

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT (CORRECTED)
LB1300

Hearing Date: Thursday February 08, 2024
Committee On: Government, Military and Veterans Affairs
Introducer: Bostar
One Liner: Adopt the Pacific Conflict Stress Test Act and the Foreign Adversary Contracting Prohibition Act

Roll Call Vote - Final Committee Action:

Advanced to General File with amendment(s)

Vote Results:

Aye:	6	Senators Aguilar, Brewer, Conrad, Halloran, Lowe, Sanders
Nay:		
Absent:	1	Senator Raybould
Present Not Voting:	1	Senator Hunt

Testimony:

Proponents:

Senator Eliot Bostar
Joe Kelly
Alex Gray
Jason Jackson

Richard Evans
Christopher Mohrman
Michael Lucci
Deb Schorr

Opponents:

Seth Voyles

Jill Becker

Neutral:

Ellen Hung

Representing:

Opening Presenter
Lt. Governor
American Global Strategies LLC
Nebraska Department of Administrative Services (DAS)
Self
China Tech Threat
State Armor
Congressman Mike Flood

Representing:

Omaha Public Power District (OPPD) & Nebraska Power Association (NPA)
Black Hills Energy

Representing:

State Investment Officer Nebraska Investment Council

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

This bill would mandate an annual security review of critical infrastructure in Nebraska and a report containing the resulting findings.



Section 1 contains the title of the act.

Section 2 provides a statement of the purpose of the act.

Section 3 contains definitions for terms used in the act.

Section 4 states that it is the policy of the State of Nebraska to support the civilian and military command of the United States, to enhance the defensive posture of the state, and to make reasonable preparation for regional or global conflicts centered on the Pacific theater.

Section 5 directs the governor to produce and publish a risk assessment each year no later than the day before the governor's annual address to the Legislature. This section also sets out the content to be addressed under such assessment.

Section 6 tasks the Department of Administrative Services with conducting an audit of state vendors and publish a report to be submitted to the governor and the Legislature within 180 days of the effective date of the act. This section also prescribes the content to be covered in the audit report.

Section 7 tasks the State Treasurer with conducting an audit of all state-managed funds and produce a report within 180 days of the effective date of the act. This report would identify investments at risk of substantial loss of value in the event of a Pacific conflict, as well as investments in arms interests of a foreign adversary, state-owned enterprises of a foreign adversary, and companies domiciled within or owned by companies domiciled within a foreign adversary.

Section 8 would create a new Committee on Pacific Conflict with five voting members, to include the DAS director, State Treasurer, Adjutant General, and two other members to be appointed by the governor. The committee would meet at least once every three months, and would have discretionary authority to retain an advisory board for expertise and research support. This committee would be required to produce an annual report containing a comprehensive risk assessment and recommended mitigation strategies.

Section 9 would direct the governor to appoint a lead state agency to conduct a study on adversarial threats to state assets and critical infrastructure and to coordinate research and report development. The lead agency would be directed to identify all critical infrastructure in the state within 180 days, and to generate a report to the Legislature and the governor within one year of the act's effective date. The lead state agency would have broad discretionary authority to consult appropriate state agencies during this process as well as private firms and federal agencies. The lead agency would be directed to confidentially notify the owners of critical infrastructure of the agency's determination.

Section 10 contains the title of the second part of the act.

Section 11 contains legislative findings relating to state dealings with commercial entities contained in foreign adversaries.

Section 12 contains definitions of terms used in the second part of the act.

Section 13 would forbid a "scrutinized company" from bidding on or submitting proposals, either directly or indirectly, for public procurement relating to information, surveillance, light detection and ranging, or communications technologies or related goods or services.

Section 14 would mandate that public entities require that bidders certify that they are not a scrutinized company and



that they will not subcontract with or procure related products or services from a scrutinized company.

Section 15 would forbid public entities from entering into contracts that would result in public funds being transferred to a scrutinized company, to companies that source from a scrutinized company. There is an exception in circumstances where there is no reasonable alternative to the scrutinized company.

Section 16 provides that contracts in violation of the act are null and void. It also provides for civil penalties for violations of the act, and gives the Attorney General standing to bring enforcement actions under the act.

Section 17 contains the severability clause.

Section 18 contains the emergency clause.

Explanation of amendments:

AM 3227 to LB 1300:

The committee amendment makes changes to the underlying bill, LB 1300, and also adds a number of other bills with committee amendments, including LB 2, LB 869, LB 887, LB 1048, LB 1243, and LB 1358.

The major changes proposed to the original substance of LB 1300 include restrictions on circulation of the resulting report, with criminal penalties for unauthorized dissemination, and the substitution of a briefing for the written report originally to be provided to the Committee created under the bill.

Sections 1 through 16 and section 52 contain the revised provisions from LB1300.

Sections 17 through 22 contain the provisions of LB 887 with the changes proposed by AM 2554,

Sections 23 through 29 and section 51 contain the provisions of LB 1243 with the changes proposed by AM 2620.

Section 30 contains the provisions of LB 1048 with the changes proposed by AM 2709.

Sections 31 through 37 incorporate the provisions of LB2

Sections 38 through 47 contain the provisions of LB1358 with the changes proposed by AM2755.

Sections 48 through 50 contain the provisions of LB 869 with the changes proposed by AM 2398.

Section 53 contains the bill's operative dates.

Section 54 contains the severability clause.

Sections 55 and 56 contain the repealers.

Section 57 contains the emergency clause. Sections 1 through 16 and section 52 become operative with the emergency clause. Sections 17 through 51 become operative three calendar months after the adjournment of this legislative session.

LB 2



This bill proposes the creation of a Commission on Asian American Affairs. The bill describes the basic purpose of the Commission, and authorizes it to receive and administer funds from state, federal, and other sources. The Commission would have the power to select and pay an executive director, for whom an office would be provided under the bill. The functions of the Commission are also enumerated in the bill. The fourteen commission members would receive fifty dollars a day while performing Commission duties plus expense reimbursement, and they would vacate office by missing any quarterly or special meeting without a "valid excuse." An executive board consisting of the chairperson and four of the commissioners would be established to administer the Commission between quarterly meetings. The executive board would be empowered to execute contracts valued at not more than \$2000 for consulting services, supplies, and equipment.

Testifiers on LB 2:

Introducer:

Senator Rita Sanders

Proponents:

Sharon Ishii-Jordan, Self

Maria Arriaga, Nebraska Latino-American Commission

Sheila Dorsey Vinton, Asian Community and Cultural Center

Chueqa Yang, Self

Soulinnee Phan, Self

Opponents:

None

Neutral:

Marrienne Williams, Self

Vote Results: 5-0-2-1

Voting Aye: Senators Aguilar, Brewer, Conrad, Halloran, Sanders

Voting Nay: None

Absent: Senators Hunt, Raybould

Present Not Voting: Senator Lowe

LB 869

This bill proposes changing the mission of county veterans service committees. Instead of being limited to aid for veterans who served during a period of war or a period of actual hostilities, its mission would be expanded to encompass aid to all veterans, regardless of the existence or non-existence of a war during their term of service.

The changes proposed by the Committee clarify that a person who served on active duty for training in the Nebraska National Guard is eligible to receive assistance from county veteran service committees.

Testifiers on LB 869:

Introducer:

Senator Eliot Bostar

Proponents:

Thomas Gann, Lincoln County Nebraska

Mark Lakamp, Lancaster County Nebraska Veterans Council, County Veterans Service Officers Association of Nebraska



Spike Jordan, County Veterans Service Officers Association of Nebraska (CVSOAN), Sioux County Veterans Services

Micaela Wuehler, Lincoln County Nebraska

Jon Cannon, Nebraska Association of County Officials (NACO)

Boyd Yochum, American Legion

Ryan McIntosh, National Guard Association of Nebraska

Jeffrey Baker, Veterans of Foreign Wars (VFW)

Opponents:

None

Neutral:

None

Vote Results: 7-0-1-0

Voting Aye: Senators Aguilar, Brewer, Conrad, Halloran, Hunt, Lowe, Sanders

Voting Nay: None

Absent: Senator Raybould

Present Not Voting: None

LB 887

This bill would create a grant program to facilitate the development and improvement of security measures at Nebraska nonprofit organizations.

Section 1 provides the title of the act.

Section 2 defines terms used in the act.

Section 3 would create the Nebraska Nonprofit Security Grant Program to be administered by the Nebraska Emergency Management Agency (NEMA). It provides that eligibility for a grant would be conditioned on prior submission of an application for a federal nonprofit security grant and non-receipt of the requested federal funding. It also provides a list of authorized uses for grant monies. NEMA would commence grant-making on January 1, 2025. Annual grant awards would be capped at \$500,000, and individual recipient organizations would have an annual grant cap of \$100,000.

Section 4 prohibits use of grant monies for replacement of current organizational expenses or purchases of equipment for security personnel.

The changes proposed by the Committee would change the definition and qualifications for a "qualified nonprofit organization," make the grant program a reimbursement-based program, and call for the creation of a working group of stakeholders to advise NEMA in its grant-making under the program.

Testifiers on LB 887:

Introducer:

Senator Tom Brewer

Proponents:

James Wright, Congressman Don Bacon

Harmon Maples, Anti-Defamation League

Sharon Brodkey, Jewish Community Relations Council



Tom Venzor, Nebraska Catholic Conference
Abbi Swatsworth, Out Nebraska
Andrew Dominquez Farias, Asian Community & Cultural Center
Opponents:
None
Neutral:
Keith Kollasch, Nebraska Emergency Management Agency (NEMA)

Vote Results: 7-0-1-0
Voting Aye: Senators Aguilar, Brewer, Conrad, Halloran, Hunt, Lowe, Sanders
Voting Nay: None
Absent: Senator Raybould
Present Not Voting: None

LB 1048

This bill proposes requiring certain chemical facilities in Nebraska to participate in a federal program relating to cybersecurity and infrastructure security. The bill defines “chemical facility” and “federal standards” by reference to federal regulation, and defines “federal agency” so as to refer to the Cybersecurity and Infrastructure Security Agency of the United States Department of Homeland Security. The bill includes legislative findings relating to the necessity of security measures for chemical facilities. The Nebraska Emergency Management Agency and the Nebraska Department of Environment and Energy would be directed to publish the mandated requirements on their agency websites.

The changes proposed by the Committee would clarify that the bill's mandate on chemical facilities applies to such facilities that were previously subject to the expired federal program. The amendment also clarifies that the state mandate would be preempted if the federal standards are reauthorized by Congress

Testifiers on LB 1048:

Introducer:
Senator Eliot Bostar
Proponents:
John Hansen, Nebraska Farmers Union
Opponents:
None
Neutral:
None

Vote Results: 7-0-1-0
Voting Aye: Senators Aguilar, Brewer, Conrad, Halloran, Hunt, Sanders, Lowe
Voting Nay: None
Absent: Senator Raybould
Present Not Voting: None

LB 1243

This bill would create the Wildland Incident Response Assistance Team (WIRAT) in the office of the State Fire Marshal (SFM).



The changes proposed by the Committee would add a reference to the title of the act in a statute setting out duties of the State Fire Marshal.

Testifiers on LB 1243:

Introducer:

Senator Mike McDonnell

Proponents:

Scott Cordes, State Fire Marshal Agency

Pat Gould, Chadron Volunteer Fire Department

Kenny Krause, Nebraska State Volunteer Firefighters Association, Nebraska State Fire Chiefs Association, Fairbury Rural Fire Department

Wesley Hock, Holbrook Fire Department

Devin Lovgren Fairbury Rural Fire Department

Steve Oseka, Platte Valley – Twin Loup Task Force

John Bomar, Nebraska State Volunteer Firefighters Association

Jerry Stilmock, Nebraska Fire Chiefs Association, Nebraska Association of Resources Districts

Opponents:

None

Neutral:

John Erixson, Self

Vote Results: 7-0-1-0

Voting Aye: Senators Aguilar, Brewer, Conrad, Halloran, Hunt, Lowe, Sanders

Voting Nay: None

Absent: Senator Raybould

Present Not Voting: None

LB 1358

The first section of the bill states legislative intent relating to salaries of governing bodies. It proposes requiring a vote of the residents of that political subdivision in order to adopt any pay increase in excess of the increase in cost of living since the last increase.

The second section of the bill directs the Government, Military and Veterans Affairs Committee to draft further legislation to accomplish these contemplated goals in accordance with Article III, section 14 of the Constitution of Nebraska.

The changes proposed by the committee would strike all original sections of the bill and replace them in their entirety. With these revisions, the bill would provide generally that city council members in cities of the metropolitan and primary classes may not increase their salaries or the salary of the mayor in excess of inflation as calculated by the Consumer Price Index plus one percent. City councils would be able to raise such salaries in excess of this limit only with a public hearing, a two-thirds vote of the council, and approval of the voters in that city. Salaries could not be raised any more frequently than once every two fiscal years. A similar limitation and process would also be mandated for metropolitan utility districts and counties. Finally, the amendment would provide maximum salary levels for directors of public power districts.

Testifiers on LB 1358



Introducer:

Senator Mike McDonnell

Proponents:

Rick Kubat, Metropolitan Utilities District (MUD), Omaha Public Power District (OPPD), Nebraska Public Power District (NPPD), Central Nebraska Public Power District and Nebraska Rural Electric Association (NREA)

Opponents:

Beth Bazyn Ferrell, Nebraska Association of County Officials (NACO)

Neutral:

Lynn Rex, League of Nebraska Municipalities

Vote Results: 6-0-2-0

Voting Aye: Senators Aguilar, Brewer, Conrad, Halloran, Lowe, Sanders

Voting Nay: None

Absent: Senators Hunt, Raybould

Present Not Voting: None

The committee voted to adopt AM 3227 on a 6-0-1-1 vote

Voting Aye: Senators Aguilar, Brewer, Conrad, Halloran, Lowe, Sanders

Voting Nay: None

Present Not Voting: Senator Hunt

Absent: Senator Raybould

Tom Brewer, Chairperson

