at the revenue projections for that and making it work. It, it really does help. So I do want to thank people for that work. But in the second piece, there are other bills which in theory we all support. They've had a lot of-- a lot of general support which will over-obligate us. We'll be able to balance the budget this year, but I encourage people to look at the green sheet to see what the out years looks like, so that we're really prioritizing is X program or is X increase important, important enough to say we're going to vote for it this year knowing it will over-obligate us into the future years. So the questions that I had for the Speaker and for the chairman is clarification on where we will be if we pass every bill that's on

Final Reading and on Select File by the end of 2027, both in terms of revenue loss, revenue generators, General Fund obligations. I think it's an important conversation to have as we prepare for the following biennium and for other bills. We have really big rocks that we're working with, but there's a lot of smaller rocks in terms of bills that we should be considering, and they do add up, right? So I think there's a lot of consensus on some of the big things, specifically what the Revenue Committee is working on. There's a lot more consensus on the big things. But a lot of the other bills that are not in bigger packages do add up and are important for us to consider. And I just wanted to make sure, maybe it's because I'm sitting in Senator Bolz's seat, that we are considering that given I'm on my way out, many of us are on our way out, it's a conversation we've had in committee a lot. It's the reason why, when you look at what we kicked out from the Appropriations Committee, we had incredibly small over-- sort of overall spending that we put out to the floor, were just mandatory increases in what we had to do with TEEOSA, mandatory increases that we had to do with the homestead exemption and other things. So it's just a-- painting the picture on the decisions that we have moving forward so that we are fully aware of where we are on the other bills and the other things. Because we did put out a, what I would say, a, a balanced budget and, you know, it's, it's important the work that we did in committee. And I appreciate my colleagues for being mindful of not putting in new spending obligations within the budget, with the budget adjustment this year, that will, you know, tie our hands into the future. But again, we're, we're working with the big rocks. That's-- I'm less concerned with the big rocks right now, I'm, I'm sort of more concerned with the-- if you add up all the other bills and ideas, they do add up to more spending, either new General Fund obligations or revenue loss, and it's something that we should be talking about as we head into these last few days for the last Final Reading bills. So I thank my colleagues for engaging in this conversation, and appreciate you all as we are making these tough decisions down these last few days here, and in my last few days in the Legislature. Thank you.

KELLY: Thank you, Senator Vargas. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Good morning, colleagues. I was having a very productive conversation about this bill with Senator von Gillern. So I wonder if he would be willing to answer some questions on the, the mic, and we can talk through some of this. von Gillern.

KELLY: Senator von Gillern, would you yield to some questions?

von GILLERN: Yes.

DeBOER: Senator von Gillern, we were talking about some of your work that you've been working on on this bill, and you were telling me about the good life district and some of the modifications that are going to happen. I understand you still have an amendment that's up in Bill Drafting. Is that still true?

von GILLERN: Yeah, they are working on it. We have just a couple of final things that are trying to get resolved on that. But yes, that is true.

DeBOER: OK. Could you just sort of articulate for us the main points of change that'll be happening?

von GILLERN: Sure. So the Good Light District bill that got passed last year was great structurally, but it had some, I don't want to say flaws, but it had some areas that we could fill in the gaps on, and so we're, we're doing that this year. Several of those were the funding mechanisms regarding the, the actual sales tax decrease and increase. One of the things we worked out in the amendment is that the, the applicant may work with the city in an exchange of sales tax for infrastructure costs. And at one point that was a "shall," and we made sure that that's a "may," so to kind of-- to protect the, the local taxpayers' rights. Another item that needed clarification was protecting the property rights of the adjacent property owners, because the district itself contains property that is not at this time owned by the applicant. So we wanted to make sure that the other property owners within the good life district, that their rights were protected. So we made sure we wrote in protections for that that includes such things like a hearing must be held with the DED in order to consider removing any property from the good life district. Also included in there that 180-day notice must be given to a property owner if it's being considered that they would be removed from the district. And, and there has to be cause for that. It has to be some evidence or reason that maybe they're going to do a development that would not live up to the intention and the-- and the guidelines of good life district, which are, you know, bringing in new to market retail, and out-of-state visitors, and basically new money, which was really the impetus behind the district idea.

DeBOER: You also mentioned to me when we were talking about retaining the zoning rights for the local area. Can you talk about that?

von GILLERN: Yes. So the-- there was a desire that the applicant have control over the design standards. So what we did to make sure that we're protecting the rights of the city or the governing, governing jurisdiction, wherever these are built, is we made sure that the, the city or county's zoning restrictions would be the floor, that would be the limit that you could not decrease, but the applicant could potentially increase upon that. So, for-- an example, would be maybe zoning says you could-- you could put up a building with metal siding. But the-- but the applicant's good life district approval that goes through DED might say you have to have brick veneer exterior.

DeBOER: So these are mainly, or the intention is that these be mainly esthetic--

von GILLERN: Yeah.

DeBOER: --requirements.

von GILLERN: The, the industry term would be design standards, yes.

DeBOER: OK. All right. So talk me through one more time the sales tax issue? So under current law, how does the sales tax work with these good life districts?

von GILLERN: It's a-- it's basically half of the state sales tax that is-- that is forgiven in sales within the good life district for that term of the good life district. And-- but that-- it was difficult to turn that into a--

KELLY: One minute.

von GILLERN: --cash mechanism in order to really do anything for infrastructure. So that's what led to the conversation of potentially, or, or at least allowing building a system where the, the applicant could work with the city or the local jurisdiction in order to trade either their, their occupancy tax or their local sales tax for infrastructure. So the, the, the applicant could come in and say, I'm going to put in all the streets, all the sewers, the sewer treatment, the water lines, everything else. And in exchange for that, I-- they're asking the city to forgive a portion of the tax in that area so that it doesn't harm the, the, the taxpayers. It doesn't put an undue burden on them for having to put infrastructure in that they're not benefiting from, and it allows, again, it allows the project to get-- to get rolling.

DeBOER: And are those sales taxes just the local sales tax, or this is the state sales tax as well?

von GILLERN: The state sales tax, half of the state sales tax is forgiven. This is an additional piece that would allow for local sales tax, again, to be-- to be-- allowed to be used, again, for--

FREDRICKSON: That's your time.

von GILLERN: --infrastructure that the city would benefit from. Thank you. Mr. President.

DeBOER: Thank you, Mr. President.

FREDRICKSON: Thank you. Senator DeBoer and Senator von Gillern. Senator Linehan, you're recognized to speak.

LINEHAN: I just want to clear up some things about this particular bill. This bill actually brings money to the floor. It does not cost money. And I think Senator Dorn may have just spoken to this, but this is-- brings money to the floor. And then also, when you're looking at the green sheet, what we did last night with LB1402, we repealed the scholarship tax credit, so that's \$25 million that comes back to the green sheet. Then we dropped-- it was going to be just a wash between LB1402 and the tax credit, but then we dropped the scholarship amount last night from \$25 million to \$10 million, so that brings \$15 million for three years to the green sheet. So between that bill last night, and appropriators can correct me if I'm wrong, but that brings \$15 million for three years, which is \$45 million. This bill brings \$12 million a year. So I think worrying about-- none, none of the bills we have today-- I'm not saying none, but the, the big effect today, on the bills we have today, is it adds money back to the green sheet, does not take money from the green sheet. Thank you, Mr. President.

FREDRICKSON: Thank you, Senator Linehan. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. President. Was going to get up and talk a little bit about the green sheet, too, and haven't done this for a few days. Thank you, Senator Linehan, for some of your explanations there. And Senator von Gillern did pass out a sheet to everybody this morning explaining LB1317. And when you look at that sheet, and the thing I see is, LB863, there is a \$12 million net back, so LB1317 now will be bringing some funds back also. But I want to talk a little bit about the green sheet, because I talked the other day about how much three years out, and how when you look at this, we have the current year,

where we're sitting at, what we brought to the floor, that's on the front page, in the, I call it, in the square box down there on line 30 or yeah, 32. That's where we have this year, and then three years out, and those three years out numbers again. They're plugged in numbers, that's what they have kind of been on average for the last so many years, those, those are plugged in numbers. They're a guideline for you to use out there. But where we were, I call it two weeks ago, and where we are now, I've seen quite an improvement in this green sheet. I wanted to then talk about the bottom of page 2, that is where it shows Final Reading today. We're at a plus \$11 million, almost \$12 million out there, the bills that we've passed lately. So we really changed that from a negative, we were over \$100 million negative number, to now a positive \$11 million. So I really, really want to thank everybody for all the work they've done on all these bills, and all the discussion, and, and how they really work to, I call it, bring this more back in line. Page 3 though, when you look at page 3, down at the bottom of the green sheet on page 3-- well the top is the revenue. Those are all the bills and what we're spending. And the, the-- it has '25-26, and it has the other two years out there also, that you look at, the three years out there. But down at the bottom it has revenues. And these are what-- when, when Fiscal puts our numbers together, and on the front page it shows the revenue we're getting in, which this year will be \$5.37 billion, these are the numbers that affect that revenue. These are the numbers that are counted in there, I call it-- and where, or where or why our revenue ends up the way it does, that has bills on Final Reading, the ones that affect it. And then down at the bottom it has-- the very, very bottom of the page 3, it has Select File. It has the bills there that are affecting-- on Select File and E&R Initial. And the big one there really is LB1331, and that's a change to TEEOSA, which is-- LB1331, if you remember, that's the frontloading of our income tax property tax credit. I just looked up again what Keisha from our Fiscal Office gave us-- gave me numbers. This year, that's \$560 million, next year, 580, then it's \$600 million, and then it's \$620 million. So that is, I call it, if it stays the way it is today, that's how our revenue would decrease by those amount, and that's included in the front page, those numbers. So when you look at LB1331, that adds up to \$1.578 billion that is included in these lines. And that's why that--- when you go back to page 2, that number shows \$1.618 billion. So that's why those numbers are as big as they are. Later on today we'll find out if LB388 passes, the amendments and all that, where we go with all of those things. This green sheet, though, is guidelines for the next two years out there. But it's also very important that if we leave here with a negative number--

FREDRICKSON: One minute.

DORN: --especially a big negative number, it will affect us out there next year on the budget. I want to thank everybody for looking at the green sheet. Everybody should look at it every day. But I want to yield the rest of my time to Senator Vargas.

FREDRICKSON: Senator Vargas, that is 46 seconds.

VARGAS: It's perfect. That's all I need. One, I, I want to urge your support of LB1317, the underlying amendments, and the floor amendment. This is going to be a revenue raiser, and I really appreciate Senator Dorn for making those clarifications, just so we're educating ourselves so that we're being mindful. Because everybody should be mindful, not only when we pass the Appropriations bills, but we're thinking into the future. And I'm really thankful for the work that every committee has done and what Senator Linehan's committees are doing to reduce the fiscal notes for things, and make sure we're bringing in more revenue to make the offsets for some of the bigger rocks, the bigger things that are being prioritized. Thank you very much.

FREDRICKSON: Thank you, Senator Dorn and Senator Vargas, Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I'm going to go ahead and see if Senator von Gillern would continue our conversation since we sort of got right in the middle of it. So, Senator von Gillern, will you yield to a question?

FREDRICKSON: Senator von Gillern, will you yield?

von GILLERN: Yes.

DeBOER: Senator von Gillern, so let's go through the funding mechanism of these good life districts. Is this a bonding process, or how is it done?

von GILLERN: Well, again, the-- I, I talked about the infrastructure expense and the fact that the, the developer and the city can work together to surrender a portion of the sales tax revenue or the occupancy tax revenue in exchange for infrastructure. One of the things that I failed to mention when I was on the mic earlier is that those infrastructure improvements get deeded back to the city. So it really is a, a, a, a fair practice to-- in order to do that. Beyond that, the, the sales tax reduction from the state, the state sales tax

is discounted by 50% on retail sales within the district, and, and I can take you back again to the conversation last year. The intent of the good life district was to bring new-to-market retail to the area, and to bring in out-state visitors. One of the requirements of that, that we again tightened up again this year in, in this amendment is how they track that, and how they ensure that that money is coming from out of state, and how they're getting those out-of-state visitors. There are-- the, the applicant has a-- has an app that, that does that. But there are also apps that are available in the marketplace to ensure that you can do those same practices. So, so the funding comes from a-- basically, a discounted sales tax that exists within the good life district that the applicant can utilize for development and to attract those new-to-market retail customers or--

DeBOER: And is, is that a for--

von GILLERN: --retailers.

DeBOER: --is that a forever discount on their sales tax?

von GILLERN: No, it's, it's-- the bill is written for 30 years. There's a, there's-- actually there's a ten year check-in. So DED, there's a, there's a point ten years out where they have to provide, and, and during the course of this, they have to do audits to, to make sure that they're living up to the agreement. But at ten years there's a kind of an exit point in-- that ten years was intentional. These things don't happen overnight, but it is an exit point to where DED could say, you are living up to the terms of the-- of the application when we approved it, or you're not, and then we're going to terminate that agreement. So, so there is a check-in point. But the life of the agreement is-- at this time is 30 years.

DeBOER: And at the end of whatever period of time, if there isn't-- if there is a negotiation with them regarding the potential offset for infrastructure, that infrastructure is deeded to the area.

von GILLERN: I'm sorry, the-- say that again?

DeBOER: The infrastructure that they may have built through that offset--

von GILLERN: Yes.

DeBOER: --that then goes back to the city or the--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

von GILLERN: Yes, that infrastructure, actually, it's-- after it's constructed, would get deeded back to the city.

DeBOER: OK.

von GILLERN: Yeah.

DeBOER: All right.

von GILLERN: OK.

DeBOER: Are we still waiting for your amendment?

DeBOER: We are still waiting for an amendment. We anticipate having it momentarily.

DeBOER: OK, so--

von GILLERN: I'm told.

DeBOER: --maybe we'll vote on some things and we can talk in a minute.

von GILLERN: Thank you, Senator DeBoer.

DeBOER: Thank you.

FREDRICKSON: Thank you, Senator DeBoer and Senator Van Gillern. Seeing no one in the queue, Senator Bostar, you're recognized to close on your amendment.

BOSTAR: Thank you, Mr. President. Thank you, colleagues. Again, the first vote up will be FA434. This is what-- I'm going to repeat-- puts a sunrise on the provisions of AM3378, it pushes out the enactment to 2027. I appreciate your green vote, FA434. Thank you.

FREDRICKSON: Thank you, Senator Bostar. The question before the body is the adoption of FA434. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on adoption of the amendment, Mr. President.

FREDRICKSON: The amendment is adopted. Mr. Clerk, for items.

CLERK: I have nothing further at this time, Mr. President.

FREDRICKSON: Seeing no one in the queue, Senator Bostar, you're recognized to close on AM3378.

BOSTAR: Thank you, Mr. President. Again, AM3378 saves us some time. It was-- it was provisions intended for another piece of legislation that, that had the other portions that got left behind. So instead of having to go pull back from Final, make amendments, readvance it, we're just-- we're just taking care of it here. It's the, the nature of where we are in session. And, again, with your last vote as well, these tweaks won't even take effect for several years. So appreciate your green vote on AM3378. Thank you.

FREDRICKSON: Thank you, Senator Bostar. The question before the body is the adoption of AM3378. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 37 ayes, 0 nays on adoption of the amendment, Mr. President.

FREDRICKSON: The amendment is adopted.

CLERK: Mr. President, as it concerns the bill, Senator von Gillern would move to amend with AM3447.

FREDRICKSON: Senator von Gillern, you're recognized to open.

von GILLERN: Thank you, Mr. President. We've been talking about different portions of the amendment as we've been going on, which has been great. We've been kind of pre-killing some of those conversations, and, and touching on a lot of these topics. Senator Linehan mentioned it earlier that the-- one of the, the, the-- my favorite thing about LB1317 and AM3447 is it's revenue-positive. It generates about \$12 million of revenue annually that goes to the green sheet. You've got-- we handed out, or I handed out this sheet, this spreadsheet that should be on everybody's desk-- the-- and which outlines those. If you do the math, you're going to come up \$2 million short because we did not-- I neglected to add in here on LB1295, which is the financial institution data match, the Department of Revenue is estimating that they will collect about, approximately \$2 million of additional revenue annually, based on that, on that program. What that data match does is it utilizes a system that's already in place that HHS is using to collect child support payments from people that are behind in their child support payments. And they use this financial institution data match, which they work with bankers or banks in order to track down folks and determine if they have funds that they could and should be utilizing for, for child support payments. So it's a system that's already in place. It's a computer system that exists and has been operating successfully. We talked with the bankers. They, they wanted-- you'll have to see. They were interested in how it would

work and what, what this-- what additional amount of work that this would generate for them. But they were, in the end, they were on board in assisting to get that done. So if you look at that spreadsheet, the first retirement fix is estimated to bring in an additional \$12 million. There's a couple of slight costs for a few other things. The good life district takes a couple of million out, but then on thir-- LB1295, we add another \$2 million in to, to make us about \$12 million to the good. The other one that's not in here that brings additional revenue in is LB1043, which is Senator McKinney's bill, which will generate tax income from nonprofit developments that are not constructing on their properties. And with that, I'd like to see if Senator McKinney would yield to a question.

FREDRICKSON: Senator McKinney, will you yield?

McKINNEY: Yes.

von GILLERN: Senator McKinney, would you just give us a short description of the intent of what LB1043 is to do, please?

McKINNEY: So the intent of LB1043 is to hold nonprofit development corporations or organizations accountable. And the reason for this is it's been an issue that I've been trying to figure out a way to address since I got in the Legislature. We have entities that buy up a bunch of property, a lot of times in low-income areas or high-poverty areas, and they sit on the property forever. But because they're tax exempt, nothing really occurs. And my issue with that is we hear all-- I, for my lifetime, heard all-- hear-- have heard all the negative perceptions about my community, about why it's not being developed. And one of the issues is these nonprofit economic development corporations buying up a bunch of property and not developing a property, but also not paying taxes. So what LB1043 does is it gives these organizations three years to figure out how to develop this property. And if they don't develop the property within three years, they start-- they, they begin to be penalized. And after a while, if they don't develop the property, they could lose their tax exemption.

von GILLERN: Thank you. Any idea of what that would generate in, in additional tax revenue?

McKINNEY: I don't have that estimate on the top of my head, but I'm sure it will be a lot, especially with help with my school district as well. You know, if we get more properties on the tax rolls that would assist in funding the schools a lot better, too.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

von GILLERN: And then in the hearing, we got support, there were comments that this is not just a problem that's unique to Omaha, correct?

McKINNEY: Yeah, actually, it's a problem also in rural communities as well, which was-- I wasn't surprised because a lot of times we say rural and urban and we try to divide, but a lot of our issues are common. And so I wasn't surprised, but I was surprised to hear it though.

von GILLERN: OK. Very good. Thank you. Thank you for your time. I didn't prep Senator Murman that I was going to ask him a question, but I was wondering if Senator Murman would yield, please?

FREDRICKSON: Senator Murman, will you yield?

MURMAN: Yes.

von GILLERN: Thank you. I think you'll be OK taking this question. Your LB1397, on the spreadsheet, it says eliminate, and that's really not accurate. It should probably have said re-categorize wind and solar farm use from ag to commercial. Can you share a little bit about that bill, LB1397, please?

MURMAN: Yes. Wind and solar-- windmills and solar panels are, right now, classified as ag land, and actually they're commercial developments. So they should be listed under commercial property.

von GILLERN: And--

MURMAN: And that's, that's what this bill does.

von GILLERN: Thank you. And there was some question about that, about the access to, to this property in the adjacent, if there was a-- if there was a windmill on 40 acres of land, does the 40 acres come out of-- come off that or be changed-- cat-- recategorized in the tax rolls? How much--

MURMAN: No, it's--

von GILLERN: --how much land does?

MURMAN: No, excuse me, it's just the parcels that are dedicated to the windmills or the solar panels. Not, not the whole farm.

von GILLERN: OK. Very good. Thank you.

MURMAN: Thank you.

von GILLERN: Lastly, I will talk very briefly about my LB1134, which is a cleanup bill for TERC. There was, there was a provision in TERC that if there's a, a judgment rendered that 30 days' interest is waived on a penalty and-- or on a payout. And we are adjusting that to say that there's a 30-day-- there's a mirrored provision for a-- for a refund. So-- or a penalty. So the penalty and the refund provisions are matching now for TERC. And then there was another additional item on there. Last year, we added another officer to the TERC board, which took it from 3 to 4, and they have language in their bylaws that say that they must have a majority present for a hearing. Well all of a sudden that went from, from 2 to 3, which takes that additional person out of the field and out of the work that they were intended on. So we-- we're revising that language to li-- to make that remain-- remove the, the language that says majority and adjust that to say two of the-- of the officers in that, so. With that, I will yield the remainder of my time. Thank you, Mr. President.

FREDRICKSON: Thank you, Senator von Gillern. Mr. Clerk, for an amendment.

CLERK: Thank you, Mr. President. Senator Erdman would move to amend with FA435.

FREDRICKSON: Senator Erdman, you're recognized to open.

ERDMAN: Thank you, Mr. President. I appreciate that. So FA435, what it does, if you have looked at Senator von Gillern's amendment, it's on page 4, line 5. I want to strike "the Governor may waive this requirement." That's the purpose of the floor amendment. It doesn't make any sense to me that we would adopt those things to buy parts to assemble EV charging stations from certain entities, and then we would give the Governor authority to waive everything that we did. There are three separate and distinct branches of government. What we do here is decided here. And I don't believe it's the opportunity or should be the opportunity for the Governor to strike what we do here if he doesn't like it. If he wants to veto the bill, let him do so. But otherwise, I don't think it's appropriate to let the Governor waive something that we've done. So that's what this does. And hopefully as we work our way through this, we find other things that are in this amendment. There may be a couple of other things that I just noticed. I think Senator Bostelman has seen those as well. So, let me finish with this on this time, and I may speak again. But I want to talk about von Gillern's bill to help solve the issue with TERC. I was the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

instigator of increasing the number of TERC commissioners from 3 to 4 last year. We didn't take into consideration what that meant about how many had to be at a hearing. And the people at TERC had visited with me about that, and von Gillern-- Senator von Gillern had already heard about it and drafted a bill, so I appreciate that. So I'm in support of what he's trying to do with TERC, because they need to make decisions in the same year you file your complaint. And I think that helps them do that. So with that, I would encourage you to vote for FA435. Thank you.

FREDRICKSON: Thank you, Senator Erdman. Senator Bostar, you're recognized to speak.

BOSTAR: Thank you, Mr. President. Since FA435 is amending part of my bill related to the EVs, I just wanted to take a moment and, and just kind of let, let the body know that this is a friendly amendment. So this was-- I know this was worked on this-- the amendment to the EV bill related to, you know, foreign parts production, things of that nature. It was worked on by the Governor's Office, and PRO, and Senator Erdman's amendment makes improvement to that. I'm in favor of FA435, I consider it a friendly amendment, and I would encourage your green vote on Senator Erdman's amendment. Thank you.

FREDRICKSON: Thank you, Senator Bostar. Senator Linehan, you're recognized to speak.

LINEHAN: Actually, I thought I punched out and punched back in, Senator Bostar, would you like me to yield? Senator Bostar?

FREDRICKSON: Senator Bostar, will you yield?

BOSTAR: Yes.

LINEHAN: Evidently, I messed up here in my punching in and out, so I will yield you my time. No?

BOSTAR: Thank you. I, I actually think it--

LINEHAN: I'm not that good at multitasking this morning. I'm usually--

BOSTAR: I actually think it worked out OK.

LINEHAN: --really good at it. But this morning, I'm a little overwhelmed. So I asked-- let me ask Senator Erdman. Senator Erdman, would you yield to a question?

FREDRICKSON: Senator Erdman, will you yield?

ERDMAN: Yes.

LINEHAN: And I'm sorry I didn't give you a heads-up, Senator Erdman. But your amendment-- I do want to share with the body and anybody that's watching at home that you have been-- the whole eight years you've been here, I think you've been very focused on trying to improve TERC.

ERDMAN: Correct. That is correct.

LINEHAN: Including-- it was 4 or 5 years ago, you did a bill about destroyed property.

ERDMAN: That is correct.

LINEHAN: Because when people-- and then did you do that bill before or after the bomb cyclone? Before, right?

ERDMAN: I introduced a bill, Senator Linehan, just prior to the bomb cycle.

LINEHAN: And then there was lots of discussions about whether a field covered in sand was destroyed or not.

ERDMAN: Can you get closer to the mic?

LINEHAN: I'm sorry. So then there was a discussion about whether fields that were now covered with sand that used to be rich bottom farmland was destroyed or completely destroyed. Am I remembering that, right?

ERDMAN: I do.

LINEHAN: And then we had another situation where buildings west of the Capitol were burnt, and it was a matter of whether-- arguments back and forth of whether they were damaged, and property taxes would be paid.

ERDMAN: That is correct.

LINEHAN: So I'm counting, maybe every year you've been here you've brought a bill to address issues with TERC and property valuations?

ERDMAN: I have, yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

LINEHAN: And this is your last one, rah, rah, or do we have some more stuff from you this afternoon?

ERDMAN: That's correct.

LINEHAN: OK. So I would appreciate a green vote on Senator Erdman's-- word is from upstairs that we'll be able to get the amendment down here in like ten minutes. So, I think we've covered most of what's in the amendment. I-- questions? Oh, we can go way back to the start of this discussion. I did go back. This is on the FERS retirement, so I'm going to read from exactly the floor statement that I read last year when we passed that bill. It-- this is transcript from-- what date-- March 29, 2023. LB38 as amended by AM355 and AM292 provides a deduction for income earned by federal retirees-- so thi-- so this pension is in Senator Blood's bill-- federal retirees for federal retirement pensions, so people in my age group, approximately. In the '80s, the federal government changed retirement. If you were employed by the federal government before '82 or '83, you were in a federal system. You did not pay into Social Security. When they changed that system, the employee had an option to either stay in the old system, which many did, or go to the new system. It was a combination of federal-- FERS, Federal Retirement, Social Security, and a savings account, that you. So if you go through the whole thing and the committee statements, it is clear what we were trying to do is be fair to the people that weren't on Social Security. And that's what we're trying to do with part of this bill is go back and make sure that we're fair to those--

FREDRICKSON: One minute.

LINEHAN: --and fair to people that are on Social Security, but not allow both to be deducted. And I will say, and I've talked to the Revenue Committee about this, if you do more on retirement income and I think we should, I think we should do something like Colorado does, but I think we should have some kind of cap on it. Not get ahead, look at what other states are doing. I know Colorado, it's-- I don't know, I think it's \$37,000 per person, so that'd be \$64,000 for a married couple. That's-- I think some caps before we go further in. You just don't want to get so far ahead, ahead of other states it doesn't make sense. Thank you, Mr. President.

FREDRICKSON: Thank you, Senator Linehan. Senator Erdman, you're recognized to speak.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ERDMAN: Thank you, Mr. President, and thank you for turning my white light off. I tried to turn it off and I could not. So I'm waiving. Thank you.

FREDRICKSON: Thank you, Senator Erdman. Seeing no one in the queue, Senator Erdman, you're recognized to close on your amendment. He waives. The question before the body is the adoption of FA435. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

CLERK: 33 ayes, 0 nays on the adoption of the amendment, Mr. President.

FREDRICKSON: It is adopted.

CLERK: Mr. President, Senator Bostelman would move to amend AM3447 with FA440.

FREDRICKSON: Senator Bosn [SIC], you're recognized to open.

BOSTELMAN: Thank you, Mr. President. On pa-- on line 3-- or page 3, line 25, what this does is it strikes the word, "to the extent practical." On all of our other 15 C.F.R. bills we have, it's a "shall," and not a, not a possibility. So what this does, it just ensures that we are-- do not have any 15 C.F.R. equipment or, or that in there. So it just strikes the words, "to the extent practical." Would ask for your green vote. Thank you.

BOSTELMAN: Thank you, Senator Bostelman. Seeing no one in the queue, you are recognized to close on your amendment. He waives. The question before the body is the adoption of FA440. All those in favor of vote aye, all those opposed vote nay. Record, Mr. Clerk.

CLERK: 36 ayes, 0 nays on adoption of the floor amendment, Mr. President.

FREDRICKSON: It is adopted.

CLERK: I have nothing further at this time, Mr. President.

FREDRICKSON: Returning to the queue. Seeing no one there, Senator von Gillern, you are recognized to close on AM3447. He waives. The question before the body is the adoption of AM3447. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 32 ayes, 1 nay on the adoption of the amendment, Mr. President.

FREDRICKSON: It is adopted.

CLERK: Mr. President, Senator von Gillern would move to reconsider the vote just taken on AM3447.

FREDRICKSON: Senator von Gillern, you are recognized to open on your motion.

VON GILLERN: Thank you, Mr. President. I got a little anxious on my waive on the close there. Thank you. We need-- we need just a few more minutes. We've got an amendment that's out in the lobby, and we're working on trying to get one last thing worked out, and then we'll bring in the floor amendment, and we'll ask for a vote on that, and then we will move forward with this. My apologies. There are some interested parties that are very passionate about getting things right on good life district, and so obviously we want to do that. We want to make sure that it's good for the cities, it's good for the community, it's good for the state. And we want to make sure that we're taking every effort to, to make sure that that is the case. So I'll take just a few more minutes and talk about good life, and then I'll hand it off. If anyone else has any comments they'd like to make, that would be very welcome. I see Senator Linehan's in the queue, so thanks for throwing a life preserver there. Again, I'll just rehash. Good life is-- under Senator Wayne's bill that was on Select several weeks ago, one of the things that came forward that I failed to talk about with Senator DeBoer, is that statewide, that we have now placed a limitation on five good life districts within the state. There was some motivation and some interest by parties to encircle existing developments within certain cities and create good life districts where they would not have lived up to the intent of the good life bill that we passed last year. Again, and I said it earlier, but that is to generate new-to-market retail, and out-of-state visitors, and out-of-state revenue. And to encircle an existing development potentially around a university that has out-of-state residents would not be within the guise or the intent of the plan, so we wanted to make sure that that was not the case. Again, worked-- we worked very hard to make sure that we're protecting the rights of the city and making sure that we're not taking anything away from cities or municipalities, that they have the right to negotiate with development groups and make sure that, that those-- that their interests are protected, and the interests of their voters are protected. So with that, I will end my opening and we'll turn to the queue for a moment. Thank you, Mr. President.

FREDRICKSON: Thank you, Senator von Gillern. Senator Linehan, you are recognized to speak.

LINEHAN: So this is a good lesson for the newer members here. This happens when we get to the end. We have to make changes in bills, and we don't have tomorrow and the next day and the next day, so we can't ask the Speaker to set it aside and come back to it. So we have to-- and it's not that Bill Drafting's not excellent, they're wonderful. They do a great job. It's just the nature of the thing, so we spend some time spinning our wheels. Another trick I learned, this is when Senator Lathrop was here, I had-- I was waiting for a bill to come down, had to be dropped that day. I can't remember why it had to be filed that day, but Senator Lathrop stood up and talked for three times to give me time to get it. And he even kept talking when I was over on the side signing the bill. So, I'm sorry. I know this seems frustrating, and I understand, but I am getting my exercise this morning. It's like running around trying to tie all the loose ends up in a good package. So I don't know if we're going to stop for lunch here, but what the Clerk just said is we should start talking to the amendment that's coming down. So Senator von Gillern, could we maybe have that discussion if you'd yield to a question?

FREDRICKSON: Senator von Gillern, will you yield?

von GILLERN: Yes.

LINEHAN: Oh, I've also been told here that we don't need to do a reconsider, we can withdraw that. And when the amendment comes down, we can just take care of it then.

von GILLERN: That is true.

LINEHAN: OK. So, you want to talk about-- would you please explain-- here's what we're-- let me try, and then you pick up, Senator von Gillern, if you'd be so willing. This is very complicated. What we did last year-- I think we've kind of-- we've talked about a lot of things this morning, but we haven't talked about the main focus of what the good life district was. The good life district is a way to increase our sales tax revenue. We have a lot of people, and I'm one of them, that goes out-of-state to buy big ticket items. Furniture, think Ballard's, think-- what is that other one, Crate & Barrel. Because you go to Kansas City, Chicago, Denver-- I have a daughter in Virginia, so there's a huge shopping center there called Tysons Corner. They have all these shops there. We, Nebraska, Omaha nor Lincoln are big enough on their own to recruit those retailers here. So we have people

leaving Nebraska to shop in other big centers. Those retailers have agreed that if you have a location between Lincoln and Omaha, they would come to market. So part of this good life district and why it's so important we get it right, is it will increase our sales tax far-- now and into the future. Another thing that was very-- I think Senator Wishart, Senator Fredrickson, I'm not sure of the others-- IKEA. There's an IKEA in Kansas City, there's IKEAs-- IKEAs-- we don't have them here. This would be an effort to bring them here, so we stop losing consumer sales to other states. The other thing-- and part of the good life district-- and this is where-- we've got-- we gotta make it very clear. They have to invest a significant amount of money, and they have to have 20% of their shoppers from outside of the state. So this-- and that's why it's very involved with economic development, DED, DED, because they have got to keep tabs on them, like Senator von Gillern said this morning. They have to keep tabs on to why-- if they are actually fulfilling the agreement, which includes out-of-state customers coming to Nebraska.

FREDRICKSON: One minute.

LINEHAN: And as people have said, it's been in the press. There's a lot of efforts. Coach Cook came to the last hearing we had. There's an effort underway to get USA vol-- Olympic volleyball here. And we are, I think maybe we all know that we're very well known for our volleyball and our volleyball teams, but I-- I've even been surprised how much focus is on Nebraska and recruiting Nebraska kids, and how many youngsters are involved in sports. That's the other thing. This is-- goes back to a bill we had this morning, and bills we passed last year in this. We are losing out on a lot of families that do sports, club sports. We have families traveling to Des Moines, Kansas City, and other places that spend their whole weekend there, spending money in restaurants and entertainment that we're losing out because we don't have those facilities here.

FREDRICKSON: That's your time, Senator.

LINEHAN: Thank you.

FREDRICKSON: Thank you, Senator Linehan. Senator Wayne, you are recognized to speak. Senator Wayne, you are recognized to speak.

WAYNE: Thank you, Mr. President. Just helping out what's going on here. I do-- I think-- did we already pass AM3378? Think we did? OK. Well, I will bring an amendment to strike some things out of there, unless somebody tells me why we shouldn't, because I'm really confused

by that. But I'm just taking some time. I do have an amendment being drafted on a cigar tax bill. We're gonna drop that today too. We're gonna-- I'm gonna ask everybody to vote red on it, and I'll be the only one to vote green in honor of Scott Lautenbaugh. He's brought it every year, so you can all vote red. It'll be a quick opening, don't have to worry about it, and I'll be green. I'm just really talking to be talking right now. So, let's see. All right. I'll talk a little bit about good life districts. Good life districts are important to how we grow our state. But I want to stress that we need to be mindful of how we grow those, same as the inland ports. One of the things we did with inland ports is they have the ability not to pay any taxes, because they're a political subdivision. So we wanted to be mindful of them not paying local property taxes. So I think when you talk about sales tax in, in these good life districts, we have to think about, if it's \$1 billion in the city of Omaha, that's significant amount of revenue that would be missing from the state, because you gotta have a \$1 billion investment. So if you think about that, a \$1 billion investment, is that \$25 million, 2.5% sales tax? So that's \$25 million that would come off of our coffers every year. That's why it's important to constrain these and limit these in some fashion, because it only affects the state. It does not affect the local economy in that regard. And so I'm just trying to take a little bit of time to come down with that. I remember the last time I asked for a little bit of time and, and that's how it happened, so we just sit here and talk. I do like to see the-- Mr. President Fredrickson in the chair up there. I like that, looking good there. Senator Hansen, will you yield to a question?

FREDRICKSON: Senator Hansen, will you yield?

HANSEN: Yes.

WAYNE: How are you doing today, sir?

HANSEN: I'm doing swell.

WAYNE: Swell? Did you have coffee this morning?

HANSEN: Yeah, I-- no, actually, I did not.

WAYNE: I was wondering, why did you have to think about that so long?

HANSEN: Because I didn't have coffee.

WAYNE: You didn't have-- oh, that's a good-- great answer. Great answer. Will Senator Walz yield to a question?

FREDRICKSON: Senator Walz, will you yield?

WALZ: Yes.

WAYNE: How are you doing this morning?

WAYNE: I'm not feeling the best, actually.

WAYNE: Is it-- is it 'cause I beat you in the 100-meter freestyle last week? Do you want to talk about that?

WALZ: You did not. And you will not beat me.

WAYNE: We have been talking about a swim competition for eight years. And so, at noon today, we're going to start passing the hat for wagers, and we're going to do a pot. You can win if you pick the right person. I-- I'm telling you, you should bet on me. I've been really practicing a lot, and I'm-- what stroke, what stroke do we-- should we do breaststroke, backstroke?

WALZ: No, we're doing the 200 IM, remember?

WAYNE: Oh, IM.

WALZ: Yeah, so it's all, all the strokes.

WAYNE: Can we do a 50 IM?

WALZ: Nope.

WAYNE: OK, 200.

WALZ: You could do 100, maybe, but you--

WAYNE: 100?

WALZ: --can't do a 50.

WAYNE: OK. Can you explain to people what a IM is?

WALZ: Sure. It is a butterfly, a length of the butterfly, a length of the backstroke, a length of the--

FREDRICKSON: One minute.

WALZ: --breaststroke, and a length of the freestyle.

WAYNE: Right.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

WALZ: And the backstroke is where I'm going to get you.

WAYNE: You're going to get me on the backstroke, or I'm gonna--

WALZ: Oh, yes. Oh, yes. Yes.

WAYNE: Oh, no, no, no. See, I even look back and I can flip-- I, I-- I'm good at the backstroke. I'm-- I been, I been working on it since I was little.

WALZ: You have to plug your nose.

WAYNE: Huh? I don't have to plug my nose. I just flip and keep it going, turn into butterfly, I-- it's great. All right. Will Senator Day yield to a question?

FREDRICKSON: Senator Day, will you yield?

DAY: Yes.

WAYNE: What quote do you have for us today?

DAY: Oh, that's a really good question.

WAYNE: That's a great quote. Will Senator DeKay yield to a question?

FREDRICKSON: Senator DeKay, will you yield?

DeKAY: Absolutely.

WAYNE: We have 17 seconds left. Will-- think of one word that can brighten everybody's day. One word.

DeKAY: Think of one word that what?

WAYNE: That bright-- bright-- brightens everybody's day.

FREDRICKSON: That's your time, Senator.

DeKAY: Sunshine.

WAYNE: There you go.

FREDRICKSON: Mr. Clerk, for items. Returning to the queue, Senator DeBoer, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. My quote for the day is I am awed only by the magnitude of what I do not know. There you go. All

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

right. I think Senator von Gillern would like to do something. So Senator von Gillern, I will yield you my time.

VON GILLERN: Thank you, Senator DeBoer.

FREDRICKSON: Senator von Gillern, that's 4 minutes and 35 seconds.

VON GILLERN: Thank you, I will not take that much time. One thing-- probably one of the biggest things I failed to mention about good life is it's estimated that at the, at the culmination of this project, that there would be \$1 billion in sales generated. That'll bring in an additional \$27.5 million in sales tax revenue that the, that the state is not achieving right now. So some would say that's a cup half as-- half full, half empty. Some would say we're surrendering 27.5. But that retail-- those retail sales are not there right now. So that is \$27.5 million in addition. So that's the last thing I'm going to say on that. And with that, I would like to-- Clerk-- Mr. Clerk, I would like to withdraw my reconsider motion.

FREDRICKSON: Without objection, so ordered. Mr. Clerk.

CLERK: Mr. President, Senator Blood would move to amend with FA438.

FREDRICKSON: Senator Blood, you're recognized to open.

BLOOD: Thank you, Mr. President. Sorry, someone was talking to me. So, what this floor amendment does is it basically reinstates LB38, because the underlying bill eliminates LB38. And so we had talked about having the transcripts, and so I do have the floor transcripts from the day that I want to read to you. And then now you can decide whether you want us to keep our word or go on as, as the bill is written. And then you won't have to hear me talk about it anymore today. Maybe. So, Senator Linehan said, I'd like to encourage any senators who are wishing to have more detailed discussions regarding certain aspects of AM906-- which included my bill-- to try and direct the questions to the original introducing senators, as they are subject-matter experts with respect to portions of the bill they introduced. For example, part of the bill is the Senator Blood bill, which I will admit here, I tried to write a bill. It didn't turn out well. Senator Blood's office and Senator Blood did a much better job than I did. So it is to remove taxes on some retirement income which should not be taxed, so that's Senator Blood's part. That's page 66 of 196 on the transcripts if you want to look on your computers. Moving on to page 67, she goes on: So this is Senator Blood's bill, federal retirees for federal retirement pensions. So people in my age group,

approximately in the '80s, the federal government changed retirement. If you were employed by the federal government before '82 or '83, you were on the federal system. You did not pay into Social Security. When they changed that system, the employee had an option to either stay on the old system, which many did, or go to a new system, which was a combination of federal FERS, federal retirement, Social Security, and a savings account that you-- and then Arch says one minute-- and Linehan says, put money in that program. We've got several Nebraskans who don't get Social Security, don't get military retirement. And we are fully taxing their federal retirement. And that's not fair. Ever since we passed Social Security last year, I've gotten calls on this. So I'm going to run out of time here because it's a big, big bill. Then she goes on after Senator von Gillern spoke, and said, thank you, Senator von Gillern. Senator Blood, would you yield to a question? I said, absolutely. Senator Blood, will you yield? Absolutely. So if I did not give you part of your-- I did not give your part of the bill fair justice, because obviously you are better at this than me. Can you explain how your bill's going to work? Blood. First of all, thank you for that compliment. It's appreciated. So I'm just going to walk everybody through. There's a handout on your desk. So basically, this bill brings essential tax relief for federal retirees that live in Nebraska. The number of federal retirees residing in Nebraska is approximately 13,980 people, and the total retired and active federal employees in Nebraska amounts to 28,193 people. Our top five employers include the United States Postal Service and the Department of Defense, not to mention that close to 1,400 federal employees involved in Nebraska ag. Federal employees constitute a huge backbone for services for Nebraska taxpayers, and we want them to stay in our state and continue to contribute to our tax base. So as you heard, currently, the federal retiree system works as follows. Federal retirees who began working for a federal agency before 1984 are covered by the CSRS. This retirement system requires them to pay 7% into the system, but are not covered by Social Security as the system was created. Those employees that started after 1984 are covered under the Federal Employees Retirement System. Employees made-- employees under the FERS system are eligible for Social Security. This includes a combination of federal-- federal annuities, Social Security, and a 401(k) type of plan. While Social Security taxes have been alleviated through LB873, and soon LB641, 100% of federal annuities still are subject to Nebraska income tax. In order for us to be fair to Nebraskans, we have to remember that not everybody has the benefit of utilizing the break we give people on Social Security. And because of that, we wanted to make sure that we were fair in Nebraska, and I was very thrilled to be able to bring this bill forward and thank the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

Revenue Committee for pushing it through. So that's the transcripts everybody was talking about. We were very clear about what the bill does and who it was for. So now you get to decide whether you want to keep it in the bill and keep our promise, or kick it out, because apparently somebody made a mistake that had nothing to do with my part, nor with the people who we are trying to help lift up. And I kind of wonder if the reason we're doing this is because we just want this money to help with property taxes. I don't know, but I have no evidence that shows that. That's just the thought that's passing through my mind right now. So I'm going to ask you to please vote green on the floor amendment, and then I don't have to talk about this subject anymore. Thank you, Mr. President. I'd like--

FREDRICKSON: Thank you, Senator Blood. You are next in the queue. Oh, she waives. Mr. Clerk, for items.

CLERK: Mr. President, your Committee on Enrollment and Review reports LB1402 to Select File as well as LB1402A, LB1402 having E&R amendments. Attorney's-- Attorney General's Opinion addressed to Senator von Gillern and Senator Aguilar. Announcement that the Agriculture Committee, Committee will meet in Executive Session in room 2102 immediately after the conclusion of its confirmation hearing today at 1:15. That's all I have at this time, Mr. President.

FREDRICKSON: Seeing no one in the queue, Senator Blood, you're recognized to close on your amendment. She waives. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 8 ayes, 6 nays to place the house under call, Mr. President.

FREDRICKSON: 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 Machaela Cavanaugh, Day, Conrad, Jacobson, Vargas, Slama, Dover, Hughes, Wayne, Dungan, Hunt, and Bosn, please return to the Chamber. The house is under call. Senator Jacobson, Senator Hunt, and Senator Aguilar, please return to the Chamber. The house is under call. Senator Blood, we're still waiting on Senator Jacobson and Senator Hunt. How would you like to proceed? She'll wait. Senator Blood, we're waiting for Senator Hunt. How would you like to proceed? There's been a request for a roll call vote in reverse order. Mr. Clerk, call the roll. The

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

question is the adoption of FA438. All those in favor vote aye; all those opposed vote nay.

CLERK: Senator Wishart not voting. Senator Wayne not voting. Senator Walz not voting. Senator von Gillern voting no. Senator Vargas not voting. Senator Slama voting no. Senator Sanders voting no. Senator Riepe voting no. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney not voting. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt. Senator Hughes voting no. Senator Holdcroft. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson not voting. Senator Erdman voting no. Senator Dungan not voting. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting no. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar not voting. Senator Bosn voting no. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 6 ayes, 32 nays on the adoption of the amendment, Mr. President.

FREDRICKSON: The amendment is not adopted. I raise the call.

CLERK: Mr. President, a priority motion. Senator Aguilar would move to recess the body until 1:00 p.m.

FREDRICKSON: The question before the body is the adjournment. All those in favor say aye. Oh. I'm sorry, I'm sorry. One moment. Speaker Arch, you're recognized for an announcement.

ARCH: Thank you, Mr. President. I have received some questions about today's schedule, and I want to provide a reminder of the plan for the rest of today. Today is the absolute last day for the body to advance a bill from Select File for passage this session. Adjournment this evening will be whenever we complete the agen-- debate of all the bills on today's agenda and the Revisor's Office has returned those bills to the Clerk, so as we did last night, or 11:59 p.m., that's close to midnight, whichever comes sooner. It's important for members to recognize if we don't complete debate early enough today, we may have some bills advance but not leave enough time. So please, let's pace ourselves on that. And I've been reminded that the staff sine die

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

party is this evening. As indicated on the poster's invitation, the program will begin one hour after adjournment if adjournment is later than 7:30. Because of the food arrangements for the party, no dinner meal has been arranged for this evening. We'll be working straight through with no dinner break tonight, with a goal of completing our agenda. If we work late, as I anticipate, please make arrangements for food delivery to the building for yourself. One final reminder: Today's the last day to introduce a congratulatory or ceremonial resolution for adoption this session. Thank you, Mr. President.

FREDRICKSON: Thank you, Speaker Arch. The question before the body is shall we adjourn? All those in favor say aye-- recess, excuse me. All those in favor say aye. All those opposed say nay. We are in recess.

[RECESS]

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

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

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

ASSISTANT CLERK: Mr. President, I do, new LR473, LR474, LR475, LR476, LR477, LR478, and LR479, all offered by Senator Vargas. Those will be laid over, Mr. President. That's all I have at this time.

DORN: Thank you, Mr. Clerk. We will proceed to the first item on this afternoon's agenda. Mr. Clerk.

ASSISTANT CLERK: Mr. President, continuing to consideration of LB1317, the next amendment I have is offered by Senator Linehan, FA441. I do have a note that she wishes to withdraw.

DORN: So, so ordered.

ASSISTANT CLERK: Next item, Mr. President. Senator Erdman had a motion to recommit. I also have a note that he wishes to withdraw that.

DORN: Without objection, so ordered.

ASSISTANT CLERK: Mr. President, the next amendment I have is offered by Senator Wayne. This is currently being put into the computer system, Senator. Thank you, Senator. I do have a priority motion.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

Senator Wayne would move to reconsider the vote on AM1378
[SIC--AM3378] on LB1317.

DORN: Senator Wayne, you're recognized to open.

WAYNE: Thank you, Mr. President. So colleagues, this was the first one I can write. I'm going to write reconsider motions for all the votes we took this morning until an amendment comes down that fixes an issue that popped up over the lunch hour. It should take no more than 5 minutes and so, hopefully, during the time we are done with my opening, I can pull this and we can all keep moving, moving forward and moving on. It's a great day to be in Nebraska. Will Senator Fredrickson yield to a question?

DORN: Senator Fredrickson, will you yield?

FREDRICKSON: Always.

WAYNE: How are you doing today?

FREDRICKSON: I'm fabulous, and I'm always improving.

WAYNE: What is your favorite song?

FREDRICKSON: Of the moment?

WAYNE: Yes.

FREDRICKSON: You know, I'm really into the new Beyonce album, and I think "II Most Wanted" on there is the current favorite.

WAYNE: Really? OK. What's your favorite word?

FREDRICKSON: Word? Flummoxed.

WAYNE: Caught me-- caught me on that one.

FREDRICKSON: I'm down to clown.

WAYNE: So for those who are wondering what we're doing at home, because we are right here at this moment, and how it works is after you go to Select File, we have to wait for things to be processed to go to Final Reading so it can sit for a day. So you got to take time. So any normal fixes you, you could do, you can't do because we don't have another day to put it back on the agenda. So you have to fix it right now. And, and that's what happens when you are, are working on bills. And you get a whole bunch of people reading things, sometimes

they read the exact same language in the sentence differently. If you ever had that happen, I will tell you the first Supreme Court case or the first major Supreme Court case to establish judicial review was Marbury v. Madison. And Marbury v. Madison came down to the placement of a comma, and they were trying to figure out if the comma allows for them to do judicial review over the executive and legislative branch or not. And, ultimately, they said, yes, that the, the inherent power of the Supreme Court is to determine the constitutionality of statutes based on the constitution. So Marbury v. Madison was one of the first Supreme Court decisions to establish that precedent. So in the meantime, a little bit of history there about the U.S. Supreme Court. So today I was walking outside and people kept putting on their sunglasses because they thought I was the sun with all this bright yellow on. But the reason I put this yellow on is because my daughter said it would be a good idea for me to wear it and it's springlike and so I wanted to bring joy to us on the last couple days. And that's why I, I wore this. So just wanted to think about that. Lastly, I was reading over the lunch hour, LB1317, for those who didn't-- haven't read the E&R amendments, it's about 121 pages. I looked at it last night, but then I really started reading it today, and there's a lot of good stuff in there. It's about how we can grow our city and how to-- and our state and how we can move, move forward. Will Senator Jacobson yield to a question?

DORN: Senator Jacobson, will you yield?

JACOBSON: I can't wait. Yes.

WAYNE: Tell me some exciting things that are going on in your district.

JACOBSON: Well, District 42, it is the-- it is the paradise of Nebraska. That's why people need to come out there more, particularly when you go further north in the Sandhills and there's a lot of spaces out there. Some people have been known not to come back, not because they don't like it, but they got lost. So-- but you can get lost out there.

WAYNE: I have a new map bill that helps the directions in maps, but we can talk, talk about that later.

JACOBSON: Well-- but I don't know that that's going to matter because, you know, we don't have high-speed Internet in some of those areas, nor cell service. So all of you that live in luxury here of having cell service, try driving from North Platte to Mull-- or to, to Mullen

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

on Highway 97 and having more than 5 minutes of cell service. So add that to being out in the Sandhills at night. OK? And I remember when they were building the Dismal River Golf Course, went out there when they were first laying it out in the middle of the day, which is the worst time to be there because the sun is straight up in the sky-- and Erdman-- Senator Erdman might be able to correct me on that, though at noon, but a-- I, I think it's-- it would be my noon not his noon.

WAYNE: Correct.

JACOBSON: OK. So, literally drove out there, there was no path, and the designer flew in on a helicopter, so we were all out there. I'm ready to leave, it's noon, I don't know where I'm at. And I was afraid to try to make it back to the highway because we were in about 5 or 6 miles and I might have been lost forever out there.

WAYNE: Understand.

JACOBSON: And I know some are disappointed to know that I made it out, but I just want you to know that, that can happen. I'll just keep talking if you don't have any more questions for me. But a--

WAYNE: I do have another question. So talk a, a little bit about your vision for Nebraska over the next 5 years.

JACOBSON: I'm going to start with the Huskers. We're going to-- we're going to do well this next year. We've got a great coach. We've got a great AD, we've got a great chancellor, and I think we're gonna have a great president. And the stars are aligning with basket-- men's basketball, women's-- well, of course, all the women's sports have been awesome to begin with.

WAYNE: Correct.

JACOBSON: OK, that's a-- that's a given. OK? They've been awesome. They're the ones that have carried us. But now we got-- we got men's basketball and men's football coming back. And, of course, our other men's-- our lesser men's sports have done well also.

WAYNE: Correct.

JACOBSON: So we're going to be a-- an athletic juggernaut going forward. And it's going to be pretty exciting to watch. I'm just telling you, stay tuned. You heard it here first.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

WAYNE: I, I, I, I see. I think the Huskers will-- yeah, yeah, I would-- I would agree with that. But, you know, Omaha-- I got to say Creighton-- you know, Creighton is going to do well again in basketball, too, and--

JACOBSON: Creighton is a pretty decent basketball team. They're not much in football since they don't have a team, otherwise--

WAYNE: Hey, we haven't-- we haven't lost a sea-- we haven't had a losing season in over 50 years so Creighton is doing well.

JACOBSON: But how many high school teams have you played, though?

WAYNE: All right. I believe that amendment is being dropped right now so I will yield the remainder of my time to Senator DeBoer.

JACOBSON: All right, I'll waive my time then, too.

WAYNE: OK. Senator DeBoer.

DORN: Senator DeBoer, you're yielded 3 minutes.

DeBOER: All right, Senator Wayne, actually stay in here. OK. Well, what I would like to have happen next, and the reason that I'm in the queue is because I thought, hey, let's have the discussion about your amendment before the amendment comes up to try and save us some time. So I was going to ask if you would explain the amendment to me that you are waiting to have come up. So he is-- I don't know if he's going to do that or not, but I would really like to know about this amendment because then, you know, maybe we can speed along a little bit. Senator Wayne, would you ask-- answer some questions on the time that you yielded me?

DORN: Senator Wayne, will you yield?

WAYNE: Yes.

DeBOER: Senator Wayne, can you please explain the amendment that you have?

WAYNE: I cannot yet, because I haven't read it from Bill Drafting. I just signed it and sent it in, it is live on the computer. If you give me 2 minutes, I'll be able to explain it to you.

DeBOER: You have 2 minutes.

WAYNE: Thank you.

DeBOER: All right, so Senator Wayne now has 2 minutes, and then he's going to explain his amendment to us. I would like to be out of here before midnight tonight, too. I understand that our staff have been hard at work creating a program to lampoon and roast all of us, which I would like to see. You know, liking to be the butt of many jokes as I do. I hope we get to go see the program that they worked very hard on. So I hope we can get through these amendments. I'm sure that Senator Dorn up in the chair will tell us when we have gotten to 2 minutes and Senator Wayne's time is up and he has to explain his amendment to me. So I'm just going to continue to talk about the fact that-- Senator Wayne is ready. Senator Wayne, would you yield again?

WAYNE: Yes.

DeBOER: Can you explain your amendment?

WAYNE: Yeah, so it's some compromise language between developers, cities, cities and--

DORN: One minute.

WAYNE: --villages that will allow DED to have the discretion to review the city minutes, city concerns, county's concerns and the developer's concerns and help bring them together to make a decision regarding the good life districts.

DeBOER: You, basically, just assigned DED to be the marriage counselor.

WAYNE: Yes, in that sense. But it's all about-- well, that was the issue is that nobody had clear making-- decision-making authority and there was-- so they came to agreement on some language of how this decision-making authority should happen.

DeBOER: Is DED going to have decision-making authority?

WAYNE: They will be-- yes, they will be a part of the decision-making authority. It's, it's bringing the parties together to make sure they can all sit at a table and figure it out and review everything, but DED will have the ultimate authority on, on that.

DeBOER: Why does-- OK, so how did we have to change this in terms of, like, does the city still retain zoning authority?

WAYNE: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

DeBOER: But these esthetic changes we were talking about earlier, DED is getting in the middle of that?

WAYNE: Well, yeah, somebody has to be able to make a decision. So what it says is they can-- DED can include the resolutions, meeting minutes, and other official measures adopted by the city council.

DORN: Time.

WAYNE: Thank you, Mr. President.

DORN: Thank you, Senator Wayne, Senator DeBoer, and Senator Jacobson. Senator Linehan, you're recognized to speak.

LINEHAN: Do you want me to yield you time?

WAYNE: Yeah.

LINEHAN: Yield my time to Senator Wayne.

DORN: Senator Wayne, you're yielded 4 minutes, 45 seconds.

WAYNE: I withdraw my motion to reconsider, and I withdraw the next amendment to strike Section 3.

DORN: Without objection, so ordered. Mr. Clerk.

CLERK: Mr. President, Senator Wayne would move to amend with FA443.

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

WAYNE: Thank you. Again, as I just pointed out to Senator DeBoer, this strikes where it says expect-- "or are expected to be" and inserts after develop-- "Development Act," Section 77-4405, 7(b) subsection (i). And it adds: Confirmation may include resolutions, meeting minutes, or other official measures adopted or taken by the city council, village board of trustees. The second section, it, it adds into the statute that: Either department has received written consent from the owner. So, again, this is about bringing the developer, the property owners, everybody together, and come try to-- just to build some, some consistency and some-- I'm trying to think of the word but I can't right now, to make sure that there's a process that everybody-- all the parties-- all the interested parties are involved in this good life district and takes all their input in and makes, makes a final, final decision. So that's what this amendment does. This was language brought by the municipalities, developers, and all

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

the stakeholders involved. And with that, I would ask for a green vote on FA443. Thank you.

DORN: Senator Moser, you're recognized to speak.

MOSER: Thank you, Mr. President. I wonder if I could ask Senator Wayne a question about his amendment?

DORN: Senator Wayne, will you yield to a question?

WAYNE: Yes.

MOSER: So is this an effort to fix the use of local option sales tax as part of the developer's financing?

WAYNE: I don't believe so. I'll have to-- I'll have to go back and check. This was just brought over lunch as one of the issues, and I got to read the other sections around this section to, to give you a, a complete answer, but I don't believe it is. But I'll push my button and, and get you an answer.

MOSER: So is it just for unknown conflicts to this point?

WAYNE: No, it's for known conflicts and unknown. So if the city council takes a position or a village takes a position on a certain issue, DED can now-- DED will review all those-- all those many minutes-- meeting minutes and concerns or actions from the city council. So it's a process to make sure they have a voice with DED through this process.

MOSER: Well, does the local city control whether they have a good life district?

WAYNE: Yeah-- well, no, right now, the way good life districts are written is that DED, ultimately, controls the confirmation of that. But the city and villages have a complete input in that process. It's no different than inland ports where an inland port, somebody could apply for it. We would hope-- except for in the city of Omaha, we require a letter of support. But outside of Omaha, you would hope that the jurisdiction of where it's going would provide a letter of support. If they take an official action where they don't support it, DED would review that, too.

MOSER: Review that, define that. Does that mean overrule it?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

WAYNE: Potentially, overrule it. But there is a process in which the streets are done. Again, this is a way that even-- and I'm not going to compare this to inland ports. It doesn't change, necessarily, the, the makeup of what happens within the city. We're talking about with, with a good life district, we're talking about sales tax. The city still gets to collect their sales tax. In fact, the amendment that was already adopted clarifies that any occupational tax and sales tax continues to go to the city. It is the state portion of the sales tax that is gone. So it doesn't change anything in there. I mean, zoning, all that still has to occur at the local level. It is just the sales tax portion that the state takes away.

MOSER: Thank you. Appreciate that.

KELLY: Thank you, Senator Moser and Wayne. Seeing no one else in the queue, Senator Wayne-- you are recognized to close on the floor amendment, Senator Wayne.

WAYNE: I waive closing.

KELLY: Senator Wayne waives closing. Members, the question is the adoption of FA443. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 30 ayes, 0 nays on adoption of FA443.

KELLY: It is adopted. Mr. Clerk.

CLERK: I have nothing further on the bill, Senator.

KELLY: Senator Clements-- Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move that LB1317 be advanced to E&R for engrossing.

KELLY: That's a debatable motion. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. I was in the queue earlier, but then we had lunch and I had a question about an item in this bill. Would Senator Bostar yield to a question?

KELLY: Senator Bostar, would you yield to a question?

BOSTAR: Of course.

CLEMENTS: Thank you, Senator. I was looking at this list, on LB1389 it says broadband exemption, which is exempting personal property tax on some broadband equipment. And could you tell me why we need to do that and what the advantage is?

BOSTAR: Yeah, absolutely. And, and I'll just start by saying thank you to the couple of senators who got up earlier on the mic on this particular section of the bill and, and talked about its importance. I'll sort of reiterate a lot of the points that they've initially put forward which is this-- so this would create, as you said, a, a personal property tax exemption. So on the equipment itself all going forward, so there's, there's no property that exists today that would be exempted. And it would be for broadband development in areas that are either BEAD eligible, so the BEAD program is building that out, or in qualified census tracts. And so what we're talking about are, are places that are not just hard to develop broadband to, but the hardest to develop broadband to. So there are places that even with BEAD funding, even with all that-- those federal dollars coming down, it still doesn't pencil out to get broadband developed. And so all we're doing with this is making it a little bit easier, reducing a little bit of that tax burden on that equipment and-- so that we can get more of Nebraska built out with broadband. And, and kind of, I think, you know, the beauty of these, these provisions is there's, there's no current property that gets exempted so there's no, no tax revenues being lost. And, and the reality is that if we don't make it easier to develop, it won't be developed. So it's not even like there would be something collected going forward if we didn't do it. We're really talking about trying to access the absolute most difficult and costly places.

CLEMENTS: Thank you. I just-- I thought there must be a distinction. I appreciate that because I do tax returns for farmers and personal property tax on their equipment is something that is kind of a burr in their-- under their saddle. They'd like to get rid of it, but I'm glad that we're not just picking winners and losers here but we're encouraging build-out where it wouldn't happen. So thank you, Senator.

BOSTAR: Thank you.

CLEMENTS: Thank you, Mr. President.

KELLY: Thank you, Senator Clements and Bostar. Members, you heard the previous motion to advance LB1317 for E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CLERK: Mr. President, LB126. First of all, Senator, there are E&R amendments.

KELLY: Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB126 be adopted.

KELLY: Members, you've heard the motion. All those in favor say aye. All those opposed say nay. The amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Day, I have a motion to bracket the bill.

KELLY: Senator Day, you're recognized to open.

DAY: I would like to withdraw.

KELLY: Without objection, it is withdrawn.

CLERK: In that case, Mr. President, Senator Day, I also have MO1342 with a note that you wish to withdraw that as well.

KELLY: So ordered-- so ordered.

CLERK: And, and MO1343 with a note that you'd wish to withdraw that as well.

KELLY: Without objection, so ordered.

CLERK: In that case, Mr. President, Senator Linehan would move to amend with AM3404.

KELLY: Senator Linehan, you're recognized to open on your amendment.

LINEHAN: I would like to thank Senator Day-- thank you, Mr. President-- thank Senator Day for-- this is her priority bill. The fiscal note-- she was trying to get-- help veterans which I greatly admire-- the fiscal note was just too big. It is a subject that I hope she comes back to. There's a-- it is definitely something we need to get into the homestead exemption and, I think, several changes need to be made. But, Senator Day, would you like to explain how it-- Senator Day, would you yield to a question?

KELLY: Senator Day, would you yield to some questions?

DAY: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

LINEHAN: Senator Day, would you like to explain what the bill does now?

DAY: Yes. Thank you. So, essentially, my original bill would have expanded the homestead exemption to partially disabled veterans based on the percentage of disability. In the previous amendment, we stopped that down at 50% and above. And now we have removed all of that entirely, essentially, with this amendment and AM3404, I believe, includes Senator Holdcroft's--

LINEHAN: Senator Dover.

DAY: --Senator Dover's bill and I will let Senator Linehan explain that because I think she understands it a little better than I do.

LINEHAN: Thank you, Senator Day.

KELLY: 8 minutes-- 8 minutes, 35 seconds, Senator Linehan.

LINEHAN: That's plenty of time. So we had, I think, 5 or 6 homestead bills brought to the committee. All good ideas. Again, just limited short session, big issue, needs more study. But there were a couple things that have no fiscal note that we thought were good ideas. Senator Dover suggested-- and I think any of us that have had to go through with our parents or grandparents, the trip to assisted living, they don't want to sell their house. We had-- there wasn't a, a blanket policy across the state as to if you're not living in your home because you're assisted living, do you still get to keep your homestead exemption? We agreed on the committee that there should be an effort. It's very hard to tell somebody you're selling their home. So we agreed that people should be able to keep their home-- homestead exemption if they have any chance of coming back to their house and believe they have a chance of coming back to their house. The other thing we did-- and this is something else you can work on a little bit next year-- if you are on the homestead exemption now and your income doesn't go up, you should not be kicked off simply because the valuation of your home went up. So, again, this might need some tweaks in the future, but it gives you a little breathing room for that couple or person who's in their house and they're below the income limit, and they've taken care of their house so they can keep their house, but if their property taxes go up 30, 40%, they're going to be kicked out. So that's the other thing we did, which will be a bit of a fiscal note, but the administration didn't think it would be that big of a fiscal note. So with that, I would appreciate your green vote on the amendment. And, again, thank Senator Day for all her work on this

and hope that she can come back next year and do the changes that she's been working on since she's been here. Thank you, Mr. President.

KELLY: Thank you, Senator Linehan. Senator Day, you're next in the queue.

DAY: Thank you, Mr. President. I just wanted to take a, a brief second to explain, in addition to what I had mentioned earlier, this is a bill that I have been working on since I first got here in 2021. I have introduced different variations of this bill. We have continued to work with the Department of-- Disabled American Veterans, excuse me, to find a palatable fiscal note on this bill while still providing a significant enough amount of relief for disabled veterans on their property taxes. And I had hoped that maybe this year was the year that we were going to finally get it across the finish line. Unfortunately, here we are on Day 58 and the fiscal note was still too large for us to be able to move this forward. I know that there's a lot of people that have been watching this bill for all of the years that I have introduced it. I have gotten more correspondence on this bill and its variations of it over the years than I have on any other piece of legislation that I've introduced. And I know that a lot of people are, are extremely frustrated that we're in this point, yet again, where we are being told that we can't make it happen. And I just want to make sure that they know that I share those frustrations. I have received a commitment from a few people in the Legislature that will be here next year. Senator Jacobson and I were working together on this, and he and I agreed yesterday when we were brought the amendment, AM3404, that we would make sure that we worked from the very beginning together on something next year to make sure that we absolutely get this done. And also mentioning that we were provided the amendment yesterday, less than 24 hours ago, I believe. And so, you know, we did try to use those 24 hours to figure out a way where we could get a little bit of relief done today but it just was absolutely not feasible in the amount of time that we had with the amount of money that we have on the floor. So I promise to everyone that is watching and listening, we have worked our tails off on this piece of legislation and I will absolutely be bringing it back with several cosponsors next year to try to make sure that we get it done. With that being said, there are some really great pieces of legislation in the amendment that will turn into the full bill and I would encourage your vote on the amendment and the underlying bill. Thank you, Mr. President.

KELLY: Thank you, Senator Day. Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. So want to thank Senator Day for her leadership on these issues, and also thank Senator Linehan for trying to find a path forward, perhaps more modest than we would hope in regards to this aspect of property tax relief. But I, I do want to note a couple of additional issues. There's a lot of energy, there's a lot of deals, there's a lot of ideas when it comes to figuring out a path forward on addressing the pressures that valuations and property taxes are having on our constituents, and that's urban and rural. Let me be clear. I hear a lot about those issues in north Lincoln as well and, in particular, for a lot of folks in my district, number one, I have one of the highest, if not the highest percentage of renters in my district, so that hits differently from a property tax perspective. But then, additionally, we have a lot of working families in north Lincoln, and in many instances their home is their primary asset. And they have worked really, really hard over the course of their life to pour into that home, both for the love of their family and the pride they take in their neighborhood and the community. But it's, it's also, their, their primary asset financially. And so when I'm talking to folks and out in the community knocking doors, at community neighborhood meetings, what have you, you know, I, I hear a lot from constituents in a very urban district about how the property tax piece is hurting them, particularly working families, particularly seniors on a fixed income. And they're looking at these huge valuation issues and jumps, particularly in Lincoln here. And they're saying, well, I might be open-minded to selling my house, but where am I going to go? Am I going to move into a little condo? Am I going to move into an apartment? Like, that's not a, a clear path from there. And it also means leaving behind the home that they've poured their lives into and that they are, are very connected to from a familial and a community perspective. So I am not unsympathetic to what Senator Linehan, Governor Pillen, and others are trying to do when it comes to property taxes. But, again, I, I do have a significant amount of concerns about some of the solutions for revenue replacement that we have before us. They look better than what we had before us earlier in this session, but they're still problematic from a sustainability and an equity perspective and an affordability perspective. And we'll have more time to talk about that with LB388 and some of the related issues. But it comes up on this bill, too, where we're cutting corners, we're figuring out a way to push down the fiscal note because we're trying to make those, those other fiscal notes work. If we all agree that property tax relief should be a top priority and giving priority for property tax relief to veterans, folks who are disabled, folks who are seniors, you know, really expanding that homestead program, which in

essence, is like a circuit breaker. It's, it's part of our circuit breaker kind of approach to addressing property taxes that we've seen in other states. Why aren't we going all in on these programs to help the folks who need it the most with the exact issue of property tax relief? We're-- we've-- we're kind of in a topsy-turvy world here. I feel like this is just kind of a surreal debate. Why are we cutting--

KELLY: One minute.

CONRAD: --down-- thank you, Mr. President-- and cutting corners on one of the solutions to help the people who most need the help on the issue we're all concerned about, and we're twisting ourselves into knots to say, no, we'll take up real property tax relief for veterans, seniors, and the disabled next year. What? That just doesn't make sense to me. I'm, I'm not trying to be facetious, but it, it literally doesn't make sense to me based upon the, the conversations that we've been having. I don't think I'll get through it at this time on the mic so I might punch in again. But I also wanted to thank Senator Day for bringing forward an interim study last year that looked at ways that Nebraska can update our policies to be more welcoming to Military families and veterans. And we had an awesome, robust hearing before the Government, Military and Veterans Affairs Committee, and it spanned all kinds of things.

KELLY: That's your time, Senator, and you're next in the queue.

CONRAD: Thank you, Mr. President. And, and the hearing spanned all kinds of things from tax treatment, to occupational licensure, to the special hunting and fishing programs, to educational issues, to things related to veterans courts, and otherwise. And the, the list went on and on and on, but this particularly targeted tax relief was at the top of the list. So I, I just-- I, I think it's-- I think it's disappointing that we have consensus and agreement that LB126 picks up the top issue we're all concerned about and it targets tax relief to those who most need it under, essentially, a circuit breaker type program. We should be all in on LB126 and anything related thereto. That's commonsense policymaking for real, sustainable, equitable property tax relief we can and we should get behind to honor our seniors, to honor our veterans, to honor those who have served, to honor those who are disabled. This is a program that works and, yet, has a fiscal note, but so do the other big tax programs. And this is a policy solution that works. We should be doubling down on this one, not pulling back from this one to make room for the other, which I think is exactly what's happening and I'm concerned about. The other thing I do want to lift up here in terms of solutions, and I remain

solution-oriented, we've talked about it for years and we have great hearings on it and it never comes out. I'm looking at Senator Blood because she's in front of me, and she has demonstrated incredible leadership on continually bringing forward ideas related to an expanded circuit breaker program to address property taxes in a thoughtful, equitable way. Why are those solutions not before the body? I think Senator John Cavanaugh has one pending this session as well, or maybe carried over from last year. Those were brought year over year over year when I was in the Legislature last time. We-- the components of circuit breaker policy are part and parcel with our homestead program. So why aren't we focusing there and building there to deliver real tax relief that's affordable, sustainable, and targeted to the folks who need it most? I'm hoping that maybe Senator Blood might yield to some questions or even punch in and, and help us to think through the circuit breaker approach before, before we walk off the plank together, maybe with, with the other solutions before us in LB388. Mr. President, would Senator Blood yield, please?

KELLY: Senator Blood, would you yield?

BLOOD: Yes.

CONRAD: Senator Blood, I know you've worked on circuit breaker legislation to address concerns about property taxes in Nebraska during your tenure in the Legislature. Can you just give the body, maybe especially those of us who don't serve on the Revenue Committee, a little bit of flavor about the reception those proposals typically get at the committee level?

BLOOD: Sure. I actually have had multiple-- excuse me, circuit breaker bills that I have brought to Revenue. In fact, before Senator Cavanaugh ever brought his bill forward this year, he and I had a very robust conversation once during a filibuster where I explained what a circuit breaker bill was. So for those of you that don't know, it's when a property tax bill exceeds a certain percentage of a taxpayer's income, and a circuit breaker reduces property taxes in excess of this overload. So just like a circuit breaker, that's why it's called that.

CONRAD: Right. Right.

BLOOD: And to be really frank, it was never received well, and I never understood that. We're always challenged with finding creative ways to lower property taxes, so the two things that I pushed in the 8 years I was here was circuit breaker bills, which were done in 29 other

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

states. And by the way, as you pointed out, homestead exemptions are circuit breaker bills.

KELLY: One minute.

BLOOD: So the fact that they often say that they're not--

CONRAD: No need to rush, Senator Blood, I hit my light again so we can continue the dialogue.

BLOOD: OK. And so they often say that it's not constitutional, well, then they're basically saying that the homestead exemption is not constitutional which makes zero sense. I think they say that when they're trying to just shut you down. There's so many ways to do circuit breakers, too. You can do threshold circuit breakers, you can do income-based, but the nice thing about it is it promotes housing affordability, and a lot of people don't think about that. It allows people to stay in their homes. And so both Senator Day and I and others have had homestead exemption bills for veterans, and Senator Day was lucky enough to get hers through. Mine got stuck in committee and I'm a little jealous, but it's for the greater good and I support that. What I just put on your desk also, Senator Conrad, was some really interesting information of things that we haven't considered yet.

KELLY: That's time, Senators. And, Senator Conrad, you're next in the queue and this is your third time on the amendment.

CONRAD: Yes, very good. Thank you, Mr. President. And I'd ask Senator Blood if she'd continue, continue to yield.

KELLY: Senator Blood, will you yield?

CONRAD: Senator Blood, if you'd yield, I'd like to continue the conversation about the handout you passed out.

BLOOD: Yes, I didn't save a copy for myself, though. I just made you a copy so I think I'm going to go ahead and allow you to share it. Does that sound fair?

CONRAD: That would be fine. I haven't had a chance to read it yet, so I'd literally be reading it on the mic. But if you want to, maybe, just kind of tee up what this communication is in regards to, it looks like it's a memo dated in August of last year from Douglas County Assessor in regards to valuations and assessments.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

BLOOD: Right. I, actually, met him by accident, Walt Pfeiffer [PHONETIC], right--

CONRAD: Yes.

BLOOD: --at a, a pancake house. I was having a lunch meeting and he called me over and he shared these ideas that were so logical and I was curious why we hadn't implemented some of them. And, apparently, they'd been shared with other people, both at the executive branch and members of this body and ignored. And so I always saved a copy for an, an opportunity such as this to be read on the mic and shared, because I think that there are things that we can still do to lower property taxes that don't involve the big grab, right, where we're taking money from different committees that this Legislature appointed to exist because they had chosen not yet to use the funds that they had for those committees. And I'm just-- I've never been comfortable with that part of what we're trying to do right now with property taxes. I'm looking for something that's long term, has some longevity, has sustainability regardless of what's going on in the economy. And I think a lot of those ideas do just that. And then, of course, I always go back to my unfunded and underfunded mandates, which all of a sudden everybody's talking about, which is kind of funny because you never heard about it in my first few years here. And you'll note, too, on those bills, they get kicked out of committee 8-0 very enthusiastically, but they never manage to make it all the way on the floor, and not because we haven't had the votes, it's like someone else is steering the ship when they get to the floor. It doesn't seem to be this body.

CONRAD: Very good, Senator Blood, and I'm, I'm looking forward to digging into this more deeply. But it looks like one of the experts on the front lines with this in Douglas County has put together ideas ranging from changing the percentage of actual value at which property is assessed, expanding homestead benefits, looking to the levy or tax amount and adjusting the rate of valuation growth, capping valuation increases on a percentage basis. And then he's got a host of analysis and information here from a policy perspective and a legal perspective that, that definitely looked worthy of at least additional exploration as we're, we're trying to come together and find solutions here. So I, I will make sure to add that to my folder to carry over to next year. We'll miss your leadership on circuit breaker issues and, and matters impacting Military families and a host of other issues. But, but thanks for bearing with me and, and giving some of that information to the record.

BLOOD: Thank you.

CONRAD: Mr. President, the other thing that I would lift up in regards to this measure and the measure that we have coming later on this afternoon is I know that the Governor convened a task force of business leaders, policymakers, and others to come together over the interim period to try and figure out what we could do for property taxes, what we could do to address valuations. And I know that they met over the interim period and put together a host of different ideas--

KELLY: One minute.

CONRAD: --and-- thank you, Mr. President-- I'm hoping somebody from that task force might be able to share a little bit more about how much of the discussion in the interim centered on increasing cigarette taxes, increasing lottery taxes, increasing game of skill taxes, increasing cannabis taxes, taxing soda and candy, taxing storage facilities and pet services? I mean, what, what was the other big thinking that was out there or was the only solution that the task force generated was to increase taxes of some kind, whether it's sales tax or otherwise? Because I, I just think that would be helpful to know kind of what-- because the task force dug into this together from a lot of different angles. Are there other solutions that are out there that we need to think about more expansively instead of just some of the proposals that are myopically before us on the agenda today? So if anybody served on--

KELLY: That's your time, Senator.

CONRAD: --thank you, Mr.-- served on the task force could share, that'd be great.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Linehan, you're recognized to close on your amendment.

LINEHAN: Thank you. I'd ask for a green vote on the amendment and on Senator Day's-- I'm sorry, I can't see-- LB126. Thank you.

KELLY: Members, the question is the adoption of AM3404. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM3404 is adopted. Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CLERK: I have nothing further on the bill, Senator.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB126 be advanced to E&R for engrossing.

KELLY: Members, you have heard the motion to advance for E&R Engrossing. All those in favor say aye. Those opposed say nay. It is advanced. Mr. Clerk.

CLERK: Mr. President, LB1023. First of all, Senator, I have E&R amendments.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB1023 be adopted.

KELLY: Members, you've heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator von Gillern, I have M01351 and M01352, both with notes that you wish to withdraw those two.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator von Gillern would move to amend with AM3220.

KELLY: Senator von Gillern, you're recognized to open.

von GILLERN: Thank you, Mr. President. Everyone should have a spreadsheet that looks like this, looks similar to the one that was handed out earlier. Should be on your desk, of course, titled: Bills within LB1023. It'll give you a breakdown on all of those and we'll get to each one of those. But this particular amendment, AM3220, it applies to Senator Ballard's LB1400. Would Senator Ballard yield to a question, please?

KELLY: Senator Ballard, would you yield?

BALLARD: Yes.

von GILLERN: Senator Ballard, could you give us a brief update on AM3220 and your LB1400?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

BALLARD: Yes. So AM3220 just pushes out my LB1400, my relocation tax incentive on behalf of the Governor, pushes it out a year and drops the deduction to 60% of the income. So it, it fits in the overall tax package.

von GILLERN: Thank you, Senator Ballard. That's all I have on AM3220. I would ask for your green vote, please.

KELLY: Thank you, Senator von Gillern. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I just was looking over the agenda and the one-liners and, you know, noticed for example that there is at least an opening up of incentives under the ImagiNE Nebraska Act contained in this legislation. Now, it's not a major reform or a rewrite, what have you, but when it comes to trying to find consensus-based solutions around addressing our shared concerns on property taxes and otherwise, you know, friends, this, this piece has-- should be a part of the puzzle. And I'm not weighing in to say yea or nay in regards to whether or not we continue our robust incentive programs at this point in time but bear a huge, huge fiscal impact on our budget and in our revenue structure. And much like we were talking about in the budgetary debate, you know, it's kind of that iceberg impact where the base budget itself is 90% of the budget, 95% of the budget, perhaps. And then what we see emanate from the Appropriations Committee and that we kind of work through in budget debate together is, you know, maybe we're talking about 5 or 10% of the budget that we're kind of going back and forth from the Governor's proposal, the committee proposals, making amendments on our own on the floor in that regard, but it doesn't ever usually really look at that base budget underneath. And, and that same principle is applicable and inherent to our discussions on our revenue infrastructure. When you're looking at the bills on the agenda today, the major revenue bills, LB1317, LB126, LB1023, LB937, LB388, LB1363 to come later, we're, we're kind of dancing around the edges here. They're, they're important policy proposals. They're significant policy proposals. But we're not necessarily looking at them in the broader infrastructure of what we're bringing in "revenue-wise," what our revenue needs are to continue core government functions. And the incentive package, which is on the books, and there's a lot of different iterations of that have a-- have a big price tag, they have a hefty price tag. And there's been study after study after study as to whether or not that is a good investment of public resources to subsidize job creation, sometimes for the largest corporations in the state. And then even on a further note to try and discern whether or

not that public subsidy, that corporate welfare, some people call it, that tax incentive, that preferable tax program benefit. Once it creates the job, is it a good job? Is it a good job with good wages and good benefits that help to reduce pressure on the taxpayer when it comes to work support programs like Medicaid and SNAP and childcare, etcetera, etcetera? So there's only so many places to go within the budget and the over-- overall revenue infrastructure to find really, really significant pots of money, so to speak. So the good news is, I think overall this year and in this debate, we've moved beyond the magical thinking that tax cuts pay for themselves, we're at least acknowledging that we have to have replacement revenue on the table when we're having these discussions in a-- in a thoughtful way. And that's a good thing. I actually want to commend everybody, including the Governor and--

KELLY: One minute.

CONRAD: --the senators-- thank you, Mr. President-- who brought these forward of, of acknowledging that economic reality. However, as we're scrambling around to try and figure out how to address property tax relief, we're, we're, we're just exacerbating problems in the existing system by picking winners and losers with exemptions, by ramping up costs to particularly low-income folks and folks on a fixed income. And some of these proposals that are out there are just suspect in terms of diminishing returns for the revenue gains and overall in the legal and policy implications like the advertising tax. So I want us to slow down here. I want us to think at each stage of these as we're moving through what roles should, should incentives play in our state moving forward? That's a big pot of money that we need to think more deeply about as we're having these conversations--

KELLY: That's your time, Senator.

CONRAD: --related to LB388.

KELLY: Thank you, Senator Conrad. Senator Walz, you're recognized to speak.

WALZ: Thank you, Mr. President. Yeah, I am agreeing with Senator Conrad on this. And I'm not saying that, you know, I am against this bill, but I do have a couple questions and I think Senator Vargas said something this morning about, think about what we're passing. Because the amount that it costs is an A bill that you may want funded or a piece of legislation that you want funded. I was wondering if Senator Ballard would answer a couple questions, please?

KELLY: Senator Ballard, would you yield to some questions?

BALLARD: Yes.

WALZ: Thank you, Senator Ballard. And I'm not picking on you, I really, honestly, just have some questions about LB1400, just because I'm, I'm curious about, you know, how this is going to help our state move forward. So, first of all, who asked you to bring the bill?

BALLARD: This was on behalf of the Governor.

WALZ: OK. All right. And you may not have the answers for this, but I'm just wondering was there any studies done? Is there data that's been collected on if this piece of legislation or how many people are not moving to Nebraska because we're not paying for their moving expenses?

BALLARD: I can get you that information. There, there was a, a study done, a, a group put together to look at this issue.

WALZ: OK. OK. And then the other question I have is, I think it looks, and I could be wrong, but it looks like it affects people who make \$70,000 up to \$250,000. Is that correct?

BALLARD: Correct.

WALZ: OK. Was there any consideration on the amount of people that we need to fill positions in Nebraska who make under \$70,000 that may need to have their moving expenses paid for?

BALLARD: No, I, I do appreciate that question. It was-- it was one of my considerations as well. But when you're looking at the overall package, we want to bring in high-paying jobs, good-paying jobs that are able to satisfy, that are able to expand the tax base. So this was part of the-- part of the overall agreement.

WALZ: OK. Yeah, I would just-- I mean, if you do have any studies or data collection on that, I would-- that'd be great. I would appreciate seeing that.

BALLARD: Yeah, I appreciate the questions. Thank you.

WALZ: Yeah, just one more thing. Can you kind of explain just a little bit about the target-- who you're targeting here? Like, what kinds of people are you targeting?

BALLARD: Targeting?

WALZ: Through this, this bill. Like, who are you trying to talk into coming to Nebraska? Who are you trying to incentivize to come into Nebraska?

BALLARD: No, I, I think the, the Governor said it in his State of the State speech that Nebraska is known for having cheap labor and high quality of-- or lots of land. And we're looking at bringing in good-paying jobs that, that Nebraska is open for business. And these are technology jobs, manufacturing jobs, jobs that we need right here in the state.

WALZ: OK. All right. I won't ask any more questions. I was just curious about the, the background--

BALLARD: Thank you.

WALZ: --on this bill. Thank you, Senator Ballard.

KELLY: Thank you, Senators Walz and Ballard. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Again, good afternoon, colleagues. I ran out of time at my previous time on the mic and just as custom in our body and, maybe, as a reminder to the presiding officer who's new in this role, we typically afford senators an opportunity to conclude their sentence before we shut off their mic. I know we can't abuse the, the process and the time constraints, but we typically do afford each other that professional courtesy, and I would hope that that would be extended during your time in the Chair. I want to ask my friends who brought forward this measure to share a little bit more about why this particular tax policy rises to the level of over-- overall importance far beyond, you know, when in juxtaposition to exactly what we just pared back on, on LB126. If Senator von Gillern or Senator Ballard would like to explain why these provisions that have a significant tax impact, fiscal impact, and that, you know, arguably have merit, why are these more important than providing property tax relief to disabled veterans? Could you please discern that in your next time on the mic? And if you don't want to punch in and explain on your own time, I'll ask you to yield. Would Senator von Gillern yield?

KELLY: Senator von Gillern, would you yield?

von GILLERN: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CONRAD: Thank you, Senator von Gillern. I know you are trying to balance a lot of different competing considerations on the Revenue Committee, but I, I know you brought forward this particular package. And could you just remind the body, and I know it's hard to say with the amendments being the, you know, kind of the posture where they are, what's the overall price tag on this bill once it's amended to, to move forward, as a general estimate?

von GILLERN: Well, it's, it's on the worksheet that you have in front of you. There's \$2.5, \$1.2, and \$5.0 million in revenue that would be given up if, if these bills are all passed. The, the difference-- the question you asked earlier about why is this important versus--

CONRAD: Yeah, yeah. Thank you.

von GILLERN: --versus property tax. All of these have a return on investment. These all have a multiplying effect. None of these are in place because of their own. They are-- they are of benefit. Each one of these have a multiplying effect, we believe, and they will return a greater amount of return to the state than what they cost.

CONRAD: I, I really do appreciate that, Senator von Gillern. I think that that's the exact kind of policy analysis and underpinning that we're, we're trying to sort through that I know that you get to have richer and deeper conversations about at the committee level. So it's helpful to tie these together because I'm, I'm not trying to ask gotcha questions. I'm trying to be responsive to my constituents that are looking at the agenda today, that are following along and saying why the heck did you guys pull back on doing something for property tax relief for disabled veterans, but then you're rushing out to do all of these new or different or other programs? And it's, it's just kind of hard to explain that. And so I, I think it's a legitimate policy underpinning to say that you think that there's a, a return on investment here that's, maybe, greater than there are with other tax policy choices before us. That, that does make sense to me on at least some level. And, and I think helps to explain our thinking as a body to the citizenry at, at large who, I think, are also struggling to understand and weigh these competing considerations and figure out, you know, why is it year over year after year we're finally going to do something about homestead--

KELLY: One minute.

CONRAD: --and other policy ideas-- thank you, Mr. President-- that, that come in that our new this year are just flying through? If, if we

recognize that we need to do more on homestead, why, why aren't we focused there instead of moving forward with, you know, \$9, \$10 million fiscal impacts on, on other programs? But I know that you and Senator Ballard and others have worked hard to put this piece together. I know that it touches upon some of our, our tax incentive programs which, you know, are always part of an ongoing analysis. They, they frequently need to be updated or strengthened or modernized. That's part and parcel with what we do in the Legislature. And I'd just be interested to know how those programs work in concert with the corporate and income tax cuts we ushered in last session as well. So I'm just trying to kind of pull together the full picture on our economic development--

KELLY: That's your time.

CONRAD: --policy, our tax policy. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Conrad, for bringing up this interesting question because I was sitting here listening to the debate and I, I appreciate what Senator von Gillern said about the multiplier effect. I will say this week and last week, I could only be here because my retired parents were helping with my children. And I think that's true of a lot of working families. They want to have-- I mean, I moved here to have my children in Nebraska near my parents so they could be in their lives, first of all, but also be a support system. So I think that the idea of making Nebraska appealing to be a place to retire is also very important. I think that what Senator Ballard is attempting to do with his LB1400, which is AM3220, is a great idea. But in a moment where we are literally down to the wire trying to cut our expenses on our green sheet, I just don't think that it is fiscally feasible to do today. And, obviously, we-- it wasn't fiscally feasible to do Senator Blood's bill that we actually passed last year. And so I, I will be not voting on AM3220, though I do think it's a great idea, and I hope that Senator Ballard brings it back next year and we can work on it when we have more time. But I would say that we have to recognize that our aging population brings a vital component to our economy. And the more we can have them stay here and help the next generation of our workforce, the better. So thank you, Mr. President. I yield the remainder of my time.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you're recognized to speak and this is your third time on the amendment.

CONRAD: Thank you, Mr. President. I was just wondering if any of the members who were selected to be a part of the property tax task force, I'm not sure if that was the official name of it, that was convened by the Governor during the interim period, and I know it had stakeholders, again, who were policymakers, there were policy experts, there were different industries represented. If, if any of those members could help to shed some light on other policy solutions in relation to property taxes that were discussed, that were evaluated, why some solutions were not put forward? Why solutions that were focused on increasing taxes were the only ones truly put forward that are truly moving forward? I just-- I, I think it would be beneficial for the body's understanding and the public's understanding to know kind of how we got to where we are today. And, of course, the property tax proposal that's coming up a little bit later on the agenda. And all of these pieces are, of course, related. But I, I-- I'm just looking for an honest answer as to why increasing taxes is the only solution before us to decrease taxes. I just-- I, I don't understand that. And if those other solutions that were out there were vetted, were analyzed, were talked about through the interim period, and that we don't have the benefit of a transcript to go back and review were discarded, why were they discarded? Were incentives looked at? Was a billionaire's or Buffett rule looked at for high-income earners? Were there other things baked into our tax code that need to be updated or modernized or looked at? How do incentives work with the new corporate and high-income tax cuts that we ushered in last year? What about other revenue sources like online gaming, like legalization of marijuana, as many of our sister states have moved in that direction? That is wildly popular amongst the public, it brings in additional revenue that doesn't have the same affordability, sustainability, and equitable concerns that the other proposals before us have. I-- I'm, I'm just trying to understand before we have to get to a vote later today on increasing taxes to decrease taxes, how did we get here? I, I wasn't selected to be a part of the task force, so I wasn't privy to those conversations. And I'm, I'm just trying to understand what other solutions were looked at, how they were analyzed, why they were discarded, and why we are left with just these limited choices before us today to either give a thumbs up or a thumbs down to? Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator von Gillern, you're recognized to close on the amendment and waive. Members, the question is the adoption of AM3220. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays on adoption of the amendment, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: AM3220 is adopted. Mr. Clerk.

CLERK: Mr. President, next amendment, Senator von Gillern, AM3375.

KELLY: Senator von Gillern, you're recognized to open.

von GILLERN: Thank you, Mr. President. AM3375 is, is-- amends my LB1023, which is the base bill here. What I had originally proposed in LB1023 was immediate expensing of 100% of capital expenses for factories and other industries. We found that the fiscal note was far too high doing that. So what we are doing is matching the rate that the federal is stepping that down for 2026. And so we're going to freeze that at a 60% rate going forward. So it brought that fiscal note down to about 10% of what, what it was originally. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Again, good afternoon, colleagues. I, I know everybody's busy working on these matters and, and other matters off the floor and there's some negotiations happening, but I, I, I noticed that none of my colleagues who had the opportunity to, to serve in this role punched in to talk much about it. But on July 24 of 2023, Governor Pillen put out a press release announcing a valuations reform working group that was supposed to come together over the course of many months to look at the burden for homeowners, businesses, and ag producers in our state when it comes to the ever-growing, insurmountable valuation growth in recent years and what that means for property taxes and what that means for businesses and citizens and ag producers and schools. And he named a very prestigious group, including himself and members of the Governor's research team, of course, our esteemed friend Senator Linehan, our friend Senator Albrecht, Senator Bostar, Senator McDonnell, Senator von Gillern, there were representatives from the League of Municipalities, the Lincoln, Omaha, and State Chambers of Commerce, the Realtors Association, the Farm Bureau, the Cattlemen, the Association of County Officials. And this group came together-- I am told-- again, wasn't a, a part of the, the working task force-- but I think multiple times over the course of the interim with a goal to focus on valuations and how that played into our ongoing property tax burden and concerns. And so my question to my friends Senator Linehan, Albrecht, Bostar, McDonnell, von Gillern, and others involved in this situation-- in this task force, were how are the measures before us meet the goal of addressing property tax valuations, which was the, the stated North

Star policy goal that we had before us in this working group, and that was meant to bring forward solutions this legislative session. Because I'm, I'm not sure that any of the solutions before us actually get at the valuation problem. So I-- I'm, I'm asking these questions for now, rhetorically, because I, I think it would be beneficial if people could share some of that thinking about what happened behind the scenes on their own time and in their own terms. If we have to move to Q&A, we can look at that as an option as well. And maybe the goal shifted, sometimes task forces come together and they say, gosh, this is unattainable or we're going to move in another direction. When did the focus shift from addressing valuations and why? Because I don't see anything on the agenda today that goes after the heart of those policy goals as to address the, the ballooning valuation and what that means for property taxpayers. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator von Gillern is waiving closing. Members, the question is the adoption of AM3375. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 33 ayes, 0 nays on the adoption of the amendment.

KELLY: AM3375 is adopted. Mr. Clerk.

ASSISTANT CLERK: Next amendment, Senator Bostar, AM3400.

KELLY: Senator Bostar, you're recognized to open on your amendment.

BOSTAR: Thank you, Mr. President. And good afternoon again, colleagues. AM3400 is, is really a technical fix, but provides some clarification around the convenience rule provisions within LB1023. So there were-- there were two pieces of legislation that are similar and that's LB173, which is a bill I, I introduced last year, and LB416, which is a bill that was introduced by Senator Kauth last year. And they both relate to nonresident income taxation. And so one of the pieces of, of that is dealing with what's called the "convenience rule," which is-- put most simply-- the most-- simply as I can, is that you're taxed as if you work in your employer state even if you don't. So it's location of convenience. And so that leads to double taxation on individuals. So we're, we're trying to reform that. There's only five states that do this. We're one of them. So one of the things we're doing in, in LB1023-- and, and I-- we talked about it on General File is try to fix some of this. And we, actually, had both of these bills in legislation on the floor last year. They were pulled out for, really, fiscal constraints on Select File last year. So it's

good to see them getting finished this year. So this just offers some clarifying language. You can take a look at it. So I would encourage your green vote of AM3400. With the time that I have remaining, I, I guess I'll talk a little bit about the valuation working group that was created that I served on that, that primarily met during the previous interim. And while the initial objective, I think, was to deal with valuations, it, it did-- the objective did shift pretty early on to broadly addressing high property taxes, in a general sense. That being-- and, and I-- and I think there was-- there was a lot of discussion that happened where it was-- I think a majority of the folks in the room thought that valuations weren't the issue and that we should change that focus. That being said, I, I-- actually, I don't mind the, the focus on-- that, that we took on property taxation, but I, I would say that I also do hold that valuations are an issue and are a challenge that we need to be addressing. Particularly, if you-- if you're in Lancaster County and, and those of you in this room who represent districts in Lancaster County, I think-- I would imagine, are acutely familiar with the challenges that are present within our current valuation system. I'll put in a small plug for a bill I introduced this year that would have made it so that whatever the valuation of your property that you were given could be a considered offer to purchase at that amount by the county. I thought that that would have a-- an impact on valuations pretty quickly. Although, I think that that solution was seen as a little radical so we didn't opt to incorporate that into any of these packages I'm sorry to say. But if anyone has any questions about that bill, I, I really liked it, so I'm happy to talk more about that if anyone would like. Otherwise, thank you, Mr. President. Thank you, colleagues.

KELLY: Thank you, Senator Bostar. Seeing no one else in the queue, you're recognized to close and waive closing. Members, the question is the adoption of AM3400. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM3400 is adopted. Mr. Clerk.

CLERK: I have nothing further on the bill, Senator.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB1023 be advanced to E&R for engrossing.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: Members, you have heard the motion. All those in favor say aye. Those opposed, nay. LB1023 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, next bill, LB937. First of all, Senator, I have E&R amendments.

KELLY: Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB937 be adopted.

KELLY: Members, you have heard the motion. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to bracket the bill until April 12.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I was very enthusiastic on my motions on this bill that I filed them twice. So I have multiple of bracket, etcetera, filed. But never fear, I don't plan on taking all of the time on all of the things and all of the reconsiderations on LB937. I would like to ask if Senator Clements would yield to a question? And just to give an idea, this is about funding for crisis pregnancy centers.

KELLY: Senator Clements, would you yield?

CLEMENTS: Yes.

M. CAVANAUGH: Thank you, Senator Clements. I believe this was brought to your attention. So the Department of Health and Human Services put out a RFA request for applicants for funding for a grant program on March 25. You're aware? Yep, you've got it.

CLEMENTS: Yes, I received a copy. Thank you.

M. CAVANAUGH: Yes. OK. So in that proposal or that request, they have delineated \$3.85 million each year of the agreement. And the funding available is 2.35 in federal TANF and then an additional 1.5 in state General Funds. So my question for you is-- I don't recall us including the \$1.5 million in the budget in General Funds. Did I miss that?

CLEMENTS: I checked with our-- Fiscal Analyst came up and explained this to me and reminded me that it is in the budget, and I do have some figures of the \$1.5 million, \$364,000 has been spent as of the

end of February. So it's not being spent up to the limit at all. The TANF amount, \$1.6 million of the TANF, 2.3 has been spent. And the explanation for the General Fund is that medical services are not covered under TANF, something like aid for cribs and car seats is TANF, but a medical procedure is not.

M. CAVANAUGH: And what, what medical--

CLEMENTS: They mentioned--

M. CAVANAUGH: --what medical, medical services are we providing?

CLEMENTS: --ultra-- reimbursements for ultrasound expense was the only thing that was mentioned to me. That's a-- that's a General Fund. It's not, not under TANF I was told.

M. CAVANAUGH: But these facilities are not medical-- they are, specifically, not medical facilities.

CLEMENTS: Well, they use the word medical, but it's-- evidently, TANF doesn't cover an ultrasound.

M. CAVANAUGH: Well-- and it's not-- it's not a-- not a medically certified technician that is administering the ultrasounds as well. So we're reimbursing for untrained technicians to administer ultrasounds outside of a doctor's office?

CLEMENTS: Well, I'm not sure. I would think you'd have to have some training of some sort to be able to run that--

M. CAVANAUGH: But they are not--

CLEMENTS: --equipment.

M. CAVANAUGH: --they are not-- I don't know what training they have, they are not medically certified and it is not a medical facility. So we probably shouldn't be giving General Fund dollars for medical reimbursement for nonmedical services, especially since most of the population that they would be serving would either qualify for Medicaid or have their own health insurance coverage that would cover ultrasounds. So it seems duplicative and, possibly, an unnecessary expense for us.

CLEMENTS: Looks like they are well below the amount that was allocated, they're only at \$364,000. Looks like they might hit \$500,000 and have \$1 million extra by June 30.

M. CAVANAUGH: So this RFA, however, is for July 1, 2024.

CLEMENTS: All right. Well, I was-- I was given the figures, you know, on the current budget.

M. CAVANAUGH: OK. Well-- because this, this request came out on March of this year, and it's for July of this year to June of 2026. And I guess I'm just curious because we previously allocated-- let me see what that was. I guess what I'm asking is, as we're here trying to tighten our belts on everything, it seems that perhaps we unknowingly gave the crisis pregnancy centers already a significant amount of money this year that perhaps we don't need to do the tax credit for people who donate to it. Do you follow my logic?

CLEMENTS: I follow your logic, but I-- yeah, I'm not sure about the details.

M. CAVANAUGH: So we previously gave \$1.9 million-- no, \$1.093 million in TANF to pregnancy centers in '22. And in '23, we gave 1.7, and now we're giving 2.35, and they're still not spending it all and we don't know why we're doing that?

CLEMENTS: No, I just know what the numbers are, but not how the utilization has been.

M. CAVANAUGH: OK. Thank, thank you for answering my questions. I appreciate it. Would Senator Albrecht yield to a question?

KELLY: Senator Albrecht, would you yield?

ALBRECHT: Yes.

M. CAVANAUGH: Thank you, Senator Albrecht. Are you aware of-- and I am-- genuinely, I am not trying, trying to mess up your bill.

ALBRECHT: I'm good. I'm good.

M. CAVANAUGH: I just want to know if we're giving them this money that they weren't fully utilizing, what is the need?

ALBRECHT: First of all, it's my understanding-- and thank you for these questions-- it's my understanding that our pregnancy help organizations are not utilizing those funds because aren't TANF funds federal dollars?

M. CAVANAUGH: Yes.

ALBRECHT: Yes. I don't believe-- it's my understanding-- that's why I'm verifying it right now-- but I'm-- it's my understanding they don't use the federal funding because you have to-- you have to comply with certain things to get that money.

M. CAVANAUGH: You have to be serving a specific financial population. Yes.

ALBRECHT: Yes. And so it's-- and I'm waiting for the call, and as soon as I find out and verify for sure, but it was my understanding they don't use those funds. That is why. And we are not-- we started at \$10 million, then we went to \$2.5 million or \$2 million, and now we're at half a million dollars the first year and \$1 million the second if they need to use it.

M. CAVANAUGH: OK. So is the intention then to move away from the federal funds that are more restrictive and prescribed and to General Funds that are more flexible?

ALBRECHT: Well, I wouldn't say that, that they even use the TANF dollars.

M. CAVANAUGH: Well, I, I think Senator Clements said that they, they have used some of it.

ALBRECHT: And if they have, I, I need to know what for and what were the parameters--

M. CAVANAUGH: They can use it--

ALBRECHT: --they had to meet.

M. CAVANAUGH: --they can use it for things like cribs and car seats-- you know--

ALBRECHT: Right.

M. CAVANAUGH: --meeting those essential needs.

ALBRECHT: But I want to know that for sure. But, but the whole idea of funding the pregnancy help organizations is to help the women that after 12 weeks will be giving birth to their babies, and, and whether it's up to 12 weeks or after that they still need help.

M. CAVANAUGH: Sure.

ALBRECHT: They still need to be guided through it. And, and that's what we're trying to help the pregnancy help centers that have, basically, just been out there raising funds to help these ladies. Now, we have a responsibility just like the-- you know, taking care of them while they're pregnant and Senator Dungan's bill, you know, and Senator Wishart's bill from last year, we have to be able to do all we can as a state to help these ladies so that they can get through the pregnancy. OK.

M. CAVANAUGH: Thank you. I appreciate that. I appreciate the intention you have here. I don't mean to sound like just an accountant because I'm very much not one, but I just want to make sure that we aren't double funding when we might not need to. And if they're not using the TANF funds, then we should look at perhaps shifting away from that or how we should-- I know you won't be here next year, but this might be something that we should collectively look at next year to address, so.

ALBRECHT: Thank you.

M. CAVANAUGH: Thank you so much for your time.

ALBRECHT: Yep. Um-hum.

M. CAVANAUGH: I--

KELLY: One minute.

M. CAVANAUGH: --thank you-- I see there's some people in the queue so I will leave my motion up for now, but-- and I'll yield the remainder of my time. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Day would like to recognize guests with her under the north balcony, husband Jon and sons Canyon and Noah. Please stand and be recognized. Senator Hunt, you are recognized to speak.

HUNT: Our children grow so fast. Those boys. OK. Good afternoon, colleagues. Good afternoon, Nebraskans. What Senator Albrecht said-- you know, after 12 weeks in Nebraska, these women are going to be giving birth, and we have to give them support. Why must it be a church organization that is giving women inaccurate, nonevidence-based information about their pregnancies when you can swing a cat and hit a Charles Drew Health Center or a OneWorld Health Center or UNMC or a CHI or any other kind of healthcare facility in Nebraska that is not church based that's not giving misinformation to clients? Why is it

that-- we know why-- we know why. It's the same way-- same reason that we're using taxpayer dollars to fund the Catholic Church by, by giving them money for their schools. These organizations already have the ability to raise their own money to fund their own, you know, misinformation, nonevidence-based BS that they're giving to these women. And there are many women who have had great outcomes from going to crisis pregnancy centers, who have gone in, who got their ultrasound from whoever off the street was giving ultrasounds that day, who didn't have an adverse outcome with their pregnancy from seeing one of these places. But on the other hand, women have been giving birth since the dawn of time. Just because somebody didn't die from going to a crisis pregnancy center doesn't mean that they're giving good services. We know that they're not. I talk about this on social media a lot. I really do not like crisis pregnancy centers. I do not think they should exist. I think it's very, very unethical what they do. I think that we should support real doctors and real healthcare providers who are qualified and trained and who believe in science to care for women in the year 2024, when we have all this evidence and information and we have science that shows us how to get the best outcomes for pregnancies in the United States. And when you look around the rest of the world in other, you know, developed wealthy countries like the United States, the U.S. has some of the worst birth outcomes in the developed world. Nebraska's birth outcomes aren't very high up there either. Why is this? I don't know, because it's not for lack of science. It's not because we don't know what to do for these women. It's because we have lawmakers like us in Nebraska who are saying, instead of funding healthcare, instead of funding organizations that are providing evidence-based information to pregnant people, instead of funding comprehensive sex education so we reduce the number of unintended pregnancies in Nebraska. What we're going to do is funnel money into the church so they can continue to tell women whatever they want. That's, literally, what we're doing. And, again, I know people are going to blow me up and say, oh, I went to a crisis pregnancy center and now we have a bundle of joy and we're a happy family and this is a blessing and my family's complete. Good. I'm happy for you. That's what I support. I support the ability of everybody to have the family that they want. And I'm glad that it worked out for you. And I'm glad that you were safe. But that's not the experience that a lot of other women have. And for that reason, we cannot be giving taxpayer funds to these organizations that actually don't keep women safe. If a woman is safe coming out of a crisis pregnancy center, thank God, because that doesn't always happen. There is a-- you know, here's an example of one woman. Her name is Jennifer Suing [PHONETIC], she-- this is recent, she had--

KELLY: One minute.

HUNT: Thank you, Mr. President. I might continue this on my next time because that 5 minutes goes fast. But crisis pregnancy centers give questionable care. They do not have to follow the same regulations. They do not have to follow the same standards of medical care as other places. You know, the libertarian in me says if a woman is aware of the risks, if she's, you know, if she has informed consent, if she knows that she's going into a place that's giving her faith-based medicine instead of science-based medicine, then, you know, I guess she has the right to do that. But that's not what actually happens. These people are tricked. They are told things about their pregnancy that are not true. They are not given information about all of their options. And for that reason, people can certainly go do it, that's legal, but the state should not sanction this by funding it. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. Lieutenant Governor. This is in response, a little bit, to what Senator Machaela Cavanaugh was talking about of the ultrasound technicians. My wife's been an ultrasound technician for 45 years doing heart ultrasounds. They-- she's worked at Bryan for 45 years. There are those that have a lot of medical training. Bryan has a 4-year school now that you have to go to. You have to complete boards and everything. They do the ob-gyn and all of those things. I don't know what a clinic is like, but I do know that part of this money that Senator Clements and them were talking about and TANF funds, some of those are how they have to code those. So if an ultrasound is done, they may have to code it medically, and then it may not be-- I don't know those things and stuff. But I just want to get up and say that I don't know what the clinics are like, but ultrasound technicians have to have a lot of schooling. They have to have a lot of training. Very proud of my wife for doing this for 45 years. Really thank her for doing that. When she started out, she did the OB-GYN and I call it vascular, or the blood, the veins and stuff. When she started out 45 years ago, she did that. She went over to heart, doing heart ultrasounds. Bryan Hospital, when she started there 45 years ago, had 2 ultrasound technicians in the heart department. Now they are over 35 and they cannot keep enough staff there. So that's the demand that we do have for ultrasound. So many of them are very, very well-qualified, medically. They do have to complete so many hours of training for every so many years. Like I said, I don't know what the clinics do, but I do know that when you work at a hospital

and you qualify for those things under Medicare, Medicaid, or anything, you have to be very well-trained. Just wanted to get up and clarify that. I yield my--

KELLY: Thank you, Senator Dorn. Senator Vargas, you're recognized to speak.

VARGAS: Thank you. Well, I think I'm still in support of the underlying bills. I know there's questions on to what extent. We're, we're having a lot of debate right now on, on just the cost of a lot of bills, and the cost of tax credits, and what our main and key priorities are. I, I do want to talk about what Senator Cavanaugh and, and others have brought up. I've had a initial conversation with the Chairman of Appropriations, because my issue-- historically, it looks like within TANF, we have spent some dollars from TANF in 2022 and 2023, on crisis pregnancy centers. The issue and the question that we're waiting to get back from Fiscal is, were these funds line item allowable uses that the Appropriations Committee authorized? And as of right now, the answer is unsure, leaning no. This exists in public assistance aid, is what I'm told. And we're trying to get a definitive answer on whether or not it's an allowable use within statute for public assistance. If it is, then it's within the discretion of DHHS to authorize an RFP or an RFA for this. If it's not, then it's, it's not. And, and I, I would say that one, we shouldn't be doing this. It's not something that should be authorized. Separate question. And I've already been in opposition of, of the way the language is, just with the crisis pregnancy centers. I think it should be for pregnancy-related services. I'm in support of expanding that definition. But if we already are putting this in an RFA or an RFP, and we are trying to get services at the state level for general funds, then the question is, is it necessary to do the tax credits in this, in this way? The questions I still have remaining that we will get, in regards to the RFA, is one, whether or not this is guaranteed to provide general funds. There is language in this that does say that it's not necessarily guaranteed that-- and they, and they put this in, in the fourth page. This period may be extended if state funds are involved in the award. So I'm not sure and we're still trying to figure out whether or not they are allowed to authorize state funds for this purpose under public assistance aid. That's one. And two, whether or not it's something that they would then carry over to next year, and request general funds for this specific purpose once they've received RFAs, people that said that they want to do this service. But I have similar concerns that Senator Cavanaugh and Senator Hunt have brought up, partly because we're debating whether or not we should do the tax credits, and we're now seeing that there's authorized-- or at

least putting out authorized general funds for crisis pregnancy centers. And so, I may get on the mic again. I see that Chairman is talking to the Fiscal Analyst working with DHHS, so we can find out a bit more information about this. Ultimately, when we're, we're making requests and things are going through Appropriations, we, we do make sure we're voting on line item requests on what the purpose is for some funding. And that's, that's what this is for me-- what is the purpose of the funding, and figuring out whether or not we're already doing some of this with general funds. It's clear we've done some of this with TANF funds. So I may get on the mic again. I'm going to talk to a fiscal analyst and find out some more information. Thank you.

KELLY: Thank you, Senator Vargas. Senator Albrecht, you're recognized to speak.

ALBRECHT: Thank you, Mr. President. I do have my notes from when I opened on this bill two years ago. Pregnancy help organizations also provide personal relationships and strong local support network for women and their families in ways that no government program can. LB606 will help support and expand this work by providing up to-- now, it's half a \$1 million-- to be allocated per year for private donations to be eligible charitable organizations. One of several pregnancy help organizations in Omaha last year raised a little under \$2.5 million to serve 1,991 clients. That's just one. One client-- one organization-- and helped 32% of those. And 17% were Hispanic, and 32.5 were African American. Doing the work these pregnancy help organizations do requires resources because of the sheer need out of the Nebraska communities. Research by the Charlotte Lozier Institute shows pregnancy help organizations save communities millions of dollars annually, and they-- than they would otherwise need to spend on social services and organizations that are provided through the state. This bill defines eligible charitable organization-- organizations as a 501(c)(3) that regularly answers and dedicates phone lines to a number of their clients and maintains a physical office, clinic, or maternity home in Nebraska, and offers services at no cost to the client for the express purpose of providing assistance to women in order to carry their pregnancies to term, encouraging and enabling parenting or adoption, prevent abortion, and promote healthy childbirths. An eligible charitable organization must use licensed medical professionals for any medical services offered, and cannot receive more than 75% of its annual revenue from governmental grants or sources. So an organization seeking to become eligible charitable organizations shall provide the Department of Revenue with a written certification that it meets all criteria under LB606 to be considered an eligible charitable organization. The department shall review each

certification to determine whether the organization meets the criteria, and shall compile and be available to the public a list of eligible charitable organizations that have been approved. No more than 50% of the amount, the amount of tax credits allocated per year may be allocated for contributions to any one single organization, and no individual taxpayer may receive a tax credit greater than 50% of their income tax liability. Whether you're pro-life or pro-choice, we can all agree that every woman and child deserves the love and support. And that's what these organizations do. I hope that helps to clarify some of the questions that have been raised. Thank you, Mr. President.

KELLY: Thank you, Senator Albrecht. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Thank you for that information, Senator Albrecht. Everything Senator Albrecht just said underscores what I'm saying. I mean, I-- we're talking past each other, you know. Yes, I know what they do. I know what their mission is and what their purpose is, and that's exactly why we can't use public funds to support them. She says that crisis pregnancy centers provide a service that no government service can. Well, now we're funding them. And it's the same thing as a government service. Talking about how this has no cost to clients, it has a cost to taxpayers under this bill. I don't know why we need to fund these organizations that do not provide evidence-based services, that to-- not provide the standard of medical care, when we could just fund services that do. The fact that so many people who are facing unwanted pregnancies are going to these clinics, as Senator Albrecht says, just shows that there's such a need in our communities for quality healthcare providers, for quality healthcare, not church-based programs that are about-- you know, if, if someone is looking for relationships and support and reassurance, those are services that they can still provide. Those are services that we can get all kinds of places: from our friends, from our churches, from our neighborhood organizations, and other parts of our communities. I get it from the coffee shop at 49th and Underwood, where I go every day. I mean, there's so many ways to get these things. It doesn't mean that government needs to fund it, especially when we know that these are not evidence-based practices that they're doing. The issues with crisis pregnancy centers extend so far beyond just providing misleading information. They're siphoning public funding through bills like this. When they siphon public funding from the Temporary Assistance for Needy Families program-- what we're doing is we're diverting resources away from evidence-based programs and services that could genuinely support pregnant individuals and children living

in poverty. The diversion of these funds, it just underscores a greater issue of how crisis pregnancy centers exploit vulnerabilities, how they exploit vulnerable people. They promote misleading and harmful information. They delay access to genuine healthcare, and they also lack privacy protections due to their typical non-qualification as a healthcare provider. I have-- this is a crisis pregnancy center request for TANF funds. A lot of us have looked at this. I think this has been distributed. And you see on page 7, where they talk about the project description, and the goals and objectives, allowable expenses and activities. What this guide from DHHS says is that applicants must ensure network providers provide, at minimum, all of the following services. And one of them is, applicants should indicate whether the curriculum is an evidence-based curriculum. It says right there in the guidelines that it doesn't have to be evidence-based. They should indicate whether it's evidence-based. So if it's not, we can still fund it. Yes, under these guidelines. This woman who submitted this editorial to the Lincoln Journal Star, Jennifer Suing, said Nebraska politicians who want to outlaw abortion are going beyond pushing abortion bans, such as the 12-week ban passed last legislative session. They're trying to restrict, control, and manipulate the information provided to pregnant Nebraskans to achieve a narrow, unpopular agenda that doesn't align with the values of the people they're elected to serve. This agenda is putting Nebraskans at risk. Senator Albrecht said this herself on her last time on the mic. They say this themselves, in this RFA. The goal is promoting--

KELLY: One minute.

HUNT: --childbirth, parenting, and alternatives to the termination of pregnancy. This is not the standard of care, however you feel about abortion. I could tell you my personal feelings. It doesn't matter to the facts of this bill. My personal feelings is that I wish that people did not experience unwanted pregnancies. I think there's a lot more that we need to be doing in society to make sure that that's not happening to people. And I want everybody to have a good birth outcome, whatever that is. But there are many reasons, beyond just not wanting to be pregnant, that people need abortion care. And if there's somebody who's facing a fetal abnormality or a fatal diagnosis and they're going to a crisis pregnancy center, under the RFA, under what Senator Albrecht said herself, that's not the adequate care that they're going to receive. Even if the fetus is wanted, even if the pregnancy is wanted, even if the patient wants to go to a crisis pregnancy center, they do not all have good outcomes from these places. And I'll continue--

KELLY: That's your time.

HUNT: --on my next time on the mic with this letter. Thank you.

KELLY: Thank you, Senator Hunt. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I wanted to continue because I didn't have an opportunity on General File to raise some concerns about certain components of LB937. I think it's pretty well established that there's a wide divergence in terms of approach to policy, in regards to the, the tax credit component for the crisis pregnancy centers. I know Senator Albrecht has fought diligently and sincerely to advance her viewpoint to help ensure more healthy moms and more healthy babies, and has been very candid in her legislative efforts to end abortion in Nebraska. And I think that this is aligned with, with some of her policy priorities that she's been very clear about. So I, I want to just maybe talk through a couple of related issues for the crisis pregnancy center tax credit component that has been pared down considerably here, but that raises a, a lot of really important issues. And I'm always looking for an angle on free expression and free speech. You know, that's something that's always top of mind for me in my approach to policymaking. And I, I wanted to, to kind of lift this up as an example about how issues related to professional speech and free expression really come to bear on some of these questions surrounding crisis pregnancy centers. So there was a long-running case, and it ended up being decided by the U.S. Supreme Court back in 2018. It's *National Institutes of Family Life Advocates v. Becerra*. And essentially, what it looked at was kind of a, a truth in advertising act that California had passed mandating disclosures for these crisis pregnancy centers, really on 2 threads. One thread said-- the California law said, if you're at a crisis pregnancy center, you have to provide information to people who come in the door about all options of dealing with pregnancy and all different aspects of state services. And then there was another component that required mandated disclosures as to whether or not the facility itself was a medical facility, a licensed medical facility. And the faith-based organizations that run these crisis pregnancy centers actually challenged the-- this truth in advertising law, through the lower courts and then all the way up to the Supreme Court where essentially, the Supreme Court found, in a, a closely divided decision, 5-4, that these state-mandated disclosures around other options for pregnant Californians to perhaps pursue if they see fit and/or just whether or not it was a licensed medical facility raised free speech issues, raised free speech violations. So I think that

it's long been a part of the public discussion to understand what the staffing level at these faith-based organizations might be, so that all people who are seeking services, either for free ultrasounds, or free pregnancy tests, or other pregnancy support services that they lift up, we, we just want to make sure that there's some sort of clarity as to whether or not there are licensed medical professionals providing those medically-related services. Of course, you don't need to be a medical professional--

KELLY: One minute.

CONRAD: --to pass out-- thank you, Mr. President-- baby clothes, or diapers, or connect people in a support group, things like that. But when it comes to particularly the ultrasounds and otherwise, there, there does need, I think, to be a, a clear understanding about whether or not we're meeting medical standards there. So if you go back many years-- and I don't know if I'll have a chance to finish, so I'll hit in again. There was an attempt during my last time in the Legislature to increase all kinds of state-mandated requirements when it came to, quote unquote, informed consent around pregnancy care. And I think it was then-Senator Tony Fulton, as part of some of his legislative agenda, brought forward requirements that HHS post where people could get free or reduced cost ultrasounds and otherwise, and then also had components mandating that women watch ultrasounds and--

KELLY: That's your time.

CONRAD: Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Day, you're recognized to speak.

DAY: Thank you, Mr. President. I just wanted to jump into the queue, since we are having a discussion here, about the issues that several of us have with contributing more funds to these crisis pregnancy centers. I will tell you, first of all, I remember being a teenager. And I remember having friends who were in a panic and needing a pregnancy test. And unknowingly, I remember one time specifically going to one of these locations with a friend of mine, having no idea that what they were doing there was not actually providing the pregnancy test to allow you to understand whether or not you were pregnant and then your variety of all options. They would give you a pregnancy test and then take you into a back room, where they would hand you these pamphlets with these awful, grotesque pictures of deformed fetuses. And at the time, being a teenager, I had no idea

what was going on. My friends had no idea going on-- what was going on. And those are the types of facilities that we're literally saying, we need to give taxpayer money to these facilities. Oh, but we can't provide any other funding for these other facilities that actually provide the standard of care, when it comes to medical care. I had a legislative resolution, an interim study this past year, about maternal care deserts. Over 50% of the counties in the state of Nebraska are considered maternal care deserts. That means that within those counties, there is little to no access to maternity care. And we have horror stories about women having to pull over on the side of the road and deliver, having the-- marked on the birth certificate, mile marker 147 is the place of birth for their child. Because maternity care and labor and delivery units are essentially shutting down in the state of Nebraska, and we're doing nothing about it. The cost of running a labor and delivery unit is so high, partially because of the malpractice insurance and other, other options, and provider reimbursement rates, which hopefully we can start to address with Senator Jacobson's LB1087 this year. But in a typical, average, regular, run-of-the-mill vaginal birth, I believe it costs the hospital somewhere in the area of about \$9,000, \$10,000. When we did our interim study, we found out that the hospitals were being reimbursed somewhere around \$3,000 to \$4,000. They were essentially losing \$5,000, \$6,000 every single time a woman came in and had a regular run-of-the-mill birth. That-- we're not even talking about C-sections or complications for the mother or the baby. If we genuinely care about healthy outcomes for mom and babies, we would be working on addressing the real issues we have with care for women and babies, which is the fact that 50% of the counties in the state are maternal care deserts. I, I say this stuff all the time when we get up on the floor. We have these bills that are solutions to try to provide certain types of care. You know, we have LB1402, like we talked about last night, that's going to help low-income students. But when we actually start talking about the root causes for why we have issues with these things in the first place, people don't care about it. If we are not getting access to healthcare--

KELLY: One minute.

DAY: --to moms and babies, and we are forcing them to drive hours to get to a simple doctor's appointment, and leaving them at risk of losing their lives, we are not doing any good by adding \$2 million to crisis pregnancy centers in Omaha and Lincoln, where girls and women are pulled into a back room and handed grotesque pamphlets. We're not helping. We're exacerbating the problem. You know what else exacerbates the problem with maternal care deserts? Abortion bans. It

gets exponentially more expensive to run a labor and delivery unit every single time we pass a legis-- piece of legislation that makes it more difficult for doctors to do their jobs. This is not a solution. It exacerbates the problem. Thank you, Mr. President.

KELLY: Thank you, Senator Day. Senator Hunt, you're recognized to speak. And this is your third time on the bracket motion.

HUNT: Thank you, Mr. President. I would-- I'm thinking seriously. I would give actually almost anything for one biennium of evidence-based, going after the causes of the problems legislation. We have too many unplanned pregnancies. OK, what if we, what if we try comprehensive sex education? What if we try it? What if we look at the evidence and we go, you know, yes, the evidence is there and everybody knows it's there, and we're just going to try it. What if instead of funding Catholic schools to get reading levels up in Nebraska, we funded public schools that serve every child? What if we tried that? What if instead of funding, you know, churches that basically take girls into backrooms and show them grotesque pamphlets, and pat them on the back and say, it's OK, sweetie, we're going to make you have the baby, we just made sure that people had access to quality healthcare and that there was a clinic in their community where they could go and get nonjudgmental, research-based, evidence-based healthcare? When did Republicans stop listening to, like, the American Medical Association? When did it stop where UNMC experts would come out in the Rotunda and say, look, guys, I went to school for quite a while for this. I am highly credentialed. I am trusted by my community. I am, you know, a leader in my, in my industry. And this bill is a bad idea. And all these lawmakers in here who are business owners, farmers, bankers, no doctors among us, I'll say that, how come we can't listen to that, and say, OK, you're the expert. You would know. There used to be a time when it would be like that. And I'm like that. And then, people on Twitter go and call me a radical for it. I hear what you all call me behind my back. Senator C-word, this and that. You said it. So what this letter goes on to say, is the recent amendment to LB937, this bill, would prop up anti-abortion centers by allocating up to \$2 million in tax credits for those who donate to crisis pregnancy centers. This would send our state down a terrifying path. I should know. I have experienced this-- the deception of these anti-abortion centers, same as Senator Jen Day has said. She continues. About 4 years ago, I went to a well known local anti-abortion center for an ultrasound. I knew I was pregnant, and I wanted to know how far along I was. Already a mother of 2, I knew I wanted an abortion. One of my sons is autistic. I had to quit my job to get him the care he needed. I had just gotten myself to a somewhat

stable place and needed to think about what was best for the children I already have here. That's what led me to the decision to have an abortion. It wasn't fair or logical for me to have another child. I'll pause here and editorialize. It doesn't matter what this writer's outcome would have been for her pregnancy. It doesn't matter for the story if she wanted to terminate her pregnancy or if she wanted to continue her pregnancy. The outcome of the misinformation of these centers is the same. I went to the anti-abortion center during my previous pregnancies for ultrasounds. Everyone in the Omaha area knows about them because of their free ultrasounds. It wasn't until my latest pregnancy that I learned these centers don't provide actual medical care. They had multiple exam rooms in their so-called clinic area, which was only reachable through a nursery. Their consultation rooms were filled with anti-abortion pamphlets. Once I told them I wanted an abortion, they immediately began to try to talk me out of it.

KELLY: One minute.

HUNT: I'll take a, a little time to finish this article if someone wants to throw some to me. Wearing white coats, they insisted that an abortion could cause serious complications, including infertility. They told me there would be no turning back. I had the ultrasound. Draped in a medical gown with my feet in stirrups, I was told that I was a full month later in pregnancy than I actually was, which meant I couldn't have an abortion because I didn't meet the cutoff under Nebraska law. I was devastated. She was lied to. They frickin' lied to her at this place. Soon after, I went to the emergency room and found out that the information the anti-abortion center had given me was completely false. Abortion is very safe, and I was not as far along in my pregnancy as I had been told. I drove to Bellevue to access my abortion just a week before the state's cut off. In the end, I was able to control my bodily autonomy, etcetera. There have been numerous investigations around the country into these crisis--

KELLY: That's your time.

HUNT: --pregnancy centers, including in Omaha. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Seeing no one else in the queue, Senator Machaela Cavanaugh, you're recognized to close on the bracket motion.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

M. CAVANAUGH: Thank you, Mr. President. I would like to pull the bracket motion, and my other motions, and any pending amendments that I have filed on LB3-- LB937. Thank you, Mr. President.

KELLY: Without objection, the motions are withdrawn. And so ordered, for any amendments.

CLERK: Senator Machaela Cavanaugh, the understanding is that MO1257, MO1256, MO1260 were all withdrawn. Mr. President, as it concerns LB937, Senator Wayne would move to amend with AM3287.

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

CLERK: Mr. President, Senator Bostar would move to amend with AM3420.

KELLY: Senator Bostar, you're recognized to open on your amendment.

BOSTAR: Thank you, Mr. President.

KELLY: Senator Bostar, you're recognized to continue on AM3420, the opening.

BOSTAR: Thank you again, Mr. President. This amendment is, is pretty straightforward. As we talked about on General File, we said that we would, along with all of the other Revenue packages, some of which we've already heard, some of which are still yet to come, get them all in shape so that they can fit within the fiscal landscape that is currently available to us. My understanding is the-- Senator Linehan, the Chair of Revenue, worked with at least some members of the Appropriations Committee, as well as other stakeholders, interested parties, to make sure that we were staying within our guardrails. And so, that's what this amendment is. It puts caps on things. It delays the start of certain provisions. It slims provisions down, and it, it makes some minor adjustments to the Short Line Rail Modernization Act, which-- because it was being reduced, the total cap was being lowered. The interested parties for those provisions wanted to also sort of slim down the individual credits within the bill underneath the cap. So this is pretty straightforward. Everyone should have received a breakdown of the bills and their caps, distributed by Senator von Gillern. And so with that, I would encourage your support of AM3420 and LB937. Thank you, Mr. President.

KELLY: Thank you, Senator Bostar. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. And appreciate the, the opportunity to weigh in again. I wanted to continue the dialogue in relation to a couple of key components about this measure, and follow up specifically on some information in relation to how crisis pregnancy centers operate in Nebraska. So there was an effort that my friend, Senator Fulton, brought forward when we served together in the last go around, to update and make more muscular government-mandated speeches in regards to-- under the guise of informed consent, for information that was provided to women seeking abortion care in Nebraska, and mandated things like forced viewing of ultrasounds and otherwise. As part of some of those efforts, there was also an effort to require HHS to put out a list of organizations, including crisis pregnancy centers and otherwise, that provide free or low-cost or no-cost ultrasounds. So if you look at the relevant sections of Nebraska Revised Statute 28-327.01(1), you can learn more about how some of these informed consent materials and lists work in Nebraska. And you can see that in subsection (c), there's actually-- for the list of healthcare providers, facilities, and clinics that offer to have ultrasounds performed by a person, they need to be at least as qualified as a registered nurse licensed under the Uniform Credentialing Act, including and specifying that those who offer to perform such ultrasounds free of charge. Then they re-- require that the list be arranged geographically and include name, address, hours of operation, telephone numbers, etcetera, etcetera. So there is at least-- there was some thinking during that prior debate about the danger of non-healthcare professionals providing medical information or feedback to patients who came in to receive ultrasound care. Because, of course, that posed health risks to Nebraskans, if there was, for example, an undiagnosed ectopic pregnancy or otherwise that needed specific medical expertise to protect women's health, in particular. And of course, there is a great deal of urgency around estimating gestation and to whether or not women will still have access to abortion care, dependent upon where they are at that point in their pregnancy. And those conversations can come up in regards to ultrasounds at medical providers, and also at crisis pregnancy centers. So making sure that there's accurate information so that women are empowered to make the best decision for them and their family, I think, is important. And that licensure component is, is there, at least in some regard, based on, on those discussions. I do want to thank Senator Day for her leadership on addressing maternal health deserts. I want to thank Senator Bosn and Dungan for bringing forward actually commonsense, consensus-driven policy efforts to expand prenatal care and services to more Nebraska women this year. I

think those policy approaches, which are less divisive and have stronger evidence-based results behind--

KELLY: One minute.

CONRAD: --them-- thank you, Mr. President-- help us to achieve our goal of healthy moms and healthy babies. And it just-- it doesn't make any sense to me why we need to have a special tax treatment for crisis pregnancy centers, recognizing how divisive, divisive they are, and also recognizing that donors already receive a tax benefit when they donate to 501(c)(3)s, as we're all very familiar with, as we support charities of our choice in our communities or beyond, sometimes for an altruistic person-- purpose, sometimes for a tax benefit, or sometimes both. But I, I think that's just another issue that I wanted to, to lift up. I don't know if I'll have time to finish at this time on the mic, but I wanted to lift up two additional pieces in regards to this tax credit package and the overall price tag, as well.

KELLY: That's your time, and you're next in the queue.

CONRAD: Thank you, Mr. President. So I think and I understand some of these components have been pared back, so it might be a bit challenging to get an updated fiscal note. I think that there was at least a good-faith cost estimate distributed by the Revenue Committee, which I'm appreciative of. I think, if I'm reading their handout correctly, that this, as amended, this bill would have about a \$6.5 million price tag on, on it. It would cost the state-- it would cost the bottom line about \$6.5 million or so. And, and I, I just want to talk about that a little bit. So there are a host of worthy policy goals within LB937, helping certain aspects of the ag economy, helping caregivers. There's I think some, some very exciting ideas herein, but it's, it's also so constrained-- doing something to help food banks, etcetera. There-- the, the limitations here are capped at \$500,000 or \$1 million. So my question is, with that level of investment, what, what is the expected return? How many additional donors are we going to see to those efforts? What does that mean for the caregivers or the charities on the front line, on the other side of these tax credits? My, my question is, is, is--and every little bit helps. I understand that, when you are trying-- struggling to put-- make ends meet and make things work, when you're providing caregiving duties or otherwise. But, you know, these are, are such modest tax credits that I'm, I'm, I'm wondering if they're more than window dressing. Do they really, honestly advance the policy goal that we're hoping to? Are, are they rich enough to impact enough Nebraskans? And perhaps they're meant to be pilots. Perhaps they're meant to start, and then grow into

the future, which, of course, can happen. But I-- I'm just trying to understand why exactly they're at this level, if that level is still commensurate to meet the stated policy goals for the tax credits, and then, again, just how that fits into the bottom line. I had some similar concerns with the \$15 million, kind of, capped program for childcare that emanated from the Revenue Committee last year. Every single dollar to help families access childcare is a dollar well-invested, knowing what we know about families' needs and our workforce challenges. But again, that, that \$15 million investment, is, is such a, a small step forward. You know, we have estimates from my community right here in Lincoln, that show that there's a childcare gap of, I think, about or over \$15 million for working families in one community in one year. So I, I know it looks nice on campaign fliers to send out, oh, I did X, Y and Z on a child tax credit, or I did X, Y and Z on a caregiver tax credit, or a food bank tax credit. And, and it's not to, to say that those aren't important and those in senate-- senators aren't doing the best they can to move their ideas forward. But I'm, I'm asking truly, if it's advancing the policy goal, and if, in fact, there might be better, more proven, comprehensive ways to achieve a lot of these goals. When you lift up a child tax credit, for example, that helps all working families or working families that are most in need, you don't have to have a separate program for childcare. You don't have to have a separate program for crisis pregnancy centers. You don't have to have a separate program for private school scholarships. It's actually elegant by design, and it empowers the individual--

KELLY: One minute.

CONRAD: --family-- thank you, Mr. President-- to invest those dollars as they see fit to expand, grow, or start a family, and to take care of their families' needs, for diapers, for childcare, for private school tuition, what have you. And that policy, also, widely popular in the public, and doesn't lift the same sort of political, legal, and policy concerns that these other controversial measures do. So we know that child tax credits were one of the most effective anti-poverty tools we had available during the pandemic, coming out of the pandemic. That's why they've enjoyed broad support, hopefully for continuing on the federal level, including with support from the Nebraska federal delegation. And I thank Senator-- or Speaker-- or-- also, Senator, Speaker, and now Congressman Mike Flood for supporting those measures. These are proven smart--

KELLY: That's your time.

CONRAD: --bipartisan efforts--

KELLY: And you're next in the queue.

CONRAD: Did you say time, Mr. President?

KELLY: Yes, that was time.

CONRAD: OK. Very good.

KELLY: And you're next in the queue.

CONRAD: Thank you, Mr. President. These are proven, strong bipartisan efforts that achieve a lot of policy goals that we're kind of dancing around with in this patchwork approach to our tax policy. If we want to keep moms and dads and babies healthy, if we want to keep parents in the workforce, if we want to ensure that families have extra resources to pursue educational options of their choice, they can do that through a child tax credit. And we can eliminate some of these other special programs that are divisive and that I doubt are actually meeting the goal that we hope they will, with this tax policy. So I, I, I would urge us to reconsider this patchwork approach that's kind of scattershot against, against a lot of different issues, and figure out how we can do something that's proven to reduce child poverty, help ease the pressure on a family's bottom line, that empowers individual parents to use that money as they see fit. If they don't want to send their kid to daycare, they can use that to help offset expenses for one parent staying at home. If they do need to access day-- daycare, it's there for them. If they have uncovered medical costs, if they're planning to expand their family, if they want to access private school tuition, we can do something together that's smart policy, that brings together shared policy goals, without the legal policy and political entanglements that come with funding a crisis pregnancy center, or pushing forward LB388, or LB1402. We're, we're closer than we allow ourselves to see sometimes, colleagues. And I'm asking that, perhaps rather than rushing forward, that, that we take a step back, and we reevaluate where we are today. If that means making adjustments to our schedule to do so, so be it. But there's no reason to plunge forward without a clear assessment of what the plan is, the vision for our state, and how we get there, how we pay for it, by kind of continuing to piecemeal together these various and sundry per-- and perhaps some good ideas and worthy ideas, that are coming forward on Day 58 of a 60-day session. I know some of these we've seen before, of course, on General File. But they're, they're going through dramatic rewrites on Select File. And, and the process is giving us an

opportunity to ask questions. The process is giving us an opportunity to take a step back and to ask these broader questions. And, and I, I think that they're deserving of an answer, at the very least. And if the answer is we couldn't do it politically, if the answer is they weren't our ideas, we don't like them, if the answer is-- whatever the answer is, we ran out of time, let me know what the answer is. And then we can kind of move forward with-- there, as we chart our interim work together and prepare for next session. But I don't understand why we're not looking at other consensus measures, like earned income tax credit, like the child tax credit, that helps more families, that is targeted, that is sustainable, that is equitable, and that advances our shared goals across these many, many issues, and that Nebraskans are crying out for. I really think that we need to take a step back, and be--

KELLY: One minute.

CONRAD: --smarter and perhaps bolder-- thank you, Mr. President-- in our approach to our tax policy, rather than rushing forward with a little bit here, a little bit there. We're not sure if that's going to meet the policy goal. We're not sure how that impacts the bottom line. And I just feel like it's half-baked and shortsighted. And we can do better. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Bostar, you're recognized to close on AM3420.

BOSTAR: Thank you, Mr. President. Thank you, colleagues, for the discussion. AM3420 aligns the package with the current fiscal realities. I'd encourage your vote in favor of AM3420 and LB937. Thank you very much.

KELLY: Thank you, Senator Bostar. Members, the question is the adoption of AM3420. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM3420 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Wayne would offer AM3287.

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

WAYNE: Question. I'm just getting really good at saying that. I will-- yeah. I will withdraw this, due to the Speaker rule about adding bills

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

this late. And this was my cigar tax bill. So I'll respect the Speaker's rules on this matter, and withdraw this matter.

KELLY: So ordered. Mr. Clerk.

CLERK: Senator, I have nothing further on the bill.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB937 be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye. All those opposed say nay. LB937 is advanced for E&R Engrossing. Items for the record, Mr. Clerk.

CLERK: Mr. President, communication from the Governor. Engrossed LB130 and LB130A were received in my office on April 5, 2024, and signed on April 10, 2024. These bills were delivered to the Secretary of State on April 10, 2024. Signed, Sincerely, Jim Pillen, Governor. Additionally, gubernatorial-- committee report concerning gubernatorial appointments from the Agriculture Committee to the Nebraska Brand Committee. New LR from Senator McDonnell, LR480. That will be laid over. Senator John Cavanaugh, LR481, LR482, LR483, and LR484, all to be laid over. That's all I have at this time.

KELLY: Thank you, Mr. Clerk.

CLERK: Mr. President, turning to the agenda, LB388, Select File. First of all, Senator, I have E&R amendments.

KELLY: Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB388 be adopted.

KELLY: Members, you've heard the motion to adopt the E&R amendment. All those in favor vote aye-- or say-- all those opposed say nay. They are adopted. Mr. Clerk.

CLERK: Mr. President, priority motion. Senator Machaela Cavanaugh would move to bracket the bill.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. So LB388 is the tax package. We had a robust debate on General File, moved it to Select without adopting any amendments, so it is still in

its original iteration. There has been a great deal of conversation happening off the mic and off the floor amongst numerous parties. And it has finally been resolved to a point where I do not support this package, but it has been-- things have been taken out of it that I have decided that I will not filibuster this package. And so, in the spirit of moving things forward, I-- my intention is to withdraw my motions that I have filed. And then we will be coming to my floor amendment, that I will be changing with Senator Linehan. So with that, I would like to withdraw this motion and my other 2 motions, and move to the floor amendment. Thank you, Mr. President.

KELLY: Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh, I have MO555, MO554, and MO553, all with notes that you wish to withdraw.

KELLY: Without objection, so ordered. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh, I have FA327, with a note that you would withdraw and substitute for AM3468.

KELLY: Without objection, so ordered. Senator Linehan, you're recognized open on AM3468.

LINEHAN: So thank you very much. Thank you, Senator Machaela Cavanaugh. I appreciate this. So there have been people working-- I don't know that they worked all through the night, but they worked until 10 or 11:00, and since early this morning. So there are changes I'm going to go-- there's been several iterations, so I'm going to go through what I believe to be what the agreements have been. There's no longer-- in LB388, there's no longer any sales tax increase. So there was-- it was \$0.01. And then we talked about cutting that. Now there is no sales tax increase. It does increase cigarettes taxes to a dollar, which is what we were previously. It does include lottery-- sales taxes on lottery. It has vaping tax. It goes back to-- it's not 20% on games of skills. It goes back to Senator Lowe's 5%. We-- I believe this is in there. If it's not, there's an amendment to do so. The, the plan is to drop cannabis from 100% to 25%. I'm looking at staff to look at me. Is that-- yes. It's in the amendment. It removes the candy and soda sales tax exemption. It removes storage facilities exemption. It removes vet services exemptions. In addition to the amendment we-- this amendment, AM3468, strikes Sections 9-13, and it replaces with the original language from LB1354. It's the advertising bill from Senator Albrecht. Strikes Section 39 of AM3419, page 51, and Sections 32(6). Here it is. It lowers the rate from 100% to 25% on

hemp products. We are-- it replaces language from LB1107 to ensure that the frontloaded tax credits only apply to property tax levied, not bonds. School districts means property tax levied on real property in the state by a school district or multiple school system, excluding any property taxes levied for bonded indebtedness. And that was never in the LB1107 credit, because people vote for bonds-- and property tax levied as a result of override of limits. Again, if it's a vote of the people, then it's-- they have decided. And this is the addition, which I'm hoping-- several of us has been trying to run around the floor and make sure everybody knows it increases the earned income tax credits by 5%. So that's what the amendment does. I think-- the agreement-- is Senator John Cavanaugh available?

KELLY: Senator John Cavanaugh, would you yield?

J. CAVANAUGH: Yes.

LINEHAN: Senator Cavanaugh, I know you've been working on this all day and appreciate the help. And I appreciate your efforts. Am I right here, my understanding is if we include the earned, earned income tax credit, which is a increase from 10 to 15%, right?

J. CAVANAUGH: Yes, 10 to 15% of, of the federal EITC.

LINEHAN: So-- and that-- we're-- have a pretty good estimate of what that would cost, right?

J. CAVANAUGH: My understanding is it's about \$14-15 million.

LINEHAN: OK. And to do this, part of the plan here is we're going to work through this in regular order, not stalling, and try to get through the agenda so we're not here till midnight tonight.

J. CAVANAUGH: That would be my hope.

LINEHAN: OK. So we will be here, and we should debate and ask questions, but hopefully it's all actually on the subject matter in this bill and in this amendment. Thank you, Mr. President.

KELLY: Thank you, Senator Linehan. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. At this time, I do not support the bill, but I am on board with why we are not filibustering. I might ask that Senator John Cavanaugh yield some questions.

KELLY: Senator John Cavanaugh, would you yield to some questions?

J. CAVANAUGH: Yes.

BLOOD: Senator Cavanaugh, since you were our great negotiator, can you address a little bit about the caps that Sarpy County is still really worried about? I want to give you an example. So, you know, in Bellevue, our union contracts have 4 and 5% raises in them for the next 3 years. And you figure that our community is running on 70%-- 7% inflect-- inflation. So our cops, right now, are making \$20,000 less than what Omaha pays. So you can see why that would be an issue, since they're our neighbor. So it's clear that we need more people, industry, and jobs in Nebraska. But we only have 1.9 million people, so transferring taxes around really doesn't help any of this. And then, to do the caps-- and then I don't see any COLAs, either. Was that part of the-- removing any of these caps, or I'm making sure that we have COLAs available for our political subdivisions, was that part of the negotiations?

J. CAVANAUGH: I, I didn't have any relationship to negotiating the local levy caps. I know that the League of Municipalities and the-- and NACO had had conversations about those. I have talked to a few people about the concerns, particularly as the caps pertain to Douglas and Sarpy--

BLOOD: Sarpy.

J. CAVANAUGH: --County. But there is no change in this bill from the previous version, as it pertains to those local caps.

BLOOD: So do you-- and, and I'm-- we're just going to talk about it on the mic for a little bit. Do you understand why that might be a problem for Sarpy and Omaha?

J. CAVANAUGH: And to be clear, I still don't support it. I'm, I'm not--

BLOOD: OK.

J. CAVANAUGH: --supportive of the bill. I'm, I'm supportive of adding the earned income tax credit to this bill. And I think that that is a step in the right direction. But I am not-- I'm not necessarily in favor of caps. I've been opposed to caps in the past, and I'm not in favor of some of the tax increases that are in this bill.

BLOOD: And, and I'm certainly not trying to put you on the defense in saying that you did anything wrong, just to kind of put that out there. I'm just really trying to have a dialogue on this, so we have it on record, to give Senator Linehan a break. So Omaha-- would you say that Omaha and Sarpy County are pretty fast-growing communities? Senator Cavanaugh?

J. CAVANAUGH: Was that a question?

BLOOD: Yeah.

J. CAVANAUGH: I, I do believe they are pretty fast-growing, yeah.

BLOOD: And so, when you have a fast-growing community, when it comes to public services, that's paramount. Right? Because if you-- as your community grows, public services have to grow-- police, fire, garbage, street cleaning. That's just how nature works, right? It's the, it's the, the nature of the beast.

J. CAVANAUGH: Yeah. More folks to serve, more services needed.

BLOOD: So when you cap something, who ultimately, usually are the people that get screwed?

J. CAVANAUGH: Well, I, I think the-- a cap means that it is harder to actually provide the necessary services.

BLOOD: So that would be our taxpayers.

J. CAVANAUGH: Right. Yes.

BLOOD: The residents of Nebraska.

J. CAVANAUGH: The residents of that community, yeah.

BLOOD: All right. Thank you, Senator Cavanaugh.

J. CAVANAUGH: Sure.

BLOOD: Sorry to put you on the mic.

J. CAVANAUGH: No, you're fine.

BLOOD: Just wanted to get a-- have a dialogue on, on record. I am thrilled that there's been some negotiations going on. And I'm really puzzled why the League and NACO are OK with this, so I don't know what's been going on because neither of those individuals have spoken

with me on this bill. And they all know they can text me at any time. But for the senators from Sarpy not being concerned about the caps, I would be very concerned about that, so I'm hoping other senators have something to say on this, as well. But if you want our communities to thrive and grow, sometimes we have to take a step back and let them do--

FREDRICKSON: One minute.

BLOOD: --do what they need to do. Our property tax issues don't have to do with what local government is doing. It has to do with all the unfunded, underfunded mandates you continue to pass down to them. And the things that you call guardrails, which really are ways that you preclude them from doing their jobs that they were elected to do by the people in their communities. Hello, Senator Slama-- in their communities. I am still against this bill. I think it's unfortunate we're not going to filibuster it, because I think we could have some good dialogues and maybe make it even better, but I think I'm going to wait and watch and see what happens. Thank you, Mr. President.

FREDRICKSON: Thank you, Senator Blood and Senator John Cavanaugh. Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Slama would move to amend AM3468 with FA444.

FREDRICKSON: Senator Slama, you are welcome to open on your amendment.

SLAMA: Hi, everyone. You might be wondering why we're all here today. I am, too. So I introduced FA444 as an amendment to the new white copy amendment that represents whatever grand compromise was reached without my involvement. And this is to have an up-down vote on the unconstitutional digital advertising part of this bill, so Sections 9-13. And the digital ad tax has been constitutionally suspect from the start. And I would guess that if you asked a decent number of people on the floor who have actually done work on this bill, they would agree. But here's why we're doing an up down vote on this. I'm-- sorry. Senator Jacobson's talking about wondering what I'm doing, and I'm actually trying to establish that for myself. But for right now, I just want an up-down vote on this digital ad tax. Because the only other state to take this approach is Maryland. And for anybody who doesn't know, I've tried to bring this up several times. Maryland's digital ad tax is stuck in federal courts. And right now, they're being forced to repay the revenue that they've collected from this tax, including interest. Nebraska is unique in that we have a balanced

budget requirement. So as soon as an injunction is filed against the enforcement of this tax, we will be back in a special session. As I understand it, no matter what, we're going to be back in a special session, evidently, to raise even more taxes beyond what we've agreed to here. But I was wondering-- and, and I'm not doing any kind of gotchas here. I, I was wondering if Senator Albrecht might yield to a question or two.

FREDRICKSON: Senator Albrecht, will you yield?

ALBRECHT: Yes, I'd be happy to.

SLAMA: Thank you, Senator Albrecht. Can you walk me through-- and I'm, I'm striking the part of this compromise that is your bill. Can you walk me through what your thinking was in bringing it, who this bill is intended to target in terms of taxes. Just kind of walk me through your thinking here.

ALBRECHT: Well. Thank you for the question. I did have-- the PRO was looking this bill over before they gave it to the Revenue Department-- or Revenue Committee to decide what to do with it. So right away, when I read it, I immediately asked about the Maryland, you know, lawsuit that they have going on. And I also asked Attorney General Hilgers for a-- you know, like, give me an opinion of this, the way it's written, are we going to have any issues? So what I will tell you is the amendment that was taken out and the, the way it was originally written is the way it will be voted in today. Because Senator Bostar is also working this with me. And I don't know if he's on the floor, but he happened to be working with the broadcasters when we were putting all of this together. And yes, they in fact did ask for Section 9-13 to be taken out. But when you take a certain group of people out of it, that's when it becomes unconstitutional. So Maryland's bill isn't the same as ours. And taking broadcasters out of Sections 9-13 would violate Nebraska's Constitution. So that would not work for us on this bill, so it has to go back to its original form.

SLAMA: Thank you. No, I, I appreciate that. So would you say that as the introducer, what, what kind of constitutional-- and this is the last question I'm going to ask you. I'm not going to do any gotchas. But like, what are-- do you have concerns about the bill's constitutionality as it's written now?

ALBRECHT: That's why I asked for an opinion. I'm not an attorney, but when the AG's Office ran me down and said, you cannot do this because that does disturb the constitutionality of it all, that's when I say,

OK, then we have to go back to the original. And that's where we're at right now.

SLAMA: OK. Cool. Thank you so much for being really gracious. I appreciate it. And again, I'm not going after Senator Albrecht here, or anybody on this digital advertising tax. I just want an up-down vote on a part of this bill that I think is very constitutionally suspect. And I want to walk you through my reasonings and my thinking there. So we have in this digital advertising tax, a discriminatory, a discriminatory tax on the Internet that's actually barred by federal law. So the federal Internet Tax Freedom Act, ITFA, prohibits states from imposing discriminatory taxes on electronic commerce. A tax is a, quote, discriminatory tax if it targets the Internet. While the proposed tax purports to apply to all advertising services, the \$1 billion threshold effectively targets digital and Internet advertisers while excluding the offline advertisers, exposing LB388 to the same legal infirmity of the Maryland ad tax. In addition, the bill further targets the Internet by excluding news media and effectively exempts print media such as newspapers and magazines and large swaths of broadcast media, such as news and sports channels. Thus, the tax imposed by the bill would still discriminate against electronic commerce by taxing only Internet advertising and not taxing similar offline advertising service providers. Such discrimination is barred by the ITFA, and will suffer the same fate as the Maryland tax. And let me walk you through where Maryland's at right now. So Maryland passed this-- a, a similar digital ad tax a couple of years ago. And almost 3 years since this has been passed, Maryland has been tied up in litigation almost immediately. They have about 20 lawsuits going right now, and they're all seeking refunds in taxes in excess of \$100 million. And plus, on top of that \$100 million, they're being left to pay back interest on that, a 5% interest as well. We already have one ruling back from the courts in Maryland saying that their ad tax is legal. I would anticipate similar conclusions happening as this bill goes up through the federal courts. But no matter what, we are going to be stuck in instantaneous litigation if this part of the bill is kept in. And even if there's not immediately a ruling, like, we are looking at probably months if not years long litigation on this front. We're looking at an injunction probably being filed, filed against the collection of these taxes, which means that we're in violation of our balanced budget requirement. And as soon as that happens, we are going to be back here. And I know special session is the flavor of the day, and we're probably going to be in a special session anyways for an additional tax package on top of this. But as soon as the courts bar us from collecting those taxes, our budget is out of balance and we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

are right back here. And I would worry that the whole of LB388 would be at risk because of Sections 9-13. So that's why I'm asking please vote green on removing the digital ad tax. I know removing the digital ad tax messes with the numbers of how this bill will work, but at the end of the day, I don't think we're actually going to get to collect and keep a dollar of that revenue without it being tied up in litigation. So please vote green on FA444. And I look forward to having a debate on at least this part of the bill. Thank you, Mr. President.

KELLY: Thank you, Senator Slama. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. Before I begin, I want to share a little information about last evening. We had to wait a couple hours for the Bill Drafters to finish their work. And I was up front. And Brandon put a little stool there for me to stand on so I could see over the podium. And I happened to press the mic light and said a few things on the mic, and it was live. And some of you out there back home heard it. And so I just want to tell you, I was just practicing for my valedictorian speech next Thursday. So that's what I was doing. So tune in next Thursday. It could be interesting. So let's talk about LB388. All right. This morning, I received a document from the Governor's Office that had an example for every congressional-- every legislative district with a property-- a property in your district, showing what the relief or supposed relief was going to be with LB388. So I did the math, and I showed it to those people who sent that to me. And I said, it looks to me like-- that I will pay \$93 more on this parcel under this proposal, as I will under the current system. They disagreed with my math. Didn't surprise me. And so I said, you go do the math, and you come back and show me where I was wrong. And I said the following. I said, now remember, figures don't lie, but liars figure. And they laughed. So they returned, and they said that I used an incorrect number for the funding that goes to the school. And so I said, which number should I use? And they told me the number I should use. So I did that. And then I said, let's compare notes. What do you have? And he said, I have a reduction of \$107. I said, I have a reduction of \$107. We were correct. We were both the same. So what does that mean? That means it's a 2%-- now get this-- 2% decrease in the property tax on this parcel. 2%. So we are arguing, we are debating, we are working tirelessly to get 2%. This solves absolute squat. OK. The only advantage-- there's only one advantage to LB388. One. And that is they're going to frontload the discount or property tax-- income tax credit you're getting on your property tax of 30%. They're going to frontload that, so you don't have to file an income

tax form to get it. That is the only advantage to LB388. Now, the good news is that I was told that I needed to vote for LB388 because it'll help EPIC. And I said, how is that possible? And they said, because it does so little, it is so insignificant of a decrease that people will want a solution that's a real solution, and they'll come over to EPIC. And when they told me that, I thought, that doesn't make sense. And the longer I thought about it and began to analyze what this is going to do for us, I said, he's right. He's exactly right. So the real solution, and I've asked these people that are in favor of this, this question. So if EPIC is not the solution, what is your solution? And they talk about the 3-legged stool. That has never worked. It never has, it never will. But the 3-legged stool is some magical thing that people have in their mind that it's going to fix our tax system. This bill doesn't move us--

KELLY: One minute.

ERDMAN: --equal to or ahead of any of our neighboring states. It doesn't solve any of the issues we have with property tax, and it continues to put a Band-Aid on an amputation. So I may very well vote for LB388. Haven't decided yet, but it does absolutely squat for property tax relief. And so if you're listening and you think you're going to get some kind of relief out of this, the only relief you're going to get is you don't have to file an income tax to get your 30%. That's the only relief you're going to get. That's LB388. So let cards-- cards fall where they may. We'll see what happens. I don't know if they have the votes or not, but they've gotten some people with that 5% credit-- tax credit. So we'll see what happens going forward. But right now, I don't think it's worth the fight for 2%. Thank you.

KELLY: Thank you, Senator Erdman. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I want to thank my friend, Senator Slama, for filing this floor amendment. I think it is a clear way for us to kind of see where the body is, in regards to one of the perhaps most controversial aspects of this legislation. As we are trying to figure out a way to pay for additional property tax relief, there are a host of revenue generators, tax increases listed on the Governor's memo and-- that we've been talking about from the Revenue Committee's perspective. I do share my friend, Senator Slama's concerns about the legal issues inherent in the ad tax that is before us. I've had a chance to review the litigation in other states, and analysis and commentary about that

from smart, legal, and policy minds actually across the political spectrum, that are concerned about that approach from a First Amendment perspective, and also looking at things like equal protection, and due process, and interstate commerce, and federal law, regarding the, the treatment of online activity. So it's a, it's a pretty complex area. It's an area of jurisprudence that there's not a, a deep well to draw upon, in terms of case law. But it's fair to say that there's a, a bunch of concerns. The, the one clear case we have moving forward should be a cautionary tale. And I know how we have deep relationships with fellow policymakers and fellow elected officials, and that can help to generate candid conversations. But with all due respect to the Revenue Committee, and Senator Albrecht, and my friend, Attorney General Hilgers, knowing that there is-- there are a significant amount of legal issues and concerns about how the advertising sales tax has been put forward, how it impacts across state lines, how it impacts large and small businesses, what the carved outs are for certain business-- businesses, business activities, really trying to get a better understanding of the disparate treatment between different types of advertising, more traditional or physical versus online. All of those analyzes need to be informed in the public view. They need to happen in a transparent manner. That's why we frequently see Attorney General's Opinions actually identified and listed in the Journal, and actually posted in legislation. So looking at this, it doesn't seem like any formal Attorney General's Opinion has been sought in relation to this. Of course, the Attorney General is free to give informal advice to policymakers and anybody as he sees fit. But just knowing what the complexities are, I think that would be important. So if this is going to spark litigation in the future, in talking to some of the companies that are concerned about this, they are exploring that. I think that we need to have a clear record about, about those issues. And I, I don't think that we have it yet, so I'm glad that Senator Slama has lifted some of these things into the record. I, I also think that her amendment lifts up a, a lot of other really important ideas. And I actually share--

KELLY: One minute.

CONRAD: --some of her concerns-- thank you, Mr. President-- about these issues. But I don't know if I'll get to it all in one minute here. But the-- one of the key components that I've heard from members is that we have to keep the ad tax in because it's one of the biggest revenue generators that's going to help us cover the cost of this additional property tax relief. But we recognize it has problems. Friends, if, if that's what we're anchoring our tax relief proposal on

but we recognize it has problems, that's illusory at best. That is poor policymaking. We-- that's why when we make major changes to our tax system, to our revenue structure, it needs to be equitable, sustainable, and affordable. It can't be based on a moonshot or a thumbs up in the, in the hallway. It, it needs to be thoughtful. And I know that there's-- policymaking is never precise or--

KELLY: That's the time.

CONRAD: --perfect, perfect. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Albrecht, you're recognized to speak.

ALBRECHT: Thank you, Mr. President. For those of you who were not in the, the opening when we talked about this particular bill, I'm saying-- excuse me-- that FA444 is an unfriendly amendment. Senator Bostar's in the room. He will help everybody understand what's going on. But I want you to hear what this is all about, so that Nebraskans out there also understand what we have here. So the purpose of what my bill was called, LB1354, is to adopt the Advertising Services Tax Act. This bill will create a tax on the gross income or revenue from advertising services, and defines several terms used in Chapter 77, Article 27. The tax is imposed on a person that is subject to the Internal Revenue Code or a group of persons subject to the Internal Revenue Code that are part of the same unitary group or otherwise be members of the same unitary group if incorporated, that are doing business in Nebraska, and those combined gross advertising revenues that exceed \$1 billion. Advertising revenue does not include web-hosting services. News media entities as defined within the act are excluded from the program. So Section 2, subsection (2) of the bill, advertising services means all services, including digital advertising services directly related to the creation, preparation, dissemination of advertisements. This is not limited to digital advertisements, but does specifically include the following: Digital advertising services, online referrals, search engine marketing, and lead generation optimization, web campaign planning, and the acquisition of advertising space in the Internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign. In Section 2, subsection (6), gross advertising revenue means income or revenue from advertising services sourced to the United States using the sourcing rules described in Section 2, subdivision (3) of this section before any expenses or taxes, computed according to generally accepted accounting principles. Section 3, subsection-- Section 3, subsection

(2): the tax rate is 7.5% of a person's assessable base and reporting period, defined as a calendar year on which a report is based on businesses with gross advertising revenues exceeding \$1 billion. The accessible base is defined as a portion of the gross advertising revenue that is derived from sales to customers, where services are delivered within Nebraska according to the IP addresses of the-- address where the advertising is being viewed or, if IP address location is unavailable, the use of another reasonable method of source of advertising revenue to Nebraska, based on the location of the viewer. If the audience is based both within and outside of Nebraska's base on these sourcing rules, the gross advertising revenue is apportioned between Nebraska and other states in proportion to the location of the viewers within Nebraska as compared to other states. Section 5: The Tax Commissioner may adopt and promulgate the rules and regulations determining the state from which the gross advertising revenue is derived. Once again, this bill is to adopt the Advertising Services Tax Act. This bill will create a tax on the gross income or revenue from advertising services. This tax will be imposed on a person or a group of persons that are doing business in Nebraska, and whose combined gross advertising revenue exceeds \$1 billion. So, if--

KELLY: One minute.

ALBRECHT: I would hope that we would hear from Senator Bostar so that he can help people understand why the advertisers here in Nebraska would like to be taken out, which would be Sections 9-13 in LB388. Now I was just told we were going to be putting it back in. Now he's telling me we're going to take it back out, so we kind of need to know. But I am-- I do not stand in favor of FA444. And having that voted on separately, it's just not needed at this time. Thank you. Thank you Mr. President.

KELLY: Thank you, Senator. Albrecht. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. I support FA444. This is a handshake floor amendment. It's a good idea. What I'm hearing in this debate is that we-- can't afford this tax relief unless we tax on the small businesses. Senator Conrad was talking really eloquently about this. And she summed up what I would like to say really eloquently, which is if all of the success of LB388 is hanging on, you know, if FA444 fails, if we take out the digital advertising, which is a significant portion of, of the, the revenue that's going to come in for LB388, then I don't think it's a good bill. Because this, this portion of the bill is so harmful for small businesses in Nebraska. I know this

personally. And I want to talk about my experience with it briefly before I talk about another entrepreneur friend of mine, in Omaha's, experience with it. In 2005, I was one of the earliest businesses on Etsy. I know a lot of you have used Etsy to buy homemade goods, or vintage goods. And you can find all kinds of things on there that people make all over the world. And it was just a marketplace of makers when it started. And I've been a digital entrepreneur. I've been a-- I've run e-commerce businesses for about 20 years, starting in 2005. And I understand intimately how much, like, the 7% tax can really, really hurt small businesses. Back then when we were doing e-commerce, there was no Shopify, there was no Square. These are types of software that you can pay a low monthly fee for in order to have an online store. Any of you-- in the next 30 minutes, you could sit down on your laptop and open an online store to sell something, with software like Shopify or Square. There's all kinds of things out there. When I got started, none of that existed. It was still like very, very early stages. And you had to actually hire a coder or developer to build, by hand, a store for you-- a storefront. And that's how eCreamery started, when they were founded in my district, in District 8 in Omaha. Becky App and Abby Jordan, the girls who-- the women who started eCreamery, they're friends of mine. And I really support them. In 2012, I published a book. And they made like, a special pint to celebrate that, and help promote the book that I wrote. In 2014, we opened the first brick and mortar store for the clothing store I used to run, and they did a pint to celebrate that. They do a different pint of ice cream every month to support a nonprofit in Omaha. And they're just such a cornerstone of our community. If you've ever been to Dundee in Omaha, you've probably been to eCreamery. And they are vehemently against this tax on their small business, as I am on mine. And what they said about it is, as a successful small business in Nebraska, I'm writing you to ask you not to incur additional taxes on digital advertising. Access to affordable digital advertising is the lifeline for eCreamery Ice Cream and hundreds of other small businesses and startup e-commerce companies in Nebraska. Increasing this expense will significantly impede upon our success or even existence in the state, or even existence in the state. Abby and I opened our business as a small mom and pop ice cream parlor in 2006. It was amazing when they opened. We were so happy. Because the location where they are, at the corner of 50th and Underwood, it used to be a Ted and Wally's, like a really iconic ice cream shop in Nebraska, as well. Everybody was so happy to see it be an ice cream store again. And they had this really unique twist, which is why it's called eCreamery, is they were selling these pints online. And they were one of the first, if not the first ice cream company to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

do that. There's others now that do it. But they were, they were one of the first, for sure.

KELLY: One minute.

HUNT: She says, if it were not for affordable access to digital advertising, we would have to go out of business entirely. We had to reach out to the customers outside of our neighborhood in order to thrive. That is the key to growing a small business in Nebraska. If you're just selling in your neighborhood-- if you don't have an online presence today in 2024, if you don't have an online store if you've got retail, you're not going to make it. There's a ceiling on how many customers you can reach. And these women understand that. And that's why access to affordable digital advertising is so important, especially as we increasingly move into the digital age. More things are online. People are doing all their commerce, locally or not, on their phones. And if we're taxing on that, we're really hurting our small businesses in Nebraska. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Erdman, you're recognized to speak.

ERDMAN: Good afternoon, again. As I consider LB388, the biggest advantage as I mentioned earlier was frontloading LB1107. So perhaps what we should do, we should have an amendment to frontload LB1107, put the caps in place on spending, and call it a day. That, that would make sense to me. But I'm not sure that that would be considered a friendly amendment. I guess we could try it and find out, so maybe I should draft that and see what happens. But as I said on the mic earlier, this bill and everything that we have done in the Nebraska Legislature since 1967 has not solved the issue that we have with property tax and income tax. And I have mentioned it several times, about the real answer is a consumption tax that puts the taxpayer in first place. And you in the audience, out in the TV land, will understand that what I'm telling you is the facts. You are not going to pay less taxes, you are not going to have an opportunity to pay the taxes you can afford to pay when you have the money unless we fix this broken tax system. And Senator Slama made a comment about we're coming back for a special session. And if we do, if we do, that will give me an opportunity to introduce the consumption tax again. For you see, the goal is to get the consumption tax on the ballot, to let those people that vote, that they claim are the second house, have an opportunity to be considered that by their vote. And so when we have a special session, we could vote the two constitutional amendments that I have been circulating a petition on, straight to the ballot. And

then you, the voter, the taxpayer, could vote to put yourself in first place. Because currently what happens, the government goes shopping. They buy whatever they want, and then they send you the bill, irregardless of whether you can pay or not has nothing to do with it. And so we only have one solution, only one. And there's only one way to put the taxpayer in first place, and that's allow them to pay the taxes they can afford to pay. So I'm going to draft an amendment-- I hope I get it done-- to frontload LB1107 money, tax credit money, so you don't have to file your taxes to get it, and put the caps in place, and we'll go home. Because this bill, a 2% reduction at best-- 2%. Let me talk about that a second. It has been advertised and has been said that unless we get a 40% reduction in property tax, we're going to be here till Christmas. I've heard that. You heard it. That was incorrectly stated because, you see, we were already getting what they call a significant reduction in property tax, and that was going to be on top of that. So it was incorrectly promoted as being a 40% reduction in property tax, which was not true. So as I have stated and figured out with my little handy dandy calculator, that it's going to be a 2% reduction over current reductions. So in some cases, it very well could wind up being a decrease in the increase. Because you see, if your valuation goes up 10%--

KELLY: One minute.

ERDMAN: --then you will wind up paying more under LB388. And this doesn't take into consideration-- I haven't even mentioned that, that those exemptions that were taking the sales tax away on, you're going to pay more sales tax. So I haven't calculated that into the formula yet. But when you add in the increase in sales tax that they're going to place on you by removing those exemptions, you very well could be, as I described, a decrease in the increase. So let's adopt LB1107, frontload that and keep the caps in place, and we'll go home. Thank you.

KELLY: Thank you, Senator Erdman. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I have a couple of additional, I think, questions in relation to this particular floor amendment, which is substantive, serious, and significant. And I think if you look at the other measures, the other amendments that are filed on this bill, they are, from what, what, what I can glean, they, they seem to be very serious amendments. And you can see there's not a motion strategy happening here to structure or extend debate, but it's a, it's a major tax proposal. And there are

a lot of moving parts and important ideas moving forward. So I think we're going to be here for a great deal of time, working through those substantive amendments, regardless. But specifically when it comes to this advertising tax, I, I want to lift up a few additional concerns. One of our kind of overarching themes in our approach to our tax policy generally is that we're not going to tax business input. So that's why you've seen such a voracious fight against taxing legal services, against taxing accounting services, against machinery, manufacturing components, etcetera. So, so that's kind of a, a long-running theme in our approach to tax policy, where we recognize that we don't want to tax business inputs because of the economic impacts that that, that tax brings with it. However, marketing and advertising are absolutely kind of core functions of a lot of business, their ability to grow their audience, their ability to grow their customer base, their ability to market their products, their ability to advertise for open positions, or any number of different things that they're doing in the public sphere in regards to advertising and marketing. So that's another kind of piece beyond the legalities, which I think we all recognize that are there. That just from a policy perspective, I-- I'm hoping to get a better understanding of why we want to tax these business inputs but not others. Because I don't, I don't think that's clear. The other thing that I want to just kind of note, and Senator Slama and others have talked about this as well, is that it, it seems to be more than an open secret. It seems to be reported in, in news stories, definitely has been talked about a lot in our private conversations. Senator Erdman alluded to it, as well. But that somehow or another, we're coming back for a special session, and we're going to continue the work, and we're going to have to cut more, and we're going to have to do more. OK. Well, I'm-- as I've said many times, I'm not afraid of a special session. That-- that's fine for me. I'm happy to come back, roll up my sleeves, and do the work. And actually, I think that would be a more thoughtful approach than rushing forward at this late stage. I think we should start from scratch. I think we should put all the options on the table. We should allow ourselves the opportunity to build a broader coalition. We should have a clearer analysis about the equitable nature of these tax proposals, whether or not they're sustainable, whether or not they're affordable. We should have an opportunity to run numbers in real time with experts about what this means for the average family or the average business. I know folks are trying really hard and in good faith to provide some of--

KELLY: One minute.

CONRAD: --those general estimates. Thank you, Mr. President. But there's, there's so many moving parts. It's just-- it's very challenging for us to assess whether or not this will be a net positive for folks in our districts or in our state. I'm still-- thank you, Mr. President-- deeply concerned, even with the additions of an ETI-- EITC, but removing, for example, the sales tax increases writ large, which I was deeply concerned about-- I think we are headed in the right direction here, but it's-- I'm still hearing a lot of analysis that by moving forward with LB388, it would be one of the largest tax increases in Nebraska history. And if, if, if that's true, we need to know that. And if that's true, we need to make sure that that commitment to that course of action is coming with the desired effects of providing real, last-able-- lasting, sustainable, affordable, and equity property tax relief--

KELLY: That's your time.

CONRAD: --for Nebraskans. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Dover, you're recognized to speak.

DOVER: Thank you. I just want to speak to this. I'm a little concerned that sometimes, we're talking about taxing an entity or a business, and whether you're tax-- and when you're taxing the business, that business, unless I could say is probably farming, is going to be able to pass that tax down. So I'd just say that any time where you're thinking that Facebook or a large corporation is going to be actually paying that tax, I think we're just fooling ourselves. All the people are going to use it. I'm also concerned if newspapers and radio stations and especially newspapers that need to be protected in our state-- because we're losing newspapers that would perhaps, might employ Facebook, [INAUDIBLE] and actually add a tax of 5.5%. I think that's just-- I think that's just not a good idea. I yield the rest of my time to the Chair. Thank you.

KELLY: Thank you, Senator Dover. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. I just double-checked with Senator Slama. Only Maryland does this. Only Maryland also does this. It doesn't work for Nebraska. You know how this is going to hurt small businesses in Nebraska in small towns? It's really going to hurt your small towns. If I lived in a town in rural Nebraska of a couple hundred people, and-- you know what I would do is I would own a store,

because that's the only thing I know how to do. That's my job. I'm a shop lady. I own stores. I start stores, and I sell things to people. In order for that store to be successful in my small town, I would probably have to have an online component to that. And that's something that I would use to grow my business. I would use it to grow the business so that I could do local pickups for local customers who wanted to buy online but come pick it up in the store. I would use it to have delivery for people who bought locally and needed someone to come bring it to them, especially in these communities where we don't have DoorDash, and Gopuff, and things like that. I would also, of course, use the online business to reach customers in Omaha, or Denver, or Los Angeles, or Beijing, or wherever around the world, so that my small business in my small town in Nebraska could thrive. And if I live in a town of 200 people, I don't have to just depend on the income of those 200 people to keep my business alive. When I was growing up in Blair, Nebraska, the population was about 5,000 people. And now, it's about 10,000. It's much more of-- almost a suburb of Omaha. It's not the small, insulated town that it was when I was growing up. When I grew up in that town, we had a vibrant arts community. We had a community theater, which is how my parents met each other, in theater. We had stores on our main street. We had stationery shop, and several clothing stores, and little specialty gift shops, and a thrift store, and, you know, several hardware stores-- more than one, all locally owned. No chains. And that's what a lot of your communities are like today. Blair is not like that anymore. Blair lost their college, Dana College. That's no longer there. They gained a Walmart, and they lost their Main Street business. Bill's like, you know, with the provisions contained in LB388 to tax on digital advertising for small businesses, is part of the-- it's one of the factors that puts your main streets in small town Nebraska out of business. When someone is starting a shop in a small town that's trying to comm-- to contribute to their local economy, trying to stay in business as an entrepreneur-- which is what we're trying to encourage here in Nebraska. Doing something they love and are passionate about, like me, like the women at eCreamery, like thousands of other Nebraskans. And then we tax on what they have to do to grow their business, this is not friendly to business. This is not friendly to small towns in Nebraska. And when I look at the populations leaving these towns in Nebraska, LB388 isn't going to help that at all. I think that you need to be a green vote on FA444, so we can get this digital advertising provision out of this bill. Once again, only Maryland is the other state that has a policy like this. It's not right for Nebraska, because our small towns-- our small businesses do not need to be taxed more on advertising that they need

to grow, especially when our state has limited population. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Conrad, you're recognized to speak. And this is your third opportunity on the floor amendment.

CONRAD: Thank you, Mr. President. Good afternoon, almost good evening, colleagues. I, again, want to reiterate, reiterate my support for Senator Slama's floor amendment here. And I want to reaffirm some of the concerns that I have from a legal perspective, policy perspective, and practical perspective. I, I-- one thing that struck me, listening to the senators who have had an opportunity to weigh in on this discrete measure thus far, is that-- I'm looking at Senator Dover, my friend, Senator Slama, my friend, Senator Erdman, my friend, Senator Hunt. Of course, Senator Dover's my friend. I didn't mean to, to leave that off in the laundry list recitation. But, you know, we, we don't see eye to eye on a lot of different issues that come before the Nebraska Legislature. And that's actually good, I think, to have different perspectives, as we approach issues and challenges in Nebraska. But when you start to see that alignment across the state and across the political spectrum that's coming together with skepticism about some of these proposals and uneasiness about raising taxes to cut taxes, that, that tells you a lot about what you need to know, in terms of why so many stakeholders and why so many citizens are equally skeptical, and nervous, and anxious about this tax proposal. We, we haven't had a chance to run the numbers to see if it's going to be a net positive or negative for most people. There's a lot of moving parts up here. We pretty much have established that there are significant legal concerns with one of the anchor components in the terms of the revenue generators on the ad services. And we-- we're, we're unclear what that even means in terms of actual property tax relief moving forward, which Senator, Senator Erdman had, had lifted up. So if there's going to be a special session regardless, why are we rushing forward now? If there's going to be a special session, let-- let's take these ideas, let's take other ideas, we can broaden the call as we see fit, and, and we can find a way forward that doesn't lift this type of controversy in regards to certain aspects of tax increases and revenue generators-- generators that are inherent in this proposal. I, I, I think many of them-- the, the ad tax in particular raises significant legal concerns. I think the other taxes that are proposed in here really, really hit low-income Nebraskans the hardest. And I think it makes us perhaps feel good to wage judgment on their life choices. But, you know what? Sometimes folks want to grab a candy for their kid, or sometimes they want to grab a soda after work, or a pop, or, or whatever it might be. And there's these small

creature comforts that people are, are able to, to have in their lives. And I don't think you're going to see the sort of change in behavior that some people are talking about in this regard. I think folks who are already on a tight income are, are just going to have less money available. And all of you, most of you have lived in Nebraska your whole life. I, personally, am not a big pop drinker. I wish my kids ate less candy. But Nebraskans like their pop. They, they, they actually do. And, and they don't understand why we're taxing their pets, why we're taxing their pop, why we're taxing some of their--

KELLY: One minute.

CONRAD: --creature comforts in order to fund somebody else's property tax relief. They, they don't understand it. And those, those are fair questions. So if we all want to hit the same goal of providing sustainable, equitable, affordable, and yes, Governor, transformational property tax relief, let's get after it. But it's, it's not in LB388. And the way that we're paying for this, it may be good politics, to get enough of the right votes on the board, but it's bad policy. And it's, it's bad for Nebraska. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Slama, you're recognized to close.

SLAMA: Call of the house.

KELLY: There's been a request to place the house under call. The question is, shall the house go under call. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 11 ayes, 1 nay to place the house under call, Mr. President.

KELLY: 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 Slama, you're recognized to continue your close.

SLAMA: Thank you very much. I did a call of the house before we took a vote on this, because this is the most important vote we will be taking on LB388, short of its advancement. And that's because we are talking about removing an unconstitutional tax on digital advertising. And I want to make sure that everybody knows what they're voting on before they do it. So my FA, which I would encourage everybody to vote green on, removes a section of the bill that creates a digital

advertising tax, similar only in the United States to Maryland. The problem with this framework is that Maryland, in the 3 years since it has passed its digital advertising tax, which, again, is similar as you can get to Nebraska's, the only difference is-- only real difference is-- and a few other ways. The major difference is Maryland's threshold is \$100 million, whereas Nebraska's is \$1 billion. So it runs into the same issues that Maryland has, in that it is a discriminatory tax targeted towards, as you would say, the big guys. Now, now we can sit here and go-- and talk about the moral high ground of wanting to tax Amazon or Facebook. But the problem is you can't do that. It's unconstitutional. And because of Nebraska's balanced budget requirement, as soon as the lawsuit we all know is going to happen on this part of the bill is filed and an injunction is leveled against the collection of this tax, we will be back here for a special session trying to make up this revenue. And that's not, that's not just a pie in the sky, empty threat. Talk to any lawyer on this floor who's done any kind of work on this, and they will tell you the same thing. It's whether or not people are just willing to deal with that and risk it. Maryland, in its 3 years, has faced over 20 lawsuits about their digital advertising tax. And they're having to repay their \$100 million in collected revenue on this tax, plus interest. So I don't think we're going to collect a dollar of this tax before an injunction is filed. But if we do, odds are we're going to be stuck paying it back with interest. This tax unconstitutionally discriminates against interstate commerce. It's a violation of the First Amendment. It's an unconstitutional violation of the Equal Protection Clause. And I'm not going to filibuster this bill. After this, I'm done. Like, I'm not going to bring a thing to cut out pop and candy or vet services. I don't want this to go 4 hours. What I want is a vote up here, that is this body specifically taking a vote and building a record on approving a tax that is very clearly unconstitutional, and will be the thing among every other thing we have that brings us back for a special session. So I would encourage a green vote on removing the digital advertising tax from this bill. I know it creates a challenge in terms of numbers, but if you're not going to collect a dollar of this tax anyway, that number in the fiscal note really doesn't matter. So please vote green. It's responsible policymaking.

KELLY: One minute.

SLAMA: Thank you, Mr. President. Maryland has already learned this lesson in the most expensive, drawn out way. Let's not make that same mistake in Nebraska. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: Thank you, Senator Slama. All unexcused members are now present. The question is the adoption of FA444. All those in favor, vote aye; all those opposed vote nay. Has everyone voted who wishes to? Record, Mr. Clerk.

CLERK: 18 ayes, 18 nays to adopt the amendment, Mr. President.

KELLY: The amendment fails. Mr. Clerk. And I raise the call.

CLERK: Mr. President, Senator Hughes would move to amend with FA445.

KELLY: Senator Hughes, you're recognized to open.

HUGHES: Thank you, Mr. President. I rise today to share with my colleagues why they should support my amend-- FA445. The summary sheet shared last night by the PRO on-- at the time, it was AM3419. We've now got a new amendment, AM3468-- shows that the latest tax package, package will increase the excise tax for vape products to 20%, and that's 20% of wholesale. At the time, AM3419, which is now AM3468, takes our current excise tax and doubles it, \$0.10 per milliliter for the-- they called closed products, less than 3 milliliter, and 20% wholesale on the over 3 milliliter products. This is what the amendment that was placed on LB388 on General File did. And we worked to get that changed before it was considered here on Select File. So what was intended to happen did not, and this floor amendment, FA445, does. To give an-- a better understanding of what we're talking about, a wholesale, a wholesale tax across the board, I'll go into a little bit of history. Last year in this body, we instituted for the first time an excise tax on vaping products. All other nicotine products has had an excise tax and vape did not. We passed LB584, and at the time, we put together a bifurcated tax system, where vaping products with less than 3 milliliters of vape were taxed at \$0.05 a milliliter, and products larger than 3 milliliter, or open systems, were taxed at 10% of the wholesale. We ended up with that bifurcated system to get LB584 passed. The reality is that our excise tax on vaping products is far lower than most other states. The majority of states tax all vaping products at a wholesale level. 20 out of the 30 states that have an excise tax do it this way. Looking at those 20 states that tax vape at wholesale, the average percent vaping tax is a 42.59% wholes-- on wholesale tax. Taking out the 2 states with the highest percentage of wholesale excise tax, Minnesota is at 95 and Vermont at 92, the other 18 states that do this still have an average of 36%. The 20% I'm bringing in this amendment is well, well below average. And it is reasonable. That is the basis in how we developed LB1299, was a 20% of wholesale price excise tax. If you need to reference on vaping--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

taxing vaping products at a 20% whole-- wholesale price, then let's compare this to cigarettes. A disposable vape with less than 3 milliliter products has a wholesale price of \$2.07. This device has 1,000 puffs of nicotine. For comparison, a cigarette has 10 puffs per cigarette, and a pack of 20 cigarettes has 200 puffs. So this \$2 and 7 vape-- \$2.07 vaping product is equivalent to 5 packs of cigarettes. Taxing this particular vaping product at 20% wholesale price yields an excise tax of \$0.41. Five packs of cigarettes taxed at-- are today, \$0.64 per pack, which is our current law, yields \$3.20. That's almost 8 times the rate that we are taxing vaping products. If you look at what is proposed for, for cigarettes, which is a \$1 per pack in AM3468, then 20% wholesale tax is 12 times less than the excise tax on cigarettes. So I would really appreciate you guys' support on my floor amendment to make 20% wholesale across the board, open and closed systems, on vaping products. Thank you.

KELLY: Thank you, Senator Hughes. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, almost evening, colleagues. I was hoping that perhaps Senator Hughes could answer a few questions about this amendment, if Senator Hughes would please yield.

KELLY: Senator Hughes, would you yield?

HUGHES: Yes, I would.

CONRAD: Thank you, Senator. Do you have a general assessment from your work or work with Fiscal, about what the, the kind of overall fiscal implications of your amendment might be for, for the bill? Do you know how much it would generate, generally?

HUGHES: Yeah. So if you look at what's in there-- so if we keep it bifurcated, so \$0.10 on closed and the 20% on open, it's around \$3 million a year. And if we change to 20%-- it's closer to \$20 million a year.

CONRAD: OK. So your amendment would bring in about \$20 million in revenue by changing our approach to how we tax vape products. Is that--

HUGHES: That it-- yes, that is--

CONRAD: Is that the Cliff Notes version?

HUGHES: That's the Cliff Notes version, yes. Yes.

CONRAD: OK. All right. And then the, the other question that I, I had about your proposal, and I know it's sometimes hard to do apples to apples on these things, and I do not pretend to be an expert when it comes to the vaping industry, but I do understand that this is rapidly changing, developing technology, and so sometimes it's hard to catch up the law to, to these, these different issues that are arising in society. But would your amendment basically mirror our approach to, say, the other well-known, quote unquote, sin taxes, things like alcohol or, or cigarettes? And if it doesn't follow our approach to those kinds of issues, if you could help us maybe understand why it doesn't or, or why it does, I, I think that might be instructive. I know you probably think and talk about these things a lot on General Affairs, but--

HUGHES: Right.

CONRAD: --never having the benefit to be a member of that fun and prestigious committee, I was just hoping that, that maybe you could, could help us think through some of those issues in regards to your policy proposal, please.

HUGHES: So what's really hard with vape is that there's different nicotine levels in different liquids, different ones have different nicotine percents. If you want to be completely with parity, you would maybe try to even tax the nicotine percent instead. And when you look at just state by state, there's about-- I and I have, if anybody wants to see it, I have the 2023 vaping tax rates by state. There's about three that do this bifurcated system. Some do a wholesale percent plus a retail percent, like, for example, California does 56% on wholesale plus a 12% on retail. Some do 7%-- well, this one was a 7% wholesale and \$0.05, \$0.05 per milliliter. Some do a, a price on a cartridge because you've got closed systems which are like the disposable vapes. And then the open systems are what you think of like, maybe like a cigar where-- or a, a pipe, where you're filling it, so you have a-- your vape pen and you're filling it with fluid, so that's what an open system is. So it's, it's, it's really hard to get a handle with all the different vape devices. And I would argue, honestly, that the 20% wholesale does not even truly come to parity with what we tax even today at \$0.64 on cigarettes. But a little bit more is closer. You-- don't let the good get in, in the place of perfect--

CONRAD: Sure.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: One minute.

HUGHES: --so we're getting closer.

CONRAD: No, I, I appreciate that, Senator Hughes. I, I, and I know you've worked on these issues since you came to the Legislature, and had legislation last year as well. So it's really helpful to, to kind of think through these different pieces. Can you help me understand, though, why the floor amendment is necessary today? Is it to plug a fiscal hole that's contained in LB388, is it a separate and distinct issue that we're trying to update our approach to taxing vapes, or we're trying to stop getting kids from getting vapes, or what, what's the policy underpinning for making the change reflected in this floor amendment?

HUGHES: Right. So my original bill was, was, this year to, to, bring it-- it was LB1299, which was a 20% across the board of wholesale. And I would argue that just to get in line for the future, the majority of states are going to that, and so I thought, let's get ahead of--

KELLY: That's your time, Senators. Thank you, Senator Hughes and Conrad. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. So I listened to the conversation between Senator Conrad and Senator Hughes. I do have some questions that Senator Hughes may be able to help me clear up. Can you yield to a question, Senator?

KELLY: Senator Hughes, would you yield to some questions?

HUGHES: Yes, I would.

ERDMAN: Senator, what is the current tax on vaping?

HUGHES: I'm sorry. Say that again?

ERDMAN: What is the current tax on vaping?

HUGHES: So today, right now, we have a 5%-- or sorry \$0.05 on closed, so under three milliliter and a 10% wholesale on open.

ERDMAN: OK. So, so this is a significant increase, is this-- what kind of percentage of increase is this that you're asking for?

HUGHES: Well, so in the bill right now is double, so it would be a \$0.10 on closed--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ERDMAN: OK.

HUGHES: --and a 20% on open. And I would-- I am arguing to make a 20% on wholesale across the board. So I can't-- I can't say specifically what exact percent difference that is.

ERDMAN: OK.

HUGHES: It's double for the, the--

ERDMAN: All right.

HUGHES: --on the open side.

ERDMAN: All right. Thank you. So--

HUGHES: OK.

ERDMAN: --we're going to increase, or I heard we're going to increase cigarettes a dollar a pack in taxes, was that correct?

HUGHES: That-- in this, AM3468, it, it moves our cigarettes from \$0.64 a pack to \$1.00 a pack.

ERDMAN: So try to break that down for me. I don't know how vaping is sold, whether it's by the pack or by the stick or whatever. How much would it cost, say equivalent to what a pack of cigarettes is, how much would this add to vaping?

HUGHES: So in terms of, like, nicotine content, a one milliliter vape has about the same nicotine as a pack of cigarettes.

ERDMAN: OK.

HUGHES: And so, with what is here, it would be \$0.10, and right now today we, we do \$0.64, but we're bumping it up to \$1.00. So we would do \$0.10 while we're taxing a pack of cigarettes at \$1.00. And I would argue, let's do 20% wholesale, which still is not parity, it's still not near a dollar's worth.

ERDMAN: OK. All right.

HUGHES: Does that answer your question? OK.

ERDMAN: I appreciate-- appreciate the answer.

HUGHES: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ERDMAN: Thank you so much. Thank you.

KELLY: Thank you, Senators Erdman and Hughes. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. I was hoping that Senator Hughes might continue our dialogue if she'd be kind enough to yield again?

KELLY: Senator Hughes, would you yield?

HUGHES: Yes, I will.

CONRAD: Thank you, Senator Hughes, and I was hoping that maybe you, you could help me kind of forecast or look forward as well, since I know you've developed a lot of leadership and expertise around these particular issues. So, thanks to your work, we kind of put into place a framework for taxing some of these issues, I think, last year. And then this is, you know, kind of next steps in regards to that work. Is this the end? Or where does it end in your mind? Is it an ever-increase? Are we going to see proposals in the near future that have 100% tax, like we're seeing for CBD or other, quote unquote, sin taxes that are out there? I mean, what, what is the vision exactly?

HUGHES: I would say two-fold division, one, one half of it got done already, which is our vaping regulations. With all the vape products, now Nebraska is going to be one of the first places that actually have manufacturers register their products. In fact, I was just speaking with somebody. Apparently Iowa is already looking at our vape regulation. So I think that was a huge step this year. And then I think with this wholesale at 20, 20% across the board, I think we need to get it to a wholesale amount across-- you know, not have it bifurcated. I think that's getting more, in line with other states. It, it's still such a new field.

CONRAD: Right.

HUGHES: As far as, if we can get this 20% in, I don't see it coming back next year to go, oh, let's go to 40% or let's go to 50%. I think we wait a while and kind of see where all things kind of settle out. So--

CONRAD: OK.

HUGHES: If that-- does that make sense?

CONRAD: That's helpful. And then the last question I would have, because again, I'm, I'm just not familiar with how these products work as, as much, but I, I know that there's been a lot of commentary during the course of this session, and newspapers, and on the floor, and I think I mentioned before being a former member of Appropriations when we were facing really, really hard times and we were scrambling around for revenue, we looked at things like increasing sin taxes because we thought, oh, this might be a more palatable way to balance the budget, and, and some things like that. And, you know, we looked really hard, and we kept coming to the same conclusion that a lot of these taxes have diminishing returns. When you increase the taxes, sometimes you, you see a change in behavior, and then you don't actually get the revenue that you were hoping for. Is, is that part of your analysis? Could you maybe help the--

HUGHES: Sure.

CONRAD: --the body understand a little bit more about what that means in terms of behavior, and then also the fiscal projections.

HUGHES: So the research on that type of thing is very clear with tobacco, and they know very specifically when you go up to \$2 a pack or whatever, that particularly with youth, usage comes down. Unfortunately there is no data on vape yet--

CONRAD: OK.

HUGHES: --in regards to that, and how, how much of an increase can really ultimately make a difference on the back side, particularly toward youth using products like this. And I, I would also say, if, if it takes \$2 a pack on a pack of cigarettes to change behavior of youth, 20% on a wholesale-- on vape will not change any in terms of cutting down usage, if that makes-- it's, it's, it's not enough-- significant enough, because that \$2 a pack cigarette is significant. This is not to that level.

CONRAD: OK, thank you.

HUGHES: But again, no facts on vape, on what, what changes behavior yet, they just don't have the data.

CONRAD: OK. Very good. Thank you, Senator Hughes.

HUGHES: Sure.

CONRAD: Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: Thank you, Senators Conrad and Hughes. Seeing no one else in the queue, Senator Hughes, you're recognized to close on the floor amendment.

HUGHES: I would also like to do a call of the house and a roll call vote, reverse order, please. So, as--

KELLY: There's--

HUGHES: Oh, go ahead.

KELLY: There's been a request to place the house under call. The question is, shall the house go under call? Record, Mr. Clerk.

CLERK: 19 ayes, 4 nays to place the house under call, Mr. President.

KELLY: 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 Hughes, you're authorized to continue your close.

HUGHES: Thank you, Mr. President. So wait, guys, that was the first time I've done a call it the house. I feel, you know, like I'm a real senator now. Anyway, on our la-- second to last-- third to last day? Third to last day. Yeah. So as I stated before, the LB1299 was a bill I brought this year to do 20% across the board wholesale. I know just last year is the first time that we got the taxes on the books. And what we did there was a bifurcated system, which was based really off of what Kansas had done. But as more states are going to taxing vape, it's going toward a wholesale across all products, not separating open from closed. I think that puts us more in line with the future. And, and let's be real, the future is, it seems like, the vape products. And so I think that puts us in better standing for that. Right now we are kee-- in this amendment, we are keeping that bifurcated system. We just did it to \$0.10, on closed and 20% wholesale on open. And I would argue it would just be more equitable if it's 20% across the board within that vape industry. And it just makes sense for Nebraska and for how we handle our vaping products. So I would appreciate your yes vote on this floor amendment. Thank you.

KELLY: Thank you, Senator Hughes. Senators Wishart, Fredrickson, Vargas, Dover, and Hunt, please return to the Chamber and record your presence. The house is under call. Senator Wishart, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the question is the adoption

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

of FA445. There was a request for roll call vote, reverse order. Mr. Clerk

CLERK: Senator Wishart not voting. Senator Wayne voting no. Senator Walz not voting. Senator von Gillern voting yes. Senator Vargas voting no. Senator Slama voting no. Senator Sanders voting no. Senator Riepe voting yes. Senator Raybould. Senator Murman voting yes. Senator Moser voting no. Senator Meyer voting yes. Senator McKinney voting no. Senator McDonnell voting no. Senator Lowe not voting. Senator Lippincott voting yes. Senator Linehan not voting. Senator Kauth voting no. Senator Jacobson not voting. Senator Ibach voting yes. Senator Hunt voting no. Senior Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen not voting. Senator Halloran not voting. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan not voting. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting no. Senator Clements voting yes. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Bosn voting yes. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting yes. Senator Arch not voting. Senator Albrecht voting yes. Senator Aguilar not voting. Vote is 25 ayes, 12 nays, Mr. President, on adoption of the amendment.

KELLY: The amendment-- FA445 is adopted. Mr. Clerk. And I raise the call.

CLERK: Mr. President, Senator Bostar would move to amend with FA446.

KELLY: Senator Bostar, you're recognized to open on your floor amendment.

BOSTAR: Thank you, Mr. President. Mr. Clerk, could you tell me which one is FA446?

CLERK: On page 7, line 11 strike the Section 8 and insert "News media entity means a broadcast radio or television station licensed by the Federal Communications Commission or an entity engaged primarily in the business of news gathering, reporting, or publishing articles or commentary about news, current events, culture, or other matters of public interest. The term does not include the entity that is primarily an aggregator--

BOSTAR: Thank you, Mr. Clerk. Withdraw FA446.

KELLY: So ordered.

CLERK: Mr. President, Senator Day would move to amend with AM3473.

KELLY: Senator Day, you're recognized to open on your amendment.

DAY: Thank you, Mr. President. This amendment would address the issues that a couple of different counties have, specifically the county that I represent, Sarpy County, has with some of the lack of flexibility in the caps related to public safety. So, many of the municipalities within Sarpy County have expressed serious concern about the revenue caps, the spending caps, and particularly for the really fast-growing municipalities within Sarpy County, the maybe unintended negative consequences of those caps would be having to cut potential services related to public safety. We're talking about fire, law enforcement and the like. Currently, there is an exception within that cap for public safety personnel if they are understaffed, and this amendment would expand that to include the infrastructure needed to provide the services with-- related to public safety. So, the amendment would do two things. First, it would allow for costs related to public safety infrastructure outside of the caps proposed in LB388 and AM3468. Second, it would take the total cost for public safety officers outside the caps. The cost with regards to equipment, including vehicles, equipment, capital improvements and technology specifically related to law enforcement, fire safety, corrections and public safety communications, and an amount necessary to fulfill law enforcement, fire safety, corrections, and public safety communications union agreement requirements adopted prior to January 1, 2024. This would ensure that our local communities are not placed in a difficult position with regards to budgeting for public safety infrastructure needs. We want to make sure our fire and police have the vehicles, radios, and other equipment they need. The second part of the amendment would take outside the proposed cap the amount of property taxes needed to fulfill compensation requirements for law enforcement, fire safety, corrections, and public safety communications union agreement adopted prior to January 1, 2024. A concern has been raised that if a community in Sarpy County has to add additional personnel under an agreement that is already in effect, that it could easily exceed the 6% allowed under this act. What this amendment does is add additional flexibility to that cap, and allows for them to be able to hire those additional personnel. One of the most important functions of some of the property taxes that are funneled through counties and cities is to provide public safety measures in, in the form of law enforcement, fire safety, and the like. And, and we don't just need enough to cover the costs for the personnel, the cities will need

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

enough to cover the costs for the infrastructure, like vehicles, cruisers, any kind of improvements to buildings, any equipment, technology needs that they need to supply to law enforcement. And this would just make sure that those municipalities have enough to take care of those issues. And I would encourage your green vote on AM3473. Thank you, Mr. President.

KELLY: Thank you, Senator Day. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you. Thank you, Mr. President. I was wondering if Senator Day would yield to a question or two?

KELLY: Senator Day, would you yield to a question?

DAY: Yes.

ERDMAN: Thank you, Senator Day. Senator Day, so is this for the county to exceed their limit or for the city or both?

DAY: This would just essentially take the-- so the current cap that exists at 6% within the bill. This would take the, the property tax requests for funds to cover the infrastructure, like vehicles and technology outside of the cap. So-- Go ahead.

ERDMAN: OK. So you're saying that the bill is restricting those, those units of government to a 6% increase, and you want to exceed that? Is that what you're saying?

DAY: Yes. And for a lot of these cities, particularly Gretna in particular, because of the rate of-- rapid rate of growth of the city--

ERDMAN: OK.

DAY: -- there would be no way for them to keep up with the growth underneath this cap.

ERDMAN: OK, so do you have a limit on how much they can go over the 6%?

DAY: There is no limit that would exist under this amendment. No.

ERDMAN: So they could go to 10 or 12 if they needed to?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

DAY: They would, yes. And, and-- currently that's-- I mean, in terms of if you're looking at growth in the city of Gretna, you're looking at about 10% a year.

ERDMAN: OK. All right, thank you.

DAY: Yes.

ERDMAN: I appreciate it. Thanks so much.

DAY: Thank you.

KELLY: Thank you, Senators Erdman and Day. Excuse me, you're still on.

DAY: Yep. Thank you. Oh. Still on. OK. So I just wanted to explain a couple of more things. I mentioned this the last time I was on the mic. So I think-- I've also heard from other counties, I've heard both they support, they oppose, Lancaster and Douglas as well. I'm not going to speak on behalf of Lancaster or Douglas County, I do not represent either one of those counties, but I-- from what I've heard, at least Douglas County Corrections has serious concerns about these caps. This would allow some exceptions for corrections underneath this amendment. Sarpy County is really unique in the-- really just we are the fastest growing county in the state. So when we're talking about areas in the state that are creating growth and propelling the Nebraska economy forward, Sarpy County is, is really the center of that. And I think that it would be really bad policy to implement a restriction that would essentially not allow the local-- the local government, city and county, to keep up with the rate of growth in those cities. And additionally, I don't want my neighbors to have to worry about whether or not they're going to be able to call the fire department or the cops and have them show up at their house, because essentially they're understaffed or they don't have enough cruisers or whatever. That is a very real and very serious concern of people in Sarpy County, particularly in Gretna, I know also in La Vista, Springfield. We had a letter from all of the mayors in Sarpy County, essentially saying that this is a concern for everyone down there. And I think we need an amendment to at least try to create some extra cushion for those areas. Public safety is one of the most important functions of government, I believe. And I think that we wouldn't be doing our due diligence if we didn't make an effort to make sure that we are providing an adequate amount of funding to cities and counties to provide those supports for people living in Sarpy County, and other counties across the state, to make sure that they have adequate access

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

to public safety measures. So again, I would encourage your green vote on AM3473. Thank you.

KELLY: Thank you, Senator Day. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I'm going to be very brief here. Look, we, we all would like to move through this agenda, and, and we're continuing to bring floor amendments that-- frankly, folks, the Revenue Committee met, they've considered all these things. There will be a session next year. But we're, we're not looking for perfection this year. I mean, we're, we're at-- we're at, we're at the 11th hour, and, and we all would like to move forward and get the agenda done. So I would just urge my colleagues to stop bringing amendments and let's, let's, let's move on. I will just make one comment about the growth. Growth is already in LB388. The League and NACO have signed off, they've signed off on this bill in terms of what's in it. Let me also tell you, if you have 10% growth, doesn't mean you grow your budget 10%. That base is already there. Your, your incremental growth is significantly less than that. That's how it works in economic development. Trust me, the growth has been accounted for. Please, colleagues, let's move forward with the agenda. Let's get out of here by midnight tonight. And let's consid-- like, recognize there could be a special session. But even if there isn't, we're back here next year. Let's, let's move forward. Let's get this, this voted through. Let's, let's move on to tomorrow. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Senator Day, you're recognized to speak, and this your last time before your close.

DAY: Thank you, Mr. President. We have officially reached the part in bill debate where somebody stands up and says all these amendments, you know, we can't do this. The committee made a decision and we should all just suck it up and deal with it. Unfortunately, this-- these bills affect millions and millions of people in the state. So there's going to be a lot of people that are going to have amendments that we're going to want to bring when people come to us and say, we have really big issues with this. And listen, there could be about a million amendments to this bill, and there's a lot of things that I don't like about it, but this is the one that concerns me the most because we are talking about public safety. We're talking about access to fire and law enforcement for people in Sarpy County and all of the other counties. We're talking about corrections, OK? Growth is not adequately included in LB388. You've got 3% plus growth, and in the subsequent year the previous year's growth has to be subtracted out.

So if you're starting at 100%, you grow at 10%, in 2025 you get 3% plus 10%. Then you grow 10% more in 2026. You've effectively grown 20%, but you're still only at 13% of your property tax request. So you're already not meeting the funding needs for basic public safety services. This is not-- this is not how we do bill debate. And this is not how we do negotiations. We don't just say, well, the rep-- the committee made a decision and we're just going to shove it down your throats, and that's just the way it is. No, there's some serious concerns with this bill from a lot of people, and this is one of the major ones that I think needs to be addressed. And I hope that the other Sarpy County senators would be on board with this, because every single city in this county wants this amendment. I will yield the rest of my time. Thank you, Mr. President.

KELLY: Thank you, Senator Day. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. And thank you, Senator Day, for bringing forward these amendments. I appreciate and understand my friend Senator Jacobs-- Jacobson's frustration, kind of, with where we are at this stage. I think it's that stage of the session where everybody's a little bit frustrated, and definitely more than a little bit tired, and trying to, to kind of chart a path forward together for our remaining days. And these last few days are always frenetic, are always exhausting, are always uncertain, but particularly, and through nobody's fault, but particularly when we're trying to rush through a huge change to our tax structure late in the session, it's, it's bound to spark questions. It's bound to spark amendments. It's bound to spark debate that-- to think otherwise would be a disservice to our process and the important issues that are inherent in the proposal. So just to remind folks, and, and my friend Senator Jacobson as well, you can see Senator Cavanaugh and others have-- that had hostile motions up to launch or structure a filibuster, those have been removed or are going to be removed. From what I can see on file on the bill, these are like Senator Day's amendment, like Senator Hughes's amendment, like Senator Bostar's and Linehan's amendments that are coming later, like Senator Slama's floor amendment that are-- that is-- that we took up recently. These, these are substantive serious issues on a major tax proposal. So if, if you-- if you're not interested in the debate, that's OK. But they, they, they are substantive and serious issues here. And I, I want to remind my, my friends something about something else as well. And again, things have to fall apart a little before they come back together. That, that's how things work in this-- in this process. But we, we saw the amendment to LB388 that detailed the revenue generators and sources and how the caps work last night. At

like 10 or 11:00 at night, I think, they hit our, our email. And again, I'm, I'm, I'm not casting aspersions on anybody, but to say, you know, it's unfair to ask serious and substantive questions about a major proposal that we've had less than 24 hours to digest? It's absolutely fair, and if you think it's unfair, that's fine, you can call it out, I-- you have the right to do that with your speech, but it's not going to deter myself or others from asking the hard questions, and doing the work, and putting in the hours. So I'm glad Senator Day brought forward this amendment, because the cap components haven't received enough discussion. We don't know what that means for growing communities. We're trying to sort out what this means in relation to other issues. We've got the inheritance tax replacement or modifications moving forward in the tax increase bill that Senator McDonnell has later on the agenda. We have this tax increase bill on the agenda. I don't know how these pieces work together. I don't know what that means in terms of putting additional prop-- pressure on property taxes at the local level. I don't know how-- what the implications for these measures are for the average business, for various communities, for the average citizen. And if everybody agrees we're coming back to special session, what the heck are we doing? We, we can step back from this cliff right now. We can do a more thoughtful and thorough analysis. We can build a coalition. And we can have a good result that's affordable, sustainable, and equitable that Nebraskans deserve.

KELLY: One minute.

CONRAD: Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow Senators, friends all, as a Sarpy County senator, I most definitely support Senator Day's amendment. And I want to remind everybody that we actually talked about this very thing in the first round about how when we, we set up these caps, when we set up these expectations for communities that are the fastest growing communities in the state of Nebraska, that what we ultimately do, as we-- you heard earlier when I talked to Senator Cavanaugh, is we screw over the taxpayers because this ultimately affects our public safety, period. You can't stand up here on the mic and tell us how much you love police, how much you love fire, how much you love public services. Do you like to have your snow removed? Do you like to have your streets repaired? Well, most people, that's exactly what they want from politics. All politics really is local.

They care about things functioning in their own backyards. And so that's why this bill is problematic, because what we're doing is we are setting up expectations that are unrealistic for these fast-growing communities, and we are not providing them resources to generate income to compensate for this. We are in such a hurry to pass tax relief that we are missing a few beats here. This is going to be problematic. I talked about earlier what it has to do with our union contracts. When Bellevue, who is one of the communities I represent, Papillion being the other, our union contracts have 4 and 5% raises in them for the next three years. If we run at 7% inflation, that's problematic because we know that our cops right now are making \$20,000 less than what Omaha pays. And so not only is this going to be a public safety issue, but it's going to be a matter of manning our fully manned police force right now. You know, we're really lucky in Bellevue. We have the best of the best when it comes to law enforcement. I am always so proud of our cops, and fire, and, and our techs, our EMS. But I hate that some people are considering not voting for this amendment, because it is going to affect Sarpy County. It's going to affect Bellevue, it's going to affect Papillion, it's going to affect Gretna. I know there's more towns in Sarpy County besides that, but that's the big three. So I really hope you consider today, especially the Sarpy County senators, why we need to support Senator Day's amendment. I mean, quite frankly, Senator Day, I would've included COLAs, too, because I think that that's important. But I know that we have been negotiating in the last few days, and we're trying not to filibuster, and we're trying to, to be good stewards and be good neighbors. But Sarpy County can't have this. And I'm guessing there's probably some Omaha senators that are concerned, too, but no offense, I gotta fight for Sarpy County right now. So with that, if I did have any time, I would yield it to Senator Day. Day. I didn't mean to say to-day. I just kind of stuttered.

KELLY: Thank you, Senator Blood. Senator Day, you have 1 minute, 40 seconds.

DAY: Thank you. Thank you, Mr. President. And thank you, Senator Blood. I also want to mention, too, that we got this amendment last night at about 10 p.m. So, I mean, it was 63 pages long, and we got it at 10 p.m. last night. So this is-- this is-- but this is an issue that I've been talking about since LB388 was on General File, and it wasn't resolved in any of the negotiations. It's been said that the counties support LB388, and I have heard the exact opposite, particularly from my own county. So I'm doing my job as a Sarpy County senator who represents these people and wanting to make sure that the people that I represent are well taken care of.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: One minute.

DAY: And that's what I'm attempting to do here with this amendment.
Thank you.

KELLY: Thank you, Senator Day. Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. So here's the situation. I was told about two hours ago there wasn't going to be a filibuster on this bill. And I get it. Nobody's done filibuster amendments. But when people get up and talk three times on every amendment, it looks a lot like a filibuster. And I've heard that, you know, we shouldn't speed along, we shouldn't do things quick, and we should really study this. I'd like to tell you the Revenue Committee has worked pretty hard the last 58 days, and I take offense to people getting up and saying, we're doing things in a scatter-matter way and we don't know what we're doing. And I'm especially frustrated when people keep getting up, and not just Senator Day, but others and saying, we can't live with 3%. It's not 3%. And we've already had this discussion on this bill in General. It is 3% plus growth. So if you are Sarpy County and you are the fastest growing county in the state-- what, I think they grew at 8% last year. Senator Day, will you yield for a question?

KELLY: Senator Day, would you yield?

DAY: Yes.

LINEHAN: Do you know what Sarpy County's growth rate was last year?

DAY: I do not. I'm sorry.

LINEHAN: Would you say 8% is too high?

DAY: I'm not sure in terms of the county itself. I know Gretna was around 10%.

LINEHAN: 10%. OK. Well, I could be 12%, it could be 8%, I'm not sure what it is, but it's plus growth.

DAY: Yes, but you also have to subtract the previous year's growth. So you're not keeping up with growth overall.

LINEHAN: No, that is not true. You are-- that is-- you have been-- there's misunderstandings, and I get this, this is complicated.

DAY: It is complicated, but I can also read the bill, and that's what the bill says.

LINEHAN: The bill-- you are reading the part that they can over, go over the 3%. They can go over the 3%. But the bottom line is 3% plus growth. I'm very familiar with this because we had to do that for Elkhorn Public Schools, we have to do it for Bennington Public Schools, we have to do it for Sarpy, we have to do it for parts of the community that are growing. So there is a-- the lid is 3% plus growth. Now you go to the schools, we give them an ability to go up to 7%. But unless-- if they don't use it, if they're just banking it, then they can't carry it forward. If they use it, they can carry it forward. What that means is you can't sit there, the county board, the school board, and say, well, we don't really need this money, but we're-- we won't be able to take it next year, so we're going to raise-- we're going to raise our authority even though we don't need the money. And you do that year after year, and in ten years we'll be back here with a bigger problem. And as far as these agreements, the Governor's people and I have been in multiple meetings along with the Revenue Committee, and we had hearings on all this, and NACO and the League has spent hours going back to the last fall when they were in with the Governor's-- they were at the round tables. All this was talked about. So the basics here, if we're filibustering a bill, then let's be honest that that's what we're doing.

DAY: I'm not filibustering.

LINEHAN: And if we're going to talk about the 3% cap, don't forget the growth part. And it'd be good if you know what that means, if you're trying to argue that it's not enough. Thank you, Mr. President.

LINEHAN: Thank you, Senator Linehan. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. Colleagues, there is nothing stopping the Speaker from rearranging this agenda if we start going, or, or we can file a motion to rearrange this agenda. Here's where I'm concerned about. I know it's easy to get up and say we haven't read it, or 63-- I had a-- I was in court all morning. I read the amendment. There's nothing new. It's different amounts. We're talking different amounts. So I don't want to get blindsided and say that we haven't done our-- to the public that we haven't done our due diligence. We've been talking about the same concept now for a month and a half. And I believe Senator Erdman's been talking about his solution for three years. Like there's nothing new, we're talking about structural same,

different amounts, what may or may not work. There's not a real new concept, except for a negotiated agreement around earned income tax credits. So here's my-- here's my real issue of kind of what's going on. There was just a floor amendment that kind of makes me not want to be supportive of this bill anymore. I'm already struggling with the hemp tax, and now we just quadrupled the-- a vape tax. I'm not in favor of raising sales tax on anything. And now I'm struggling whether I'm going to support this bill. You are voting for something that we're going to keep changing on the floor. I literally just pulled a cigar tax that would be a reduction, because I'm trying to honor all the agreements on a previous bill, and we're continuing to drop floor amendments. I understand that game, because this is where I'm-- I'm more successful on the floor than I ever am in any committee. So I understand all about floor amendments. But if we keep playing these extra games, we're going to run out of time. And I'm not even worried about everything, but Senator McDonnell has been working on a bill that I was opposed to, we came to an agreement, and it's good for Senator McKinney's district, it's good for affordable housing across the entire state, and it's good for counties. I think everybody wants to get to that. I personally have a bill that deals with survivors recovering dollars, and having the ability to make themselves as whole as they can. I would like to get to that. So I don't mind real conversations. I don't mind floor amendments, but I just want to stay productive. And if we can't honor agreements, I'm going to say I'm glad it's my last year, because that's how you get to compromise, and that's how you get to move forward. There's always going to be disagreements, and there's going to be things that we just fundamentally disagree on. I fundamentally disagree on raising excise tax. So now I have to go down and do some soul searching for myself of whether I'm going to continue to support this bill. I get that. That's me. But the more we keep throwing more wrinkles in, the harder the overall agreement stays together. I know I was approached by both sides and said, here's the agreement. I wasn't involved in the negotiations because, quite frankly, I've been working on everybody else's bill but mine. So either we're going to honor it or we're not. I don't see anything really new in this amendment. So either we're going to talk about the numbers and say what it should be or not be, and vote it up or down, I get that, but I don't want the public to think that there's a whole new foreign concept that is being thrown to this floor last minute, because I don't think it is, in my opinion. And with that, I yield the rest of my time to Senator Erdman to talk about EPIC tax.

KELLY: Thank you, Senator Wayne. Senator Erdman, you have 57 seconds.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ERDMAN: Well, thank you. 57 seconds. I appreciate that. Senator Wayne makes some sense there. And, and I have an amendment being dropped-- drawn up and I will drop that if I get a chance. What it does, it's going to keep the caps in place, the spending caps, frontload LB1107, and we go home. That's it. Because this bill doesn't do anything to relieve, relieve property tax at all. But it's having a lot of pushback on these other issues, so I'm going to offer a solution that's really a solution, and we can go home and move on to the other bills. Thank you.

KELLY: Thank you, Senator Erdman. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow Senators, friends all, at this time I do support Senator Day's amendment. And I ask that Senator Linehan please yield to some really easy questions.

KELLY: Senator Linehan, would you yield to some questions?

LINEHAN: Yes.

BLOOD: Senator Linehan, I'm trying to read through all the amendments and the bills, and I'm hoping that you can just clarify something for me real quick. So we talked about the 3% lid. Is the, the, the 6% line item if political subdivisions are understaffed, is that still in the bill?

LINEHAN: Yes.

BLOOD: OK. But that's only if they're understaffed. Right?

LINEHAN: Everybody's understaffed.

BLOOD: I think Bellevue's not right now, but--

LINEHAN: Well, according to what the Revenue Committee was told. And this was brought by Senator Bostar, and we are short on-- this is for police, firemen, correction officials.

BLOOD: Right.

LINEHAN: There is not an entity in Nebraska that I believe is fully staffed.

BLOOD: And I'm not questioning that. And I also just want to let you know that Sarpy's growth was 1.38%.

LINEHAN: I don't know why, but I'm having a hard time--

BLOOD: Sarpy's growth was 1.38% last year.

LINEHAN: 1.38?

BLOOD: Percent.

LINEHAN: The whole county.

BLOOD: Yeah. Now, if I broke down the county's, the city's would be different.

LINEHAN: Growth of what? Growth of houses?

BLOOD: Population.

LINEHAN: I mean, I drive through Sarpy County every day. I mean, it's hard to bel--

BLOOD: No, population.

LINEHAN: Growth is new buildings, new retail, new gas stations.

BLOOD: Fair.

LINEHAN: I mean, they-- I think there's four banks on the corner of 204th and Cornhusker Highway, of which three weren't there a year ago.

BLOOD: There's banks everywhere. I didn't say it to argue about it, I just want to say that growth-wise, I look at population as 1.38%. I can get to the other number, probably in about 30 seconds as well. But I really was looking for clarification on that because I'm having trouble going through all the amendments, and that really was the only purpose of my question.

LINEHAN: OK.

BLOOD: Thank you, Senator Linehan. With that, I would yield back anything else to the Speaker.

KELLY: Thank you, Senators Linehan and Blood. Seeing no one else in the queue, Senator Day, you're recognized to close on the amendment.

DAY: Thank you, Mr. President. So I'm doing my job here. When I have people that I represent that come to me and tell me that this bill is unacceptable and is not going to work and is going to hamper the

growth of the cities that we represent, I'm going to do something about it. And having people come up to me and attempt to insult my intelligence as if I don't know what I'm talking about is ridiculous. It-- maybe it makes you feel better if you can justify it to yourself that you're not doing your job when people come to you and tell you that they don't like this bill, that's not my problem. Don't tell me I don't know what I'm talking about, because I do. I brought this amendment because it was brought to me by Sarpy County. I talked to the mayors of both La Vista and Gretna this morning and last night. I know what I'm talking about. They don't like it. And yes, maybe growth is included in the bill. If I'm wrong on that, I'm wrong, and you don't have to subtract it out. I'm going to go look at it again. But the main issue that this amendment is attempting to address is the cap on public safety. It's capped at 6% for personnel only, it does not include infrastructure. So great. We could hire ten new police officers, but we can't give them cruisers to drive in? Don't come and tell me I don't know what I'm doing. I know what I'm doing. I'm doing my job, because some of you won't do it. I don't think the amendment is going to go anywhere because it seems like everybody's mad about it. I promise, Senator Linehan, I'm not trying to filibuster the bill. This is a legitimate substantive amendment that I brought on behalf of the county that I represent. And I hope that the other senators who represent Sarpy County will vote, at least, along with me, for the amendment. I would encourage your green vote on AM3473. Thank you, Mr. President.

KELLY: Thank you, Senator Day. Members, the question is the adoption of AM3473. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Record, Mr. Clerk.

CLERK: 10 ayes, 20 nays on adoption of the amendment, Mr. President.

KELLY: The amendment fails. Mr. Clerk.

CLERK: Mr. President, Senator Conrad would move to amend with FA447.

KELLY: Senator Conrad, you're recognized to open on your amendment.

CONRAD: Thank you, Mr. President. Good evening, colleagues. So, this is a really interesting amendment that I've had the opportunity to work together with the, wait for it, County Attorneys Association and the Criminal Defense and Public Defenders Association. So in reviewing the amendment that was put forth last night, there were some important adjustments and accommodations made in regards to advancing our shared public safety goals. And there were specific provisions for first

responders, and correctional officials, and, and things of that nature in response to some of the issues that the local government had, had brought up. And it was something that came to our attention in recognizing that county attorneys and public defenders, who are typically considered to be a part of that public safety contingent at the local level, were, I think, perhaps excluded from that, that laundry list that was provided accommodation. So I had the chance to work with the county attorneys and other local government entities, and the Criminal Defense Attorneys Association, which represents a lot of public defenders. And we were able to find consensus and agreement, and that is what is before you in FA447. It would provide, I think, some clarity and also some uniformity in terms of the policy goals to provide some flexibility and accommodation for local governments to address public safety needs. And when we have understaffing in these key positions, it, it impacts our, our shared commitment to ensuring our communities are safe. And I think that this is a thoughtful, no-cost amendment that is before you. You should have in your inboxes an email from the County Attorney's Association, which I really appreciate, urging your support, support for the measure, and I'm happy to answer any questions. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, you're recognized to close, and waive closing. Members, the question is the adoption of FA447. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 23 ayes, 2 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor, the house is under call. Senators Wishart, Armendariz, Walz, Bostar, and-- please return to the Chamber and record your presence. The house is under call. Senators Armendariz and Walz, please return to the Chamber and record your presence. The house is under call. All unexcused members are now present. Senator Conrad, the vote was open. Will you accept call-ins? Mr. Clerk.

CLERK: Senator Slama voting no. Senator Armendariz voting no. Senator McKinney voting yes. Senator Hardin voting no. Senator Ballard voting yes. Senator DeBoer voting yes. Senator Wishart voting yes. Senator Walz voting yes. Senator Moser voting no.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: Record, Mr. Clerk.

CLERK: 15 ayes, 20 nays on the adoption of the amendment, Mr. President.

KELLY: The amendment fails. Mr. Clerk. I raise the call.

CLERK: Mr. President, Senator Erdman would move to amend with AM3475.

KELLY: Senator Erdman, you're recognized to open.

ERDMAN: Thank you, Mr. President. So here is the answer, colleagues. What this amendment does, as you'll see, it strikes some of the sections-- let me get the amendment. It strikes the sections that deal with everything except for the caps, the spending caps will be staying in place, and frontloading LB1107. Everything else, including all of those amendments we may have adopted to this point on LB388, and all of the tax credits, all of those things that we have been discussing for hours goes away. The biggest issue we have in the urban sector is people aren't filing their income tax credits for the property tax that goes to their schools. It's not so prevalent in the rural districts because they understand how to file those credits. So what this does, it eliminates all of the arguments we've had about whatever it is we're going to do. This, LB388, gives us very little, if any property tax relief anyway, above what we're getting with LB1107. So as I mentioned earlier in my comments that on the proposed-- proposal of the property they gave me for my dist-- for my district, we saved \$107, or 2%. That did not take into consideration the increase in sales tax that those people will have to pay because of the sales tax exemptions that are included in LB388. It has been advertised and spoken of numerous times this afternoon, this evening, about a special session. And I believe some have commented, let's build a coalition, let's move forward with trying to make a real significant change and fix our system. Now I will contend, I, as I have in the past, and I'll continue to do that, that there's only one solution. There's only one solution to fixing our broken tax system, only one. And that has to be a solution to put the taxpayer in first place, that they decide how much taxes they're going to pay, when they want to pay them-- when they can afford to pay them. That is the EPIC option. We have a distribution model set up in LB79, we amended it by AM314, never had any discussion with anybody in this room of significance that wanted to talk about, or explain to me why they didn't like it and what we needed to change. We have a special session, we're going to have a real conversation about what the change needs to-- what kind of change needs to happen. I came here eight years ago, 597 days ago

session-wise, to make a difference and fix our tax system. I'm not giving up. The Revenue-- Revenue Committee worked hard on, on this bill. I have said this before, I'm going to say it again. Everyone that was on the Governor's committee to fix this or bring this forward knew we were going to have a session in January. They knew that. To work on that all fall and not have a bill ready when we arrive in January is on them, not on us. To bring this bill to the floor of the Legislature on Day 51 in a 60-day session, it's very difficult for me to understand how you expect to get that to the finish line. You bring the bill on school funding on Day 53 out of 60, and then we run against the time clock, and we get to the end and everybody's rushing around trying to do something. This bill and the Education bill should have been to the floor no later than the 40th day. So they have come to me and they've said, hey, you need to get on board with LB388, you need to get on board with the school funding thing. When in fact, for three years I've been trying to share with people what the real solution is and no response. I voted for LB388 last week. And had I not voted for LB388, we wouldn't even be talking about this, or the Education bill would have never seen the light of day. I did that so we could have a fair, upright, and forthright discussion about what the solution is, and we haven't had that. So this is a chance for us in this body to vote on this, move on to other things. Vote for the amendment. It keeps all the caps in place. The spending caps will remain as they are in the bill. It will front load LB1107, which is the only value in this bill at all, and we'll move on. So vote green on AM3475. Let's make a difference. Thank you.

KELLY: Thank you, Senator Erdman. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. I'm inclined to support Senator Erdman's amendment, and I know that he was waiting for it to come down from Bill Drafters, so I'm glad that we've had the benefit of deliberation to put this amendment before us. Pretty much the whole way through the session, there was an early coalescing that has remained through today that people generally wanted to take care of the, quote unquote, frontloading with the LB1107 credits to help make sure that that property tax relief that was visioned in prior sessions was actually getting out to Nebraskans as intended, because far too many Nebraskans were leaving it on the table. And so that, that seemed to be a point that there was a lot of agreement around. It was reasonable in terms of overall price tag. And there was a certain equity to that component as well, because a lot of the folks who didn't know about it maybe don't have the benefit of having a full time accountant or tax preparer to, to help them learn about those

benefits. I know that it came up quite a few times when I was knocking doors in my district, and I would literally hand out information, not providing tax or legal advice to the citizens, but just general information from the Department of Revenue about that, and a lot of revenue-- res-- residents didn't know about it. So Senator Erdman has identified a point of consensus that's emerged from the body that is affordable, that there's certain equity to, and that helps us to make progress on our shared goals of addressing property tax relief, or a decrease in the increase, or however you want to go about conceptualizing it. And, and this amendment doesn't actually raise taxes to do so, right? I, I think that's a point that I'm hoping that perhaps Senator Erdman might yield to a question.

KELLY: Senator Erdman, would you yield to a question?

ERDMAN: I'd be glad to.

CONRAD: Thank you, Senator Erdman. This is kind of fun. We don't get a chance to work together all that often on things, but I'm glad that we have an opportunity when we do. Does your amendment increase taxes in order to take care of the frontloading?

ERDMAN: Absolutely not.

CONRAD: Yeah, I wouldn't think that you would probably be inclined to vote for a tax increase, but I wanted to make that clear to everybody. And I'm also glad, Senator Erdman, that you talked a little bit about how the negotiations progressed from General to Select File, you casting the deciding vote to move LB388 forward. Were you part of the negotiations that brought together the, the package that's contained in, in the other amendments on the board, or what's your thinking in regards to some of those revenue generators or tax increases there?

ERDMAN: I was not directly involved. I had shared with the Governor and his staff and others that I thought you needed to broaden the base, you have to broaden the sales tax base, and you have to make sure the rate is at least what it is today or lower to make it palatable. And the broadening the base as to what we've done so far is insignificant. And so if you really want to make a difference, you have to really broaden the base. And as I said on the floor of the Legislature, I'll say again, when Art Laffer was in my office, he explained how taxes work. And he says, you broaden the base, lower the rate, you get more taxes. And that was my intention. As far as a negotiation to get this far, I had very little to do with it.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CONRAD: OK, that, that's really helpful. Thank you, Senator Erdman. And in your mind, if we move forward with your amendment, it--

KELLY: One minute.

CONRAD: --addresses-- thank you, Mr. President. It addresses the frontloading. It does so in a way without increasing taxes, and then it sets us up for a constructive conversation and a grand bargain in a larger coalition in special session, which it seems we all are in agreement that we're headed to this summer. Is, is that kind of what you're thinking, that this is the first step, and then we'll continue to work on it together over the interim or in a special session?

ERDMAN: That appears to be the case, Senator Conrad, I, I'm not one to say we're going to have a special session or not, but--

CONRAD: Sure.

ERDMAN: --it looks to me like what we've done here would sure require one.

CONRAD: Very good. Thank you so much, Senator Erdman, I appreciate it. Thank you, Mr. President.

KELLY: Thank you, Senators Conrad and Erdman. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. So this amendment that I brought, this is not frivolous, OK? I didn't do this to waste time. I didn't do this to just have something to say or do. I'm serious about this amendment, I'll take a vote on this, because when we vote on whatever we vote on here, if we vote on LB388, and you go home, session's over, and those who get their property tax relief and they find out it's 2% or less, and then they have to pay more sales tax, they're going to ask you, what did you do? And you're going to say we give extraordinary property tax relief. We give you 2%. I appreciate the fact that this bill does absolutely squat because it does promote the EPIC consumption tax, which is the answer. And more and more people are beginning to understand that putting a Band-Aid on an amputation, which we've done for the last 57 years, hasn't worked. And you and I and everyone else all knows what the definition of doing the same thing over and over and expecting different results is. We all know what that is. That's what we've been doing. The Unicameral-- well, let me say the Legislature from nine-- from 1867 to 1971 met every other year. Now, we meet every year. So people say, well, you surely can't have the state collect all the taxes, because we'll never get it back.

That's what we did for 100 years. So if you need to go back and read history so you understand what we used to do, what we can do again. And so we need to have a fair and straight and robust discussion about what the solution is. So if you don't like the EPIC consumption tax, you don't like the distribution plan, I got an idea. Why don't we get together and talk about what your issues are to see how we may make that better or make it work? Have I ever had anybody come in my office and ask that question? Only one group, ICON, Independent Cattlemen of Nebraska. They're the only ones. Not Farm Bureau. Chamber of Commerce is opposed to it. So the good news is most of the people that are opposed to LB388 are also opposed to EPIC. And when you ask those people, what is your solution? And their answer is, I don't have one, but I hate yours. So go big or go home. That's what I did. That's what I'm doing. That's what the consumption tax is. What this is, is not go big or go home, this is just go home. So vote for AM34-- AM3475. Make a difference. We'll move on to the other bills, do the confirmations, whatever we need to do, and we'll get out of here by midnight. Thank you.

KELLY: Thank you, Senator Erdman. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Thank you, Senator Erdman, for again bringing this forward and sharing some additional information. I, I guess that there's a cautionary tale here that's important for us to mark. And when high stakes votes come up and things are tight and people are really searching their head and their heart to decide how to cast their vote, and they're torn between relationships, between the policy considerations, between different perspectives they're hearing from back home from their voters and their constituents, which, of course, is most important. And it, it can be really challenging to decide what you're going to do in those high stakes moments. And, you know, in good faith, Senator Erdman decided to cast a vote to help this measure move forward and continue the dialogue and negotiation, with the recognition, understanding that he would perhaps be a part of that. And he has provided his feedback on the negotiations moving forward. But I guess I'd, I'd ask each of you to really think and to take to heart when you're being made promises, when people are, you know, asking for your vote, you know, what, what does that really mean, in terms of your influence and impact in the negotiation? What are you really getting for your constituents or for your collaboration? Because that needs to be a part of the conversation. It-- there is a policy component. There is a political and transactional component as well. And, you know, one thing that I think perhaps might be concerning to some members about Senator

Erdman's amendment is, oh, gosh, it doesn't let us get to the EITC piece, which is on the board, which is important and really helps working families. But here's my question to absolutely anybody involved in this. Most of the revenue generators and tax increases contained in LB388 are essentially a tax on the poor. And the EITC, a modest increase there, is a little tax relief for the poor. How's it shake out for the average working person? Has anybody run the numbers on that? I'm looking at the people who negotiated the deal. What's the numbers? What's that mean for working people in our districts? Because I don't know. And I'm not trying to be a jerk. I'm trying to understand when my constituents ask. And if we don't know, we shouldn't move forward. We should do the pieces that provide property tax relief that have consensus and that don't increase taxes, and come back to fight another day. Because you know what? We're coming back to fight another day, whether it's in the special session or next year or beyond. So each person's got to chart their own way with their vote, with their voice, with how they choose to proceed. I've been consistent from the beginning. When the Governor laid out his plan, and when bills were introduced, I have used my voice and I will use my vote when I can to oppose tax increases. It's, it's not that hard. It's not that confusing. It's not like, oh, what do you mean you won't let us raise taxes without talking about it? Yeah, I'm going to talk about it. I promised my constituents I would. It's not good policy. This political dynamic is divorced from reality.

KELLY: One minute.

CONRAD: If you want to make yourself feel better that somehow you've elicited some concession to help low-income working people, show me the numbers. Show-- any, any of you that have negotiated this deal, show me the numbers. And if it works, cool. That's great. I'd, I'd be happy to know that. Our constituents would be happy to know that. If you don't have the numbers and you can't prove it up, you should vote for Senator Erdman's amendment. It's the first step towards meaningful property tax relief that's more equitable, sustainable, and affordable. It doesn't increase taxes. And we have an understanding about what that means for our constituents, for schools, for businesses, for local government. Like, I don't take it lightly. It should be interesting, and powerful, and like, catch eyes that Senator Erdman and I are like on the same page with this.

KELLY: That's your time.

CONRAD: It's not just because we, you know, wanted to throw a wrench into the session. It's because we're looking at this--

KELLY: That's your time, Senator. Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good evening, colleagues. I felt like I should maybe just add some clarification here. I negotiated a deal because I had all the priority motions and four floor amendments that I filed to the underlying bill on Select File, because I blocked the committee amendment from moving from General to Select. So I used my power, I used my prerogative, and I negotiated a deal. And I don't like it. I don't like this bill. I was never going to like this bill. But I did the best that I could with the tools that I had to make a bad bill better, which is what everyone for six years has told me that I'm supposed to do. And we're going to have a special session on taxes, and we're going to have to do more work. And if you don't like what I did, then get in the mix yourself. Get in the mix yourself. I did not stop a single one of you, no, not one of you, from doing this yourselves. And no one talked to me. Senator Conrad did not talk to me. Actually, Senator Erdman did talk to me. Senator Erdman and I have been in conversation for quite some time, and we had different disagreements over the bill, and we had different agreements over the bill. I'm not going to vote for this bill. I'm not going to filibuster this bill. I made a deal to pull my stuff off. I didn't tell anyone, Senator Conrad, I didn't tell you that you didn't have to filibuster it, or that you couldn't filibuster it, or that you couldn't change it. I voted for the changes. But if anybody wants to blame anybody about what's happening with this bill today, you can blame me and you can come talk to me. Not Senator Linehan, not Senator Dungan, not Senator Cavanaugh, not Senator Erdman, I made the deal. Me. And frankly, colleagues, I deserve to make a deal. You all don't show up for me. And then you think that I should just be kowtowing to what you want? All of your opinions need to matter. The lobby's opinions-- if the lobby is unhappy with this, they can get involved and support candidates next year that they think will do a better job. But I did this. Me. So we can either keep filibustering this bill or we can move it forward, whatever you like. But I am the one who made the deal. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Erdman, you're recognized to close on AM3475.

ERDMAN: Thank you, Mr. President. I'd like a call of the house while I'm finishing up here.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

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

CLERK: 22 ayes, 3 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Erdman, you're recognized to continue in your close.

ERDMAN: Thank you, Mr. President. So let me just be clear, because I had a question from someone about this being an amendment to put EPIC in, this is not. This is not an amendment to do anything other than this. Very simple. It freezes-- or it keeps in place the caps on spending that are included in LB388. Those stay in place. I'm not removing those. Everything else goes away except frontloading 34-- or excuse me, the LB1107 tax credits that you get on your income tax that is 30% of your property tax. Those will be paid upfront, so you don't have to file an income tax credit to get those, those 30% dollars. They will be automatically loaded up front so you don't have to claim those on your income tax, which is a significant thing for people, as Senator Conrad said, who don't have an accountant that does their taxes. That's exactly what this is, freeze-- puts in place the caps that are there, and frontloads LB1107, nothing else. All of the rest of the things we've done today on this bill go away, everything stays the same, the sales tax are still in place. It does not be regressive to low-income people. This is the opportunity for you to vote for something constructive today to make a difference. Thank you. Please vote green on AM3475.

KELLY: Thank you, Senator Erdman. All unexcused members are present. There's been a request for a roll call, reverse order. The question is the adoption of AM3475. Mr. Clerk.

CLERK: Senator Wishart not voting. Senator Wayne voting yes. Senator Walz voting yes. Senator von Gillern voting no. Senator Vargas voting yes. Senator Slama voting yes. Senator Sanders not voting. Senator Riepe voting no. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting yes. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting yes. Senator Hughes voting no. Senator Holdcroft voting no.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

Senator Hardin voting yes. Senator Hansen not voting. Senator Halloran voting yes. Senator Fredrickson voting yes. Senator Erdman voting yes. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn. Senator DeKay. Senator DeBoer not voting. Senator Day voting yes. Senator Conrad voting yes. Senator Clements not voting. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting yes. Senator Brandt voting no. Senator Bostelman not voting. Senator Bostar not voting. Senator Bosn voting no. Senator Blood voting yes. Senator Ballard not voting. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar. The vote is 18 ayes, 19 nays. Mr. President, on adoption of the amendment.

KELLY: AM3475 is not adopted. I raise the call. Mr. Clerk.

CLERK: Mr. President, I have nothing further at this time.

KELLY: Senator Linehan-- no, Senator Conrad's in the queue. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good evening, colleagues. I just want to remark upon the fact that in the serious and substantive amendments that have come before the body today filed to LB388 thus far, you can see that there's a significant amount of conflict amongst the body in terms of the approach. There's a great deal of anxiety about increasing taxes to cut taxes. And I, I think that's been reflected on the amendments. I also encourage Senator Erdman to file a motion to reconsider, because I think his-- I think his amendment and his approach had legs. I think that it solved a lot of the issues that we're trying to work through, and it, it, it made a lot more fiscal sense and a lot more common sense. So, that-- we should think more deeply about that. And I'm, I'm surprised more people didn't jump up, and I don't-- and I don't understand why. And, you know, it, it's clear. I haven't filed any motions on this. I've asked a few questions about significant changes to our tax policy. I'm not gonna apologize to anybody about that. That's what I came here to do, to debate policy and to be a strong voice for working people. So I don't care what point you fall on the political spectrum or what deal you cut with who, I'm doing my job, and I'm not going to apologize for it, and I'm not going to be shamed for it, and I'm not going to lose an ounce of sleep over it. These are serious issues. This isn't a game. This impacts people. And when I was going door to door just like all of you, it didn't matter where families fell on the political spectrum, they wanted to know why people weren't fighting for them in Lincoln. They wanted to know why the wealthy got special deals, and they wanted

to know why more people weren't doing more to help everyday Nebraskans keep their head above water. LB388 doesn't do that. It puts more pressure on working families than it provides relief. And if that's in fact not the case with whoever cut the deals, just show me the numbers. That's not a ridiculous request. That's what each of you should be asking before you cast your vote, so that you can explain it to your constituents, so that you have peace in your head and your heart that this was the right thing to do for the majority of constituents, not just because the Governor told you, not just because your friend in the body told you, not just because a lobbyist told you. If you don't have a sense about how those numbers impact everyday Nebraskans, which is the question I've been asking all day, why are you voting for the bill? Why? I don't understand. And my constituents are asking those same questions. You haven't jumped into the queue to defend your proposals, you haven't run the numbers, you didn't engage seriously on other amendments that came before. Quote unquote, we cut a deal, let's go home. I'm tired. Quote unquote, we cut a deal, why are we still talking? Well, I didn't cut any deal and I'm not tired, so I'm going to keep asking hard questions. I'm going to continue to use my expertise, my experience, my voice, and my vote to be a strong voice for Nebraskans who don't have lobbyists, who aren't involved in the political parties, who are asking the Nebraska Legislature to exercise some common sense in their approach to these issues. You rejected an amendment that I had on the board that had support from county attorneys and public defenders that didn't--

KELLY: One minute.

CONRAD: --add a penny to this. I get maybe you're pissed because I've been talking all day, I understand that. But like-- let's just, you know, trot that out there. You rejected an amendment that Senator Erdman brought forward, and I'm sorry I said piss, that's not usually how I talk. Maybe you were upset or angry. You rejected an amendment that Senator Erdman brought forward in good faith that addresses your policy goals, but doesn't bring the same sort of baggage in terms of increasing taxes that hurt the poorest the most, and that are legally suspect, which is what the revenue generators in this legislation are based upon. You've acknowledged there will probably be a special session, you've acknowledged there will be more work next year. And friends, no matter what happens today or in special or next year, I'm always going to come to the table. There's always going to be an opportunity for compromise and consensus, no matter what. I'm going to continue to approach this work with love, I'm going to continue to approach each of my colleagues with love and respect.

KELLY: That's your time Senator.

CONRAD: But-- thank you.

ERDMAN: Thank you, Senator Conrad. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. I'm going to be brief. I just want to thank those who voted-- who had the intestinal fortitude to vote green. 19 voted red. Thank you for having the intestinal fortitude to vote red. And eight of you were present not voting. That was a big vote. That was a huge vote, to get 18 votes. Because if everyone were here, 18 from 49 is not 33. So that was huge. I'd hoped to get 10 or 12, and we got 18. So thank you again for those who understand that what we're trying to do here is not a solution, it's a Band-Aid on amputation. So I'm not going to stand in the way for what happens going forward the rest of this evening. We've got a lot of things to do. But I just wanted to say thank you for those who voted either red or green to have the guts to do that. And for those of you who didn't vote, I wish you would've made a decision one way or the other. Thank you.

KELLY: Thank you, Senator Erdman. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Again, good evening, colleagues. I, I think as the debate continues, we should take a second hard look at the proposal Senator Erdman brought forward. That could be perhaps refiled. We could put a reconsideration on it. There's a lot of different procedural things that we can and should be thinking about. And you know, here's the other political reality, reality, in addition to, perhaps, the policy components here. And I'd, I'd ask each of you who are so eager to rush into a deal to think through this. There's generally an understanding within the body that there's 25 to pass this, but there's not 33. That's why you were offered a deal to stop the filibuster. Not because it's great policy, but it's because it's smart politics. And, and I get it. That's part of the process. That's OK. If I was on the other side, I'd be making the same sort of deals, right? But, but let's not forget the political reality about this. And the longer this debate goes on, it's actually a service to the citizens of Nebraska who are trying to digest the same information as we are in a short and compressed timetable. And they're tuning in and they're trying to figure out what their Legislature's doing. And you'll see these communications in your inbox, and constituents are asking questions. Maybe your inbox looks different than mine. And if

that's the case, it would be helpful to know that. But they're saying, yeah, do some smart things when it comes to property tax relief, but don't increase our taxes. Why are you increasing our taxes to accomplish that? Senator Erdman's amendment let us provide additional property tax relief in a responsible way, without continuing debate, without raising taxes on other areas. I, I, I just think that this is too significant of a proposal with too many unanswered questions and too many moving parts to just rush into because we're tired, or rush into because we made a deal. And if that's where your head and your heart is, that's cool. But each senator has to face the day according to their, their best abilities and as they see fit. That's just not where I am. And you can see on the board the, the conflict, the uncertainty, the division within the body on amendment after amendment after amendment here. Most of them were not slam dunks. They, they were pretty close, and maybe with a little bit more discussion and urging would have gone. And either, A, could have blown a hole in the plan if Senator amendment-- if Senator Slama's amendment would have gone because of the significant amount of revenue that we're counting on in that legally suspect component. If Senator Erdman's would have gone, it would have basically gutted and taken away the need to move forward with the tax increases otherwise. Some of the issues that Senator Day and I have brought forward in terms of how the caps work, could impact our shared public safety goals, are serious, don't carry a price tag. I, I think that we should give ourselves the time to craft good policy. And if we don't have the time to craft good policy, we should focus on getting done what we can get done that delivers for Nebraska in a responsible way so that we can continue the conversation moving forward. That's what Senator Erdman's proposal offered us this evening. And we should figure out whether or not we should go back and revisit that.

KELLY: One minute.

CONRAD: We have time. Thank you, Mr. President. We have time today. We have time remaining in the session. We can restructure the agenda or the remaining days any number of different ways to figure out how to find consensus around these issues, instead of rushing forward with deals or a proposal that we acknowledge that there's a fair amount of discomfort with. So I, I'm happy to give voice to that. If it's a lone voice, that's OK. That, that doesn't bother me at all. But these are serious and important issues, and I'm not going to apologize for represent my-- representing my constituents, I'm not going to apologize for being a strong voice for working families, and I'm not going to apologize for looking further into the future and asking what the impacts are for our schools, our local government, our businesses,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

and Nebraska citizens. Those are honest questions, and we haven't received responses on many, many--

KELLY: That's your time.

CONRAD: --of those-- of those questions. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Linehan, you're recognized to close on AM3468.

LINEHAN: I appreciate the discussion. Thank you very much. And I'd appreciate a green vote on AM3468, and a green vote on LB388. Thank you.

KELLY: Members, the question is the adoption of AM3468. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

KELLY: 28 ayes, 6 nays on adoption of the amendment, Mr. President.

KELLY: AM3468 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh, I have FA424 with a note you wish to withdraw. In that case, Mr. President, Senator Linehan, I have I AM3419 with a note that you would withdraw that.

KELLY: So ordered.

CLERK: Mr. President, Senator Slama would move to amend with FA439, and sh-- with a note that she would withdraw FA439.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator, I have nothing further on the bill.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move to advance LB388 to E&R for engrossing.

KELLY: And that is a debatable motion. Senator Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, colleagues, I think we're finally moving on on this bill. I just, obviously, you know where I stand on tax increases, and on other matters. And I think this is a bill that everybody needs to vote how they feel. And I think everybody's free to do that. I think maybe there's some misconceptions

about that, but I think that that's what we'll see when people vote. But I'm-- I have been consistently opposed to tax increases to pay for other tax decreases. But the reason I rose to speak is I had a conversation, as in this whole context, and I appreciated what Senator Day had to say about Sarpy County, and I know there's a difference of opinion about specifically how these things will get implemented for the lids for these counties. And my county, Douglas County, is very concerned about how this is going to affect them. And we've had a number of conversations with both our county attorneys, our public defenders, our law enforcement. And this is a very complicated issue. And I've had conversations for-- talking to our friends in Douglas County, but also to our friends outside the glass. If this is as bad for our counties, specifically the bigger, faster growing counties who actually do a lot of different things that are different than smaller counties, if this is as bad as some of them are fear it might be, we have talked about how we will work in good faith together to address those concerns and find out what is not, not a one-size-fits-all approach to how we administer this as opposed to our counties. So I just want to reassure our counties, Douglas and Sarpy, sorry, Lancaster, I don't think you guys expressed a desire-- concern about this-- to continue working in the next biennium and the, the one after that to make sure that this-- these lids do not disproportionately affect those counties. So thank you, Mr. President, and thank you, colleagues.

KELLY: Thank you, Senator, Senator Cavanaugh. Members, the motion was already made to advance LB388 for E&R Engrossing. A machine vote was requested. All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 14 nays, Mr. President, on advancement of the bill.

KELLY: It is advanced. Raise the call. Mr. Clerk, items for the record.

CLERK: Thank you, Mr. President. New LR, LR485 from Senator Erdman; LR486 from Senator Vargas; LR487, Sanders; LR488, Sanders; LR489, Slama; LR490, Kauth; LR491, Clements; LR492, Kauth; LR493, Erdman; LR494, Brewer. Those will all be read and laid over. That's all I have at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Mr. Clerk, please proceed to the next item on the agenda.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CLERK: Mr. President, as it concerns the agenda, Select File, LB1363. First of all, Senator, I have E&R amendments.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB1363 be adopted.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. The E&R amendment is adopted. Mr. Clerk

CLERK: Mr. President, Mr. President, I have MO1391, MO1392, and MO1390 from Senator Machaela Cavanaugh, all with notes that she would withdraw those three motions.

KELLY: Without objection, they are withdrawn.

CLERK: In that case, Mr. President, Senator Clements would move to amend with AM3472.

KELLY: Senator Clements, you're recognized to open on the amendment.

CLEMENTS: Thank you, Mr. President. This is the documentary tax bill, and there's some adjustments being made to it. My portion was regarding inheritance tax, which I had documentary tax in my inheritance tax proposal. And Senator McDonnell and I have been working together. And the, the amendment you'll see-- previously we talked about a program called the iHub, and there's a handout just came out that shows what the proposal is in the amendment. You'll see the iHub is not listed anymore. That portion has been taken out. They had-- it had \$0.08 of documentary tax for iHub. That has been added to the Affordable Housing Trust Fund. So you'll see \$1.13 for the Affordable Housing Trust Fund for the new amount. That is-- it was \$0.95 when we were on General File. And now it's \$1.13. And the-- if you look at the-- the top line shows the county. The county currently gets \$0.50. This would change-- increase the county by \$0.65. And that is because we've been negotiating with NACO and with counties to offset the loss of revenue of inheritance tax reduction, the inheritance tax rate. This will bring it down just for this coming year. And you'll see at the bottom, the Class 2 and 3. Class 2 is nieces and nephews. Class 3 is nonrelatives. Children rate is 1%. That's not changing. And the, the new rates for nieces is 8%. New rate for nonrelatives, also 8%. So that's-- it's about-- close to about a 10% reduction in the overall inheritance tax revenue to the counties and-- which is around \$8 million. You'll see the documentary tax revenues for the county is going up more than that, so we're more than

replacing the loss the counties had, the inheritance tax bill itself. I didn't have 33 votes, and we passed over it back then. I did have 28 votes, and so we had pretty good support. But the lack of NACO previously was blocking this. Now, NACO and the counties are agreeable to these changes. And so I ask for your green vote on AM3472. Thank you, Mr. President.

VON GILLERN: Thank you, Senator Clements. Turning to the queue, Senator McDonnell, you're recognized.

MCDONNELL: Thank you, Mr. President. Good evening, colleagues. I want to thank Senator Clements, Senator Wayne. After the discussion yesterday with a number of you, we did get together. We listened, we made some changes, as Senator Clements has already went over in his, his opening on the amendment. The amendment reflects that compromise and those changes. You also have a handout to look through based on the, the current numbers that we currently have with the documentary stamp. The differences with what we're adding to currently with the county, the Affordable Housing Trust, Site and Building Development, Homeless Shelter Assistance, Behavioral Health Service, and then the new ones, which are the Grant Services, Military Support Fund, and the Federally Qualified Health Centers, homeless and public housing. So, again, you have those documents in front of you, also an explanation in writing about the document-- or the breakdown with the Military Fund, the Grant Office, and the Federally Qualified Health Centers. So you should have both those on your, your desk. Please vote green on AM3472 and LB1363. Thank you, Mr. President.

VON GILLERN: Thank you, Senator McDonnell. Senator Dover, you're recognized.

DOVER: I rise in opposition to LB1363 and AM3472. I just want to iterate that, you know, I, I'm against the inheritance tax. And I, I would much rather vote just to get rid of the inheritance tax than to raise taxes. This is simply raising taxes. This is raising taxes, making houses less affordable. This is a, a large increase in the doc stamp. And I-- and I've always been in favor of, if we're going to tax something, then where that money goes should have something to do with what is being taxed. And this actually goes to a broad number of things and, and it's also a replacement for a tax. So I wouldn't say we're really getting rid of inheritance tax. We're simply creating another new tax. And I think it's la-- a new tax, at least a new source of fu-- of funding, and, and an increased tax. So again, I would simply encourage a no vote on AM3472, LB1368. It is a tax switch, it's a tax increase, it is making houses less affordable. And

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

again, I'll simply say this is, houses are not affordable. The reason they're not affordable, because people voted for bills like this, or codes that did things like this, where it's not a big increase, it's just a few hundred dollars. Those few hundred dollars add up to tens of thousands of dollars over time, and that's why houses aren't affordable. Again, I would encourage a no vote. Thank you.

VON GILLERN: Thank you, Senator Dover. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. President. And thank you, Senator McDonnell. I just want to get up and show how much I appreciate Senator McDonnell, Senator Clements, Senator Wayne, all working on this. And I, I wanted to focus-- would Senator McDonnell-- I got a couple things I think we want to make clear. Would you yield to a question, Senator McDonnell?

VON GILLERN: Senator McDonnell, will you yield?

MCDONNELL: Yes.

LINEHAN: So I know this is a doc stamp, I know it's touchy, but when was the last time the doc stamp was increased?

MCDONNELL: 2005.

LINEHAN: 2005. And can you go through quickly, what are-- now some of the money is going to housing, did you tell me?

MCDONNELL: Yes. So we, we went ahead with working with Senator Clements, Senator Wayne, and others. We-- currently, the affordable housing is at \$0.95, and we've now moved that up to \$1.13 since, with this proposed amendment and LB1363.

LINEHAN: So-- and that will be split between Rural and Affordable?

MCDONNELL: The new \$0.08, we want it split evenly between, yeah, rural and urban.

LINEHAN: OK. And then, Senator-- thank you, Senator McDonnell. Senator Clements, could you yield for a question, please?

VON GILLERN: Senator Clements, will you yield?

CLEMENTS: Yes.

LINEHAN: The changes on inheritance tax, I think you were dealing with tier 2 and 3?

CLEMENTS: Yes.

LINEHAN: So tier 2, which is nieces and nephews, right?

CLEMENTS: Right.

LINEHAN: Where is that now?

CLEMENTS: 11% of the assets.

LINEHAN: So they have to pay 11%. And where is the, the, I guess you'd call it an exemption, if-- like, how much does my aunt or uncle have to have before I'd have to start paying that 11%?

CLEMENTS: That would be \$40,000 exemption or deductible--

LINEHAN: So my--

CLEMENTS: --per beneficiary.

LINEHAN: OK. So, let's just say I'm the only beneficiary. My uncle who's a veteran, never married, didn't ever make a lot of money. But he's got a small house and maybe a used pickup truck. They'd still have to pay inheritance taxes, right?

CLEMENTS: Yes. \$40,000 would come off the top, but then 11% of what's-- after that.

LINEHAN: So even if-- what if he had a brand new pickup truck, and rented, and didn't have anything else. They'd have to-- they couldn't inherit the truck without paying inheritance taxes, right?

CLEMENTS: Right. It would probably be worth more than \$40,000. And they'd pay tax at 11%. This amendment will lower that to 8%.

LINEHAN: So they're still paying taxes, but--

CLEMENTS: Yes.

LINEHAN: --not as much.

CLEMENTS: Right.

LINEHAN: And then-- and then the third, it's somebody you're leaving because maybe they're a neighbor that's lived down the road from you, and you didn't know you're going to live to be 95 and stay at home, but you managed and your neighbor always made sure you were OK, and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

always made sure you had groceries, took care of you, and you're going to leave money, and they want to leave some of their assets, maybe 80 acres to them. What would that person have to pay in inheritance taxes?

CLEMENTS: They would have a \$25,000 exemption. But then it's-- currently it's at 15% of the excess.

LINEHAN: So they have to pay 15%. What does this amendment bring it down to?

CLEMENTS: That would drop it to 8%. Almost half.

LINEHAN: So a significant difference. So you work in this area, right? Banking, CPA, accounting. So you work with families that face these kinds of issues.

CLEMENTS: Yes.

LINEHAN: So inheritance tax-- I think when people hear inheritance tax they think about wealthy people, people who have \$1 million or more in assets. But you don't have to be wealthy to have to have your heirs pay inheritance tax, do you?

CLEMENTS: No. In the hearing, my, my brother actually spoke about an estate he's dealing with. A man had no children.

von GILLERN: One minute.

CLEMENTS: And the niece and nephews, or two nephews owing \$40,000 on just in acreage.

LINEHAN: Yeah.-- Yeah. So-- and a lot of times the problem with that is they will have to sell it because they can't afford to pay the taxes.

CLEMENTS: They are. It's, it's listed for sale now.

LINEHAN: Right. So even though he-- the uncle thought he was leaving his nephews a place where they probably played, probably grew up, they're not going to be able to inherit it because they can't afford the taxes.

CLEMENTS: Their great grandparents grew up there.

LINEHAN: So it's a homestead of sorts.

CLEMENTS: Yes.

LINEHAN: That is very sad. Thank you, Senator Clements.

von GILLERN: Thank you. Senators Linehan, McDonnell, and Clements. Senator McKinney, you're recognized.

McKINNEY: Thank you, Mr. President. I rise in support of AM3472 and LB1363. In the beginning, on General File, I admit, I was hesitant to support, but I'm happy to see the amendment, primarily the, the changes for the Federally Qualified Health Centers. I have one in my district, and, you know, my district has, you know, the lowest life expectancy in the state, and a lot of health issues that correlate to that within my district. So to see that this is included is something that I'm, I'm happy Senator McDonnell made those changes, because it's something that I was raising an eyebrow to when I looked at the original sheet he handed out, and it was zero for FQHCs, which are Federally Qualified Health Centers. So I'm thankful because this is great. Because I think this is something that's needed to-- because mainly why I think this is needed, and it goes back to a larger issue, it goes back to getting at the root causes of why people end up in bad situations. Part of that is health, and making sure that people have access to healthcare and affordable healthcare in their communities no matter where you stay. And having a community that has the lowest life expectancy in the state, as the representative of that community, I would always fight for making sure those, those individuals and my constituents do have access to affordable healthcare if needed. So, Senator McDonnell, I appreciate the amendment because initially I, I admit, I was hesitant. But with this change, I'm, I'm-- I support the bill and the amendment. Because healthcare is and should be a priority, not for myself, not for Senator Clements, not for Senator McDonnell, but healthcare access should be a priority for this whole body. Because when we talk about how do we change this state and move it into a positive future for the better for our seniors, for our middle-aged individuals, our young professionals, our professionals and our kids coming up, we have make sure that access to healthcare isn't a barrier, and we can make sure people can get to the doctor, get to the clinics, and get screened or whatever they need. So I am support of it-- I, I am in support of this, and I will yield the rest of my time to Senator McDonnell, if he wants it.

von GILLERN: Thank you, Senator McKinney. Senator McDonnell, you're recognized. 1 minute and 50 seconds.

McDONNELL: Thank you. Thank you, Senator McKinney. You know, in, in the process we go through with the bill and, and what we had introduced originally that had it discussed in the amount that we talked about for the Federally Qualified Health Centers is, is different than it is today. But that's part of the process. And that's part of the process that I went through with the, the Revenue Committee. And, and I appreciate the support from Senator McKinney and echo the idea of how many people this can help, and the difference that it can make in, in their lives, based on not only the people that need the housing, but the current also assisting the homeless. So thank you, Mr. President.

von GILLERN: Thank you, Senator McDonnell. Senator Vargas, you're recognized.

VARGAS: Thank you very much. Senator McDonnell, would you yield to a few questions?

von GILLERN: Senator McDonnell, will you yield?

McDONNELL: Yes.

VARGAS: Thank you. In this amendment, you mentioned the funding for Federally Qualified Health Centers. We have several Federally Qualified Health Centers across the state. Will you make sure to clarify the record-- which Federally Qualified Health Centers qualify for the funds within this increase?

McDONNELL: So you have to look at the, the handout I, I gave everyone. If you look at subsection 330, for a subsection for Public Health Services Act, it has to be the Federal Health Qualified Centers-- health, health-- qualified health centers that are actually serving the homeless and the, the residential-- residents of public housing.

VARGAS: OK. So if they serve people that are homeless or residents of public housing, then they qualify for receiving these funds?

McDONNELL: Yeah. We listed it as the Public Health Services Act, Section 330.

VARGAS: OK. Do you know which FQHCs qualify?

McDONNELL: I believe right now, Charles Drew.

VARGAS: There are no other Federally Qualified Health Centers?

McDONNELL: I'm not sure, I just know that Charles Drew qualifies. I can't-- I can't tell you that the others do or do not, but I, I know Charles Drew does.

VARGAS: OK. And then you said in, in your amendment, in addition, does the housing-- one, I do want to thank you for including the extra funding for housing for the Affordable Housing Trust Fund. You did mention that there was a separate 50/50 you mentioned, for rural and urban. Can you talk about that part of the bill?

McDONNELL: Yeah, it was an additional \$0.08 that we added. And if you look at the, the handout I, I gave you, originally we were looking at moving it up to-- affordable housing, that went up \$0.08 to \$1.13. And we wanted to make sure that \$0.08, \$0.04, rural and urban, so a total of \$0.08-- for a total of-- a total of \$1. 13.

VARGAS: OK. So that additional funding, how was it split in the rural and the-- and the urban?

McDONNELL: We wanted it equally split, but not-- I'm only talking about the \$0.08. Because originally we were-- they are currently at \$0.95. We moved them up to a total of \$1.13. But-- of the last \$0.08 we were talking about today when we came up with the amendment, to try to evenly split between urban and rural.

VARGAS: Is that in the amendment right now? Because what I'm looking at shows \$1.13 for the Affordable Housing Trust Fund and an increase of \$0.18. But I'm not seeing the split that you're talking about.

McDONNELL: Yes. That's exactly what-- the amendment, the amendment reflects where we are today. And that's, that's where we're at.

VARGAS: OK. Appreciate [INAUDIBLE] answering questions.

von GILLERN: Thank you, thank you, Senators Vargas and McDonnell. Senator Clements-- excuse me. Senator Conrad, you're recognized.

CONRAD: Thank you, Mr. President. Good evening, colleagues. I expressed some concerns about this measure in previous rounds. And I understand some of the issues that other members were concerned about have been negotiated, and that's, perhaps, reflected in the amendments before you. But, overall, I, I do have concerns related to what Senator Dover brought forward in regards to looking this-- at this overall, as a, a tax increase, and would ask again why we are doing this at a time of economic prosperity. It puts more pressure on housing. We know housing is an ongoing issue. I'm also understanding

that there are many, many worthy projects proposed for some of the revenues generated by these fees and funds. However, there, there is a departure from our longstanding policy, which usually does not see a dilution of these funds away from direct housing projects. And so, I'm, I'm a bit trepidatious about that shift and about any efforts to make the Affordable Housing Trust Fund or other dedicated funds kind of a slush fund for any project under the sun. I, I just-- I don't think that's why these funding structures were put together. And I do think that this is, albeit perhaps well-meaning, a, a perhaps more significant step in a direction than may, may be willing to admit right now. And if the goal is to open up these funds for various and sundry purposes moving forward, that's good to know. But I just wanted to mark and to note that it is a departure from our longstanding practice for the utilization of these funds. The last question that I would pose to Senator Clements or Senator McDonnell-- probably Senator Clements, since it's at the heart of his inheritance tax reform provisions that are a part of this proposal. Some of the most significant concerns we heard on the floor from senators across the state, across the political spectrum when we were looking at inheritance tax reform proposals, was that if we eliminated or reformed the inheritance tax, what, what we heard loud and clear from our partners in county government who collect the inheritance tax, is that it would put pressure on property taxes. It would raise property taxes. And if the whole goal of this session is to mitigate the impacts of property taxes, my question to Senator Clements, Senator McDonnell, others supporting this measure, with the increase in the doc tax stamp or otherwise, the revenue generator-- generators or replacements, how does that interface with the inheritance tax reform provisions? And namely, does that necessitate against increased pressure on property taxes at the local level? If that's the stated goal for pretty much everybody in the body, I'm just trying to get a better understanding about whether or not a move forward on this measure, which increases the doc tax stamp-- could be seen as a tax increase-- does in fact do enough to replace the revenue on the inheritance tax reforms so that we're not increasing pressure on property taxes at the local level, which again, is-- has been a hallmark of this, of this session. So if anybody's had a chance to run the numbers on that or, or give some assurances, that would, would be appreciated. Thank you, Mr. President.

von GILLERN: Thank you, Senator Conrad. Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. I want to thank Senator Clements, Senator McDonnell, and Senator McKinney for working through this--

amendments, then concerns that I had initially. For those who are wondering how their connection of FU-- FQHCs and why the special provision is, is it actually deals with homeless people and-- who are trying to get mental help, so-- and not just mental health, but health. So there is a, there is a home and an affordable housing component that the purpose of what Charles Drew does-- and that's just not about Charles Drew. Let me understand. Any federally qualified health center can apply for this designation through the federal government to work with these certain populations, to get them back on their feet, to get the-- help them get them jobs, and to go out and, and to actually be able to afford housing and get things. That's why it's a special designation, but it's not-- doesn't limit anybody from being able to do that. It's just Charles Drew, in this particular case, took on that goal of making sure they could help them. And in fact, they are building multiple programs around that-- their program. In doing so, helping people with homelessness and reentry. In fact, they're building a \$40 million facility on their campus right now, to deal exactly with what this proposal is, is doing. So it is about ongoing funding. I appreciate taking time and stepping back on the iHhub. That was something that I was adamant about because we only have 3 right now. We are opening it up underneath LB1344 to allow western Nebraska to apply. It isn't that we didn't allow them to apply, they just didn't apply in time. So we're, we're deleting that deadline and saying more can apply. And before we start funding them any more than we already have, they should establish themselves, and then come back to the Legislature to ask for dollars. So that's what was been worked out. And so, my opposition is off of this bill, and I think it's time to move forward. And, and one, one of the biggest things, is I've been talking to Senator Clements about this inheritance tax. And believe it or not, there's a West Wing clip on it. I'm telling you, everything we do here can come down to West Wing and Yellowstone. Those two can handle every political situation. Just watch them. And the whole episode on the inheritance tax is that there's this whole joke about the Republicans know how to name things better than Democrats. And they called the inheritance tax the death tax. And so the whole episode was about the death tax, death tax. Well, they were waiting on the, the-- they called it the Detroit Three, and they are African American congressmen. And they thought for sure, they were going to be with them on against the getting rid of the inheritance tax, the death tax. And what they found out quickly was back in the late '90s and early 2000s, that was the real first generation of wealth being passed along for African Americans. And the conversation around the West Wing was black folks don't want to pay this tax either. And that kind of took everybody by surprise in the

West Wing. And I'll tell you what, seeing and working in the estate world, and seeing people who only have maybe 1 or 2 properties, or a property and some old Southwest Bell or Northwestern Bell-- that's where my grandmother used to work. And they had some stocks. And they had some money. And they're all in age now. And they're passing off, and they want to pass things down. The biggest complaint that we hear when I'm dealing with these estates, who are what we would consider small, is the inheritance tax. That this is their first time that they actually get to pass down an asset, because of redlining and all the things we can go through historically, that have plagued African Americans, from building that home asset and building some of these assets. That they're finally getting able to pass it down to the next generation, and the government comes back in and takes more money from them. So I just want to give you that perspective, that it isn't always just black and white, no pun intended. But at the end of the day, you're dealing with people for the first time and many first generations who are trying to figure out how to pass things down--

von GILLERN: One minute.

WAYNE: --and don't have the ability to go hire multiple attorneys to put things in trust and all that thing. Because all they know is, I got this asset, and I got a couple things. And I'm going to leave it to my, to my kids in a will that they can go online and print out. Then they get hit with this inheritance tax. So I'm glad that we're working towards a solution that can keep counties whole, and at the same time, eliminate that. Because it is. It's a first, second generation issue that most of the people that I've represented and dealt with have never had to deal with it till they're inside of a court and they're like, where did this tax come from? Thank you, Mr. President.

von GILLERN: Thank you, Senator Wayne. Senator Walz has a guest under the north balcony, her husband, Chris Walz. Please rise and be greeted by your Nebraska Legislature. Seeing no one in the queue, Senator Clements, you're recognized to close on your amendment.

CLEMENTS: Thank you, Mr. President. Responding to Senator Conrad on the sheet with the numbers handed out, it doesn't show the effect of-- dollar effect of the inheritance tax amendment. But my calculations are \$8 million loss in revenue for the counties. But if you look at the-- across from the county line, the difference that-- they're increasing \$11.3 million statewide in county revenues. And so, the counties have agreed with me that this is replacing any revenue loss created by the inheritance tax reduction. And so I do thank Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

Conrad for pointing that out, and just want to make sure that I let you know that the counties are being made whole, and would appreciate your green vote. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Seeing no one else in the queue, members, the question is the adoption of AM3472. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 26 ayes, 6 nays on adoption of the amendment, Mr. President.

KELLY: AM3472 is adopted. Mr. Clerk.

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

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB1363 be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. LB1363 is advanced for E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, LB1363A, Select File. There are no E&R amendments. Senator McDonnell would move to amend with AM3477.

KELLY: Senator McDonnell, you're recognized to open on, on the amendment.

MCDONNELL: No. With-- withdraw.

CLERK: Mr. President, my understanding is Senator McDonnell would withdraw this amendment.

KELLY: Without objection, so ordered.

CLERK: In that case, Mr. President-- Senator Ballard, I have nothing further on the bill. Apologies, Mr. President. My misunderstanding. Senator McDonnell, my understanding is that you want to offer AM3477, not withdraw.

KELLY: Senator McDonnell, you're recognized to open on AM3477.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

McDONNELL: Yeah. Thank you, Mr. President. So, during our, our compromise today, our negotiations, and working together, this became the new A bill, after Senator Clements-- basically became the new LB1363. So please vote green on AM3477. Thank you.

KELLY: Seeing no one else in the queue, you're recognized to close, Senator McDonnell. And waives. Members, the question is the adoption of AM3477. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, 5 nays on adoption of the amendment, Mr. President.

KELLY: AM3477 is adopted. Mr. Clerk.

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

KELLY: Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move that LB1363A be advanced to E&R for engrossing.

KELLY: Members, you have heard the motion. All those in favor say aye. Those opposed, nay. LB1363A is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB25. Senator, first of all, I have E&R amendments.

KELLY: Mr.-- Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB25 be adopted.

KELLY: Members, you've heard the motion. All those in favor say aye. All those opposed nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Bosn, I have MO1286, MO1285, and MO1284, all with notes that you would wish to withdraw those.

KELLY: Without objection, they are withdrawn.

CLERK: In that case, Mr. President, Senator Wayne, I have FA389 and FA387, both with notes that you would withdraw those 2 amendments.

KELLY: So ordered.

CLERK: In that case. Mr. President, I have nothing further on LB25.

KELLY: Senator Ballard, for a motion.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

BALLARD: Mr. President, I move that LB25 be advanced to E&R for engrossing.

KELLY: Members, you have heard the motion. We request for a machine vote. Members, the question is the advancement of LB25 to E&R Engrossing. Been a request for a machine vote. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 3 nays, Mr. President, on the call of the house.

KELLY: 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 Wayne will accept call-ins. Senator Day, Senator Machaela Cavanaugh, please return to the Chamber and record your presence. The house is under call. Thank you, Senator Wayne. Senator Wayne has agreed to accept call-ins. Mr. Clerk.

CLERK: Senator John Cavanaugh voting yes. Senator Dungan voting yes. Senator Machaela Cavanaugh voting yes. Senator Albrecht voting no. Senator Fredrickson voting yes. Senator Jacobson voting no. Senator Meyer voting no. Senator Wishart voting yes. Senator Hunt voting yes. Mr. President, the vote is 28 ayes, 16 nays on advancement of the bill.

KELLY: LB25 is advanced to E&R Engrossing. I raise the call. Mr. Clerk.

CLERK: Mr. President, it's my understanding the Speaker has an announcement.

KELLY: Speaker Arch, you're recognized for an announcement.

ARCH: Thank you, Mr. President. In an effort to help our Revisors upstairs, I would like to take up LB1317A, LB126A, and LB1023A. All these bills have to turn around, and I think those are ready. And so, that'll just give them a, a head start on those, if we could take those up, please.

KELLY: Thank you, Mr. Speaker. Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CLERK: Mr. President, LB1317A, Select File. I have no E&R amendments. Senator Linehan would move to amend with AM3464.

KELLY: Senator Linehan, you're recognized to open on your amendment.

LINEHAN: Thank you. We were-- didn't know this was coming up. So LB317 [SIC]-- LB37 [SIC]-- contains the "good things for all Nebraskans." Is that what I'm-- yes. So I'd appreciate your green vote.

KELLY: Thank you, Senator Linehan. Seeing no one else in the queue, you're recognized to close. Waive closing. Members, the question is the adoption of AM3464. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM3464 is adopted. Mr. Clerk.

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

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB1317A be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. LB1317A is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, LB126A. First of all, Senator, there are no E&R amendments. Senator Day would move to amend with AM-- excuse me. Senator Day, I have AM3275 with a note you'd withdraw. And in its place, Mr. President, Senator Day would then offer AM3451.

KELLY: Senator Day, you're recognized to open on AM3451.

DAY: Thank you, Mr. President. As we spoke about earlier this morning, this is the bill that originally included the expansion for homestead exemption to partially, partially disabled veterans. The original fiscal note on this from earlier rounds of debate on General File was about \$70 million. We took all of that out, and now we are taking the fiscal note down to \$317,000. So I would urge your green vote on AM3451. Thank you.

KELLY: Thank you, Senator Day. Seeing no one else in the queue, you're recognized to close. And waive. Members, the question is the adoption

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

of AM3451. All those in favor vote aye; all those opposed vote nay.
Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM3451 is adopted. Mr. Clerk.

CLERK: Senator, I have nothing further on the bill.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB126A be advanced to E&R for engrossing.

KELLY: Members, you have heard the motion. All those in favor say aye. Those opposed, nay. LB126A is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, LB388A, Select File. Mr. President, excuse me, I have an understanding the Speaker would make an announcement.

KELLY: Speaker Arch, you're recognized for an announcement.

ARCH: Thank you, Mr. President. My apologies, Mr. Clerk. This is kind of cleanup day. And I was notified that we've got a conflict in one sentence in LB1317, with what we did yesterday in LB1023. So this is not on the agenda, but we need to move this-- return to Select-- a motion to return to Select for a specific amendment. And I would like to take that up now so we can clean this up, and again, get this back up to Revisors so they can move this.

KELLY: Thank you, Mr. Speaker.

CLERK: Mr. Speaker, it's to my understanding, you'll take up LB1317 after the 2 remaining A bills.

ARCH: Yes, that is correct.

CLERK: In that case, Mr. President, pursuant to the Speaker's agenda, LB1023A, Select File. There are no E&R amendments. Senator von Gillern would move to amend with AM3276.

KELLY: Senator von Gillern, you're recognized to open.

von GILLERN: Thank you. AM3276 is just an adjustment to LB1023 in the fiscal note amount. I would ask for your green vote. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: Thank you, Senator von Gillern. Seeing no one else in the queue, you're recognized to close. And waive. Members, the question is the adoption of AM3276. All of those in favor vote aye; all of those opposed vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM3276 is adopted. Mr. Clerk.

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

KELLY: Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move that LB1023A be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed, nay. LB1023A is advanced for E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, LB937A, Select File. I have no E&R amendments. Senator Bostar, I've got AM3322 with a note you'd withdraw. In which case, Mr. President, Senator Bostar would offer AM3474.

KELLY: Senator Bostar, you're recognized to open on your amendment.

BOSTAR: Thank you, Mr. President. AM3474 reduces the, the fiscal impact of the A bill for LB937, which we passed a little bit ago. Thank you.

KELLY: Thank you, Senator Bostar. You're recognized to close on the amendment. And waive. Members, the question is the adoption of AM3474. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 37 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM3474 is adopted. Mr. Clerk.

CLERK: Senator, I have nothing further on the bill.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB937A be advanced to E&R for engrossing.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: Members, you have heard the motion. All those in favor say aye. Those opposed, nay. LB937A is advanced to E&R Engrossing, Mr. Clerk.

CLERK: Mr. President, pursuant to the Speaker's announcement for the agenda, Senator Bostar would move to return LB1317 to Select File for a specific amendment, that being AM3479.

KELLY: Senator Bostar, you're recognized to open on your motion to return.

BOSTAR: Thank you, Mr. President. And my apologies for the inconvenience, colleagues. There-- as was stated by the Speaker, there are just-- it's one sentence in 2 different bills that both advanced to Final that conflict. This resolves it. I appreciate the Revisor's Office for making us aware of this. And so, I would appreciate a green vote on return to Select, AM3479. Thank you.

KELLY: Thank you, Senator Bostar. Seeing no one else in the queue, you're recognized to close. And waive closing. Members, the question is the return of AM3479 to Select-- excuse me. The, the-- the issue is the return to Select File-- the motion to return to Select File. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 40 ayes, 0 nays on the motion to return to Select File, Mr. President.

KELLY: The motion is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Bostar would offer AM3479.

KELLY: Senator Bostar, you're recognized open on the amendment.

BOSTAR: Thank you, Mr. President. Appreciate a green vote, AM3479. Thank you.

KELLY: You're recognized to close. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. Colleagues, I've been down here and I've seen everything happen to a bill, but I have yet to see two bills conflict, and what happens. So vote red, so we can just see what happens. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Seeing no one else in the queue, Senator Bostar, you're recognized to close. And waive closing.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

Members, the question is the adoption of AM3479. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 43 ayes, 0 nays, Mr. President, on adoption of the amendment.

KELLY: AM3479 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Ballard, I have nothing further at this time.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB1317 be advanced to E&R for re-engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. It is advanced for E&R Engrossing. Mr. Clerk.

CLERK: Mr., Mr. President, my understanding is that we will now turn to LB1402. Select File, LB1402. First of all, Senator, there are E&R amendments.

KELLY: Senator Ballard, for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB1402 be adopted.

KELLY: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. The E&R amendments are adopted.

CLERK: Mr. President, Senator DeBoer would move to bracket the bill until April 18, 2024.

KELLY: Senator DeBoer, you're recognized to open.

DeBOER: Thank you, Mr. President. Good evening, colleagues. I think that I have-- and some others have a fundamental disagreement about what happens to public dollars with respect to education and about the role that public schools play in the education of our youth. The reason public schools are public is because they have to accept everyone. Anyone who comes to a public school, they have to accept them at the public schools. The idea is that it's there-- that that education is there. A private school, on the other hand, you can choose who to accept and who not to accept. And I support their right as a private institution, to say we know we can't, we can't fit more kids. We know that we can't provide the education that this child

needs, but the public schools have to figure it out. Yesterday-- I think it was yesterday when we talked about this last, I said that OPS had something like 48 languages, but I got a note in. That wasn't true. It's something like 116 languages their kids speak. A public school has to take everyone. Our public schools take all the kids. There's no kid in this state that doesn't get to get educated by the public schools. And I think that's a really important thing to remember. They provide a public good when they provide education. And our public schools are pretty good in Nebraska. Are there some that are not as good as others? I'm sure. Are there some teachers that are not as good as others? Absolutely. Are there some teachers that don't mesh with some students? That's true, too. Over all my years of schooling, I had teachers I meshed with, and I had teachers that I didn't mesh with. I had teachers from whom I learned a lot that other students didn't learn a lot from. And I had teachers that I didn't really learn a lot from, and other students did. It isn't a perfect science, pedagogy. Teaching kids, it isn't perfect. When I first got done with law school, I moved down to Kansas City and I practiced down there. I was a young woman at the time. And folks asked me, you know, was I going to have kids, that sort of thing. These are the things you ask young women. And then I got a lot of advice about schools, that I definitely should not send my kids, some said, to private-- or to public school, that I needed to get them a fancy private school education. And that troubled me. See, I'm a product of OPS. All my siblings, as well, got a great education there. And it seemed so incredibly "something" to say, we don't even try to pretend that our public schools are good, or whatever the people who were giving me that advice thought. I just don't think that's true about our public schools. I've gotten some emails in the last 24 hours from constituents, and a couple of stories have really stuck with me. There was a family who wanted to get their kids into a Catholic school because they were Catholic, and they felt that that was important to them to have a Catholic education for their child. They wanted that kind of religious education for their child. They actually live not very far from where I grew up. And they, they said they, they tried to get their child into a Catholic school, and they were told that there wasn't enough room for them. They're able to keep their class sizes smaller because they get to choose who comes to their schools. So they tried another school. At that school, they said the IEP of that student meant, no, they're not going to accept him at that school. So they eventually sent their child to public school, and apparently, he's, he's doing great. The ability to choose to turn someone down is kind of the hallmark of what makes it a private school and not a public school. And then, it provides services to individuals whom they

serve. I think they do a fantastic job. A lot of private schools do a really good job. But they're not a public good. They're not providing a public good, because they're not offering to all the public. Bring any child. That's what the public schools do. And it's hard, if you have to educate every kid just as they come to you. You have to find every kid that maybe doesn't quite match into what you have available. You gotta find a way to educate them. The private schools, they can turn kids down because-- I mean, I think Senator Hunt said that she asked. And they said, well, LGBTQ kids, probably, they wouldn't take. I know there was a discussion of that a couple of years ago. I think Senator John Cavanaugh's kids moved out of private school at that time. There was something going on in Omaha. I don't know all the-- I don't know all the details of that. Public dollars go to public schools because they provide a public service. The public service that they provide is that they open their doors to everyone. They find ways to educate every child. And that's, that's what they do. They don't get to choose how small their class sizes are if they don't have money to hire more teachers to make their class sizes smaller, because they have to take all the kids that they have to take. If you want solutions from me, I think probably the single greatest thing we could do--

KELLY: One minute.

DeBOER: --is get smaller class sizes. If we paid them more, we could probably find teachers. That would help some. There are questions on this bill about constitutionality. It was not put to rest. The fact that you can only choose with these funds to go to a private school is different than you can choose from amongst the public and private schools. I oppose this bill. I oppose this bill like I have opposed all the bills, because I think that our public schools are strong and we can make them stronger, and we should make them stronger. But also, because they provide a public good. They provide an opportunity for every--

KELLY: That's your time.

DeBOER: --child. Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Good evening, colleagues. I do rise today, I suppose, in favor of the bracket motion and ultimately opposed to LB1402. We just had this debate yesterday, so this feels a

little bit like Groundhog Day. But I still think a lot of the conversation that we're going to have today bears repeating. And it bears, I think, the worthiness of a conversation. We are talking about a very significant bill. Last year when we passed LB753, it was obviously very contentious. It was a very, a very significant bill that was passed, that I know had been brought multiple times before. But LB1402, I think, takes it even a step further, and is worthy of conversation. And so, I don't want anybody to think that we're just up here wasting time. I think that certainly, the things that we're highlighting and discussing with this debate are because we have issues with either the ultimate outcome of LB1402, or we maybe have issues with the way that it's been written or the potential-- excuse me-- amendments that may or may not effectuate how this is executed. There's a number of issues that people have. But at the end of the day, I think the reality is we all, on, on those who are opposed to it, have a concern about whether or not public dollars should be utilized to go only to private schools. So I wanted to talk a little bit more about what I was discussing yesterday, with regards to the constitutionality. Senator DeBoer, I think, alluded to this in her opening, and is correct to say the issue of the constitutionality of programs such as this is by no means settled law. And I think that there's been a lot of highlighting of a Supreme Court case by the name of Lenstrom, yesterday, that I think it was articulated that that settled the issue. And it's already been decided by the Supreme Court. And it's obvious that this kind of bill is constitutional. I respectfully disagree. And I think that the actual holding, meaning the ultimate point of the case in Lenstrom, is being misinterpreted by that analysis. All of this boils down to the Nebraska Constitution, the Nebraska Constitution, which states that you are not allowed to give public money to private institutions. And in the Lenstrom case, which was decided back in 1980 or '81, I believe, the, the crux of that case was a modification of the Nebraska Constitution, where they had changed the, the wording of the actual provision in 1972. And they changed it from you're not allowed to give state money "in aid of" a secular institution, or something to that effect. They changed it in 1972, to say that you cannot appropriate public funds "to" a private institution. So the delineation that we're talking about is the change from "in aid of"-- excuse me-- to the word "to." What that did is it changed the way that our Nebraska Supreme Court analyzed programs that provided some benefit to a private institution or a private K-12 school. Prior to that change, they had found multiple programs unconstitutional if they even had an incidental benefit to a private institution. So a good example of this is a book exchange program, or let's say scholarships. You provide a scholarship, and that

scholarship could be used at a public institution or it could be used at a private institution. What the Supreme Court said was that back before we changed the Constitution, that was unconstitutional because it provided money that could go to-- or could be used in aid of a private institution. However, once it was changed in 1972 and the word "to" was used, the Supreme Court changed the way they analyzed these cases. What they ultimately decided in that Lenstrom case, was that if you are providing this service, the real question that you have to decide is whether or not that benefit that is going to the private institution is incidental and can also be used at a public institution, or is it--

KELLY: One minute.

DUNGAN: Thank you, Mr. President-- or is it only going to a private institution? This was then-- and I'm going to talk about this if I have a chance to talk on the mic again. There was another case that was a-- decided a year after that. And it actually has to do with bussing to a private school in my district, up in the Meadowlane neighborhood in northeast Lincoln. And the court even honed in a little bit more on the holding in that case. And they essentially said that the benefit that goes to a private institution, if it is incidental of that appropriation, that's fine. But it can't be the entire purpose of the appropriation. And what we have in LB1402 is an intentional appropriation that cannot go to a pri-- a public institution. It can only go to a private institution. It is intentional and that is the purpose of the appropriation. And that is why it runs afoul of our Constitution. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. So I rise in support of the bracket motion. I appreciate Senator Dungan's reference to Groundhog Day. So-- well, first, I wanted to talk about-- I said at some point yesterday that I vote for A bills, even when I don't support the bill. And then I got-- I did vote for the A bill to advance on this bill after the fact. And then somebody-- people have emailed me and said, why do you vote for A bills? So here's the deal. And again, I always say I learned this from Mike Flood, just so my Republican friends will listen-- my Norfolk friends. So Mike Flood said he always voted for A bills because the bill itself is where you make the policy decision. The Legislature makes a policy decision. We fight about it. And, and you can vote against it. But once the Legislature's made that decision to enact a policy, we have an obligation to fund it. We've made--

we've already made the decision. And it's kind of-- it's baked in how much it costs. The A bill is just kind of like a-- the, you know, functional execution of that. So we have-- it's kind of a full faith and credit of the Legislature in the state to say we've made a decision to do this action. It costs this money. Now we have to actually write the check. And so it's-- I, I happen to agree with Senator Flood, now Congressman Flood, in that philosophy, that you can disagree with an idea. But even if you disagree with it and the Legislature makes the decision to do it, we have an obligation as a state to actually pay for the things that we've decided to do. I've certainly opposed a lot of expenditures in my time here. And I've certainly, you know, propose-- I haven't actually proposed that much of an expenditure, believe it or not. I try to come up with ideas that don't cost anything. But anyway, so that's what it is. So, folks, if you are watching again tonight, it's just that A bills are not establishing the policy. The bill itself establishes the policy. The A bill is just paying for the policy that the Legislature decided. Anyway, so I support the bracket motion and again, oppose LB1402. And there's a lot of reasons. But my most basic reason for opposing LB1402 is we passed LB573, I think it was last year-- LB753. We passed LB753 last year. A lot of folks went out and collected signatures on petitions, including myself. Got 117,000 signatures across something like 50 counties, and met the petition obligation to place the, the referendum on the ballot to invalidate that action of the Legislature. So the voters of Nebraska want an opportunity to be heard on this, and this bill is an end run around that process. All of those 117,000 folks who were-- have expressed their opinion up to this point, and all of the voters in November, when this would ultimately be in front of them, [INAUDIBLE] on the ballot, are not going to have their opportunity to be meaningfully heard on this issue, because the Legislature is taking action to undermine that by passing LB1402. So that's really the most basic reason I oppose this bill. I oppose the policy, of course. I opposed LB753 last year. I opposed the previous iterations in the previous years. And again, I did collect signatures. So I've done all of the things within the confines of the democratic process that I can do, to express my opinion and to represent my constituents on this. And I will tell you, I looked it up. It was something like 3,200. So 3,200 of my constituents signed the petition. I think I saw Senator Hunt's district had maybe the most, with 4,100 in a district. And one of the ones I was surprised to see, was Senator Clements actually had a few more signatures in his district than I had in my district. So my district was one of--

KELLY: One minute.

J. CAVANAUGH: Thank you, Mr. President-- one of the top petition signature districts. And Senator Clements' was, was even higher than mine. So Senator Clements, I don't know if that means-- what that means to you, but something over 3,000 of your constituents would like to have their opportunity to be vote-- to vote on this. But again, I, I oppose the concept of voucher programs, of giving money to private school-- K-12 schools for specifically the purpose of going around the state public education system. To Senator DeBoer's answer-- or question, I-- my kids do go to my local public school that's 2 blocks from my house. And they love it. It's a great school. It is the magnet school for the deaf and hard of hearing in OPS. It's fantastic. They have a great speech pathology program there, as well. A lot of special ed students. And public schools are, you know, the, the--

KELLY: That's your time, Senator.

J. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Armendariz, you are recognized to speak.

ARMENDARIZ: Thank you, Mr. President. As I look around the Chamber, I can't really picture anybody that is against this bill that, that has grown children that has sent them through an inner-city school, that I know of. You can certainly call me out on that. I do, I do know some folks have sent their kids to private schools that are opposed to this, or have opted out of OPS or their neighborhood schools that are opposed to this. And to, and to say that OPS-- probably OPS in particular, but a lot of, a lot of districts in our state do have English as a second language learners, do have poverty to deal with. Yep. That's the way it is. We are still obligated to teach those kids and everybody else. So to say, well, they have all of these obstacles, to me, is you're saying that's the best we can do. The bottom 16 or 17% proficiency in math is the best we can do, I guess, because they have all these obstacles, then there are no other options. You know, I did go to an inner-city school. My parents did not have a choice. There were 5 of us. We were poor. There was violence, abuse, drug abuse. My brother was incarcerated, bullied. All of these things happened to my family in our inner-city school. And we did not have a choice, unless my mother and father could scrape up the money, which they did not. And my brother ended up in prison by the time he was 19 years old. Maybe we are in our public schools trying to do too much-- too many things for too many people. And we're doing not much of anything for everyone, at 17% proficiency, 26% in English. And I did glance through the Schools at a Glance book that we received, and

we're not much higher than 50% anywhere. There is one surrounding district of OPS, Elkhorn. They're doing really, really well, comparatively. Average ACT scores and 23-plus percent. But guess what? They don't take anybody outside their district. OPS can't opt in to Elkhorn. They don't take them. So if you think OPS has an option-- now Westside-- the residents of Westside, 80% of the residents do not have school-aged children. So they have room. They have infrastructure and they can't fill their buildings because they don't have any kids that live there anymore. So Westside is an option, not as good as Elkhorn, still. Millard is not as good, either. So if you think that there are options, there really aren't. These are options that might work for some kids. So if you think we need to address poverty, most people in this room don't understand what these kids are going through. Appreciate the effort, but you don't understand. Discipline and grit gets you out of poverty.

KELLY: One minute.

ARMENDARIZ: Exposure to things outside of your neighborhood gets you out of poverty. Locking you down into a school that's not working for you does not get you out of poverty. I don't blame those teachers. I don't blame the leadership. A lot of the parents have lost faith so they're disengaged. We have to figure out a way to reengage parents. We, we lack the ability to mandate participation by parents, or nobody wants to do that. So then, there we are. We're suffering the lack of effectiveness in our public schools that we pay for. And I guess some people are OK with that, because there's too many hurdles. Bring us options. If we have schools that are better--

KELLY: That's your time.

ARMENDARIZ: Thank you.

KELLY: Thank you, Senator Armendariz. Senator von Gillern, you're recognized to speak.

von GILLERN: Thank you, Mr. President. I want to thank Senator Armendariz for sharing her personal story. I, I visited with her just a little bit ago, and shared with her that her testimony the other evening was, was also quite compelling. And unless you have a personal story, this doesn't mean as much to you. And I-- I've shared the personal story of my family, my kids and grandkids that have gone through challenges, and what the opportunity to attend a school that was far, far better than the one that they were trapped in-- the impact that that's made on, on those kids. And we're still-- I've got

my oldest-- my grandson is 12 years old, and he's still almost a year behind in some of his, some of his subjects. But, but he's also made a year's-- a year of catch-up. He was 2 years behind when this year started. So he's made a year of catch-up, and, and he's headed in a good, good direction. And his younger sister is, is on a good path, also. So I've, I've seen it personally. Senator Armendariz has seen it much more personally than even I have because it's a lived experience for her. And I thank her for sharing that experience. I'm going to read a letter that's just my-- it's kind of my, I don't want to say form letter, but a letter that I-- my staff and I are sending out to folks that have reached out on LB1402. And it goes like this. It says, last evening, the Legislature advanced LB1402, which appropriates funds for scholarships for students who are in challenging school and/or financial circumstances that prevent them from succeeding academically. It's been said over and over again on the floor this year that we must do all that we can for marginalized kids to ensure that they have the same opportunities as others. This is another way to accomplish that worthy goal. Some districts are struggling to meet standards. If you're a family of modest means in one of those districts, you have no choice but to make the best of it. Proficiency scores of 22% in reading, 21% in science, and 16% in math gain the attention of parents who want better for their kids. Option enrollment, parenthetically, public school choice has been in place for years and is also funded by the state of Nebraska. However, changing districts is not always an option due to the high-performing districts being at capacity. This is something that Senator Armendariz just mentioned about Elkhorn. Back to the letter. This further reduces a family's options. LB1402 was reduced to a \$10 million a year grant to scholarship granting organizations, nonprofits that provide scholarships to the neediest of children, to take to the school that works best for them. This is a small sum compared to the additional \$1.3 billion that was allocated from the state last year for public education, and the additional half billion or so that is in the tax package that will be heard on the floor today. That was LB388 that we finished a little while ago. I'm a strong supporter of and have had generally positive experiences with public schools. And more importantly, I'm a supporter of each child getting the education that the state promises them. I intend to continue my support for LB1402 as amended. Thank you for your consideration. With that, I yield back my time, Mr. President.

KELLY: Thank you, Senator von Gillern. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. Well, I didn't speak on this issue yesterday, because I think there were a lot of people in the queue and there wasn't a whole lot more I could add. But I do want to mention a couple of things here that I think are probably noteworthy. I continue to get frustrated when I hear false things said on the mic. And I think it's important that people that are listening, that they get really, what the facts are. I think, first of all, let's make it clear. I don't know how many emails I've gotten that we're taking money away from public schools with this kind of program. Well, let's, let's investigate that a minute. Last year, the state of Nebraska put and, and committed \$1.3 billion in new money from the state to public education. \$1.3 billion. At the same time, let's look at option enrollment. As Senator von Gillern just mentioned, that's public school choice. If you don't want to stay in the school you're at, try to option out to go to another school district. When you do that, the state of Nebraska pays roughly \$12,000 per net option student. In other words, you get-- opt kids in, you get kids out. Whatever that net number of growth is, you get 12-- \$12,000 bucks a kid. Well, there were 25,000 option students last year. It cost the state of Nebraska about \$125 million. \$125 million. How much is in-- how many-- how much funding is in LB1402? \$10 million. 10. We're paying \$125 million to public schools for option enrollment. Senator DeBoer made a comment earlier that why doesn't this \$10 million get used for all kids? Well, here's an idea. Why don't we don't-- let's not do LB1402. Let's just make a change in the option enrollment and make it open to all kids and to all schools. So that rather than that option enrollment for public schools, let's allow an option enrollment to whatever school you want to go to, public or private. And let's divvy up that \$125 million a year. How would that work? So there is no money coming out of public schools. We're funding them at higher levels than we've ever funded before. Let's also keep in mind, this year, we were thinking there was going to be a \$20 million decrease in our TEEOSA funding. Instead, it went up by \$94 million. That's what changed our budget growth this year, was it was TEEOSA. \$30 million of that went to OPS. It had to do with free and reduced lunch numbers and how the TEEOSA formula works. So I'm tired of hearing about we're taking money away from public schools, because we're not. I'm tired of hearing about it's unconstitutional, because it's not. Let's also remember that, that this school-- that this LB1402 deals only with low-income kids. So at the end of the day, let's really try to deal with facts. And the fact that all of the parents out there that have kids, if they own a house or they rent a house, they're paying property taxes, and that's going to their public school. Their private school gets none of the property taxes. So at the end of the day, this is just simply allowing

an opportunity. If we believe that option enrollment is a good thing to allow these kids a better chance to be successful, great. But why stop there, if that's truly what we care about?

KELLY: One minute.

JACOBSON: But what we really are talking about with option enrollment is we've got kids of all means that are optioning out, because they want to play on a sports team, or they have some-- they want to be in a smaller classroom, or whatever the case may be. So again, I think Senator Linehan would be more than happy to trade off the \$10 million for a piece-- for a slice of the \$125 million. So again, I think this is a small contribution. It's \$10 million a year. It's fixed at \$10 million. There's no escalator. I think it's a fair deal. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. And Senator Jacobson has a guest under the north balcony, his wife, Julie. Please stand and be recognized by your Nebraska Legislature. Senator Dover, you're recognized to speak.

DOVER: Thank you. I'm just listening to everybody talking, and appreciate everybody up-- that's been up, so far. But the one thing I don't-- I, I hear all the reasons that this bill is a bad bill. And it's interesting, all the reasons that are given. But the one thing I don't hear when they say this is a bad bill is anyone-- any-- anyone talking about educating the children, unless, unless, unless we give more time and more money to the public schools. And as I stated yesterday, I met some friends almost a quarter-- almost a half century ago, from north Omaha. And here we are, almost half a century later, and it has the same problems it, it had. So I would say, you know, we need to try something. And it also interests me that most of the people that are making arguments of why this is a bad idea, legal or otherwise, are the same ones that say they care about the poor and they care about children. And I don't hear anyone standing up and saying, let's give this a shot. Obviously, we have plenty of examples where it isn't working. And what are we supposed to do? How, how many more kids are going to end up in north Omaha on the streets, in gangs, in prison, or worse, dead? And again, I talked to a, a senator, and I said I wouldn't give their name, on the-- I would say, of the senators I'm talking about. And they-- and I asked him, and I asked him point blank. I said, do you think this will save lives in north Omaha? And the gentleman would know, and he said yes. So this is-- I, I want-- I mean, I'm just-- I'm flabbergasted that those people who stand up and argue day in and day out, week after week down here, and month after

month, saying they care about the poor and they care about children, and that they care about needy children. And they're leaving them to languish in situations where this can help them. I, I, I don't get it. And I-- and, and I'm, I'm thinking like-- trying to come up with a word to describe it. And I'll say, you know what it is? It's financial segregation. I think financial segregation is what we're talking about. I think that's what Senator Armendariz talked about. Why are these kids, because they lack the financial resources-- are stuck there. I-- I'd like to hear. But again, I'm just very upset when I hear people get up and talk about the poor. They talk about children. They say we have to help them somehow. And yet, for half a century, it hasn't been done. And somehow, things are going to change. I, I don't know what to say. I'm, I'm actually at a loss of words. But I would hope that we pass this. I would hope that actually-- \$10 million, \$10 million is not enough. But that what-- is what Senator Linehan has, I would say graciously contributed in a way, to-- and, and, and, and we hear about the ballot initiative. I think that Senator Linehan has done her best to answer all of the concerns of the public, with the concerns of opportunity scholarship. I think they are solved in this. I think she, I think she went out of her way to make sure that she took away-- addressed the concerns of the public. And so, I would urge a green vote on LB1402. Thank you.

KELLY: Thank you, Senator Dover. Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good evening, colleagues. And good evening, Nebraskans. So I'm continuing to listen to the debate and the conversation in here. And I was actually thinking, when I was taking some notes, about some of the remarks I wanted to make. If-- I think-- I, I sometimes, sitting here, and I, I sort of think to myself, like, what would-- if, if I didn't understand what the topic was or what we're talking about, what are the different themes that I'm picking up on that I'm hearing my colleagues speak about, regardless of what side of an issue that they stand on. And I will say, I, I think that I'm hearing a lot of actual similar themes being said, by both proponents and, and opponents of, of this bill. And I would say not only on this bill, but I've heard this on other pieces of legislation that we debated, as well. And I, I think that-- the theme I'm picking up on is in-- I, I, I, I do think that this is a genuine theme across folks who have spoken, is that they are expressing that they want Nebraska kids to do well. They want kids in Nebraska to be able to obtain quality education. They want kids in Nebraska to feel safe. They want them to feel, you know, cared for and, and, and, and prepared for success in life. And I think that

that's-- I-- and I'm hearing that. I, I-- and I just want to-- I'm not just trying to be like a kumbaya moment here. I'm, I'm hearing that genuinely, from both proponents and opponents of the bill. And so, you know, I, I think that-- that that's an important thing that we should acknowledge in here, is that we do have this universal shared interest and this universal goal here. We just maybe have different ways of thinking about how to, how to get that, and how to go about that. I think that there's no-- there's no arguing. You know, I think that there are obviously-- education is-- kid-- kids are really diverse in their needs. You know, there's, there's neurodiversity with our kids. There are diverse learning needs. You know, my little guy, he's, he's 5 now, so he'll be in kindergarten this fall. You know, he started in a Montessori. He's not in a Montessori anymore because that modality wasn't the best for [INAUDIBLE]. So that's not to say that that modality is good or bad. It just didn't fit his needs. And so I think that there's a lot to be said about, you know, the, the uniqueness of our kids' needs. But the-- my issue with this bill is that this is a public appropriation. So this is appropriation of Nebraska taxpayer dollars, and it's going to schools that are not obligated or required to teach all students. And so, I firmly believe that public dollars need to go to public schools, because public schools have to accept all kids, all Nebraskans. And I would argue-- there was a comment made earlier that they're obligated to, to teach all kids. I would say public schools are, in most cases, and I think in maybe all cases, honored to teach all Nebraska kids. And that's something that I want to be very clear about, as well. And if folks-- I've, I've heard people say that this doesn't happen in private institutions, that kids don't be-- kids aren't rejected or, or thrown out. I can have conversations with people off the mic, if they would like. I have very real concrete examples, both in my, both in my family, but also with a number of constituents I've had, of kids who have been asked to leave private schools because they were not able to meet those kids' needs. So I'm happy to have conversations about that off the mic. There's also been conversations about OPS test scores. So what I don't understand is how is the solution to give money to institutions or schools that are not required for the same transparency standards, the same testing requirements? So we don't like the test scores of OPS, but we're going to give money to schools that we don't even have to get test scores from?

KELLY: One minute.

FREDRICKSON: Thank you, Mr. President. Who's to say that their test scores are any better or any-- or, or, or, or, or, or good? I also-- and I only have a minute, so I'm going to try to get back in the

queue. And I don't know if I'm going to have an opportunity to be back on here. But again, taking-- let's take the issue out of it. LB1402 is a direct response to the referendum on LB7053 [SIC]. And we need to be really thoughtful on what that means. Because over 120,000 Nebraskans voted, and they want to vote at the polls on this issue. And not allowing them to vote on that or trying to work around the public's desire or wish that they very clearly expressed on this referendum, signature initiative, that is not good governance, regardless of if you support the issue or disagree with it. So we need to think about what we're doing, big picture with that, as well. Thank you, Mr. President.

KELLY: Thank you, Senator Fredrickson. Senator Blood, you recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I stand in support of the bracket, as I still do not support the underlying bill. You know, we talk about the kids, then we should talk about the kids. And I'm going to address that secondly, because I want to get something else on the record first. You know, if you look at polling, there is a very high rate of distrust in government right now-- hyper-partisanship, one-party rule, us versus them. So I have to wonder, when I listen to this debate and I look at these types of bills-- when we circumvent the will of the people, when we refuse to hear the voices of the 117,000 people who said yes, we want to vote on this issue once and for all, let's get it done, let the people speak, who are we to decide that we know better than them? If this bill is so important to you, if this cause is so important to you, then you should have faith, based on what you've said on this floor that the people will want the same thing. And if the fear is that they don't want the same thing, how can you feel comfortable circumventing their vote? I don't understand that. So many of you, especially those in the military, have fought for their right to vote. I just had this conversation in the Rotunda today. No matter how you feel about this bill, how can we do that ethically? I don't understand it. And I'm not comfortable with that. But I'm just one vote. So let's talk a little bit about the bill. And I could be wrong on this, but as I read through what's going on with this newest version, I don't know how we can call it a scholarship bill any, any longer, because the scholarship granting organization has disappeared out of the bill. So that means that your tax dollars can go to private out-of-state companies to distribute to our private schools in Nebraska. So your tax dollars can go out-of-state, based on how I'm reading it. And I, I can be wrong. So Senator von Gillern suggested telling personal stories. I'm going to tell you my personal story. So my kids have had

a combination of both public and private schools for different reasons. And it had nothing to do with public schools not being adequate, by the way. And when my oldest graduated from Gross High School, my father-in-law, who's a multimillionaire, by the way, or was, came to graduation and told us how disappointed he was because of the lack of diversity in the high school. What a shame it was that we sent our child to a school that appeared to have not one person of color in the graduating class. And he thought that that was a horrible lesson for our child. And to be really frank, we had never noticed that. And he was actually right. Now, I know you're going to say, well, the scholarship is going to resolve that issue, but, but is it? Because if you have a non-English speaking child, the private schools aren't required to take that child. If your child needs accommodations, the private school isn't required to take that child. LGBTQ, I go back to Gross High School. All the people that were gay did not announce that they were gay until after they got out of high school, because they would not have been able to stay in high school.

KELLY: One minute.

BLOOD: Because that's that private school's choice. And now we see all these fine adults that have shown us that they'd identify differently as adults, that were not allowed that luxury as teenagers. What a horrible way to live. I think that we're missing the boat, that if you really feel confident that this is the right thing to do, I don't think voting LB1402 up is the way to do it. I think letting the people vote once and for all, letting the, the taxpayers decide once and for all, that's the way to do it. That's democracy. Why are we so scared of democracy? Let's show them that they can trust government, that we believe they know best as to what they want to do with their tax dollars. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Senator Murman, you're recognized to speak.

MURMAN: Thank you, Mr. Lieutenant Governor. Yesterday during the debate, I heard the argument a few times that if private schools accepted students based on scholarships from public money, they would somehow have to comply with all sorts of additional government rules. The claim went on to say that this would somehow pressure religious schools to not freely be able to practice their religion. This would be a valid concern, but we have examples right now to show it's not, because we, we already have public dollars going to private religious schools at the college level. We have the GI Bill, which allows our service members and veterans to go to private religious schools on a

public scholarship. We have the Pell Grants, which allow low-income students to go to private religious schools on a public scholarship. So if the opponents who make this claim truly believe it, they should at least be logically consistent. They should stand up and say, I don't want our veterans to be able to use the GI Bill at Creighton University. They should stand up and say that they don't want low-income students to be able to use their Pell Grants at Nebraska Wesleyan. But I'm pretty confident they aren't going to stand up and say that. In fact, I'm pretty confident they support these programs. I'm just asking for consistency. I'm happy with students being able to use the GI Bill or Pell Grants at Concordia or Hastings College. The students who go to these schools choose to go there, rather than one of our great public colleges, or numerous-- for numerous reasons, but they all share a common point. Each student has their own specific needs. We, as a state and a nation, have historically used these programs, based on public funds, to go to private institutions. All we are asking for with LB1402 is to be a-- to have that consistency with K-12 education. Thank you, Lieutenant Governor. I'll yield the rest of my time.

KELLY: Thank you, Senator Murman. Senator Holdcroft, you're recognized to speak.

HOLDCROFT: Thank you, Mr. President. I rise today in support of LB1402. It's been said that the definition of insanity is doing the same thing over and over again and expecting a different result. Yet that's exactly the situation Nebraska parents are in with our schools. Every year, we send 300,000 kids through the exact same school system, with the same buildings, the same people, and the same results. The only thing that seems to change is the money, and the only way that changes is by going up. Our system today relies most heavily on local property taxes. We spend about \$5.3 billion on education, with about \$3 billion from property taxes and local sources, \$1.6 billion from the state, and \$650 million from the federal government. Overall, we spend more than \$17,500 per student per year, yet we expect the very best, unique, perfect result for every one of those kids. 86% of children in Nebraska work their way through this exact same system, day after day, year after year. But every single person in this Chamber who has-- who's a parent knows that one-size-fits-all just doesn't work with kids, and that we do a disservice to our kids to think that's, that's good enough for any of them. Raising a kid isn't an assembly line where every unit achieves the same result with the same input. It's wrong to trap kids in that kind of a system, with no way out when it doesn't work. That's why it's time for LB1-- LB1402. By giving families a different option, we're giving them hope when the

assembly line doesn't work for them. By giving families choice, we're giving them new opportunities instead of trapping them in a broken cycle, or if not broken, a cycle that a parent could see would break their child. By giving families a new path, we're giving them accountability instead of frustration at doing the same thing year after year. I understand that education is a calling, and the problem today isn't with the teachers and professionals who are doing their best. I know that no one ever went into the education field expecting to get rich. And I know there are teachers throughout our state trying their very best, going above and beyond, making a difference one kid at a time. But ultimately, it's the system that is letting them down at the same time it's failing our students. I understand that it might be frustrating for the members of this Legislature to be discussing this issue over and over again, with uncertainty about the final results. I'd like to take a lead from Senator Jacobson now, and talk about-- and talk about costs. With the, with the bills, if, if we pass this, this tax package, we will, as Senator Linehan has said, we will have moved from 20-- 40-- 48th in the nation-- we're currently 26th in the nation for state support, K-12. And we will move to number 8 in the nation. The state will provide more than \$12,000 per child. \$12,000 per child from the state, not from property tax, not from the federal government, but from the state. Now think about it. We hear \$10 million, that-- how was that calculated?

KELLY: One minute.

HOLDCROFT: Thank you, Mr. President. How was that calculated? 2,000 scholarships at \$5,000 each. That's how we came up with \$10 million. Now, \$5,000 won't get you into high school. It'll certainly get you into an elementary school. And so, it's an average. And we expect that more students from low-income fam-- families will be going into elementary school than high school. But think about that-- \$5,000 to take a student out of public schools and put them in a private school where they want to be. That is a set-- that is a savings of \$7,000 to the state. Because we're paying \$12,000 for their education, and now we are only paying \$5,000 to move them into private school. Another way to look at this is there are about 36,000 students in private school. If we had to pay for those students at 17-- or \$12,000 apiece, it would cost the state an additional \$600--

KELLY: That's your time.

HOLDCROFT: Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

KELLY: Thank you Sen-- thank you, Senator Holdcroft. Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. Thank you, everybody who has stuck around late, watching online and here in the Legislature, I don't know if we have any lobbyists still out there yet, but I appreciate everyone listening to this debate. This bill is for the absolute poorest children who are not doing well in their school, who want to go somewhere that will fit them better. And I think we need to pay attention to that word, want. This is for the kids who are going to work hard and get that scholarship and choose to go somewhere to improve themselves. Making that choice is really, really important for success. It is the state's responsibility to provide each child in our state an education. That's something that we have agreed upon. It's critically important that we not miss the window of opportunity for a child to learn. Not every kid is going to do well in every educational setting. Some schools have truly terrible results: 22% proficiency in reading, 21% proficiency in science, and 16% proficiency in math. I want you to think about that as we churn out kids who may or may not be doing well in school. 16% proficiency in math. 16 out of 100 kids could give you change, could think about a word problem, could go into a job and work and use critical thinking skills and math skills. We have got to do better. Children who do not have the ability to change schools due to finances should not be held captive in a school that does not serve them well. And I think what Senator Holdcroft said, about kids are not identical. We can't mass produce them. They're not widgets. They can't be mass-produced, mass-managed, and possibly, mass-educated. LB1402 has now been reduced to a \$10 million per year grant to scholarship granting organizations, which are nonprofits that provide scholarships to the neediest of children to take to the private school that works best for them. This provides poor children an option to find the school that fits them best, and in no way, shape, or form harms public schools. The state provides hundreds of millions of dollars of grants to nonprofits of all types, with no negative impact on public schools. I sit on the Revenue Committee. And all year, we have people coming in and presenting us their, their story. We talk about childcare tax credits, all sorts of tax credits, all sorts of grants needed. Not one of those hundreds upon hundreds of millions of dollars of grants is harming public school. And I started asking people in the Revenue Committee. I wanted to get it on the record. Do you think if we give you this money, this is going to harm public schools? And most of them had no idea what I was talking-- why would it? The public school system receives hundreds of millions of dollars from the state each year, with significant increases made last

year, with an Education Future Fund set up to ensure consistent funding for public schools. They also added-- almost doubled the amount provided for special ed students. I'm a strong supporter of public schools. Millard has done an incredible job. My kids did great there. But more importantly, I am a supporter of each child getting the education the state promises them. It is always shocking to me to hear people so overprotective of public schools, again, which receive hundreds of millions of dollars each year--

KELLY: One minute.

KAUTH: Thank you, Mr. President-- that they would deny a desperately poor child the ability to learn in an environment that fits them best. Education is always and always should be about the child, not about the system. I intend to continue to support our responsibility as a state to provide the best fit education to every child, and I am so grateful that Senator Linehan continues to keep this issue in the forefront. And I intend to support LB1402 as amended. Thank you, Mr. President.

KELLY: Thank you, Senator Kauth. Senator Bostelman, you are recognized to speak.

BOSTELMAN: Thank you, Mr. President. Good evening, Nebraska. Good evening, colleagues. I didn't have a chance to speak to LB1402 when we were on General File, so we'll take the opportunity now to, to share some information with you, from what we have received and, and what I know. Providing tax credits for public-- for private education is not something that's unusual and it's not something that-- that's currently not done. Actually, it's done quite, quite a bit across the state. Right now, we have tax credits for public colleges and universities. There's a 529 tax credits for-- that's called the college savings plan. That has a state income tax deduction. There's the Nebraska Opportunity Grants. There's early, early childhood education, Boys Town, Phoenix Academy for readers, there's a host of opportunities for which private dollars and public dollars are used for public-- private education. I want to read something to one of the scholarship-- or an individual who-- a parent of, of a child who was looking for funding to assist them for their child's need-- to meet the child's need. And it says, I'm a single parent trying to grant my son's wishes of attending a school where he will be able to get more one-on-one help from the teachers. I cannot afford it by myself. It would mean so much to us to get assistance. What would this mean to your family? Receiving-- and this is scholarships for private schools. It says, receiving the scholarship would mean a dream come true. That

means that I can take a deep breath-- I can take a deep breath and continue to save for a proper and better living situation for me and my sons. It's very important to us to have our daughter in a smaller classroom, due to her having autism. She has been attending pre-K in a certain school for 2 years, and the environment-- is a private school. And the environment is working-- is so welcoming. It is incredibly rewarding to be acknowledged by the state of Nebraska with a scholarship, as a military-- as a military family. We had, we had to remove our son from public school due to assault and extreme bullying. Out of concern for his sister having to face the same issues, we are looking to enroll her in private school in an effort to protect her from the best of our-- by the best-- to protect her to the best of our ability. We are incredibly grateful for the opportunity to apply for this scholarship to help ease some of the burden our family has endured in recent years. I believe it's a start to a new beginning for them. I want to see them achieve their highest level of performance. It would mean everything to-- as a single mom, to be able to give them an opportunity I never had. It would mean peace of mind, knowing we will be able to afford his education. He has big dreams, and I just want to be able to support him in any way I can. And in fact, there's a young man out in the Rotunda. If you haven't gone out and talked to him yet--

ARCH: One minute.

BOSTELMAN: --maybe you should. He's a young man who benefited from such-- of a scholarship-- such of an opportunity to go to a private school, and now is going to college, furthering his education. I believe it's for his doctorate. But that wouldn't be possible without the opportunities that he's had because of the grant and the scholarship funding that he had help with to get him into a school that specifically met his needs that he needed at that young age. That's the life-changing thing for certain students, for certain children in the state. That's what this is about. This isn't about every student, every child. There are students that have certain needs that don't fit, maybe, in a classroom. Maybe it's bullying. Maybe it's a reading thing. Maybe it's dyslexia.

ARCH: Time, Senator.

BOSTELMAN: Thank you.

ARCH: Senator Hunt, you are recognized to speak. Senator Moser, you are recognized to speak.

MOSER: Thank you, Mr. President. Good evening, colleagues. And good evening, Nebraskans that are still with us, watching at home. Private school students provide-- private schools provide an alternative for people for whom public schools are not a perfect fit. And the availability of 2 school systems can go both ways. We have 3 daughters. And all 3 of them started out in Catholic school. And when the oldest one got through sixth grade, she decided to go to public school. She liked some of the programs better, and it was a better fit for her. But not everybody can afford to send their kids to private school. And so, this bill allows students who qualify-- lower income or have some disadvantages-- to apply for a scholarship to go to a private school. It doesn't guarantee that they can go, but they may have the opportunity to go. Some have complained that we're changing-- or well, first of all, that this bill is just like last year's bill. And this bill is different than last year's. One of the biggest complaints last year was the funding mechanism and the tax credits. So Senator Line-- Linehan, to her credit, changed that to an appropriation. She reduced the appropriation to \$10 million, so she reduced it, you know, 60%, whatever that is. And it gives students the opportunity to apply for a scholarship. Some have decried the fact that we would change this and, and have a new program while some are out there campaigning against last year's bill. And they taut the fact that they, you know, that they've received, I think, what I heard was 117,000 signatures. And when you consider that the public schools have 27,000 teachers, 117,000 signatures isn't so-- isn't quite as impressive. Plus, they spent \$1.6 million, \$1.7 million. You divide that by 117,000, and it's not exactly an organic movement. They spent \$15 a signature to get those signatures. Think about that. \$15 a signature. I admire Senator Linehan for having the strong resolve and the drive to keep bringing this back, and, and battling against the odds. I, you know, I admire her greatly for wanting to take this on. But nonetheless, I'm not doing it because I like Senator Linehan. I'm doing it because I think-- I'm voting for it because I think it's right. I think it's right. Almost every other state has some form of either vouchers, or tax credits, or some kind of aid to private schools, almost every other state. There's one state, I believe, that doesn't have. So it's not something that makes Nebraska an outlier. But I think some are worried that this is the camel's nose under the tent, and that, you know, there will be further bills that will give better benefits to those who apply to private school. I wouldn't worry about future bills.

ARCH: One minute.

MOSER: We only have one in front of us right now. And I-- it could be a lot stronger support for private schools. I think it's a reasonable approach. And so I ask for your support for LB1402. Thank you.

ARCH: Senator Linehan, you are recognized to speak.

LINEHAN: Thank you, Mr. President. And thank you, colleagues, for those of you who are here on the floor and I know it's late and I know it's in the end and I know you're tired, but I do appreciate the people that are still around, and appreciate all the people that have spoken in favor of LB1402. I'm going to-- I've listened. I've been here. I'm going to correct some things that have been said, said tonight, said last night, said last year, said 3 years ago, ever since I've worked on this issue. Senator DeBoer said it tonight. Public schools have to figure out-- they have to take all kids. Well, that is true to this extent. If a child lives in their district, by federal law, not by some wings of angels, by federal law, they have to-- that child has to receive an appropriate education. By federal law, and that's only been since the '70s. What we used to do with children with special needs is sent them off to homes. Senator Brandt would be familiar with this-- Senator Dorn. When I was a student in high school-- I graduated in '73-- we, we visited once a year at least, maybe twice a year, the Beatrice Developmental Home. That's what we used to do. And then sometime in the '70s, rightfully so, we decided that's not that good of an idea. We ought to keep kids, even if they have issues, home with their families, and give them support, and educate them in public schools. Before that, there was the Lutheran. And I am-- Senator Brandt would be better at this than I am. I have a sister-in-law who works for them now. It used to be the Lutheran Home. And I'm horribly embarrassed and hope she's not watching because I can't-- but maybe Senator Brandt can help me. But the truth is, in Nebraska, as we said last night, we have option funding. Option funding. We have option funding to go with option enrollment. We've had parent and student after parent and student come to the Education Committee the last several years, and Senator Conrad and Senator Wayne would address this, were turned down for option enrollment because they had an IEP. So please, don't stand up here and say every public school has to take every kid. They don't, and they do not. The first question on the option enrollment form-- and I handed it out. First question-- well, the first question is student name. OK. But when it gets down to tell us about yourself, does this student require special education services? Yes, in most cases. I'm not saying all cases, but in most cases, every school will tell you they have no room-- because you can turn down an option student if you have no room. And schools will tell you they have no room in their special ed classes. I'm

just-- I'm tired of that. I've heard it for 7 years. And it is not true. And we've had many people come to the Education Committee and tell us it's not true, so don't, please, stand up and keep saying it. I-- also this, tonight. And I heard this all summer, and I've heard it past-- these fancy private schools. Really? I don't-- I think Prep in Omaha is probably the fanciest public school we have-- private school we have in Nebraska. They don't even have a football field.

ARCH: One minute.

LINEHAN: They do not have a football field, folks. Senator Fredrickson stood up and said, we don't even know what their test scores are. Not true. Accredited improved schools have to take standardized, nationally-normed tests. It's in the regulations. They have to take them. We don't even have our own schools take nationally-normed tests. We have our schools take a test that we make up. And then when we feel like it, we, we move the bar, to say, well, you know, last year, we had too many needs improvement schools. So this year, we're going to move the bars-- where the measurement is. I, I know that people get up-- and I, I have tried to support-- I've not tried to support public schools. They're getting a \$1 billion, Education Trust Fund, \$328 million--

ARCH: Time, Senator.

LINEHAN: --more dollars last year.

ARCH: Senator Bosn, you are recognized to speak.

BOSN: Thank you, Mr. President. This issue, I think it's unfortunate that it has become as divisive as it has become. I taught at UNL at the College of Law before taking this job and being told I couldn't do both. I was a full-time public school substitute teacher between law school and undergrad. My mother was a public school teacher. My grandmother was a public school teacher. And I am a strong advocate for the public schools, and I plan to continue to do that. I think you can support this bill and still believe that we have some of the best public schools in the country, in Nebraska. You can support this bill and still advocate for public schools, our teachers, and our students. I think it's unfortunate and somewhat concerning that our public schools have taken the stance that this is an attack on them, because I, I don't think that does anyone a good service. I, I have more confidence in our public schools and our teachers than that would reflect. What, what is the answer, then, for a family who cannot afford a private education, or is by all accounts the victim of

circumstances beyond their control? These are kids who are below the poverty line, the victim of bullying, they have, have-- they are in foster care, they are the-- their parents are overseas for military service, things of that nature. Why should their income be the deciding factor? And ultimately, when I listen to the debate and I've listened to the entire debate and I hear Senator Wayne say, kids should have this opportunity, and I'm quoting, not by chance, not by lottery, not by privilege, but by right. I struggle to think that this is anything other than a parent making the decision of what's in the best interest for their child as far as their education. And it's not an attack on our public schools, because I, I do think we have good-- I went to the public schools. I, I, I, I hope that no one walks away from-- win, lose or draw on this bill, and thinks that those who supported it are not advocating for our public schools. Because I think the record shows that we've passed legislation to enforce good policies for our public schools, to fund them, to make the changes that they are asking us to make, time and time again. With that, I'll yield the rest of my time. Thank you, Mr. President.

ARCH: Senator Erdman, you are recognized.

ERDMAN: Thank you, Mr. President, and good evening. And I've listened to the comments on the school choice bill for a number of years. Senator Linehan has been stated as a champion for this bill, and I appreciate that. I shared this information with her yesterday. I get a news release every day from across the country. It says here-- the release was, Louisiana House overwhelmingly passes school choice. It says, school choice keeps marching through the south and is another sign that the southern region is destined to remain economically dominant in the years to come. The vote was on AB-- HB745, 72-32, with 6 Democrats voting yes and 6 Republicans voting no. The bill will make Louisiana the 12th universal school choice state. Our new favorite governor is representative-- new, new favorite Democrat is Representative Jason-- Jackson-- Jason Hughes, who said before his vote: I know the political ramifications for me for voting for this bill, but I don't need this \$16,800 a year job. They get more than we do. I can't believe that-- \$18,600 a year job-- bad enough to watch our children continue to live in poverty, trapped in failing schools and try to do-- and I need to try to do something about it. In the event that I'm not reelected, this is what I know. My steps are ordered. My heart is pure. I came here to do tough things. I came here to make tough decisions, and I came here to put children first. Amazing. Put children first. So the first 2 years I was here, I served on the Education Committee. Senator Groene was the chairman. Omaha Public Schools had, in, in-- my memory, memory is right, it was like

81 grade schools, 81. 29 of those 81 schools, the third graders could not read at the third grade level. When the question was asked the superintendent, how do you fix that, you can all answer that because you know the answer: More money. And Senator Groene asked the question, show me a time when more money resulted in better performance of the students. Never did see that information. So you may have all seen the Student at a Glance document that LRO put together. Our public schools-- and Senator Linehan alluded to this in her comments-- very, very poor performance. So they have changed the way they calculate the performance of the schools so it looks better. Omaha Public Schools has a 74, 74% graduation rate. 74. I read an article earlier this session that said they are projecting 1/2, 1/2 of the freshman class at Omaha Public Schools will not graduate from high school. We have a problem. So what this bill is to do, is to give, as Senator Bosn rightfully described, young people who need an option other than public schools a chance. There are kids who have dyslexia, there are children who have issues the public school is not meeting. It's a chance for those people to succeed. And I have a good friend who has-- had-- or still has dyslexia. Been very successful when they got the right instruction.

ARCH: One minute.

ERDMAN: So it's an opportunity for us to give those children who need a hand up a chance to advance. When you have competition, things get better. And I think that it's time for our public school to have a little competition, to make them understand that they have to do a better job of instructing our kids so they can get an education. Thank you.

ARCH: Senator Aguilar would like to welcome a special guest tonight. Dean Dennhardt, his son, is seated under the south balcony. Please rise and be welcomed by your Nebraska Legislature. Senator Meyer, you are recognized to speak.

MEYER: Thank you, Mr. Speaker. I would like to go back a little while in history. The option enrollment program actually started-- was signed into law by Governor Kay Orr in 1989, and went into effect for the 1991-92 school year. I was on the St. Paul Board of Education at the time, and I think we had maybe one student the first year, maybe two students the second year. And both of those cases, it was just a matter of that they lived closer to another school. They were on the outer fringes of, of our school district, so they optioned over there. A couple years later, the mantra of the option enrollment program was that the, the little bit larger schools, especially in rural Nebraska,

could offer more opportunities in band, vocal music, chemistry, science, maybe vocational, all kinds of things like that. And that was a selling point for the option enrollment program. And, and many kids took care-- took advantage of that. A little-- few years later, it became-- I'll be honest, it became more of an athletic recruiting tool, even though it was not supposed to be. So what started in 1991-- so we're going on 30, 32 years of this program. We're now-- we have-- we're, we're, we're spending \$100-125 million a year for kids-- public school kids to have the option to go to whatever school they want. And I'll tell you another story about-- in, in my district-- or in my legislative district, we have a small school 10 miles from St. Paul, a great paved highway. Because of the option enrollment program, they drive a school bus twice a day to Grand Island to pick up enough students. I think they were probably not happy with the Grand Island School District for whatever reason. And they were able to option up to Elba. I'm not sure what those students cost, but when you run a bus 30-35 miles twice a day to pick up a, a handful of students, maybe a few more, it gets really, really expensive. So, needless to say, the option enrollment program has given kids in Nebraska a far, far wider window to get the kind of education that their parents want for their kids, for all kinds of reasons. And I, I really don't understand-- you know, if, if the petition drive would have been maybe a year or two after it had been signed into law, and there was a feeling across Nebraska that it wasn't working, I could, I could kind of understand the NSEA-- and let's be honest. That-- that's who was promoting the initiative drive. Before the ink was even dry, they were, they were sending scores of petition signers out to overturn a law that they had no idea whether it was going to work or not. It was just based on their thoughts. And I, after listening to what, several hours last night and an hour or more tonight, in this body, if you were to ask those 117,000 folks who signed that petition if they would hear the arguments that we have heard in this body tonight, they would not have gotten a fraction of those signatures. And I-- I've been around long enough, I know that when people are circulating petitions that they maybe cut the corners a little bit here, a little bit there, telling the whole story about what the petition may, may or may not do, but--

ARCH: One minute.

MEYER: --if Nebraskans were allowed to hear the passionate stories that we've heard on the floor of the Legislature the last two nights, you would have to think that the option enroll-- the scholarship program is what Nebraska needs. The other point I want to make real quickly is that if you were a professional person wanting to move here from say, Des Moines, or Chicago, or Kansas City, and you had a small

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

family, one of the first questions you might ask is will Nebraska have, have a, have a voucher program or an option enrollment program to go to a private school? And if you had to say no, that could be a deal breaker for people moving to Nebraska. Because that is a drawing card for many, many young professional couples that want to tailor, tailor the education that their children are getting. And that's, that's their prerogative--

ARCH: Time, Senator.

MEYER: --to give everybody the option, you know, in Nebraska--

ARCH: Time, Senator.

MEYER: --that there's a choice that they would make. Thank you, Mr. Chairman.

ARCH: Senator Brandt, you are recognized.

BRANDT: Thank you, Mr. President. Good evening, Nebraska. The Legislature passed LB753 last year, and 117,000 Nebraskans petitioned the government-- this government-- of the state to put it to a vote of the people this November. We should wait to see what the people decide. All of my many emails this past week except one on LB1402 are opposed. We've listened to the voice of the people on other petitions, voter ID, racetracks and casinos, and the death penalty. And so I guess my question is, when did we stop listening to our constituents? Article VII, Section 11 of the Nebraska Constitution states that the state of Nebraska cannot appropriate public money for private schools. And that is something that I truly believe is happening here. And that's why I have consistently opposed opportunity scholarships. Private schools are just that: private, and are a personal choice. I'm a product of both. I attended a parochial school through the seventh grade, and then public school after that, and a public university. And I got a fine education. I'm a little concerned when I hear some of the concerns expressed by some of the senators on the floor. And I'm not so sure that you can just blame a school system for that. Usually, I find that there's more involved-- just one side of the argument. My district, District 32, has over 9,000 public school kids and about 350 private school kids. For these reasons, I stand opposed to LB1402, and I'd like to yield the rest of my time to Senator Linehan.

ARCH: Senator Linehan, 3 minutes.

LINEHAN: Thank you very much, Mr. President. And thank you, Senator Brandt. So here's what I'm going to say about the petition. And I'm

going to get in trouble here because I'm not a history expert, but I have read 2 or 3 biographies on George Norris, and I also worked in Washington, D.C., where he found great frustration because of something called a "conference committee." So a conference committee is when the House passes something and the Senate passes something, and then they pick a handful of Congressmen, a handful of senators, and they go a room-- go in a room, lock the door, and don't let the press in. And then things come out of conference committee that were-- not in either bill. I've sat in some conference committees. So he was against those. So we have open executive meetings here, the press is right over there on the floor, we're pretty open. That-- I agree with all that. But here's what I believe after reading these biographies, after working in politics for 30 years, he never, ever imagined-- he-- we can't ask him, but if you read anything he wrote or his theories on things, he would have never dreamt that 100 years later anybody with \$1 million could get something on a ballot. That, that was not what he was thinking. He was thinking of the second house as an organic uprising from the people. When people used to live-- I mean, our population has shifted so much from west to east. You have counties where you have to get, like, 16 signatures, and that's 5%. And that's what the petitions do. They go to Lincoln, they go to Omaha, they pay a bunch of people. As Senator Moser pointed out, the amount of money they spent, \$1.8 million is 15 bucks a signature. Now, you get some college kids, some young people, and they're getting paid pretty well if it's costing them 15 bucks a signature. I don't think that's-- so I'm not buying this, the people. You had the teachers union--

ARCH: One minute.

LINEHAN: --you had a Sherwood Foundation, and the White's Foundation. And almost everybody that worked on that petition drive-- I was out there, I watched them. I don't know if I was a blocker, I did try and talk people out of it. I got-- police got called on us because we were in a public place, and then the police would come and they'd say, I'm sorry, SOS, Stand for Schools, this is a public place, they have as much right to be there as you do. There were false stories planted with the press about our volunteers getting arrested. Never happened. One did get put in a car for an hour. Called-- young policeman called supervisor, supervisor came and asked our volunteer if he wanted to press charges.

ARCH: Time, Senator.

LINEHAN: Thank you.

ARCH: Senator Conrad, you're recognized.

CONRAD: Thank you, Mr. President. Good evening, colleagues. I share Senator Linehan's passion for political history and have read some of those same books about one of our most beloved Nebraskans, George Norris, and I-- there's no doubt that he was a great champion of the people and populist reforms that ushered in things like the Unicameral Legislature and initiative and referendum and recall which were, were critical to empowering everyday citizens against moneyed interests. And I think Senator Norris was pretty aware of that influence and that's why he pushed for a nonpartisan Legislature that did its work in public so that moneyed interests couldn't manipulate the process. When he was campaigning for the Unicameral Legislature, moneyed interests put very questions on the same ballot about gaming, about booze. I think he was-- he was pretty familiar with how the process was utilized. And, of course, whether we like it or don't like it, people have a right to petition their government for change. They have a right to organize. They have a right to associate. They have a right to express themselves. That's free speech. And sometimes speech is money and politics. And that is a fact. So I know that we push back when we don't like the content of the speak-- speech or the speakers. But it's important that it remains robust for every single person in our democracy because it's important to our democracy and it's protected by our constitution. I want to also lift up a few arguments that I've heard tonight from senators I greatly admire and respect saying if we had the opportunity to tell our stories, they would be compelling to the voters. If we had the opportunity to get this before voters, it would be wildly popular. Well, then just run the campaign. Just let the voter referendum go to a vote of the people. You could get rid of the repealer of LB753, get a dispositive vote on that and still move forward with the revised plan of LB1402. So if you do believe that, what's the risk? I'll go ahead and put that out there. The other thing that I think it's important to note here is that this is very challenging from a technical perspective. On the one hand, if this is in fact an appropriation in LB1402, which I think it is, it went to the Appropriations Committee, it does provide appropriations language and mechanisms, then it's not subject to a referendum according to our constitution. Appropriations are not subject to referendum. However, the more that it is characterized as an appropriation, which I, I think it is, I think people are pretty straightforward about that and I think our legislative record is clear. It comes closer, if not running smack dab into running afoul of our nonaid provision in our constitution. So it's kind of a, a challenging-- a challenging web here from different areas of the

constitution that I think Senator Linehan and her supporters are, are trying to work through here. And on that point, I've had a lot of really serious questions about, technically, if LB753 is repealed, what happens to the kids who are currently in that scholarship program? What happens to the donations that are currently in that scholarship program? What's going on with the SGOs, and then when will a decision be made by the Secretary of State or the Attorney General or other players to decide whether or not that referendum petition, which has sought and received the verified requisite number of signatures to put the question on the ballot, when will there be a decision as to whether or not that will be on the ballot. And what is the criteria for making that decision?

ARCH: One minute.

CONRAD: I know we have-- thank you, Mr. President-- a prohibition against advisory opinions, but I'm not sure if we have a great deal of clarity in this debate or in our precedent that spells out those pieces. Additionally, I do think that this-- if this is a core function of government as indicated in the legislative findings, why do we need a contractor to carry that out? And is the contractor selected according to our procurement process and our regular RFP processes and otherwise? Finally, I do think it is important that we are thoughtful about honoring the second house and a vote of the people, even when we disagree. And that comes right back down to voter ID which I, I strongly disagree with, but worked hand in glove with Senator Brewer and, and others to try and implement the will of the people, even when I disagreed with it.

ARCH: Time, Senator.

CONRAD: And I think that's the, the better approach to take. Thank you, Mr. President.

ARCH: Senator Clements, you're recognized to speak. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good evening, colleagues. I rise in support of bracket motion, MO1387, though I really don't want to have to talk about this on April 18, and I am opposed to LB1402. Again, my opposition to this bill has remained on that state dollars going to private institutions is just not something that I can get behind. I think that our private institutions offer a great option to young people and we can make donations that are tax deductible. And this is putting the thumb on the weight of tax deductible for private

institutions, tax deductible for public institutions, and giving an extra boost to encourage people to give their donations to private institutions over public institutions, really. So that is one of many reasons that I stay-- stand in opposition to LB1402. It's his fault because he told me about this, so I am going to say Happy Siblings Day to my brother John and my brother Patrick and my sister Colleen, my sister Maureen, my brother Michael, my brother Peter, and my brother Matthew. So not just John, I have six other siblings. But I love having all of my siblings. They're amazing human beings all in their own rights who are doing great things in this world for the better, and they lead their hearts with love and compassion and I'm proud to know all of them and to be their sibling as well. And, Mr. President, with that, I would like to yield the remainder of my time to Senator DeBoer.

ARCH: Senator DeBoer, 3 minutes.

DeBOER: Thank you, Mr. President. Thank you, Senator Machaela Cavanaugh, for yielding me the time. Senator Meyer, I wanted to sort of talk to him for a second. Senator Meyer, when you were talking about if the people of Nebraska had heard what you had heard, then you thought that they would-- or you were confident that they would change their mind. Here's what I say-- and this is my last, best argument-- make your arguments to the people of Nebraska, don't go through the referendum process and then now say I don't want to have that argument to the people. And part of this is repealing LB753, trying a different way of doing it. Let's make our arguments to the people of this state. And when we argue to the people of this state, everybody gets the opportunity to do so. And then the people of the state, then, then our constituents decide. My best argument against this bill is that I don't know how the referendum got on. That isn't important to me, because what's important to me is that now it's on the ballot. And in a democracy, it's kind of a rare thing that the people actually get to decide an issue like this. I mean, we decide many, many, many more issues than what goes on the ballot. But this one's on the ballot. So my, my last, best argument is always going to be that since this is on the ballot, let's not pass this bill which repeals the old one and tries again with a different one that doesn't have a referendum against it. Let's give the people of Nebraska their voice back.

ARCH: One minute.

DeBOER: Let's give the people of Nebraska all the information. However it got on the referendum, it's here. Let's give the people of Nebraska our best arguments. Let's tell them everything that we can tell them

about this and let's let them decide. It's not the first time that's happened. We've done that a number of times. Voter ID was just one of those things. I don't think we can go to the people of Nebraska about every issue, pure democracy with the number of people in our--

ARCH: Time, Senator, and you are next in the queue.

DeBOER: --thank you, Mr. President-- pure democracy with the number of people that are in our state, it just wouldn't be possible. We couldn't ask them every question, but we can ask them this question. This has been something that I have been talking about in this Chamber, first from that seat, now from this one-- I moved two back a couple years ago-- since I got in here. For 6 years, I have said public schools should get public dollars, private schools should get private dollars. Private schools should not get public dollars because the good that is provided by a public school is that-- and it may not be one specific school, but somewhere the public school system is going to find a place for your kid. And, you know, Senator Bosn said something about foster kids getting these scholarships and maybe there would be some, but I just got done Saturday with taking foster kid class so that I can become a foster parent. And the stories we hear about those kids-- they hide food because they don't get food. Their parents have not applied for this scholarship for them. Those kids, the last and the least, the ones that are going to be forgotten, they're not going to get these scholarships either. They're still going to be at the public school. Those kids, the ones who are-- who are in trauma, those kids, their parents will retain the educational rights so they won't be going to a private school. The kids who have IEPs that are very, very difficult, they probably won't either. The ones that we say, culturally, we just don't think you're quite like the rest of us, those kids probably won't get to go to private school either. Let's let the people of Nebraska speak their mind because the people of-- because the people of Nebraska will have the opportunity to say what they want to have happen with our private and our public schools. The opportunity is available to them on the ballot. Let's not do tricks to try and repeal bills once a referendum comes through. Let's let the people of Nebraska decide. Thank you, Mr. President.

ARCH: Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Good evening again, colleagues. I rise again in favor of the bracket motion and opposed to LB1402. I wasn't entirely sure if I was going to get to talk again. The queue was pretty full. But I'm, I'm glad that I get one more chance to come back. A couple of things that I've not touched on that I want to touch

on briefly with regards to my opposition, I think, pertain to some of the arguments that I've heard in favor of LB753 and LB1402. One of the things that I hear consistently is that our public schools are broken. Right? We hear this argument that the public schools just aren't doing a good job, that Nebraska public schools are failing our students, and what they need or what they deserve is another opportunity to go somewhere else. I push back on that argument for a couple of reasons. One, as a product of Lincoln Public Schools, I will say that our schools here are fantastic compared to many, many other schools. They're fantastic just outright. I have had the opportunity to spend time in other states, I've had the opportunity to teach for a short period of time in schools that were in places like Washington, D.C., and I've had a chance to see what's happened in places where public schools are not the priority. I've had a chance to spend time in these areas where they've had this, this shattering of the system wherein you're seeing public schools no longer receive the priority of how the state or the city is focusing their funding. And you see in those circumstances, increased aid to charter schools, increased aid to private schools, and what you ultimately see is a degradation of that public school system. Part of the reason that charter schools, magnet schools, things like that in D.C. were so important is because their public school was failing them. That was the argument we heard often. But when you actually look at the numbers of what we're talking about here in Nebraska, our public schools are not failing us. Are there problems that have been highlighted by a number of individuals in this room? Absolutely. And do we all have stories of times that a school has failed us? For sure. And should those schools be held accountable when they make mistakes? Absolutely. Which is why, for example, on Senator Wayne's LB25, I was in full favor of schools being held accountable because schools should be held accountable when they make mistakes. But the answer to something being broken is not to abandon it and leave. If you do think-- which, again, I push back on this idea-- but if you do think our schools are broken, if you think they're not working, the answer is not go do something else, because there's a lot of people who aren't going to have the opportunity to go to that private school. And so if you say we're just going to focus on the private institutions and make sure that's where kids can go, you're failing the kids that stay at the public school because they're not going to have the ability to do that, too. In Nebraska, aggregate, as of a easily findable article I found here from Forbes in 2024, we are in the top 10 of standardized test performance in the country. Top 10. We're number 9. I wish we were higher. But you go across whether you're talking about grade 4 math percentage, grade 4 reading percentage, grade 8 math percentage, all the way over to SATs, ACTs,

even average MCAT scores, and when you average that all together in, in the country, we're in the top 10. So I disagree with the idea that our schools are failing us. If we can identify problems for special needs students or kids who are being bullied or kids who are different than others or kids who want a little bit more attention, let's focus on that. Let's find a way to fix those problems in our current public schools. It's not incumbent upon us to find a new solution that abandons what we already have because you're leaving other kids out. So I laud the purpose of LB1402, if that purpose is to help kids. I simply think that it fails to do so by virtue of not answering the actual problems, and instead looking for a different way out. With that, Mr. President, I'd yield the remainder of my time to Senator Conrad.

ARCH: Senator Conrad, 1 minute, 5 seconds.

CONRAD: Thank you, Mr. President. Thank you so much--

ARCH: One minute.

CONRAD: --to my friend Senator Dungan. Thank you. One point that I want to lift up from the Education Committee perspective is this. There are caring and dedicated teachers in our private schools and in our public schools. We've heard success stories emanate from our public schools that consistently perform very well against their peers, despite the fact that we have a low amount of state funding and, and low teacher pay overall. But let me just put this forward as perhaps one of the, the key factors in terms of success. It's class size, friends. It's class size. And when our public schools don't have the resources they need and the paras they need and the teachers they need to keep class size manageable, that's why it's challenging for some kids. And the better solution is to come together and look at class size for special needs, for all kids. Help teachers get a break when they're overwhelmed. Help kids get a little bit more attention. I think that's one of the--

ARCH: Time, Senator.

CONRAD: --the reasons that folks are looking to private schools is because of the smaller class size. Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, again, I rise in support of the bracket motion and opposed to the underlying bill. And I would

yield my time to Senator Conrad if she wanted to continue on her thoughts.

ARCH: Senator Conrad, 4 minutes, 50 seconds.

CONRAD: Thank you, Mr. President, and thank you to Senator Dungan and to Senator John Cavanaugh for yielding time. I, I ran out of time to, to thank them for that. But, you know, we hear countless stories on a lot of important bills that come before the Education Committee about challenges our kids are facing, whether that's in terms of discrimination, whether that's in school in, in light of school discipline policies, whether that's in light of accessing critical services if they have an IEP or they learn differently. And a lot of these issues, whether it's around behavior, whether it's around accountability and test scores and student achievement, whether it's around teacher shortage and recruiting and retaining the top folks and making sure that teachers aren't burned out, it almost always goes back to class size, that, that teachers are having a harder time managing the ever-growing numbers of students in their class, who have maybe special needs or different needs, who are seeing more challenging behaviors than we've seen, perhaps, in years past. And when we do more to figure out how to keep those class sizes manageable, it's just good policy and common sense. That's why many, many-- almost all of our sister states have some sort of policy in place dealing with classroom caps or classroom teacher-student ratios to address these, these very same issues and concerns to achieve the same results that our friends in private schools are championing-- are being champions for tonight and are bringing forward. And I, I would really challenge the body to think deeply about building consensus around classroom caps, around classroom ratios. I have an interim study pending on that this year. We had great hearings on this in Education this year. That win, lose or draw in LB1402, I, I do think that we acknowledge, respect, and understand that we're going to have more work to do for the 90%-plus Nebraska kids who attend our great public schools. And we need to figure out how to come together and get policies in place so that they have the resources they need, so teachers aren't overwhelmed and so that they can succeed, so that we have the resources in place so that kids can learn, so that we have the curriculum and training in place to make sure that we're utilizing best practices when it comes to the science of reading, when it comes to recognizing how different kids learn, when it comes to identifying kids with dyslexia and making sure to get them on the right path with the right amount of support around those kids. So I-- there's no doubt that the vast majority of Nebraska kids are going to continue to attend our great public schools for a bunch of reasons, because their

parents want them to, because it's what's available and accessible in their community, or because we have a, a strong track record with our public schools in Nebraska. They're generationally a point of pride for good reason. So I, I don't think that the sky will fall if LB1402 goes forward, but I do think it is the wrong remedy to address the challenges that we are seeing in public schools. It does risk entanglements from the state into private entities, into private schools, which should have more clarity about those potential entanglements moving forward, actually--

ARCH: One minute.

CONRAD: --both ways, with, with public resources and with regulation thereof. Thank you, Mr. President. And then, finally, I, I do just want to note that I think that the voters deserve clarity, the body deserves clarity to understand what the process is, just technically, for the students, donors, and resources involved in LB753 with the repealer, and what the process is and the criteria is in regards to the ballot decision and referendum on LB753 that still needs to be resolved regardless of the outcome of LB1402 tonight. Thank you, Mr. President, and thank you to my friend Senator Dungan and to Senator John Cavanaugh for the time.

ARCH: Senator Lippincott, you're recognized to speak.

LIPPINCOTT: Thank you, sir. A number of years ago, it was Caspar Weinberger who served as the Secretary of Defense for Ronald Reagan. He said this, quote, Competition is a good thing. Today, America is ranked number 25 in the world in terms of our STEM, science, technology, engineering, and mathematics. China is number one. As a matter of fact, we're graduating 200,000 engineers per year from our colleges, where China is graduating 2 million. United States 200,000, China 2 million. Currently, our high school graduates, 19%, nearly 1 in 5 graduate from high school illiterate. Even though here in the USA we spend \$162,000 per student between kindergarten and 12th grade. When LB753, the Opportunity Scholarships Act, was signed by Governor Pillen in 2023, last year, Nebraska became the 49th state to pass a school choice program. It was-- North Dakota was right behind us. Choice programs have been in use for over 30 years in the United States, and over 13 states now offer universal choice. That is, all students are eligible. This sort of educational pluralism is also the norm in many developed countries. However, misconceptions and misleading information stand in the way of states that do not offer families robust opportunity to send their children to a school that best fits their learning needs and values. School choice programs

drain money from public schools is what you hear all over the state. But in reality, scholarship programs across the country in the aggregate have proven to save state governments millions, if not billions of dollars. When a student attends a nonpublic school, a private school, using scholarships, state governments do not have to pay the public school the full, full cost for providing an education for that student. And the cost to educate a child in a traditional district school is greater than the revenue a state forgoes through scholarship programs. So not only do scholarships not harm public school funding, Nebraska invested over \$1 billion in its public schools last year, including a 27% raise in annual state support and near doubling of special education reimbursement. I'd like to have a call of the house, sir.

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

CLERK: 23 ayes, 2 nays to place the house under call, Mr. President.

ARCH: 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. Senators Wishart, Vargas, McKinney, Wayne, and Hunt, please report to the Chamber. The house is under call. Mr. Clerk, you have a motion on the desk.

CLERK: I do, Mr. President, Senator Linehan would move to invoke cloture pursuant to Rule 7, Section 10.

ARCH: Senator Linehan, for what purpose do you rise?

LINEHAN: For a roll call vote in regular order.

ARCH: Members, the first vote is the motion to invoke cloture. All those in favor vote aye; all those opposed vote nay. Roll call vote in regular order.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn voting yes. Senator Bostar voting no. Senator Bostelman voting yes. Senator Brandt voting no. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson voting no. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney not voting. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting no. Senator von Gillern voting yes. Senator Walz not voting. Senator Wayne voting yes. Senator Wishart voting no. Vote is 33 ayes, 13 nays, Mr. President, to invoke cloture.

ARCH: The motion to invoke cloture is adopted. The next item before the body is the motion to bracket the bill until 4-18-24. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 8 ayes, 33 nays to bracket the bill, Mr. President.

ARCH: The motion to bracket fails. Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB1402 be advanced to E&R for engrossing.

ARCH: There's been a request for a machine vote. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 30 ayes, 15 nays on advancement of the bill, Mr. President.

ARCH: LB1402 is advanced to E&R Engrossing. Mr. Clerk, next item. I raise the call.

CLERK: Mr. President, next item on the agenda, LB1402A, Select File. There are no E&R amendments. Senator Linehan would move to amend with AM3478.

ARCH: Senator Linehan, you're welcome to open-- you're welcome to open on your amendment.

LINEHAN: Oh, this is the A bill which is LB1402A and it is-- appropriates \$12,500 in '24-25 and \$13,125 in '26-27 [SIC] for the Treasurer so he can manage this program. I'd appreciate your green vote.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ARCH: Seeing no one in the queue, you're welcome to close on your amendment. Senator Linehan waives close. The question before the body is the adoption of AM3478 to LB1402A. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 40 ayes, 0 nays on adoption of the amendment, Mr. President.

ARCH: The amendment is adopted. Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB1402A be advanced to E&R for engrossing.

ARCH: Colleagues, you've heard the motion. All those in favor say aye. All those opposed, nay. LB1402A does advance. Mr.-- Mr. Clerk, next item.

CLERK: Mr. President, next item on the agenda, LB388A. I have no E&R amendments. Senator Linehan would move to amend with AM3480.

ARCH: Senator Linehan, you're welcome to open on the amendment.

LINEHAN: Thank you. This is the A bill that goes along with the LB388 that we passed this afternoon, the Governor's property tax bill. Thank you. Appreciate a red-- a red vote-- a green vote.

ARCH: Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Would Senator Linehan yield to a question?

ARCH: Senator Linehan, will you yield?

LINEHAN: Certainly.

M. CAVANAUGH: If you don't know the answer, that's OK, but I haven't looked this up. Do you know what the fiscal impact is now?

LINEHAN: I-- it's here. I have not read it. You have to add up a bunch of numbers.

M. CAVANAUGH: That's OK. It'll probably be on the green sheet tomorrow, so.

LINEHAN: Right. And it's-- the biggest thing we're doing here is taking the LB1107 income tax credit for property taxes paid--

M. CAVANAUGH: Right.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

LINEHAN: --anything with that long of a name, right-- and sending it out so, one, everybody gets it instead of just those with accountants; and, two, it just saves a lot of paperwork

M. CAVANAUGH: OK. Thank you. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Linehan, you're welcome to close. Senator Linehan waives close. Colleagues, the question before the body is the adoption of AM3480 to LB388A. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted. Senator Ballard, for a motion.

CLERK: Mr. President, I move that LB388A be advanced to E&R for engrossing.

ARCH: Colleagues, you have heard the motion. All those in favor say aye. All those opposed, nay. LB388A is advanced. Mr. Clerk, we'll proceed to confirmation reports.

CLERK: Mr. President, committee report from the Judiciary Committee concerning three appointments-- gubernatorial appointments to the Crime Victims Reparations Committee: Ann E. Ames, John Brazda, and Michael D Jones.

ARCH: Senator Wayne, you're welcome to open.

WAYNE: Thank you, Mr. President. All right, we have three people. Mike Jones, a three-year term, June 2023 to 2026, former State Patrol 30 years, former Sarpy County Sheriff Deputy, former Sarpy County Corrections Director. The bill came out-- or they-- actually, all of them came out 6-2. Ann E. Ames, reappointment, 4-year term, ends in July of 2027 as a public member of a-- representing the charitable organization. Currently, the executive director of the Papillion Community Foundation, Deputy Chief Assistant of Lancaster County, and current VP of Government Affairs of Windstream. John Brazda, a 4-year term, ends July 2027. Public member with experience with victims and survivors, former Sergeant of Bellevue PD, current Director of Douglas County Victims. And I would ask for your-- are we doing all five on the Crime Commission or just three? I think we're doing just three. I would ask for a green vote on that.

ARCH: Seeing, seeing no discussion on the report, you're recognized to close. Senator Wayne, you're recognized to close. Senator Wayne waives

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

close. The question is the adoption of the report offered by the Judiciary Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 35 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Senator Wayne, you're welcome to open on your next report. Oh, I'm sorry. Mr. Clerk.

CLERK: Mr. President, the Judiciary Committee would report favorably on the gubernatorial appointment of Bryan Tuma as Executive Director of the Nebraska Crime Commission.

ARCH: Senator Wayne, you're welcome to open.

WAYNE: He is the-- Bryan Tuma would be the appointment as the Executive Director of the Nebraska Crime Commission beginning of June of 2023. It's 2024, so he's been working. Missed that one. Voted out 5-3. Over 20 years of experience with State Patrol, nearly 40 years experience in state government. Former Assistant Director of Nebraska Emergency Management Agency and current contractor of the Nebraska Department of Environment and Energy. I think he has a, a really good idea of how to move this forward. If you'll recall, there was some issue with the Crime Commission not, not working, not helping getting money out in grants and he has a pretty good idea of how to move that forward. So I'd ask for a green vote.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Wayne waives close. The question is the adoption of the report offered by the Judiciary Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 36 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, the Judiciary Committee would report favorably on the gubernatorial appointment of Layne Gissler to the Board of Parole.

ARCH: Senator Wayne, you're welcome to open.

WAYNE: Yes, Layne Gissler-- I might be saying the name wrong-- reappointment to the Parole Board for a 6-year term starting September

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

'23 through September 2029. Vote came out 6-2. I think myself and Senator McKinney both voted no. Current Board, Board of Parole Vice Chair since 2017. Served in various capacities with the Department of Corrections for over 20 years. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Wayne, you're recognized to close. Senator Wayne waives close. The question is the adoption of the report offered by the Judiciary Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 1 nay on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next report.

CLERK: Mr. President, the Education Committee would report favorably on the gubernatorial appointments of Patricia M. Kircher and Courtney C. Wittstruck to the Nebraska Educational Telecommunications Commission.

ARCH: Senator Murman, you're recognized to open.

MURMAN: Thank you, Mr. Speaker. Firstly, we have two appointments for the Nebraska Educational Telecommunications Commission: Patricia Kircher and Courtney Wittstruck, both are reappointments to this position. Patricia Kircher works in the business development and Courtney Wittstruck works as the Executive Director of the Community Colleges Association. Both are qualified and impressive candidates who the committee voted out 7-1. Thank you.

ARCH: Seeing no one in the queue, Senator Murman, you're welcome to close. Senator Murman waives close. The question is the adoption of the report offered by the Education Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 37 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Mr. Clerk.

CLERK: Mr. President, the Education Committee would report favorably on the gubernatorial appointment of Jeffrey Nellhaus and Linda Poole to the Technical Advisory Committee for Statewide Assessment.

ARCH: Senator Murman, you're welcome to open.

MURMAN: Thank you. We also have two appointees for the Technical Advisory Committee for Statewide Assessment, Jeffrey Nellhaus and Linda Poole. Jeffrey Nellhaus has served on the Technical Advisory Committee in multiple states and even Canada, and designed the Massachusetts Assessment System. Linda Poole has sat on the Technical Advisory Committee since its inception under Governor Heineman and is the Vice President of the Millard Board of Education. Both are also qualified and impressive candidates voted out on a 7-1 vote. None of these candidates had any opponent testifiers. With that, I'll ask for your green vote. Thank you.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Murman waives close. The question before the body is the adoption of the report offered by the Education Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Mr. Clerk.

CLERK: Mr. President, the Transportation and Telecommunications Committee would report favorably on the appointment of Jeremy S. Borrell as Director of the Aeronautics Division.

ARCH: Senator Moser, you're welcome to open.

MOSER: Thank you, Mr. President. The Transportation and Telecommunications Committee voted the appointment of Jeremy Borrell to serve as Aeronautics Division Director of the Nebraska Department of Transportation. Until 2017, the Aeronautics Division was independent. LB339 was enacted and merged the duties of the Aeronautics Department into the newly renamed Department of Transportation. The division has general supervision of aeronautics and is directed to encourage, foster, and assist in the development of aeronautics and assist in the development of airports and all navigation facilities. The division is directed to cooperate and coordinate with the Federal Aviation Administration. On Monday, March 18, the Transportation and Telecommunications Committee held a hearing on the appointment of Jeremy Borrell to serve as Director of Aeronautics. He's a native Nebraskan currently residing in Kearney. His undergraduate degree is from the Aviation Institute at the University of Nebraska-Omaha. He has worked in the aviation industry and has been a member of the Nebraska Army National Guard since 2002. He appeared before the committee and answered all questions, and the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

committee voted to recommend his appointment on 8-0. Mr. President, I would ask for the approval of the Transportation and Telecommunications Committee report recommending the approval of Jeremy Borrell to serve as the Director of the Aeronautics Division of the Department of Transportation.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Moser waives close. The question is the adoption of the report offered by the Transportation and Telecommunications Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 37 ayes, 0 nays, Mr. President, on adoption of the report.

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

CLERK: Mr. President, the Transportation and Telecommunications Committee would report favorably on Brandon B. Varilek to the Board of Public Roads Classifications and Standards.

ARCH: Senator Moser, you're welcome to open.

MOSER: Thank you, Mr. President. Transportation and Telecommunications Committee would like to report on the appointment of Brandon Varilek to be a member of the Board of Public Roads Classifications and Standards. It's housed within the Department of Transportation, and its duty is to oversee annual construction planning and fiscal reporting for state and local highways, roads, and streets. It also oversees the application of minimum design, construction, and maintenance standards for the functional categories of public roadways. The Board consists of 11 members, all appointed by the Governor subject to legislative confirmation. Two members represent the Department of Transportation, three members represent counties, three members represent municipalities, and three lay members represent each of the Congressional Districts. On Monday, March 18, the Transportation and Telecommunications Committee held a hearing on the appointment of Brandon Varilek to the Board of Public Roads Classifications and Standards. He will serve as a representative of the Department of Transportation on the Board. He serves as the-- the department as District 1 engineer. He is a native Nebraskan with a civil engineering degree from UNL. Following service as an engineer in the U.S. Air Force, Mr. Varilek joined the Nebraska Department of Transportation in 2006 and served in the areas of pavement design, asset management and construction. In 2021, he held the role of Division Head of Materials and Research and became District 1 engineer in 2023. Mr. Varilek appeared before the committee and answered all

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

questions. There was no opposition. Excuse me. The committee voted 8-0 to recommend his appointment to the Nebraska Board of Classifications and Standards. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Moser waives close. The question is the adoption of the report offered by the Transportation and Telecommunications Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 36 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Revenue Committee would report favorably on the appointment of Sarah Scott as the Property Tax Administrator for the Department of Revenue.

ARCH: Senator Linehan, you're welcome to open on the report.

LINEHAN: Thank you, Mr. President. Sarah Scott's hearing date was March 20, 2024. We voted it out of committee 8-0 and I would appreciate your green vote. Thank you.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Linehan waives close. The question is the adoption of the report from the Revenue Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 37 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: Next item. The report is adopted. Next item.

CLERK: Mr. President, the Business and Labor Committee would report favorably on the gubernatorial appointment of Spencer Hartman to the Commission of Industrial Relations.

ARCH: Senator Riepe, you're welcome to open.

RIEPE: Thank you, Mr. President. The Business and Labor Committee held a hearing on March 27 and voted favorably to advance Spencer Hartman for confirmation by the Legislature to the Commission of Industrial Relations. Spencer Hartman is a native of Imperial, Nebraska. He received his undergraduate degree in agricultural economics from the University of Nebraska-Lincoln, and graduated with distinction from

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

the University of Nebraska College of Law in 2021. Spencer Hartman served as a-- as an associate attorney for O'Neill, Heinrich, Damkroger, Bergmeyer & Shultz. I would ask for your green vote to approve Spencer Hartman to the Commission on Industrial Relations.

ARCH: Seeing no one in the queue, Senator Riepe, you're welcome to close. Senator Riepe waives close. The question before the body is the adoption of the report from Business and Labor Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 36 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Business and Labor Committee would report favorably on the gubernatorial appointment of Steven Bley to the Boiler Safety Code Advisory Board.

ARCH: Senator Riepe, you're welcome to open.

RIEPE: Thank you, Mr. President. The Business and Labor Committee held a hearing on March 19 and voted favorably to advance Steven Bley for confirmation by the Legislature to the Boiler Safety Code Advisory Board. Steven Bley has served on the Boiler Safety Code Advisory Board for 12 years and has worked with OPPD for 20 years as a lead engineer. His work involves boilers and safety-- of the safety of their operation and maintenance. I would ask for the green vote to approve Steven Bley to the Boiler Safety Code Advisory Board. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Riepe waives close. The question is the adoption of the Business and Labor report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 33 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Health and Human Services Committee would report favorably on the gubernatorial appointment of Paul-- J. Paul Cook to the State Board of Health.

ARCH: Senator Hansen, you're welcome to open.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

HANSEN: Thank you, Mr. Speaker. In this first round, we have two from the state board-- Nebraska State Board of Health, and three we'll be doing as a block from the Stem Cell Research Advisory Committee. But first up is J. Paul Cook, his confirmation by the Legislature to the Nebraska State Board of Health. Dr. Cook is board certified in family medicine, and he grew up in Nebraska in Laurel and Omaha. He earned his bachelor's in business at UNL. His Master's of Divinity degree in Louisville, Kentucky, and his MD from the University of Nebraska College of Medicine. He took his family medicine residency training at Clarkson Family Medicine Hospital in Omaha. Dr. Cook partnered with Dr. Gilbert Head in 2000. They moved their clinic to the Legacy area in Omaha in 2013 and adopted the family-- the name Family Medicine at Legacy. So I would ask for your green vote and approve Dr. Cook to the Nebraska State Board of Health. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're welcome to close. Hansen waives close. The question before the body is the adoption of the Health and Human Services Committee report. All those in favor vote aye; opposed, nay. Mr. Clerk, please record.

CLERK: 38 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Health and Human Services Committee would report favorably on the gubernatorial appointment of Daniel J. Rosenthal to the State Board of Health.

ARCH: Senator Hansen, you're welcome to open.

HANSEN: Thank you, Mr. Speaker. Before I start with, actually, all the rest of them, I'll just mention that all these did get reported out of HHS Committee with no opposition votes. So next up is Dr. Daniel Rosenthal. He has over three experiences as a civil engineer technician, designer-- project design manager, and design engineer. His work experience includes both public and private projects, including schools, military facilities, commercial and industrial parks, residential subdivision layout design, tax credit projects, and sports facilities. His works include street design, potable water design, sanitary sewer design, stormwater design, parking lot design, and parking lot lighting design. I would ask for your green vote in the nomination of Daniel Rosenthal to the Nebraska State Board of Health. Thank you.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Hansen waives close. Colleagues, the question before the body is the adoption of the confirmation report from the Health and Human Services Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 37 ayes, 0 nays, Mr. President, on adoption of the committee report.

ARCH: The report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, the Health and Human Services Committee would report favorably on the gubernatorial appointment of David Owens, Dennis Roop, and Rui Yi to the Stem Cell Research Advisory Committee.

ARCH: Senator Hansen, you're welcome to open.

HANSEN: Thank you, Mr. Speaker. Like the Clerk said, the next three have to do with the Stem Cell Research Advisory Committee so we'll do all three of those in order and we'll vote all three of them in a block. Dr. Yi is a professor of pathology, experimental pathology and dermatology at Northwestern Medicine. His academic focus is on mechanisms that govern sulfate specifications, stem cell maintenance, and aging, as well as initiation and progression of cancer. Rui Yi's education consists of a Bachelor of Science at Peking University and a PhD from Duke University. Next up is Dr. David Owens. Dr. Owens conducted his Ph.D. training in the field of skin carcinogenesis, carcinogenesis at NC State University in Raleigh, North Carolina. Afterwards, Dr. Owens trained as a postdoctoral scientist in the field of epithelial stem cell biology in the lab of Fiona Watt at the Cancer Research Institute in London. Dr. Owens is an affiliate member of the Columbia Stem Cell Initiative and the HICCC Tumor Biology and Microenvironment Program and an active participant on national grant review panels such as the NIH Arthritis, Connective Tissue and Skin Study Section and the State of Nebraska Stem Cell Advisory Committee. Lastly, is Dr. Dennis Roop. Dr. Dennis Roop is the associate director of Gates Institute at the University of Colorado Anschutz Medical Campus. He is also professor of dermatology and holds the John S. Gates Endowed Chair in Stem Cell Biology. He received a BA in biology from Berea College in Berea, Kentucky, and an MS and Ph.D. in microbiology from University of Tennessee, Knoxville. So, again, I would appreciate your green vote for all three of these good candidates for the Stem Cell Research Advisory Committee. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ARCH: Seeing no one in the queue, Senator Hansen, you're welcome to close. Senator Hansen waives close. The question before the body is the adoption of the Health and Human Services Committee confirmation report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 38 ayes, 0 nays, Mr. President, on adoption of the committee report.

ARCH: The report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, next item. The Agriculture Committee would report favorably on the gubernatorial appointment of Christopher J. Gentry to the Nebraska Brand Committee.

ARCH: Senator Halloran, you're welcome to open.

HALLORAN: Thank you, Mr. Speaker. The Agriculture Committee reports favorably on the reappointment of Mike Jacobson to the Nebraska Brand Committee. Just seeing if everybody's awake. The Agriculture Committee reports favorably on the appointment of Chris Gentry to the Nebraska Brand Committee. Mr. Gentry is a fifth-generation cattle producer located in Cherry County. In addition to membership on the Brand Committee, he serves as a member of the school board, is a volunteer EMT, and involved in Lions Club International. Chris earned his high school diploma at Missouri Military Academy. He earned his associate degree in automotive technology at Southeast Community College, and studied business administration at UNL. Mr. Gentry was first appointed to the Brand Committee prior to a legislative change that requires legislative confirmation. While he has already served one term-- this is his first term-- he has gone through the confirmation process. Mr. Gentry appeared before the committee on March 27 and responded to the committee's questions. The committee voted with no opposition to recommend approval of his appointment-- reappointment. Excuse me. I move adoption of the committee report.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Halloran waives close. The question is the adoption of the Agriculture Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 36 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Agriculture Committee would report favorably on the gubernatorial appointment of Britt D. Anderson, Bradley D. Lubben, Lisa A. Lunz, Wade E. Thornburg, and John E. Walvoord to the Beginning Farmer Board.

ARCH: Senator Halloran, you're welcome to open.

HALLORAN: Thank you, Mr. President. There's five here, so I'm going to give them their due credit here. The Agriculture Committee wishes to recommend approval of four reappointments and one new appointment to the Beginning Farmer Board. First, John Walvoord is reappointed to fill one of the three agricultural producer appointments. Mr. Walvoord is a third-generation member of a family farming operation located in western Douglas County. He graduated from Waterloo High School in 1985, and obtained an associate's degree in general agriculture at UNL in 1987. In addition to his farming operation, he has served 9 years on the Douglas Sarpy County Committee for Farm Service Agency of USDA. He has also served as past president board member. Mr. Walvoord is married with four children, three who are pursuing college degrees, and his youngest, who is a senior in high school. The next appointment is Britt Anderson, again, as a one of three producer members. Mr. Anderson farms near Gothenburg, Nebraska, with his wife and son, who participates in the management of the farming operation. Mr. Anderson is a graduate of Gothenburg High School and attended UNL from 1970 to 1973, earning an associate's degree in agriculture, he is a lead alumnus and former Dawson area development fellow. He has served several years on a succession of farm cooperative boards, other governmental community services, and trade association organizations. He has-- had servant leadership roles, which include the Dawson County Red Cross, Dawson County Farm Bureau, and school board member and township board. The third reappointment is Dr. Bradley Lubben. Dr. Lubben is an extension assistant professor and policy specialist in the UNL Department of Agricultural Economics and director of the North Central Extension Risk Management Education Center. He has obtain-- obtained BS and MS degrees in agriculture economics from the University of Nebraska and has acquired a Ph.D. in Kansas City University in 2005. His research and extension focus is on agricultural policy and risk management. He has provided an extensive list of publications, grant works, professional associations, much of this in the area of farm and risk management. The final reappointment is Wade Thornburg. Mr. Thornburg is currently a vice president at State Bank of Table Rock in Tecumseh, Nebraska. Previously, he served as a loan officer for Security First Bank in its Beatrice and Hay Springs location. He also lists previous employment as a field agronomist intern with Monsanto. He has previously served on the

Southeast Nebraska Cooperative Board and Gage County Ag Society, and is a current member of the Gage County Planning and Zoning Board. Mr. Thornburg is a graduate of Beatrice High School, where he earned a BS degree in agribusiness at UNL and attended an advanced ag lending school in Topeka, Kansas. In addition to his ag lending background, Mr. Thornburg is a fifth-generation farmer and has utilized the beginning farm tax credit as an asset owner. The final appointment is Lisa Lunz, who is a, a new-- a new appointment. Ms. Lunz is a producer near Wakefield, Dixon County since 1988. She is also currently a member of Dixon County Board of Supervisors. She is also current president of Ag Builders of Nebraska and president of the Dixon County Farm Bureau. She was a lead participant and named the Outstanding Lead Alumni in 2015. Additionally, she has been active in the agriculture advocacy organizations including the Farm Bureau, CommonGround Nebraska, and Agriculture Builders. Linda [SIC] is a graduate of Wakefield High School and earned a BS degree in animal sciences at UNL. All five appointments appeared before the Agriculture Committee on March 27 and responded forthrightly to the committee's questions. With the vote to advance the recommendation of approval with no opposition, I move the adoption of the committee report.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Halloran waives close. The question before the body is the adoption of the Agriculture Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 36 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The Agriculture Committee report is adopted. Next item.

CLERK: Mr. President, the Education Committee would report favorably on the appointment of Timothy Daniels, Deborah Frison, LeDonna Griffin, Dennis Headrick, Dannika Nelson-- and Dannika L. Nelson to the Coordinating Commission for Postsecondary Education.

ARCH: Senator Murman, you're welcome to open.

MURMAN: Thank you, Mr. Speaker. We have five confirmations for the Coordinating Commission for Postsecondary Education. Timothy Daniels is a reappointment who previously served on the Western Nebraska Community College Board of Governors and a leader in various community groups. Deborah Frison is a reappointment who previously served on the Nebraska Wesleyan Board of Governors and State Colleges Board of Trustees. LeDonna Griffin previously served as the treasurer of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

State Reading Association. Dennis Headrick is a reappointment who previously served on the Plymouth City Council and as mayor. And Dannika Nelson is a former teacher, adjunct professor, and has worked in education technology software. All are qualified candidates who received unanimous support from the Education Committee.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Murman waives close. The question before the body is the adoption of the Education confirmation report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 31 ayes, 0 nays, Mr. President, on adoption of the committee report.

ARCH: Report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, it's my understanding that Senator Erdman would divide the following committee report from the Education Committee. In that case, Mr. President, the Education Committee, the first appointment, the Education Committee would report favorably on the gubernatorial appointment of Jon W. Abegglen to the Board of Educational Lands and Funds.

ARCH: Senator Murman, you're welcome to open.

MURMAN: Thank you, Mr. Speaker. Our first confirmation for the Board of Educational Lands and Funds is Jon Abegglen, he served on the Department of Roads Advisory Board, Kearney Community Redevelopment Council, and various economic groups. He's qualified and received unanimous support from the Education Committee and I move his confirmation.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Murman waives close. The question before the body is the adoption of the Education Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 32 ayes, 0 nays on adoption of the first appointment, Mr. President.

ARCH: The report is adopted. Mr. Clerk.

CLERK: Mr. President, the second report from the Education Committee, the Education Committee would report favorably on the gubernatorial appointment of Dwayne B. Probyn to the Board of Educational Lands and Funds.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ARCH: Senator Murman, you are welcome to open.

MURMAN: Our other appointment to the Board of Educational Lands and Funds is Dwayne Probyn. He is a reappointment who previously served as president and CEO of the South Sioux City Area Chamber of Commerce and on the CCPE. He is a qualified candidate and received unanimous support from the Education Committee. I move the adoption of this report.

ARCH: Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. Senator Hughes, you might want to pay attention. This is an appointment to the BELF Board. I have had conversations and issues dealing with this Board for some time. They do peculiar things there and they aren't managing-- they do not manage this property as they-- as they should. There are a lot of properties that need to be sold because of revenue gathered from having their money invested in the Nebraska Investment Council would be far better than what they have invested in the property. And I have spoken with the director about this with little or no response. And so when appointments come up to this Board, they are responsible for the director, and it's time for changes to be made there. And we need to start with reappointing-- not reappointing people who are continuing to do what they've always done. So I would encourage you to vote red-- vote red on this appointment. Thank you.

ARCH: Seeing no one left in the queue, Senator Murman, you're welcome to close.

MURMAN: I'd like to say that we are having an interim study on BELF in this interim, and with his experience on the committee, I would move his approval. Thank you.

ARCH: The question before the body is the adoption of the Education confirmation report. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Mr. Clerk, please record.

CLERK: 26 ayes, 4 nays, Mr. President, on adoption of the committee report.

ARCH: The committee report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, the Education Committee would report favorably on the appointment of Dorothy C. Anderson to the Nebraska Educational Telecommunications Commission.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ARCH: Senator Murman, you're welcome to open.

MURMAN: Thank you, Mr. Speaker. Dorothy Anderson is a reappointment to the Educational Telecommunications Commission. She previously served as a constituent caseworker for multiple members of Congress and a school librarian. She received zero no votes from the committee. She had-- I, I do move her confirmation.

ARCH: Seeing no one left in the queue, you're welcome to close. Senator Murman waives close. The question before the body is adoption of the Education Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

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

ARCH: The report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, the Education Committee would report favorably on the gubernatorial appointment of Christy Hovanetz to the Technical Advisory Committee for Statewide Assessment.

ARCH: Senator Murman, you're welcome to open.

MURMAN: Christy Hovanetz is a reappointment on the Technical Advisory Committee for Statewide Assessment. She has previously served on the Arizona Accountability Technical Advisory Committee and for both the Minnesota and Florida Department of Education. She received full support from the Education Committee, and I move her approval.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Murman waives close. The question before the body is the adoption of the Education confirmation report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

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

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the General Affairs Committee would report favorably on the appointment of Dan Volnek to the Nebraska Commission on Problem Gambling.

ARCH: Senator Lowe, you're welcome to open.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

LOWE: Good evening, everybody. Today, I speak on behalf of Dan Volnek. Dan is-- reappointment to the Commission. He has served one 3-year term so far. He fills the recovering gambling addict position on the Board, and he is particularly interested in the work of prevention and education about gambling addiction and wants to continue the good work the Commission is doing. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Lowe waives close. The question is the adoption of the General Affairs Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 35 ayes, 0 nays, Mr. President, on adoption of the committee report.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the General Affairs Committee would report favorably on the appointment of Paul Leckband to the Nebraska Commission on Problem Gambling.

ARCH: Senator Lowe, you're welcome to open.

LOWE: Thank you, Mr. President. What I didn't mention before is all these came out of committee-- all my reports this evening came out of committee on a 7-0 vote with one absent. Paul Leckband, Paul is also being reappointed to the Commission. He has served three terms. He fills the position for education on the Commission. He was in education for 40 years, teaching, coaching, and administration in junior high and high schools. His interest is in educating young people about how to influence-- how the influence of gambling can be a det-- detrimental to their lives. Thank you, Mr. President.

ARCH: Seeing no in the queue, you're welcome to close. Senator Lowe waives close. The question is the adoption of the General Affairs Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 30 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the General Affairs Committee would report favorably on the gubernatorial appointment of Todd Zohner to the Nebraska Commission on Problem Gambling.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ARCH: Senator Lowe, you're welcome to open.

LOWE: Thank you, Mr. President. Todd Zohner, Todd, is also being reappointed to the Commission. This will be his third term. He is an at-large appointment, and he currently lives in rural Stanton County. He has experience with family members who have had gambling addictions in the past. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're welcome to close. I believe Senator Lowe just waived close. Colleagues, the question before the body is the adoption of the General Affairs confirmation report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 33 ayes, 0 nays, Mr. President, on adoption of the report.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the General Affairs Committee would report favorably on the gubernatorial appointment of Stephen M. Farrington to the State Electrical Board.

ARCH: Senator Lowe, you're welcome to open.

LOWE: Thank you, Mr. President. The State Electrical Board, Stephen M. Farrington. Steve is being appointed for his first term on the State Electrical Board. He will be filling the professional electrical engineer position on the Board. He lives in-- he lives in Elkhorn and is a partner in an electrical engineering firm there. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Lowe waives close. The question before the body is the adoption of the General Affairs Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 32 ayes, 0 nays, Mr. President, on adoption of the committee report.

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

CLERK: Mr. President, the General Affairs Committee would report favorably on the gubernatorial appointment of Helen Abbott Feller to the State Racing and Gaming Commission.

ARCH: Senator Lowe, you're welcome to open.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

LOWE: Thank you, Mr. President. The State Racing and Gaming Commission, Helen Abbott Feller. Helen is a new appointment to the Racing and Gaming Commission even though she has served three terms on the Racing Commission under former Governor Heineman. She is being appointed to fill the seat that represents the 1st Congressional District. She lives in Wisner. She grew up around horses and cattle ranching, and her family currently owns a ranch. She has shown horses with her children and stays connected with racing and the jockeys. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Lowe waives close. The question before the body is the adoption of the General Affairs Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 32 ayes, 0 nays, Mr. President, on adoption of the committee report.

ARCH: The report is adopted. Mr. Clerk. Colleagues, we understand that the buttons-- your voting buttons are not lighting at your desk, but they are lighting up on the board if you'll notice that. Mr. Clerk, next item.

CLERK: Mr. President, the Nebraska Retirement Systems Committee would report favorably on the gubernatorial appointment of Janis Elliott to the Public Employees Retirement Board.

ARCH: Senator McDonnell, you're recognized to open.

McDONNELL: Thank you, Mr. President. Good evening, colleagues. Janis Elliott reappointment to the Public Employees Retirement Board, hearing held on April 2, 2024, recommended 6-0 from the Retirement Committee, has been on the Board for 15 years. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're welcome to close. Senator McDonnell waives close. The question before the body is the adoption of the Retirement Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 31 ayes, 0 nays on the adoption of the committee report, Mr. President.

ARCH: The Retirement report is adopted. Next item, Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

CLERK: Mr. President, the Retirement-- excuse me, the Natural Resources Committee would report favorably on the gubernatorial appointments of Larry Mohrman and John Shadle to the Nebraska Natural Resources Commission.

ARCH: Senator Bostelman, you're recognized to open.

BOSTELMAN: Thank you, Mr. Speaker. The Natural Resources Committee held a confirmation hearing on April 2, 2024 to consider gubernatorial appointee Larry Mohrman. Mr. Mohrman is a new appointee to the Natural Resources Commission to serve a term from March 8, 2024 to May 31, '26. He will serve as the groundwater irrigation representative on the Commission. He appeared in person at the hearing, and the committee voted 8-0 to advance his confirmation. Mr. Shadle is a new appointee to the Natural Resources Commission to serve a term from March 8, '24 to May 31, '26. He is a public power district representative on the Commission. He appeared in person at the hearing, and the committee voted 8-0 to advance his confirmation. Request your green vote on both appointees.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Bostelman waives close. Colleagues, the question before the body is the adoption of the Natural Resources Committee confirmation report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 33 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, the Natural Resources Committee would report favorably on the gubernatorial appointments of Jill Becker, Brad Bird, Kurt Bogner, Seth B. Harder, Lisa A. Lunz, Lynn Mayhew, Marty Stange, James E. Theiler, Allison Willis to the Environmental Quality Council.

ARCH: Senator Bostelman, you're welcome to open.

BOSTELMAN: Thank you-- thank you, Mr. Speaker. The Natural Resources Committee held a confirmation hearing on April 2, '24 to consider gubernatorial appointee Lisa Lunz. Ms. Lunz is a new appointee to the Environmental Quality Council to serve for a term from March 2024 to June 2027. She will serve as a county government representative on the Council. Ms. Lunz was unable to appear in person at the hearing due to a medical issue, but she submitted her testimony in writing and it was read into the record. The committee voted 8-0 to advance her confirmation. Next is Mr. Stange, is a reappointment to the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

Environmental Quality Council to serve a term from June 23, '23 to June of '27. He will continue to serve as one of the two city government representatives on the Council. Mr. Stange appeared in person at the hearing, and the committee voted 8-0 to advance his confirmation. Also, Mr. Bird-- Brad Bird is a new appointment to the Environmental Quality Council to serve a term from March 2024 until June of 2025. He will serve as a labor representative on the council. Mr. Bird previously served on the Nebraska Workforce Development Board and, and is currently on the Nebraska Ethanol Board. He appeared in person at the hearing and the committee voted 8-0 to advance his confirmation. Next is-- the Natural Resource Committee held a confirmation hearing April 3, 2024 to consider gubernatorial appointee Allison Willis. Ms. Willis is a new appointment to the Environmental Quality Council to serve a term from March 2024 to June 2027. She will serve as the agricultural processing industry representative on the Council. She appeared in person at the hearing and the committee voted 8-0 to advance her confirmation. And next, Ms. Jill Becker was a new appointment to the Environmental Quality Council to serve a term from March 2024 until June of 2025. She will serve as an automotive petroleum industry representative on the Council. She appeared in person at the hearing and the committee voted 8-0 to advance her confirmation. And next, Mr. James Theiler is a new appointment to the Environmental Quality Council to serve a term from March 2024 to June 2027. He will serve as a professional engineer representative on the Council. He appeared in person at the hearing and the committee voted 8-0 to advance his confirmation. Next is Mr. Lynn Mayhew, is a new appointment to the Environmental Quality Council to serve a term from March 2024 until June of 2025. He will serve as a power generating industry representative on the Council. He appeared in person at the hearing and the committee voted 8-0 to advance his confirmation. Next is Mr. Kurt Bogner. He is a reappointment to the Environmental Quality Council to serve a term from June of 2023 until June of 2027. He fills the heavy industry position on the Council. He appeared in person at the hearing and the committee voted 8-0 to advance his confirmation. And, finally, Seth Harder is a reappointment to the Environmental Quality Council to serve a term from June of 2023 until June of 2027. He serves as a chemical industry representative on the Council. He appeared in person at the hearing and the committee voted 8-0 to advance his confirmation. I would ask for your green vote on the-- on the gubernatorial appointments and reappointments of the individuals I mentioned. Thank you, Mr. Speaker.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Bostelman waives close. The question before the body is the adoption

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

of the Natural Resources Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 33 ayes, 0 nays, Mr. President, on adoption of the committee report.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Health and Human Services Committee would report favorably on the gubernatorial appointment of Matt Ahern to the Health Information Technology Board.

ARCH: Senator Hansen, you're welcome to open.

HANSEN: Thank you, Mr. Speaker. Thank you, body, for sticking in there. This will be 1 of 50 appointees that we have for tonight. I'm just joking. Never mind. Just don't stare at me. So I only have 4 left. We're going to talk about the appointment of Matt Ahern. Matt Ahern currently serves as the interim director of the Division of Medicaid and Long-Term Care for the Division-- Nebraska Department of Health and Human Services. Prior to his roles at Nebraska DHHS, Matt was an assistant director at the Utah Division of Medicaid and Health Finances Bureau of Managed Healthcare, where he directed a wide range of programs and projects and worked with various teams. Matt has a master's degree in healthcare administration, a master's degree in business administration. He also received his bachelor's degree in science with majors in psychology and philosophy from Utah State University. I would ask for your green vote to approve Matt Ahern to the Nebraska Health Information Technology Board. Thank you, Mr. Speaker.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Hansen waives close. The question is the adoption of the confirmation report from the Health and Human Services Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 32 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Health and Human Services Committee would report favorably on the gubernatorial appointments of Brett Lindau, Connie Lynn Petersen, and Jeff Jr.-- Jeff Wienke, Jr. to the State Board of Health.

ARCH: Senator Hansen, you're welcome to open.

HANSEN: Thank you, Mr. Speaker. The next three will be for the Nebraska State Board of Health. All three came out of the committee with no opposition. First one up is Dr. Lindau. He's a physician and state board certified in family medicine serving the Broken Bow area. He is native of south central Nebraska, graduated from Axtell High School before earning his bachelor's of science at the University of Nebraska-Kearney and obtaining a Doctor of Osteopathic Medicine degree from the Chicago College of Osteopathic Medicine. He completed his residency in Greeley, Colorado, and then returned to Nebraska to practice family medicine in McCook, continuing to his current position at the Central Nebraska Medical Clinic in Broken Bow. Next up, Dr. Connie Petersen. Dr. Petersen is a licensed, licensed clinical psychologist practicing in the Norfolk area. She graduated from Arlington High School, earned her bachelor's of science from Wayne State College, two master's degrees, one from New Mexico State University and the other from Wichita State University, where she also received her doctorate. Her professional career has consisted of nearly 20 years in rural behavioral healthcare, giving her the unique experience needed for the position. Last but not least, Dr. Jeffrey Wienke, Jr. He is a Lincoln area physician, board certified in podiatric medicine. Dr. Wienke grew up in Minnesota and earned his bachelor's of science from Minnesota State University before obtaining a doctor of podiatric medicine degree from Des Moines University. Currently, Dr. Wienke serves as the director of the Amputation Prevention Center at Capital Foot and Clinic [SIC] and it's a Bryan Physician Network. So, again, colleagues, I'd ask for your green vote for all three appointments to the State Board of Health. Thank you, Mr. Speaker.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Hansen waives close. The question before the body is the adoption of the Health and Human Services Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 32 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Transportation and Telecommunications Committee would report favorably on the gubernatorial appointment of Roger Figard, Russell L. Kreachbaum, Jr., and Steven Rames to the Board of Public Roads Classifications and Standards.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ARCH: Senator Moser, you're welcome to open.

MOSER: Thank you, Mr. President. The Transportation and Telecommunications Committee would ask you to vote favorably for the approval of Roger Figard, Russell Kreachbaum, and Steven Rames to the Board of Public Roads Classifications and Standards. Roger Figard is-- OK, let's see here-- held a hearing on the appointment of Roger to the Board of Public Roads Classifications and Standards. He is a reappointment and will serve as a representative of municipalities over 50,000. He currently serves as the engineer executive director of the Lancaster County Railroad Transportation Safety District, and served as the Lincoln City Engineer from '79 through 2017. He appeared before the committee and answered all the questions raised by the committee. There was no opposition to the appointment and the committee voted 8-0 to recommend his approval. Russell Kreachbaum is a reappointment to the Board. He appeared before the committee on April 4. He represents Class 2 counties, he's retired from the Union Pacific Railroad and serves as the Merrick County Commissioner. He answered all questions asked of him and there was no opposition to the appointment. The committee recommended his appointment on an 8-0 vote. Steven Rames is also a reappointment and represents municipalities of 2,500 to 50,000 on the Board. He's the city engineer and public works director for the city of Norfolk, and has served in this position since 2017. Prior to that, he had experience in the private sector and also served as the Director of Project Management and Engineering at South Dakota State University. He appeared via telephone and answered all questions of the committee. Roger Figard, the Chair of the Board also appeared on his behalf, and there was no opposition to the appointment. The committee voted 8-0 to recommend his appointment. So the T&T Committee recommends that we vote to approve all three candidates. Thank you.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Moser waives close. Colleagues, the question before the body is the adoption of the confirmation report from the Transportation and Telecommunications Committee. All those in favor vote aye; all those opposed vote any. Mr. Clerk, please record.

CLERK: 31 ayes, 0 nays on the adoption of the committee report, Mr. President.

ARCH: The committee report is adopted. Next item.

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

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 10, 2024

ARCH: Colleagues, the Legislature will now stand at ease while we wait for the Revisors to return bills to the floor. Thank you.

[EASE]

ARCH: Mr. Clerk.

CLERK: Mr. President, your Committee on Enrollment and Review reports LB25, LB126, LB126A, LB388, LB388A, LB97-- LB937, LB937A, LB1023, LB1023A, LB1317, LB1317A, LB1363, LB1363A, LB1402, LB1402A as correctly engrossed and placed on Final Reading. Additionally, amendments to be printed from Senator DeBoer to LB1402. Finally, Mr. President, a priority motion. Senator Bostar would move to adjourn the body until Thursday, April 11, 2024 at 9:00 a.m.

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