KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the first day of the First Special Session, One Hundred Eighth Legislature. Our chaplain for today is Senator Dorn. Please rise.

DORN: Please, please join me in a word of prayer. Dear Lord, in the Book of James, you tell us that you will freely and generously give wisdom to anyone who ask. We come before you this morning needing your wisdom and discernment to do what is best for the people we represent and for our great state of Nebraska. We know there will be different views on the issues before us in this special session, so we ask you to help us to be quick to listen to each other, slow to respond, and even slower to get angry. May our actions and our interactions be pleasing to you. May the work we do in this special session be for the good of your people and for the people of the state of Nebraska and for your glory. In Jesus' name. Amen.

KELLY: I recognized Senator Hughes for the Pledge of Allegiance.

HUGHES: Colleagues, please join me. 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: Thank you. I call to order the first day of the One Hundred Eighth Legislature, First Special Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

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

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

CLERK: I have no corrections, sir.

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

CLERK: There are, Mr. President: communication from the Governor. Proclamation. By virtue of the authority vested in the Governor by Article IV, Section 8 of the Constitution of the state of Nebraska, I, Jim Pillen, as Governor of the state of Nebraska, believing that an extraordinary occasion has risen, do hereby call the Legislature of Nebraska to convene an extraordinary session at the State Capitol on July 25, 2024 at 10:00 a.m. for the purpose of considering and enacting legislation relating only to the following subjects. 1, making the following change to appropriations approved by the One Hundred Eighth Legislature. A, reducing General Fund appropriations

and reappropriations approved by the One Hundred Eighth Legislature. B, lapsing cash fund balances and reallocate cash fund revenue and interest as approved by the One Hundred Eighth Legislature. C, modifying fees and assessments to replace General Fund appropriations as approved by the One Hundred Eighth Legislature. D, creating cash funds and revolving funds and expanding eligible uses of specific funds to support General Fund appropriations reductions approved by the One Hundred Eighth Legislature. E, modifying cash fund, revolving fund, and federal fund appropriations to support General Fund reductions approved by the One Hundred Eighth Legislature. F, transferring funds to the General Fund and Edu-- Education Future Fund. G, transferring funds between cash funds to support specific General Fund reductions approved by the One Hundred Eighth Legislature. H, transferring funds from the Cash Reserve Fund to cash funds to support specific General Fund reductions approved by the One Hundred Eighth Legislature. I, modifying cash fund appropriations approved by the One Hundred Eighth Legislature to support specific General Fund reductions. 2, modifying the state cigarette tax. 3, modifying the state taxes on vaping products. 4, modifying the state tax on consumable spirit alcohol. 5, modifying the state tax on Keno gambling. 6, modifying the state tax on game of skill devices as defined in LB685 as approved on April 15, 2024. 7, establishing sales and use-- or use taxes on services and items that are not currently taxed. 8, establishing an excise tax on consumable hemp as defined in the Agriculture Improvement Act of 2018. 9, eliminating state sales tax exemptions. 10, eliminating the personal property tax liability on agricultural and machinery equipment. 11, reforming credits defined in the Property Tax Credit Act. 12, reforming credits defined in the Nebraska Property Tax Incentive Act. 13, amending Nebraska Revised Statute Section 77-27,142 to allow for the redistribution of local option sales taxes. 14, establishing a property tax relief program, which may include modifying state educational aid or establishing tax credits to reduce property tax revenue collected for schools and taking steps necessary to ensure any such program which requires a constitutional amendment be printed on the November 2024 ballot or as soon as possible thereafter. 15, establishing revenue caps that limit the authority of city and county governments to collect property tax revenue. And, and, 16, appropriating funds to the Legislative Council for the necessary expenses incurred in the Legislature due to the convening of the extraordinary session herein called. Now, therefore, I direct members of the Legislature of the state of Nebraska be notified of the convening of this extraordinary session by presenting each of them a copy this proclamation. Witness thereof, I have hereunto set my hand, and cause the great seal of the

state of Nebraska to be affixed to this 24th day of July in the year of our Lord 2024. Attested by the Secretary of State and Governor Jim Pillen. Additionally, communi-- communication from the Secretary of State certifying the membership for the One Hundred Eighth Legislature, First Special Section-- Session. Additionally, communications from the Governor concerning appoint-- the appointment of Kennon Meyer to-- as a member of the Natural Resources Commission. And additional National-- Natural Resources Commission member appointments: John Shadle, Bradley Dunbar, Stanley A. Clouse, Rick Kubat, and Scott Smathers. That's all I have at this time, Mr. President.

KELLY: Turning now to the introduction of new bills. Mr. Clerk.

CLERK: Mr. President: LB1, introduced at the request of the Governor. Introduced by Senator Linehan. It's a bill for an act relating to revenue and taxation; amends Section 2-2701, 9-648, 13-508, 13-515 [SIC-- 13-518], 13-2817, 29-3933, 53-160, 72-2305, 72-2306, 77-2701.11, 77-2701.35, 77-2704.10, 77-2704.24, 77-2704.27, 77-2704.50, 27-- 77-27,142, 77-27,148, 77-27,235, 77-5209.02, 79-1002, Reissue Revised Statutes of Nebraska; 77-30-- 77-382, 77-693, 77-801, 77-1238, 77-1239, 77-1248, 77-1776, 77-2602, 77-2701.16, 77-2703, 77-27,144, and 81-12,193, Revised Statutes Cumulative Supplement, 2022; and Sections 77-1632, 77-1633, 77-1701, 77-2734.01, 77-4008, 77-6702, 77-6703, Revised Statutes Supplement, 2023; and Section 77-3005, Re-- Reissue Revised Statutes of Nebraska, as amended by Laws 2024, LB685, Section 11; Section 77-202, Revised Statutes Cumulative Supplement, 2022, as amended by Laws 27-- Laws 2024, LB874, Section 10, and Laws 2004 [SIC-- 2024], LB1317, Section 73; Section 9-101 [SIC-- 9-1,101], Reissue Revised Supplement, 2023, as amended by Laws 2024, LB685, Section 1; Section 77-2701, Reissue Revised Supplement, 2023, as amended by Laws 2004 [SIC-- 2024], LB937, Section 67, Laws 2004 [SIC-- 2024], LB1032 [SIC-- LB1023], Section 8, and Laws 2004 [SIC-- 2024], LB1317, Section 80; Section 77-2701.02, Reissue Revised-- Reissue Supplement-- Statutes Supplement, 2023, as amended by Laws 20-- 2024, LB1317, Section 81; Section 77-2701.04, Revised Statutes Supplement, 2023, as amended by Laws 20-- 2004 [SIC-- 2024], LB937, Section 68, and Laws 2024, LB1317, Section 82; Section 77-2716, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 74 [SIC-- 75], Laws 2004 [SIC-- 2024], LB1023, Section 10, Laws 2024, LB1317, Section 85, Laws 2024, LB1395 [SIC-- LB1394], Section 1; Section 77-27,132, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1108, Section 3; Section 77-4025, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1202 [SIC-- LB1204], Section 36; Section

77-4212, Revised Statutes Supplement 2023, as amended by Laws 2024, LB126, Section 11; Section 77-4405, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1317, Section 90, and Laws 2024, LB1344, Section 44 [SIC-- 14]; Section 77-1021 [SIC-- 79-1021], Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1248 [SIC-- LB1284], Section 12; Laws 2024, LB685, Section 17; and Laws 2024, LB1204, Section 17; to adopt the Property Tax Growth Limitation Act, the School District Property Tax Relief Act, and the Advertising Services Tax Act; to change provisions relating to the tax collected under the Nebraska County and City Lottery Act; to change provisions relating to budgets and budget limitations; change provisions relating to tax collected under the Nebraska Liquor Control Act; change Personal Property Tax Relief Act as described; change provisions relating to property tax statements, cigarette tax, and sales tax rates; to eliminate certain sales and ta-- use tax exemptions and impose ta-- sales tax-- sales and use taxes on certain services; to define and redefine terms; change provisions relating to the imposition of sales and use taxes; change income tax provisions relating to the certain income or loss received from S-corporations and limited liability companies; change distribution of sales and use-- and income tax revenue; change provisions of the Local Option Revenue Act, the Mechanical Amusement Device Tax Act, Tobacco Products Tax Act, the Property Tax Credit Act, Property-- Nebraska Property Tax Incentive Act, and the Tax Equity and Educational Opportunities Support Act; harmonize provisions; to provide an operative date; to provide severability; and repeal the -- to repeal the original sections; to outright repeal Sections 77-2701.49, 77-2701.50, 77-2701.51, 77-2701.52, 77-2701.53, 77-2704.22, 77-2704.38, 77-2704.39, 77-2704.40, 77-2704.51, 77-2704.53, 77-2704.56, 77-2704.57, 77-2704.60, 77-2704.61, 77-2704.62, 77-2704.63, 77-2704.65, and 77-2704.67, Reissue Revised Statutes of Nebraska; Sections 77-2704.20 and 77-2704.69, Revised Statutes Cumulative Supplement, 2022; Sections 77-2704.36 and 77-4003.01, Revised Statutes Supplement, 2023; and Section 77-2704.66, Reissue Revised Statutes of Nebraska as amended by Laws 24-- 2024, LB1317, Section 83; and to declare an emergency. LB2, introduced by Senator Clements at the rest-- request of the Governor. It's a bill for an act relating to appropriations; amend Laws 20-- 2023, LB814, Sections 13, 14, 29, 30, 31, 33, 40, 66, 111, 112, 138, 150-- 147, 15-- 148, 150, 151, 152, 205, 207, 214, 218, 220, 227, 238, 239, 240, 251, 267 [SIC-- 265], 266, 271, 272, 275, and 293; Laws 2024, LB1200A, Section 2; and Laws 2024, LB1355A, Section 7; and Laws 2024, LB1412, Section 57, 58, 59, 61, 69, 74, 75, 60-- 83, 86, 87, 89, 107, and 108; to define terms; to provide, change, and eliminate appropriations for

the operation of state government, postsecondary education, state aid, and capital construction; to repeal the original sections; declare an emergency. LB3, introduced by Senator Clements at the request of the Governor. It's a bill for an act relating to funds; to amend Sections 2-1091.02, 2-1807, 2-2634, 2-2635, 2-2638, 2-2656, 2-2705.01, 2-3408, 2-3633, 2-3971, 2-4323, 3-126, 2-- 23-2310.04, 23-2319.01, 28-1246, 28-1251, 37-323, 37-327.01, 37-431, 43-3718, 44-116, 54-627, 54-856, 54-1165, 54-1704, 54-1904, 54-2306, 68-1804, 72-1248, 77-4211, 79-968, 81-2,174, 81-5,152, 81-1117, 81-15,174.01, 81-1835, 84-- 84-1314, 84-1506.01, and 85-1654, Reissue Revised Statutes of Nebraska; Sections 37-811 and 61-222, 79-9,115.02, 81-2,147.10, 81-2,162.06, 81-2,162.23, 81-503.01, 81-505.01, 81-5,170, 81-5,119 [SIC-- 81-5,199], 81-5,201, 85-5-- 81-5214, 81-1230, 81-15,151, 84-1321.01, and 89-187, Revised Ca-- Statutes Cumulative Supplement, 2022; Section 41-1,164 [SIC-- 46-1,164], 81-1213.05, 85-1920, and 85-3211, Revised Statutes Supplement, 2023; Section 8-1120, Reissue Revised Statutes of Nebraska, as amended by Laws 2024, LB1074, Section 48; Section 81-550, Reissue Revised Statutes of Nebraska, as amended by Laws 2024, LB1069, Section 6; Section 81-5,159, Reissue Revised Statutes of Nebraska, as amended by Laws 2024, LB1069, Section 7; Section 66-519 [SIC-- 66-1519], Revised Statutes Cumulative Supplement, 2022, as amended by Laws 2024, LB6--LB867, Section 7; Section 71-5-- 71-5318, Revised Statutes Cumulative Supplement, 2022, as amended by Laws 2024, LB880, Section 1; and Section 82-322.01, Revised Statutes Cumulative Supplement, 2022, as amended by Laws 2024, LB252, Section 2; and Section 81-2,270, Revised Statues Cumulative Supplement, 2022, as amended by Laws 2024, LB262, Section 39, Section 30-- 37-1804; Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1413, Section 34; Section 61-218, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1368, Section 9; Section 77-4025, Revised Statutes Cumulative Supplement-- Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1204, Section 36; Section 79-1021, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB284 [SIC-- LB1284], Section 12; Section 81-1239, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB164, Section 17; Section 84-612, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB600, Section 9, and Laws 2024, LB1413, Section 58; Section 85-3112, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1284, Section 20; Section 86-324, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1413, Section 59; Laws 2024, LB164, Section 10; Laws 2024, LB600, Section 7; and Laws 2024, LB1284, Section 16; to provide for, change, and eliminate fund transfers; to create a fund; to provide, change, and eliminate fees; to provide powers and duties; change the use of certain funds and the

investment earnings of certain funds; to eliminate obsolete provisions; to harmonize provisions; to repeal the original section; declare an emergency. New bill: LB4, introduced by Senator Arch--Speaker Arch at the request of the Governor. It's a bill for an act relating to appropriations; appropriate funds for the expenses incurred during the One Hundred Eighth Legislature, First Special Session, 2024; and to declare an emergency. LB5, introduced by Senator Blood. It's a bill for an act relating to the Constitution of Nebraska; to amend Section 49-202.01, Reissue Revised Statutes of Nebraska; change requirements relating to proposals for constitutional amendments submitted by the Legislature; repeal the original section; declare an emergency. LB6, introduced by Senator Blood. It's a bill for an act relating to gaming; amends Section 28-1101, 28-1105, and 28-1113, Revised Statutes Cumulative Supplement, 2022; to adopt the Fantasy Contests Act; to redefine terms; to provide a gambling exemption [SIC-- exception] for conducting or participating in fantasy contests; change a provision relating possession of gambling records; harmonize provisions; and to repeal the original sections. LB7, introduced by Senator Blood. It's a bill for an act relating to revenue and taxation; amends Section 77-2715.03, Revised Statutes Supplement, 2023; Section 77-2716, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 75, Laws 2024, LB1023, Section 10, Laws 2024, LB1317, Section 85, and Laws 2024, LB1394, Section 1; and Laws 2024, LB1023, Sections 3 and 5; to harmonize [SIC-- change] provisions relating to individual income tax rates; harmonize provisions; repeal the original sections; and declare an emergency. LB8, introduced by Senator Blood. It's a bill for an act relating to revenue and taxation; to amend Section 77-2701, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 67, Laws 2024, LB1023, Section 8, and Laws 2024, LB1317, Section 80; and Section 77-2701.04, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 68, and Laws 2024, LB1317, Section 82; to provide for the luxury tax; to harmonize provisions; to provide an operative date; and repeal the original section. LB9, introduced by Senator Hughes. It's a bill for an act relating to school funding; to amend Sections 79-1005.01, 79-1007.11, 79-1007.18, 79-1016, and 81-12,193, Revised Statutes Cumulative Supplement, 2022; and Sections 77-3442, 77-6703, 79-1001, 79-3402, and 79-3406, Revised Statutes Supplement, 2023; and Section 79-1021, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1284, Section 12; to provide [SIC-- change] provisions relating to property tax levies for school districts and Nebraska Property Tax Incentive Act; to add, change, and eliminate certain calculations under the Tax Equity and Educational Opportunities

Support Act; to change intent regarding transfers into the Education Future Fund; to authorize school districts to levy taxes under certain circumstances; to change provisions relating to School District Property Tax Limitation Act and the Nebraska Transformational Project Fund; to harmonize provisions; and to repeal the original section. LB10, introduced by Senator Raybould. It's a bill for an act relating to revenue and taxation; to amend Sections 77-2715.03 and 77-2734.02, Revised Statutes Supplement, 2023; to change provisions relating to individual and corporate income tax rates; chan-- and repeal the original section. LB11, introduced by Senator Machaela Cavanaugh. It's a bill for an act relating to revenue and taxation; to amend Section 77-2602, Revised Statutes Cumulative Supplement, 2022; to increase the cigarette tax and distribute tax proceeds as prescribed; to create a fund; to harmonize provisions; to repeal the original section; and declare an emergency. LB12, introduced by Senator Day. It's a bill for an act relating to revenue and taxation; to amend Sections 81-12,193, Revised Statutes Cumulative Supplement, 2022, and Sections 77-6702, 77-6703, Revised Statutes Supplement, 2023; to adopt the School District Property Tax Relief Act; change provisions relating to the Nebraska Property Tax Incentive Act; to harmonize provisions; to repeal the original sections; declare an emergency. LB13, introduced by Senator Bostar. It's a bill for an act relating to gambling and the Constitution of Nebraska; to amend Section 9-1204 and 49-202.01, Reissue Revised Statutes of Nebraska; Section 9-1103, Revised Statutes Supplement, 2023; and Section 9-1110, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB1317, Section 49; to define and redefine terms; to authorize an au-- an authorized gambling operator to conduct sports wagering by means of an online sports wagering platform under the Nebraska Racetrack Game-- Gaming Act as prescribed; change provisions for the distribution of taxes collected from sports wagering; to change requirements relating to proposals for constitutional amendments submitted by the Legislature; to provide for operative dates; to pro-- provide severability; to repeal the original section; and declare an emergency. LB14, introduced by Senator Bostar. It's a bill for an act relating to revenue and taxation; to amend Section 77-2715.07, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 74, Laws 2024, LB1023, Section 9, Laws 2024, LB1344, Section 9, and Laws 2024, LB1402, Section 2; to provide an income tax credit for renters as prescribed; and repeal the original section. LB15, introduced by Senator Erdman. It's a bill for an act relating to the Constitution of Nebraska; and amends Section 49-202.01, Reissue Revised Statutes of Nebraska; change a requirement relating to proposals for constitutional

amendments submitted by the Legislature; to repeal the original section; declare an emergency. LB16, introduced by Senator Erdman. It's a bill for an act relating to revenue and taxation; to amend Sections 13-319, 13-501, 13-2813, 60-3,185, 60-3,190, 77-27,148, 77-3507, Reissue Revised Statutes of Nebraska, Sections 77-201, 77-2004, 77-2005, 77-2006, 77-3508, 77-6406, and 77-6827, Revised Statutes Cumulative Supplement, 2022, and Sections 18-2147, 77-3506, 77-1001, and 85-2231, Revised Statutes Supplement, 2023, and Section 77-2701, Revised Statutes Supplement, 2023, as amended by Laws 2020--2024, LB937, Section 67, Laws 2024, LB1023, Section 8, and Laws 2024, LB1317, Section 80; to adopt the Nebraska EPIC Option Consumption Tax Act; to terminate the Nebraska Budget Act, tax increment financing, the motor vehicle tax, the motor vehicle fee, the property tax, the inheritance tax, sales and use taxes, the income tax, the homestead exemption, the Tax Equity and Educational Opportunity Support Act, the Community College Aid Act as prescribed; change an application deadline under the ImagiNE Nebraska Act; and to repeal the original section. New LR: LR5CA, introduced by Senator Erdman, concerning a constitutional amendment that -- to provide that, beginning January 1, 2026, no governmental entity in the state of Nebraska may impose taxes other than retail consumption taxes or excise taxes. That's all I have this time, Mr. President.

KELLY: Senators, it's last call for bill introductions today. More bills, Mr. Clerk.

CLERK: Thank you, Mr. President. New bills: LB17, introduced by Senator John Cavanaugh. It's a bill relating to the Perkins County Canal Project; to amend Section 61-305, Re-- Revised Statutes Supplement, 2023, as amended by Laws 2024, LB164, Section 14; and Laws 2-- 2024, LB164, Section 13; to change provisions relating to the credit and transfer of Perkins County Canal Project Fund investment earnings and to terminate the fund; to chan-- to transfer unobligated money in the Perkins County Canal Project Fund to the Property Tax Credit Cash Fund; to repeal the Perkins County Canal Project Act; to harmonize provisions; to repeal the original sections; to outright repeal Sections 61-301, 62-302, 61-303, and 61-304, Revised Statutes Cumulative Supplement, 2022. LB18, introduced by Senator John Cavanaugh. It's a bill for an act relating to the Constitution of Nebraska; to amend Section 49-202.01, Reissue Revised Statutes of Nebraska; to change requirements relating to proposals for constitutional amendments submitted by the Legislature; repeal the original section; declare an emergency. LB19, introduced by Senator Hughes. It's a bill for an act relating to revenue and taxation; to amend Sections 77-2701, Revised Statutes Supplement,

2023, as amended by Laws 2024, LB937, Section 67, Laws 2024, LB1023, Section 8, Laws 2024, LB1317, Section 80; Section 77-2701.04, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 68, and Laws 2024, LB1317, Section 82; to define a term; to provide for an excise tax; to harmonize provisions; to provide an operative date; and to repeal the original section. LB20, introduced by Senator McKinney. It's a bill for an act relating to revenue and taxation; to amend Section 77-2715.07, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 74, Laws 2024, LB1023, Section 9, Laws 2024, LB1344, Section 9, and Laws 2024, LB1402, Section 2; and Section 77-4212, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB126, Section 11; to provide an income tax credit for renters as prescribed; to change provisions relating to property tax credit; and to re-- and to repeal the original section. New LRs: LR1CA, introduced by Senator Blood. Constitutional amendment to require the state to reimburse political subsdivid-- subdivisions for responsibilities imposed or increased levels of service required after the year 2024. LR2CA, from Senator Brandt. It's a constitutional amendment to authorize the Legislature to provide a different me-- method of taxing owner-occupied housing. Le-- LR3CA, introduced by Senator Bostar. It's a constitutional amendment to permit an authorized gaming operator conducting sports wagering within a licensed racetrack enclosure; to allow a sports wager to be placed by an individual located within the state of Nebraska at the time the individual places the sports wager by means of a mobile or electronic platform. LR4CA, introduced by Senator Erdman. It's a constitutional amendment to provide that the state of Nebraska shall impose a retail consumption tax or an excise tax on all new goods and services and that the Legislature may authorize political subdivisions to do the same and that there shall be no exemption from such taxes except for grocery items purchased for off-premise consumption. LR5CA, introduced by Senator Erdman. It's a constitutional amendment to provide that, beginning January 1, 2026, no governmental entity in the state of Nebraska may impose taxes other than retail consumption taxes or excise taxes. Additionally, a series of amendments and motions from Senators Conrad, Linehan, and Clements to LB1, LB2, and LB3. Finally, Mr. President, a priority motion: Senator Lowe would move to adjourn the body until Friday, July 26, 2024 at 10:00 a.m.

KELLY: Members, you've heard the motion to adjourn. All those in favor say aye. Those opposed, nay. The Legislature is adjourned.