

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate August 15, 2024

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

**HALLORAN:** Good morning, colleagues. Please join me in an attitude of prayer. Heavenly Father, we are grateful to you for the many blessings you have granted us. We are thankful to you. You have blessed us to live in a country and state which honors and protects our liberties and freedoms, which you have granted us, among others, the freedom of speech, freedom of press, freedom to assemble, freedom to petition, and freedom of religion, not freedom from religion. Thank you for the liberty to offer you prayer in this assembly. Foremost, thank you, Heavenly Father, for your son, our Redeemer, Jesus Christ. Amen.

**KELLY:** I recognize Senator Clements for the Pledge of Allegiance.

**CLEMENTS:** 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:** Thank you. I call to order the thirteenth day of the One Hundred Eighth Legislature, First Special Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

**KELLY:** 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, your Committee on Enrollment and Review reports LB34 to Select File with E&R amendments. That's all I have at this time.

**KELLY:** Please proceed to the agenda, Mr. Clerk.

**CLERK:** Mr. President, LB3 introduced by Senator Clements. First of all, priority motion: Senator Conrad would move to indefinitely postpone the bill pursuant to Rule 6, Section 3(f).

**KELLY:** Senator Clements, you're recognized to open.

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**CLEMENTS:** Thank you, Mr. President. LB3 is another bill that will help to fund LB34, the Property Tax Credit Fund that we're increasing from \$565 million to \$750 million. And there will be an amendment following-- a committee amendment varies from LB3. It will be AM41. LB3 with amendment-- AM41 was voted out of committee 9-0. You'll find-- you'll find the detailed information in the Fiscal packet on pages 4 and 5. This is a separate bill from the appropriation bill, LB2 because it allocates money in fiscal years '26 and '27. The appropriation budget bill only covers current biennium, '24 and '25, ending next June 30 of '25. This will provide some funding past June 30 of '25. LB34, the property tax credit bill transfers money in '25, '26, and '27, so LB3 uses some cash transfers and interest earnings in '25, '26, and '27 to help LB34 be funded. LB3 adds \$22 million in 2025, \$80 million in 2026, \$71 million in 2027. Plus, it has an intent to transfer \$200 million of Cash Reserve in 2027 if needed, and if funds are available. AM41 will transfer the interest earnings on 45 cash funds of the 68 cash funds were recommended in the Governor's recommendation. The committee passed on taking interest on 23 of them so we-- including 45 million-- in 45 funds interest in the amendment. Shown on page 5 of the booklet from Fiscal, we excluded funds where the interest is used in an agency budget and made-- to make sure the funds that we're taking interest fund-- from are sustainable, so that we wouldn't have an agency running out of money. We did do a in-depth look at these funds to make sure that the, the interest-- using the interest on the funds was not going to hurt that, that fund and that agency. The 2024 interest was \$22.9 million. My figures assume a level \$23 million in the future, but small differences will easily be absorbed in the budget. LB3 and AM41 covers most of the difference needed to fund LB34, the property tax credit transfer. So we need \$46 million in 2025, covered by 540-- \$540 million on the green sheet. In other words, we're, we're just a little bit short in the first year. Of the \$750 million, we're coming up with \$704 million in LB2 and LB3, the \$46 million additional that will be just taken out of the \$504 million that we have excess reserves. So there is going to be funding there, then a combination of LB2 and LB3 will just need \$10 million in 2026. We usually lapse about \$90 million of unspent funds. And so it's likely that we won't have to have any other appropriations for that. And in 2027, it's projected that we would need \$22 million to complete the \$808 million of the property tax credit in the third year. And, again, usual and customary lapses will likely cover that amount. So the combination of LB2 and LB3 is going to assure that the increases in the property tax credit will be funded in these next 3 years and increase the property tax credit and fund, fund the increases that are in LB34. Thank you, Mr. President.

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**KELLY:** Thank you, Senator Clements. Senator Conrad, you're recognized open on the priority motion.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I'd like to just make a, a few quick points just to reaffirm and reiterate the unnecessary nature of moving LB2 and LB3 forward at this juncture, in particular the special session. Yes, of course, we can make budgetary adjustments during a special session and we have historically. But I think it's also worth repeating we've done that when we were in a period of economic distress and crisis, not a time of economic prosperity. Additionally, I have some concerns about the grab of interest and otherwise from certain dedicated funds, like the environmental trust in particular. I also have general concerns with LB3 as introduced. I know the committee had tried to clean up some of the potential legal issues from what I can glean on the committee statement, but the law is clear: the Legislature has the lone and sole ability to tax, the power of taxation. And any sort of effort to allow agencies in the executive branch to utilize a greater flexibility or ability to raise and increase fees outside of regulated-- regulate-- regulation purposes for purposes of raising revenue, i.e. taxation, could potentially amount to an unlawful delegation and I wanted to put that on the record. Additionally, LB3 is not an A bill for LB34. We can easily make these budget adjustments moving forward in a few months together next year as part of a broader, comprehensive approach to our traditional budgeting structure. I think it's also important to note there is some potentially concerning language. It's intent language only, but nevertheless it does have some guardrails on it. But it does kind of raise a flag about additional raids on the Cash Reserve in the future, which would be fiscally irresponsible. And I think the bigger story that's I'm told is part of LB2 and part of LB3, particularly now that they're unmoored from the property tax plan that's now part of LB34 is that this rush to grab cash funds, to sweep, to raid, to grab interest, and otherwise, it's not to support additional property tax relief, but it shows that we're on an unsustainable path, as has already been charted by our neighbors in Kansas and should be a cautionary tale rather than something to run down a road towards. The fiscal irresponsibility of many significant decisions this body has made in recent years in regards to spending and taxation has caused this pressure to utilize budgetary tricks to meet the bottom line. With that, Mr. President, I'd like to withdraw the motion.

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

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**CLERK:** Mr. President, LB3, introduced by Senator Clements at the request of the Governor. It's a bill for an act relating to funds; provides for, changes, and eliminates fund transfers; creates a fund; to provide, change, and eliminate fees; provides powers and duties; changes the use of certain funds and the investment earnings of certain funds; eliminates obsolete provisions; harmonize provisions; repeals the original section; declares an emergency. The bill was read for the first time on July 25 of this year and referred to the Appropriations Committee. That committee placed the bill on General File with committee amendments, Mr. President.

**KELLY:** Senator Clements, you're recognized to open on the committee amendment.

**CLEMENTS:** Thank you, Mr. President. I have-- already did discuss the amendment somewhat, but I want to do a review. If you're wanting to see some details about it, the Fiscal booklet, page 4 and page 5 shows the details. On page 5, there are 45 cash funds where the interest will be transferred to the General Fund to help fund the property tax bill. And as I said before, the Governor's recommended-- recommendation had 68 funds that he proposed to take the, the funding out of. The 1-page worksheet I sent out showed that, that the interest was going to be about \$31 million a year. In the Governor's proposal, the committee came up with funds that add up to \$23 million a year. So we did take about a 25% reduction of the amount but kept 75% of the dollar amounts, but a number of the ones that we did not transfer. We're making sure that agencies wouldn't get hurt because they are needing to use that interest. We had, oh, behavioral health housing; we didn't do that. Homeless shelter assistance, we didn't do that. There's-- in Corrections, vocational life skills, and prison overcrowding funds. We, we exempted those-- excluded those. State Patrol, public safety fund, we excluded that. And there was a number of housing funds, affordable housing, middle-income rural housing. Also, those were not included in, in, in the amendment. So I, I think the committee did a good job and I want to thank the Appropriations Committee because we, we had to review 68 funds. Everybody got a chance one at a time to look at them and review whether that was money that was available to transfer or not. And I think we have come up with funding that will help the property tax bill be funded but not hurt any individual agency that has a cash fund. And so the AM41, I would appreciate your green vote and welcome your comments. Thank you.

**KELLY:** Thank you, Senator Clements. Mr. Clerk.

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**CLERK:** Mr. President, Senator Conrad would move to recommit the bill to the Appropriations Committee, but I have a note that she would withdraw.

**KELLY:** Senator Conrad, you're recognized to open on your motion.

**CONRAD:** Thank you, Mr. President. My plan is to remove all of my motions on the measure so that we can have a debate and up and down votes on critical issues like the amendment Senator Bostelman brought forward and move forward with our work expeditiously. So I would ask that we dispose of these motions as quickly as possible so that we can attend to our work. Thank you, Mr. President.

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

**VARGAS:** OK. Sorry, I was just waiting. I thought Senator Wayne objected. OK. I wanted to just weigh in really quick. LB3, and if you-- if you didn't hear what Senator Clements mentioned, this, this, actually, will help with the out years, 70% of the out-year balance needed for what is currently in, in LB34 is coming from this. Some of it is the interest from cash fund transfers. Some of it is transfers themselves. Then there is the CRF language that's intent language. So this-- why either one of them are necessary to do LB34, this makes sure it is balanced in the out years on its own. And so I wanted to make sure that that was very clear because it represents about 80, let's see, \$80 million and then-- \$80 million in '25-26 and \$70 million in '26-27, which represents the-- about 70%, 75% of the out-year balance for that biennium for, for this. We have enough on the green sheet right now with or without what we did yesterday to be able to fill in what is needed for LB34, but this does provide a better structural balance for the 2-- the 2 out years here in the next biennium. So I wanted to make sure that was clear. We reduced or took away the ones that were the most harmful. We focused on the ones that were building up a little bit more cash fund interest and the interest ongoing of that \$22 million is going to be ongoing going into the General Fund. So that should help us a little bit more fiscal solvency. So I supported this in committee as well and will support this on the floor and ask your green vote for LB3.

**KELLY:** Thank you, Senator Vargas. Senator McKinney, you're recognized.

**McKINNEY:** Thank you. Thank you, Mr. President. I support the recommit to committee and I don't support LB3. I try to wake up in a good mood and leave in a good mood, but I get back here and realize I can't be

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in a good mood because this body continues to do things that I deem as just irresponsible and overlooks the people that we supposed to be taking care of. So when the Appropriations Committee decides to take money from the Correctional (Services) Facility Cash Fund, I wonder if they ask questions in committee from the department about whether or not they, they are taking care of the facilities, because the Nebraska State Penitentiary has a water main problem currently, and I believe they're, they're without water right now and they need to fix it. So why are we taking money away? We should be fixing the problems we currently have and using the interest money to, to take care of the problem. So we don't need to move this money because we have issues currently that need to be solved. So I don't understand why we're taking money from the Correctional (Services) Facility Cash Fund, whether or not it's interest or not, we have issues in our facilities, not even just in NSP. We also have issues in the York Women's Prison that need to be taken care of. I, I don't understand this. I would also like to know what is the Universal Service Fund used for? Why is money being taken away from that, whether it's interest payments or not, I would like to know what the Universal Service Fund is used for and why are we taking interest money away from it? We're also taking the money away from correctional industries-- interest money-- off the backs of the men and women that are currently without water or have poor, poor water in a facility. So not only are we not taking care of them, making sure they got an adequate water supply, we're taking money that was made off their backs because we don't pay them minimum wage. We pay them slave wages, because according to the 13th amendment we can pay them as slaves, which is sad that in 2024 we still consider people that are incarcerated as slaves. So my issue overall is why are we taking this money? Why aren't we taking, taking care of the problems we currently have? Because although the money might be sitting there, we have issues. We shouldn't have moved the \$10 million because they could reallocate that \$10 million to take care of the water main problem that is still persistent every year. That new prison is not going to be built tomorrow, next year or the year after. So you have to take care of the water main issue that keep happening. But supposedly there's just \$10 million for operations just sitting there. Why can't we reallocate it to fix the water main issue? Why do men in the Pen have to use porta potties and have to use water bottles for their water supply? Why can't we-- well, I know why, because the state, I believe, intentionally deferred maintenance for 10-plus years on the State Penitentiary to justify building a new prison. Because if you look at the documents that I shared a year or two ago, you would see that there was requests to fix the water main 10-plus years ago and it never happened. So why are we moving this money? So I'm hopeful

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somebody from the Appropriations Committee can explain to me and justify why we're moving this money, the \$10 million and this money from the correctional--

**KELLY:** One minute.

**McKINNEY:** --facilities cash fund, when we have all these issues in our prisons in, in NSP and in the York Women's Prison around water? Whether it's interest payments or not-- interest money or not, we got issues around water that need to be solved. And you're also taking money off the backs of these people, and you're not even taking care of their well-beings and it's disrespectful. Thank you.

**KELLY:** Thank you, Senator McKinney. Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you, Mr. President. Colleagues, I'll be introducing amendments to strike each section, section by section. We'll be here for a little bit. So I was flipping through the channels last night, and it just so happened a great show came on from the '80s called "Goonies." And I feel like Senator Erdman, Senator Halloran, Senator Bostelman, Senator Linehan, Albrecht, Lowe, Brandt, Brewer, McDonnell, just kind of looking in my class and see who was around. I feel like we're at that defining moment where they're underneath and they're tired and they're struggling, and they're walking through the caves, and Troy's buckets comes down, and it's this bucket up where the people are above this cave or this-- yeah, this cave, and they could be saved. And Mikey, in his infamous speech says, basically it's their time up there, but it's our time down here. It's our time down here and that all goes away if we go up Troy's bucket. And I feel like that's where we are. We are at a crossroads where we're tired, we want to go home; we're not really getting anything accomplished, and we think we should just take the ride up the bucket. And the bucket is LB34. For those who don't know, we are only offering an additional \$180 million of new property tax relief. We had a special session to offer \$185 million in new property tax relief. That's not going to go to the family farm. And if it does, it's 14, 15 cents, maybe \$1. But that same property tax credit is going to go to these major corporations, which we have an opportunity to say no, but we're not doing it. We are spending a lot of money in a special session. It's going to cost us \$1 million to implement this new property tax program to offer \$185 million and we're OK with that. And over at least a quarter, if not 40%, of Nebraskans will feel no relief. There's nothing for renters. Homestead is not expanding. Senator McDonnell has a bill to at least keep some changes to how we make changes to

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homestead. We're not having that conversation to make sure our homestead exemption stays up with the actual cost of what's going on. We're not having that conversation. We're all being driven by a schedule to fail. There's nothing special going on in this special session. And so I'm more disappointed than I am anything else that we're not really trying to fix the problem. We're kicking the can down the road. And we're going to hope some elections come some certain way, that we will have a different thing to talk about next session, but we won't. We're going to continue to kick the can down the road, instead of giving direct property tax relief to the people who need it, and helping those who maybe don't own property but are being priced out of affordable rentals. And at some point, we got to have the courage. Everybody sitting, having conversations, looking at their laptops, because nobody really wants to do the work. Nobody really wants to have the conversation. So I'm going to start calling on people on this floor. So I'm giving everybody a warning and I'm going to ask them directly is the \$185 million what you came down here to do for special session? And you're going to have to tell on the mic that's going to be in the transcripts forever why that's OK for your district. Why it's OK to leave out the renters? Why it's OK to only help Ted Turner and Bill Gates and other multi-billionaires who don't live in Nebraska get tax credits. So fair warning, if I call on you, don't think it's a surprise. I mean, going we're going to have a long conversation--

**KELLY:** One minute.

**WAYNE:** --about if you're coming down here for a special session is enough for that. And don't give me this crap of, of we didn't have the votes or whatever. No, we are sticking to a schedule of failure so we can get out of here so people can go, people can go out of town. So we're going to have all those conversations, and I'm going to ask you directly if you're willing to stay. If you want to truly cut property tax, then we need to reject what we're doing right now and get to the drawing board. It isn't like we haven't done this multiple times. And you can tell your constituents why you're too damn scared to make a difference. Thank you, Mr. President.

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

**CLEMENTS:** Thank you, Mr. President. I'd like to address Senator McKinney's objection. On the correctional services cash fund, the-- that fund-- let's see here. In your booklet, it shows that there was \$101,000 of interest in fiscal year '24. In looking at the history of



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it, it received-- it was \$11 million, then it was \$23 million in '23, and it was \$18 million of revenue in, in it. And then they spend 14, 15, or \$20 million a year and the balance currently is, is \$12.5 million in there. So the revenues that are coming in, they are spending them, but they're not spending the interest. The \$100,000 isn't going-- we're not taking \$10 million away. We're taking \$100,000 away of the fund that has annual revenue that comes in regularly and will be sustainable with just taking \$100,000 out of either getting in \$18.5 million spending. Well, this year they spent \$15.5 million. And so they're-- they actually didn't spend all of the money that came in. So the interest, that's why we left this one in. I wanted to just point out also that it's not in your booklet, but it's in my notes that we did not take any interest from the vocational life skills program in Corrections. We did not take any interest from the prison overcrowding contingency fund in Corrections. So we were looking into not hurting important programs. And, in my opinion, we have not hurt the Correctional Services (Facility) Cash Fund just taking the interest. Thank you, Mr. President.

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

**McKINNEY:** Thank you, Mr. President. I guess I would disagree. I mean, you are taking \$10 million in LB2 from operations, which will hurt the prisons. And regardless of if it's \$100,000 or not, any money that's being take away-- taken away from correctional facilities and we have water main issues today where men don't have adequate water supplies is harmful. Why aren't we requiring them to spend down those dollars today to make sure that the water main is fixed today? That's my issue. And, Senator Clements, would you answer a question, please?

**KELLY:** Senator Clements, would you yield?

**CLEMENTS:** Yes.

**McKINNEY:** Could you tell me what is the Universal Service Fund used for?

**CLEMENTS:** Universal Service Fund is-- it-- the money comes from fees on telephone bills, and it's used to build out telephone service in rural areas where it's not profitable for a company to do it themselves. It helps companies to reach out to remote areas and gives them a subsidy so that they will build out into other areas of the state.

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**McKINNEY:** How much are you taking from that?

**CLEMENTS:** We're taking about \$2 million of the interest on it. It has \$133 million in the fund, and this would only-- and it's been growing. It gets \$50 million in per year in fees. And we're, we're taking \$2 million of-- the interest, approximately \$2 million a year, but it has 133 in it now.

**McKINNEY:** OK. Thank you.

**CLEMENTS:** You're welcome.

**McKINNEY:** Yep. That's interesting. Wow, \$2 million. Bad cell phone service in rural Nebraska. I think it's also interesting that, especially now that we're taking money from the state visitor promotion fund, although it's interest, I think we need to do a lot of investment in state visitor promotion to attract people to the state of Nebraska, because one minute we was not for everybody, and now it doesn't seem like we're going to be doing a whole lot of retainment of talent or people at the route we're going. But back on the topic of just Corrections, I don't know if anyone's listening, but currently there is a water main issue at the Nebraska State Penitentiary. The Appropriations Committee decided to, to vote to take \$10 million from operations because for whatever reason, the department said they saved some money and they didn't need \$10 million for operations. But what they do need \$10 million for is a water main issue that seems to happen every year. There is a water main issue since I've been in this body. Why aren't they fixing it? The new prison will not be online next year, or the year after, or the year after, or the year after. So why aren't we fixing this problem? Because every year the men in that facility have to use porta potties. They have to scoop-- use buckets to scoop the toilets to drain the toilets, their own feces just to drain the toilets. They gotta live in humane-- inhumane conditions because the department and this body won't force-- and this body won't force the department to do the right thing. It happened with Frakes, and it's currently happening today. They should be fixing the water main issue. We should use that \$10 million and Appropriations should be asking those questions and forcing them to fix the water main. But we're not, we're just reallocating the dollars, telling people we're, we're solving their property tax issues, but we're really not because the department is going to need that \$10 million sometime in the future. So it's just a temporary fix because they're going to come back for that \$10 million. So it's really just a loan to the taxpayers with no interest. So thank you. I'll get back on the mic, but I'll continue. I think a lot of people in here should be looking at these

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cash fund transfers. Just ignoring them just doesn't make any sense to me because there's a lot of questions we could be asking. And just letting them slide, it makes no sense to me. Universal Service Fund, revenue enforcement cash fund.

**KELLY:** That's your time, Senator.

**McKINNEY:** All right.

**KELLY:** Thank you, Senator McKinney. Senator Hansen, you're recognized to speak.

**HANSEN:** Thank you, Mr. President. I was hoping Senator-- he brought up "Goonies." And so I got to go with this, I can't let that one go. I was hoping Senator Wayne would be able to yield to a question, please?

**KELLY:** Senator Wayne, would you yield to questions?

**WAYNE:** Yes.

**HANSEN:** So you just watched the movie recently. Do you remember a character on "Goonies," I believe his name was Chester Copperpot, do you remember who that was?

**WAYNE:** I don't remember who it was, but I remember what-- yes, I remember the reference multiple times, Chester Copperpot is the way the little-- yes.

**HANSEN:** OK. Thank you. I mentioned that-- Chester Copperpot was actually a guy in "The Goonies." They referenced multiple times as the guy who actually found the cave to lead to One-Eyed Willy's treasure and he went and explored it. But, unfortunately, a giant boulder landed on him and he died right away. The Goonies eventually find him, he's been laying there for a long time. And so Senator Wayne or Senator Wayne references the Legislature is kind of like the Goonies, when actually we have been Chester Copperpot year after year after year. We've tried to go anywhere with property taxes, but we keep dying every time and nothing gets done. This year, however, and I will agree with-- I will agree with Senator Wayne here on this one that we did not get anywhere close to where I would like to be. However, like the Goonies, we made it to the well. I think that's where our journey stops. We, we made it to the well and we find this-- a small little treasure of coins on there and we think we won. But we had just a small victory so far. A lot more needs to be done. And this is where I would disagree with Senator Wayne, is that he mentions the LB1107 tax credits is really the only thing that got accomplished. The LB1107 tax

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credits do do something, and we are contributing more to that, which is significant. It's not small potatoes, but we also put caps on spending on cities and counties and I think that is very significant. The whole idea is trying to address the problem of high property taxes, and this is something I mentioned at the beginning of the session, why we have them to begin with and trying to address the actual problems of why we have high property taxes in the state of Nebraska, instead of putting a Band-Aid over it, even though right now it seems like a Band-Aid. But that is something I know Senator Briese, others, throughout all the years I've been here, is at least try to establish some sort of guardrails on spending for property tax authorities and we did accomplish that this year. I think that's pretty significant. That will hopefully help address-- not just now, but future years down the road-- on people's property tax statements and hopefully controlling the ability for them to go up higher and higher and higher without us having to kind of keep coming back year after year trying to put another Band-Aid on it. So I think that is pretty significant. Now, could more be done? Yeah, I think so. And the LB1107 property tax credits-- I know Senator Wayne mentions that it's for millionaires and people out of state. But I, I guarantee you the people who are out of state who own property in the state of Nebraska, they have a CPA and that CPA knows about that tax credit. Who I think most-- more likely, maybe not-- does not know about the property tax credit, perhaps, those who cannot afford to hire a CPA. This is who it helps. Those are the people where it gets front-loaded and they automatically get it now--

**KELLY:** One minute.

**HANSEN:** --or, perhaps, they, they can afford a CPA or they didn't know about it and now they're going to get it. So I think that helps everyone in every district, however, possibly those who are more in a low-income district. So those are significant steps we made. Again, we haven't found the treasure at the end of the cave, that's for sure, but we did make it to the well. There's a lot more work that needs to be done. Hopefully, maybe we can accomplish a little bit more yet the special session but, if not, we got a hell of a lot more work to do next year in 4 months. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. I just want to follow up on what Senator Hansen just mentioned. We like to talk about the millionaires and the billionaires and-- that live outside the state of Nebraska and

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own property in Nebraska. And all of our problems are based upon that, and they aren't. OK? So let's just keep in mind that if you're from out of state and you own land in Nebraska, you do pay property taxes. OK? And if we're able to bring property tax rates down, yes, they would get a lower benefit as well. That's, that's part of what is in the United States Constitution that would require us to do that. We would still be on par or still above most every other state in terms of our property taxes. OK? I think my mom used to say-- had a phrase: Don't cut off your nose to spite your face. And it seems like that's what we're trying to do here, is we want to go-- we, we just so badly want to get after the boogeyman, which is the out-of-state companies that we want to damage everyone else and forget about the people that are trying to hang on and stay in their homes in Nebraska because the property taxes are too high, because we're going to change the narrative and make it sound like it's out-of-state property owners. Out-of-state property owners, guess what? If they own property or they rent that land or they produce income from that land and they pay Nebraska state income taxes and they file a Nebraska state tax return. And guess what? They also claim the LB1107 tax credit. So by taking the LB1107 tax credit and front-loading it, it does not change the amount of money they're going to receive. It does not change the money they're going to receive. We're not stopping the bad guys, the boogeyman. We're just not doing it. OK? It's a false narrative. I wish people would quit saying it. Am I disappointed with where we're at? You bet I am. You bet I'm disappointed. I spent all summer last summer meeting with a group of bipartisan senators in this body to come up with the backbone of this plan. And what's most disappointing are the senators that were on the working group that were on board with the direction we were going and then voted against the bill. We talk about we should have more in this bill. Yes, we should. That's why I said from the beginning, now let's amend the bill. If you don't like the bill the way it is, if you didn't like LB1, you didn't like LB9, you didn't like LB34, then amend it. No amendments came. All we got were more priority motions to delay and filibuster and make everybody vote up or down on the bill that was in front of us. That's not genuine interest in reducing property taxes. Then we heard the narrative about we're going to raise everybody's sales tax and the low income are going to be adversely affected. Again, completely false narrative. And I would encourage anyone to go look at the list and go look at the spreadsheets that Senator von Gillern laid out that showed how low-income people would be impacted-- low-income homeowners would be impacted. And it's a false narrative. They're the ones who benefit. They would have benefited from what was in LB1 and LB9 and the original LB34. But it's better to just divert attention, go tell the

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public things that aren't true and cave to the lobby who were out there also running ads that were false instead of doing what we came down here to do, which is to provide real property tax relief to everyday Americans-- everyday Nebraskans who are trying to stay in their homes, and farmers and ranchers who are trying to hang on to their farms and their ranches when we all agree--

**KELLY:** One minute.

**JACOBSON:** --that property taxes are out of control. At some point later on, I'm going to talk a little bit about why renters can benefit from what we're trying to do. And I would tell you, the biggest problem for renters today and reason rents are so high, it's a simple issue of supply and demand. We do not have enough housing units for the demand that's there. If you get more supply than we have demand, rates will indeed come down. It's a basic concept, very simple. I'll get on the mic later and talk to you about that. Thank you, Mr. President.

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

**WAYNE:** Thank you, Mr. President. Jac-- I don't disagree with Senator Jacobson. Here's my problem, we spend 4 hours on the floor, the next thing I know an amendment comes out that waters down everything. We weren't sitting here trying to fight. We weren't sitting here trying to do what's best for Nebraska. We didn't even go 8 hours before negotiation caved in. That's what the public needs to know. I'm not worried about whatever false narratives both sides are saying. But here's the reality: \$185 million, 3%, 3% of our property taxes; that's what we're going to help out on. And I'm, I'm asking the body, even if you do the 3%, how about you do the 3% in a targeted approach? How about you give the credit to people who actually need it? But we can't have that conversation. But here's the, here's the problem. I'm filing a lot of amendments on all of these bills. And we're going to take votes. We're going to take votes today on Senator Blood's bill coming to the floor, because I can reorder the Speaker's agenda and have that vote because it's already on this bill. We're going to take a lot of votes about reordering the agenda. And here's what's happening to the public so you guys-- you guys know who are watching. There were bills introduced in other committees. The Speaker has determined only Revenue bills are coming to the floor. That's the ability of the Speaker. But we won't even allow us to have a debate on rearranging the schedule, so now I got to go through regular order to have that debate. And we will, multiple times. There was an Exec Session in

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Urban Affairs, a bill that was kicked out in regular session wasn't kicked out here because too many people feel like, well, it don't matter anyway. I didn't know when I came down here, my committee didn't matter. I didn't know when I came down here that I don't have the same opportunities as every other committee. You want to have a debate about \$150 million, recreational marijuana, where there's no point of us even Execing because the Speaker is not going to allow it to the floor. And you know the conversation going on right now on the floor is, I don't know if we should have a-- Brandt's LRCA come out-- LR2CA come out, because if that comes out, what if other bills start coming out? This is a dictatorship. Nebraskans, your voices aren't being heard. Your voices aren't being heard because the process won't allow your voice to be heard. The Speaker has decided to silence you. There's a bill in Urban Affairs about taking a vote to the people that has been silenced by this Speaker. So Omaha, 500,000, your voice don't matter here today. Not when it comes to your, your projects and being able to vote on bonding this. The 81-- 81% of Nebraskans who like legal marijuana-- medical marijuana, the 60% who believe in recreational marijuana, your voice-- your voices don't matter because Judiciary is not important enough in this committee anymore because too many Dems are cutting deals with the Speaker. Blood has a bill that has come out before any of these bills and won't be heard. And all you talk about property tax relief, that is the biggest constitutional amendment we probably should be debating, unfunded mandates. I didn't know when I signed up, we had to be done by the 16th. Now, there are some people who have made commitments that, as an organization, they can't move because they can't be replaced at conferences. I understand that. That's why I offered a pause.

**KELLY:** One minute.

**WAYNE:** But we won't take a pause. This is a 100% schedule to failure, and it falls directly on leadership. We had less than 24 hours for a call. And now when we come here, we're being silenced again. But we're OK with that. We're OK with that. We're going to talk about schedule and a 4-day pause and everything else that we just did, how that could have been better utilized. We're going to walk through all of that. But people want to talk about the institution. What we are doing right now is a disservice to every Nebraskan. 3% property tax cut. That's a win when we were 6 vote away from a 45% property tax cut.

**KELLY:** That's your time, Senator. Thank you, Senator Wayne. Senator Riepe, you're recognized to speak.

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**RIEPE:** Thank you, Mr. President. I'd like to yield my time to Speaker Arch.

**KELLY:** Speaker Arch, you have 4 minutes, 50 seconds.

**ARCH:** Thank you, Mr. President. I want to respond to some things because, obviously, I have become an issue in this debate. And here's, here's what I have said from the very beginning. The committee of subject-matter jurisdiction on this call is the Revenue Committee. That is why I have prioritized the Revenue Committee bills from the beginning. I made it clear this is what I was going to do. And then I also made it clear that when we are through with that, it is the will of this body, if you want to stay in session to consider other bills, let's go. Let's do that. But because there are no priority bills in a special session, somebody needs to set the priority and, unfortunately, it falls on the Speaker. So I've done that. In my memo of July 24, I indicated that I would-- that in this special session, my goal is to allow the body to fully consider the issues of the call which are property tax reductions for Nebraska and the identification of funds to achieve that policy. Unusual session, not a general session. It's a special session specific to the call of the Governor. Property tax relief. Subject-matter jurisdiction committee. It's not that the other committees are unimportant. Unprecedented, about four times the number of bills introduced. They were all processed through committee and they sit. And if the body chooses to stay in session, there is nothing preventing this body from doing that. All I am saying is at the front end, we're going to be considering the Revenue Committee package, whatever that package is. And, by the way, there have been some who say, like, I put my thumb on this, my thumb has only been on the process. What comes out of the Revenue Committee, we have seen-- we have seen discussion of LB1. We've seen discussion of LB9. We are now in discussion of LB34. So there's debate going on. There is discussion going on, both in committee and on the floor. My thumb has not been on the bill, but my thumb has been on the process because my goal was to create that fair and efficient process of this session and not turn it into a, a session of everything coming to the floor, everything being debated on the floor. The committee process was very important. There will be an opportunity for Senator Wayne, for anybody to decide, 'We want to stay in session. There is more work to do. Let's stay here. Let's continue.' I'm here. I'll be here till whatever the end is. Makes no difference to me. But that's the process. We've had multiple opportunities to amend the bill on the floor. I mean, I know that there's a frustration like, well, my bill's not getting heard and my bill's not getting heard. That opportunity exists, and it will come at the end of when we have dealt with these



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three bills in particular. And we can stay. We can stay. It's not my decision. It's your decision. Legislature, it's your decision. If you agree with Senator Wayne, and some do, I have heard you--

**KELLY:** One minute.

**ARCH:** --come up and say, yeah, we need to do this. Great. Let's do it. Let's stay. But that'll be your choice, not mine. I'm simply wanting to deal with these revenue bills, the appropriation bills, because I believe that that Revenue Committee held the key to what we can get done in a package. And, and that had the best chance. So with that, the opportunity will come to do exactly what Senator Wayne is advocating for as we-- when we are completed dealing with these bills. And I know you can disagree with my process, you can disagree with me personally, but that's where we're left because we are in a special session. There are no priority bills. Somebody had to set the agenda. Thank you, Mr. President.

**KELLY:** Thank you, Speaker Arch. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank, thank you, Mr. President. I yield my time to Senator Wayne.

**KELLY:** Senator Wayne, 4 minutes, 55 seconds.

**WAYNE:** Thank you, Mr. President. Thank you, Senator McKinney. And, Nebraskans, if you change the process, you change the outcomes of bills. Process influences how bills are actually done. We saw that in a debate on the floor. We took an unprecedented recess so they can gather their thoughts inside and come back out. We took a 4-day break. We took a 5-day break. We're taking breaks that influences the process and that definitely influences the outcome. The fact of the matter is, is to have the mindset that this is all a revenue special session, he doesn't get to determine that. And if it's all about revenue, why are we debating appropriations? The fact of the matter is, everything could have come out and had a real debate. And the fact that there is a whisper campaign saying, we don't want to put other things on the floor because we're afraid other bills are going to come out, that is directly reflected of leadership. If you want to be a leader, then let the body agree with you. And there are plenty of votes that we could have taken to reorder the schedule. There are pull motions that are actually out there that you won't schedule. If you have that confidence in your leadership ability, then put those votes up yes or no. And don't tell me it's going to take time because you dictate what

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is fair in a fair debate. Nebraskans, this has been a sham. There's no way the morning of, the Clerk had a division already ready to go of that complicated of a bill. There has been a conspiracy from Day 1 not to do any real relief around here. And what you're seeing play out, and when you get to these votes, you're going to see people who are voting who claim they were against the bill but voting for this bill. People who took time to filibuster who are-- and voting for the same bill because it's about the postcards. It ain't about real work. See, what people don't understand is if we pass this bill and pass the next bills, what they're going to say is we already did property tax relief. Let's go home. They don't want to stay and actually do work for the working class and low-income people. So, again, they're being left out. We're not making a difference here today. And nobody can say we are. 3% that most taxpayers won't even know. And with the rising costs or the rise of market values, Senator Erdman is right. It is a little decrease in the increase. So we failed you again, Nebraskans. Kicking the can down the road. And the "Goonies" speech that Senator Hansen, my dear friend, said, is what they've been saying for the last 10 years that I've been down here. So close, no cigar. Can't help you out, my friend. We're not making a difference because we were just going to be sheep and go. So don't come up to me today with these private conversations saying you support that. And you're right. We need to do something. Man up. Don't know the woman version. Woman up. I don't know what you say. And don't vote for cloture and send a message. Senator Blood's bill--

**KELLY:** One minute.

**WAYNE:** --has huge impact on property taxes, but he made the decision not to schedule it. Have you-- have you guys even heard what it is outside of Government? It came out of Government the, the first day. How many conservatives are on that committee? So clearly they thought it was a great idea. But the Speaker says no? So Senator Armendariz doesn't even get to hear it? She has to go talk to some other conservative and say, wow, why did you vote for that? What if that's a better idea that the Revenue Committee didn't think of because they're not on Government Committee? Stifling conversation stifles progress, and that's what we've been doing here when it comes to property tax. Selected a few, and when those negotiations break down we don't talk to anybody else. We give up.

**KELLY:** That's your time, Senator. Thank you, Senator Wayne. Senator Erdman, you're recognized to speak.

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**ERDMAN:** Thank you, Mr. President. Good morning. Senator Wayne is making several people in this room uncomfortable. I like it. Been here 8 years, nothing has changed. When I came here, I discovered that the goal was not to fix the system. The goal was to continue on doing what we've always done. He's exactly right. A decrease in the increase. Property tax is scheduled to go up \$1 million a day, and we're going to additionally add \$185 million-- half a year. Most people's property tax is going to go up 10, 12, 15% this year. But we're going to give you relief of 3%. If that is not a decrease in the increase, tell me what is. We're not interested in fixing this system. We're not. 57 years, we've been working on a 3-legged stool. When I was a kid, we had a 1-legged milk stool. You had to balance it. That was easier than having a 3-legged stool like we have, because one side of it is way longer than the others. The issue we have in Nebraska is not just property tax, it's the system. It's the income tax, the inheritance tax, and all of those things that we do. So it's very uncomfortable for a lot of people in this room when Senator Wayne brings the truth and flushes everybody out that don't want to do anything about property tax. I, for one, never had any confidence at all that we would accomplish anything in this session. I stated that. In fact, here's what I stated before we ever did it. I said what's going to happen is we're going to adopt a bill that front-loads LB1107 and we're going to put spending caps in place and we're going to go home. I said that a long time ago. Guess what? When that passed I got an email or a text that said you were right. How do I know that-- how did I know that was going to happen? Because I've been here for 8 years. I've seen it. So it's not hard to predict something that you do over and over and over again and expect different results. You know what the definition of that is? Yeah. Insanity, some say; I think it's stupid. Senator Wayne seems to be a little upset. I agree with him, I understand that. So we, the class of '17 that's leaving, have tried in many ways to try to bring the attention to the rest of those who serve in this body that the system needs to be changed. That we need to make a difference in people's lives. We don't really give a rip about people. What we care about is the government because, oh, we can't take money from the Legislative Council. That's us. We can't take money from this or that. So what happens when the economy--

**KELLY:** One minute.

**ERDMAN:** --goes down and the people don't have the money to pay their taxes? Oh, that's OK, because we force them to pay the taxes. Why don't we pass some kind of legislation that puts the taxpayer in first place? No, no, that would mean government would have to make a cut at something, maybe. Who elected you, the people or the government? And

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there's many of you in this room believe the government sent you here. That's not who sent you here. And so when we leave here, don't brag about the 3% reduction as a win. It's not a win. Senator Hansen, this is not a win. This is more of the same. Decrease in the increase. Thank you.

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

**CLEMENTS:** Thank you, Mr. President. I wanted to respond to some comments about the Corrections maintenance problems. We do know that the water system at the York Women's Facility had problems, and in the budget we already earmarked \$2 million to be able to have that repaired. And that will not come out of the Corrections budget where it was added in for Corrections to use as an additional fund earmarked for them. Then other prison maintenance, I agree that the state prison is old and, and needing repairs regularly, and they are able to use what we call 309 funds; the 309 task force is senators on a committee that recommend projects that total about \$10 million worth of expenses per year that is outside-- would be outside the Corrections budget and Corrections is able to apply for those funds also, in addition to what they have in their regular budget. Also, the-- I agree that I'm-- so that was in LB3 and comment-- regarding comments that have been made on that, that we're not doing anything. We will be increasing our Property Tax Credit Funds by \$450 million over 3 years, \$185 million the first year, \$131 million the second, \$134 (million) the third. I was also in support of much more than that, more like \$500 million every year. And so I, you know, I am disappointed also that we didn't do-- haven't done more, but I think the choice was between getting nothing or getting something. And \$450 million over 3 years is, is something and I hope we come back next session and do more. Thank you, Mr. President.

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

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. Had a meeting in Omaha this morning at, at 7 a.m. And as I was walking in, a couple people stopped me and asking how things are going and what we've been working on and where we are as of today. Explaining it to them, their response was, "That's not enough. That's not enough." It's not enough. We have 81 bills that was introduced, 24 constitutional amendments. If the Speaker tells me something, I believe it. But if the goal here, as this body is to say, well-- and I support LB3. Thank you, Senator Clements and the Appropriations Committee, I'm a member

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of for 8 years, the work you've done. I'm opposed to Senator Conrad's motion. And that's the way this, this place works. I'm not in agreement with everyone, and I won't be in agreement with those 81 bills that were introduced, which I have eight of them. And I'm gonna start talking about each one of them, and of one of them-- I have seven and then one constitutional amendment. But if the goal is-- and it's already been decided-- that once we pass LB2, LB3, and LB34, we're going to sine die, we're going to be done, then I'm done. I'm done supporting this. I think this is something. But as was told to me this morning, it's not enough. I want the bill scheduled. If the committees say, you know what, that doesn't fall within the call, I trust the committee. But we got to get some bills out here on the floor because, again, this isn't enough. I've heard so many people say we don't have time. We don't have time. That's all we have is time. The Governor starts a special session. We end it. And I'm not trying to say that people don't have busy lives, things scheduled, and I understand that. And Senator Wayne has brought this up a number of times. We can pause. We can pause and work on other bills. We can work on other plans. We can try to compromise. This place is nothing but an institution that promotes compromise. Disagree with a number of you on the floor on a number of different issues, but I trust you. I trust you that you will try to compromise. We've got to take the personalities out of it. We got to get back to the policy. We got to say what's best for the citizens, east, west, north, south. Not just Legislative District 5, east, west, north, south. And I know we all have the ability to do that because I've seen all of you do it. I've been impressed with it over the 8 years how much you're willing to set aside. And, again, that old saying you can have 100% nothing or 50% of something, and you take the 50% because that's what's best for the state of Nebraska and the citizens at that point in time. Now when you say, well, we'll come back next year and we'll work on this. My 8 years experience, you've got 90 days and you'll have 500 bills introduced and things will get so busy. That's the nature of this place. The time is now. The time is now to start concentrating on how we are going to fix and have true property tax relief. Senator Erdman, since 2018, our second year, has been talking about EPIC. Kick EPIC out and let's have a discussion for 8 hours, potentially about EPIC. And at the end of the day, if you say that is just not a good idea, I understand. But make sure you're, you're dealing with facts and you're making your decision on facts, and that's fine. But let's have that discussion. Let's have that--

**KELLY:** One minute.

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**McDONNELL:** --discussion on Carol Blood's-- Senator Blood's bill. Let's have it on Senator Brandt's bill. I want to have it on all eight of mine. I understand that not all eight of mine are going to come out of committee. Let's start getting to work. And if there is scheduling issues, let's figure out when we are going to take a recess, when we're going to come back. But let's do the work, because right now the ball's in our court; it's not the Governor's, and the people of Nebraska are counting on us. Thank you, Mr. President.

**KELLY:** Thank you, Senator McDonnell. Senator Wayne, you're recognized to speak, and this is your final time on the motion. Senator Wayne, you're recognized to speak for your third time on the motion.

**WAYNE:** Thank you, Mr. President and colleagues. I mean, I'm having some great conversations and part of the people are just asking, like, how, how does this work? How do we figure it out? And so here is-- here would be my request if people were seriously about doing something. We come back tomorrow. This is just me-- this is just Justin talking crazy. We finish the bills today. Hopefully, we kill one bill because I think we have to kill that to really reset what we're doing down here. If people still see that on the board, LB34, people are going to keep just going with the get along. We come back tomorrow, we check in, and we go to our committees. And we Exec on our committees. I know Appropriations is done, but Revenue still has a lot of bills. Judiciary has bills. Education has bills. Kind of talk through it what your committee is, kick some bills out. But then we have, like, a real negotiation where it isn't just 2 or 3 people because this is so fluid that I feel like, at the end of the day, we were 6 votes away-- based off of what I can count, 6 votes away of 45% property tax relief. Were they a pretty, pretty hard 6 votes? Yeah, there were some people who drew some line in the sand on other [INAUDIBLE]? Yeah, but how it works is there are some people who may not like gambling at all, and if that person wants to run that card and figure out they can get 30 to put a constitutional amendment on, or 25, that's fine. The same people might be OK with another thing. So you might have 3 or 4 different bills working your way up. That is healthy. Because if you don't want to vote for gambling, don't vote for gambling. If you don't want to vote for this issue, don't vote for this issue. And you walk them in lockstep. And the commitment is, I'm going to give my best shot to get this through. And in Final Reading if it dies, or Select File it dies, you can't pull off because you didn't get your win. It was your job for you to secure your votes to get your win. That's how you play this game down here. But we never had an opportunity. We had 24 hours to figure out how to deal with 6 votes. A group of us met on a Saturday and walked through things. We

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had a meeting with some other folks and they were like, well, this-- that was the only real one meeting that I had with a group of folks. See, what typically happens before a special session, is all of that's work that I just talked about was done before. But even the committee that's not secret but supposed to be secret couldn't come up with an actual report or idea or plan that they could agree on. In fact, the plan that was brought before us in LB1 wasn't the plan of the committee, nor did the committee even sign off on it. Then what the hell is the purpose of the committee? And what we have before us is a Revenue's bill, that's a little different, which is fine because of the Legislature. But typically we have some time to talk through things. Are there always Bill Drafting issues? Yes. Because how you read a bill and how somebody else reads a bill typically differs and you got to square that out. But that's why we have three rounds of debate. The process was flawed this time. We can set a reset or not. And the reset is a pause. Everybody take a couple of days off, get re-energized, watch "Goonies," watch "Dirty Dancing," watch all those great shows, come back and be able to go. The problem is, my logic is correct and now you're struggling with challenging the Speaker or not. Well, you get to vote--

**KELLY:** One minute.

**WAYNE:** --you get to vote on the Speakership next year. Challenging him this year has no carry-over effect. It just doesn't. He's going to need your vote again next year. It's how it works. He can't be too mad at you all the way through and then not expect you to vote for him. So you'll work that out. People get over that. But I'm really saying we need to put a pause and really do something. Six votes away from 45%, and you're telling me we couldn't figure it out. One of the biggest champions against some bills yesterday, I had a great conversation with and found out they were movable on some issues. Never had that conversation before. We can do better and I'm just asking people to stand up for your districts and demand better. Thank you, Mr. President.

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

**BLOOD:** Question.

**KELLY:** The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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**CLERK:** 25 ayes, 4 nays to cease debate, Mr. President.

**KELLY:** Debate does cease. Senator Conrad, you're recognized to close. And waives. Members, the question is the motion to recommit. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 6 ayes, 30 nays to recommit the bill, Mr. President.

**KELLY:** The motion fails. Mr. Clerk.

**CLERK:** Mr. President, Senator Bostelman would move to amend the committee amendments with AM100.

**KELLY:** Senator Bostelman, you're recognized to open.

**BOSTELMAN:** Well, good morning, colleagues. Good morning, Nebraska. Wasn't expecting it to come up quite so soon. So AM100 would strike Section 50 from AM41, which sweeps the investment earnings from the Nebraska Universal Service Fund yearly. It's perpetual from here on out. Last session, LB1413 also proposed a yearly sweeping of NUSF interest. However, after debate on the floor, we agreed to limit the sweeping of the funds to one-time transfer with Senator Machaela Cavanaugh's floor amendment, FA254. We said no last year. You cannot sweep the funds into perpetuity, into the future. You can this one time, but that's it. We're not doing that anymore. Let me repeat what I just said. Less than a few months ago, this body said no to sweeping these funds. Senator McKinney asked earlier, what's NUSF funds for? NUSF is funding comes from Nebraskans who pay a monthly surcharge on their telephone bills under the NUSF program. The providers receive funding called ongoing support. This support is critical, critical to the long-term sustainability of our broadband network. In rural areas of the state, as well as in our cities, where there are few customers, the cost of operating and maintaining the network far exceeds what any provider will receive in customer revenues. NUSF support is vital to fulfilling the high-cost cap and to the long-term sustainability of our network. Currently, we are spending-- we are spending hundreds of millions, hundreds of millions of dollars through the Broadband Bridge Act, capital projects, BEAD, ACAM, and other programs-- USDA-- to expand access and affordability to broadband throughout the state by replacing aging copper networks with state-of-the-art fiber systems. Sweeping the investment earnings from NUSF funds seems counterintuitive when these funds are meant to be utilized to maintain and upgrade the same networks we are currently spending millions, hundreds of millions of dollars on to build out. If those networks weren't being built out, we would be using the NUSF funds for



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maintenance and upkeep of those that we're replacing now with modern systems. The Public Service Commission also has voiced legal concerns with the yearly sweeping of interest from the NUSF funds, due to Nebraska's Supreme Court precedent. In Shoemaker-- Schumacher v. Johanns, the Nebraska Supreme Court ruled that the NUSF surcharge is not an unconstitutional tax and is not intended to raise revenue for government purpose-- governmental purposes. Rather, the surcharge is intended to regulate the telecom industry through a rebalance and restructuring of rates. Therefore, utilizing the Nebraska Universal Service Funds interest to raise revenue is a legal gray area. I will say that there are several district courts that have brought down rulings on both sides of this. It's kind of a gray area as we're talking about. It's-- probably will be resolved in the Nebraska-- or in the U.S. Supreme Court, but we have the opportunity now to ensure that all Nebraskans have the same opportunity to receive broadband, phone services, internet services, and that those, once they receive them, that they're maintained and kept at the level that they need to be retained and kept at. We do not currently, with all those programs we have right now, we do not have the funds to build out the entire network in the state of Nebraska as it is today. And these funds that we're sweeping can be used to assist and augment that build-out. If you're worried about the \$2 million that this is-- now, that will probably go down. And why do I say that \$2 million is going to go down because it has gone up over a couple of years? The reason is, is we passed the bill again in this body that said if you build out on these new projects, provider, when you build that out, you must certify by testing the system. You must certify that you're actually providing what it is you say you're providing at that location. Once you do that, then you get paid. That's part of what we're talking about right now is these funds are part of that process. Economic development in rural Nebraska. This is not economic development in Nebraska-- in rural Nebraska. Surprise, surprise it's broadband. Senator Bostelman is talking about broadband that is critical to the state of Nebraska. The PSC said: We have some potential legal concerns about forever sweeping interest out from the NUSF Fund. Under Nebraska Supreme Court precedent, this could render NUSF potentially an unconstitutional tax. Operational support and maintenance-- this is not PSC language. Operational support and maintenance of broadband projects funded by state, federal, and county governments will be necessary after the capital expenditures are made. It would be a better policy to accumulate earnings in the fund to prepare for more ongoing support necessary in the future. Once again, we're building out hundreds of millions of dollars. We're going to need those funds. Right now, they're not using that support because they have the money coming in

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from the federal government and state grants for that support, because we're replacing those areas and replacing those, those systems with state of the art fiber and other telecom services. We're doing that. So that's why that's building out. Once the build-out is completed, I would expect those funds to be used-- utilized fairly quickly. So if-- and let me read here-- here's from the court, it says: We conclude that the primary purpose is the NTUSFA is not to generate revenue of-- or-- for governmental purposes, but rather to regulate the telecommunications industry through the rebalancing and restructuring of rates, which I said. The funding mechanism established by NTUSFA enables a replacement of implicit subsidies with explicit subsidies in order to achieve universal service under the new competitive market environment brought about by Telecomm-- the Telecommunications Act. The surcharge is imposed only on end use revenues from telecommunication services and payments from the fund are made only to eligible telecommunications companies for the sole purpose of provisional maintenance and upgrading of facilities and service for 51, which is the support is intended. That's in 86-324 sub (1). Based upon our independent review, we conclude that the surcharge assessed by the PSC pursuant to the NTUSFA is not a tax. If you're concerned-- if you're concerned about the \$2 million and replacing the \$2 million, I have a recommendation for that. Next year when you come in next session-- currently, membership or admission to or purchased by zoo or aquarium, their memberships are currently exempt from taxing. So that's about \$1.4, \$1.5 million in '26-27 looking like. And then the cities actually get about 400 plus thousand dollars with that also. So if you're worried about the dollars, there's your dollars. That's pretty easy-- to me, that's a pretty easy fix. We can't do that this year, but that's what I'd recommend you do next year. This is-- this is important to me. I think it's important to all Nebraskans. Yeah, technically, maybe can you do it? But we said last year-- or not even last year, we said this year, this last session we said no. We said no. And now we're saying, well, yeah,--

**KELLY:** One minute.

**BOSTELMAN:** --we need it. We got to do it. I would urge you to vote yes-- green on AM100 and I do then support AM41 to LB3. Thank you, Mr. President.

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

**ERDMAN:** Thank you, Mr. President. I appreciated the comments by Senator McDonnell and he made a comment about next year there will be

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500 bills introduced and we normally get about 650 to 700. But because Senator Wayne and Senator McDonnell won't be here, 500 will be the number because they, they do about 100 each. So I, I did listen to that, I heard it. So let me give you this. I just received a text and it said: Vote no, EPIC or nothing, because 3% is nothing. So let me give you this little warning here. I may have voted yes for the last time on any of these three bills. Wow. Wait a minute. You voted these out of Appropriations, both of these. I did. I did. But I didn't know that Senator Wayne felt exactly like I do. And I would guess that there are 3 or 4 more of you that feel the same way, but you're very uncomfortable making that announcement, so just vote that way. We vote these down, and then we have to make a tough decision about what really counts and what doesn't. And those of you-- those of you who are seeking reelection are then going to have to make a hard decision. Because right now you're pretty safe. But it's becoming very uncomfortable as we approach the end of the session and nothing gets done, or we have to change it and actually do something. So Senator McDonnell asked, why can't we have bills brought to the floor for discussion? We have three separate branches of government: the, the judicial branch, the gover-- the judges and us, the Legislature, and the executive branch. And it seemed like that this whole session we've been functioning on what the executive branch wants, and we haven't spent a lot of time determining and trying to negotiate what the legislative branch wants, because the executive branch said you must do this. We, the Legislature, decide what we do here, not the executive branch. I would suggest today that Governor Pillen is not happy with what we have now proposed to be the solution. That's my-- that's my guess. I haven't talked to him, but I believe that to be the case. The majority of the Nebraskans today would agree with what Senator McDonnell said earlier this morning. That's all? That's it? That's not enough. I agree with that. So you may find it very difficult for me to get a green vote on any of this stuff. I personally would rather go home with nothing than to continue to put a Band-Aid on an amputation that would lead people to believe there is actually going to be a solution come out of the Legislature. That will never happen. In 1966, the voters took it upon themselves to fix the system, the whole system, by removing property tax for the state, and until the voters get to the place that they're frustrated enough that after 57 years, we haven't made a decision that counts for them, they may then put something on the ballot to force the Legislature to do something they don't want to do, because we're not going to do anything that makes us uncomfortable. We don't want to have a discussion.

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**KELLY:** One minute.

**ERDMAN:** We don't want to talk about Senator Blood's bill. We surely don't want to talk about Senator Brandt's bill. And perhaps it's because of the people that introduced those two. They now know how I feel. We're in the same boat. But who loses in this whole process are those people watching at home and those people that pay the taxes. They're the losers. And how did they become the losers? Because we picked winners. And the winner is the government. And the loser is automatically those who pay. A decrease in the increase. Vote no on these bills, and let's get back to work. Thank you.

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

**McDONNELL:** Thank you, Mr. President. Again, good morning, colleagues. Just wanted to start talking about some of the bills that, that I introduced and want you to consider as we go forward. One of the bills I introduced was the idea that after 40 years as your primary resident-- residency in the state of Nebraska, either one home or homes, a number of them, that you would no longer pay property tax. Large fiscal note. Thinking about finally having that one moment in your life after paying property taxes for 40 years, that you could sit on your porch and honestly say that you own your home, that you are no longer paying rent to the state-- to the, the government based on the idea that you're paying property taxes. And if you financially stumble that your home that you've owned-- or homes, cumulative-- you'd be eligible, that it's not going to be taken away from you. I want to have that discussion. Now, maybe people say, well, it shouldn't be 40 years; it should be 45, it should be 35, it should be-- OK, well, let's have that discussion. I have another constitutional amendment that we had talked about last year. Valuations would be capped at 5%, 5%, up to 5. Sometimes I think we get as a-- as a-- as a Legislature, we start thinking, oh, there's 93 counties. I believe that Douglas County Board does a good job of trying to control spending. I've got some other ideas and-- but I've, I've got people on that, that board that I can talk to that give me ideas. You've got the county assessor of Douglas County, Walt Peffer, you got P.J. Morgan, and other people are serving on that board, and we sat and we talked about what would be fair for those county commissioners looking at the, the valuation and we came up with 5%. Now if someone says that should be 4%, that should be 6%, OK, let's, let's have that discussion. But that would be a vote of the people, that would be on the ballot for November 5. Talking about a vote of the people, I introduced that's currently sitting in Urban Affairs, came out last year, was on General File,

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voted out 7-0, was the idea of if you have a project and you're going to issue bonds for over \$80 million, that size and scope of a project, you should have a vote of the people. Now, if you have funding coming from the, the federal government, from the state government, from the private sector, it doesn't count within that, that \$80 million which was somewhat confused. But at that point you're spending that kind of money of \$80 million, I think the people should have a vote. It's their money. I've heard people say, well, that's, that's-- we're going to get that, that's through bonding. It's still the people's money. It's the taxpayers' money. I think they should have a chance to vote. Now, that was for metropolitan class cities and I really thought when it was introduced, and we've had this discussion over the year-- years, people would say, oh, no, no, I want it-- I want it throughout the state at X number of dollars adjusted for that, that community. Because the concept is we have the opportunity to educate the people on some of these large projects, give them the opportunity to weigh in, and then let their voice be heard at the ballot box based on if they want that project to go forward. There is so many bills that have been introduced out of the 81 that are just, I really believe are, are good bills and deserve an opportunity to come out of committee. And, again, some of mine I know will not come out of committee. But I want the, the citizens of Nebraska to know that there's other ways we can help with the property tax issue currently in this special session and outside of what we're trying to do with LB34 that we have that opportunity. And I'd like you to encourage my colleagues which I, I know there-- there's, there's one thing that is consistent amongst, I believe, my fellow senators is their work ethic. I've noticed that from any part of the state, east, west, north, south, people come down here to do the work. Now, I'm not saying that on days there's a number of places we all would, would rather be, you know, and we would like to spend more time with family and friends and neighbors, but they're willing to make that sacrifice. And they are here and they are willing to do the work. I've disagreed with people over the years, but not based on their work ethic. Some of their ideas I disagreed with, but not based on their willingness to put the work in. I know we can make some improvements, and those are through the bills I wanted to, to discuss. I'm going to get back on the mic and talk about some of the other bills I've introduced, and one--

**KELLY:** One minute.

**McDONNELL:** --that we are going to discuss is based on you stand on the porch-- and this is currently happening with some people that are, are running for, for Legislature, and, and the idea that a person will tell you that their, their husband died, their spouse died--

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**KELLY:** That's your time, Senator.

**McDONNELL:** Thank you.

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

**CONRAD:** Question.

**KELLY:** The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor, vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 25 ayes, 4 nays to cease debate, Mr. President.

**KELLY:** Debate does cease. Senator Bostelman, you're recognized to close on AM100.

**BOSTELMAN:** Thank you, Mr. President. Broadband. That's the topic that I like to talk about for 8 years. Broadband. So there's a couple of things happening and we're talking about, you know, a couple of years-- we continue to do a couple of years of, of this funding to get things up potentially, maybe the body would like to look at that if we only make this to 3 years. But I would encourage you at this point in time, and I think Senator DeKay is one who is willing to drop that amendment to say through 2027 that we would do this, but then not after that, that would be the end of it. That's a consideration you have. But I do feel strongly that this is a very important fund that we have out there. And my concern is, is that as we can build out the system throughout the state, that we don't have the supports needed to, one, continue to build out to meet those needs. But the other one is to maintain the systems that we have. So we have gone around-- for years, let me tell you something-- for years I have fought NUSF with the telecoms-- with the providers for years on this subject. Right? Because we need to get the old copper systems replaced. We need to do that. It's critical, vital for communities across the state to make that happen. And we did do that, actually, this last session. We, actually, made that difference. ACAM has got a build-out. Once that's done, copper is done with NUSF. What we need to make sure, and so we have all the funding we can to finish the build out. Like I said, we have hundreds of millions of dollars, hundreds of millions of dollars coming to the state right now that allows this fund to grow because we're not replacing, we're not doing the maintenance, but replacing the entire system so we need to be able to build that into the future. So perhaps the right answer is, is if the body would allow it for a

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couple of years until '27 and then it ends. But that's up to the body. Right now, I would ask for your green vote on AM100 and for-- and AM41 and LB3. Thank you, Mr. President.

**KELLY:** Thank you, Senator Bostelman. Members, the question is the adoption of AM100. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. Members, the question is, shall the house go under call? Record, Mr. Clerk.

**CLERK:** 26 ayes, 4 nays to place the house under call.

**KELLY:** The house is under call. Senators, please record your presence. All those senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Brewer and Dungan, please return to the Chamber and record your presence. The house is under call. All, all unauthorized-- all unexcused senators are present. Senator Bostelman, the vote was open. Will you accept call-ins? Mr. Clerk.

**CLERK:** Senator Dungan voting yes. Senator Hunt voting yes. Senator von Gillern voting no. Senator Murman voting no. Senator Albrecht voting no. Senator Linehan voting no.

**KELLY:** Record, Mr. Clerk.

**CLERK:** 21 ayes, 15 nays on the amendment, Mr. President.

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

**CLERK:** Mr. President, Senator Machaela Cavanaugh would move to reconsider the vote on AM100.

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

**M. CAVANAUGH:** Thank you, Mr. President. Colleagues, I hope you just sit in your seats for a minute. I'm not-- I'm just going to talk now and then get myself out of the queue so that we can go to a vote on this. I don't know that everybody was paying attention. We voted-- 30 people voted to take out the permanent language in April. That language is reinstated in this amendment and Senator Bostelman is just trying to go back to what we all passed in April to not obligate future Legislatures to take money from the Universal Service Fund's interest. I don't know why only 21 people voted for that, but 30 people voted for it before. And actually some people voted for it today that didn't vote for it before. I-- pick a lane. Like, pick a lane. 30 people voted for my amendment. That's how important it was to

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this body, because you all know you don't give me a vote unless it is hard-fought. So please vote to reconsider, vote for Senator Bostelman's amendment, and let's move on to the next thing on the debate. Thank you, Mr. President.

**KELLY:** Thank you, Senator Cavanaugh. Returning to the queue, Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I support the vote to reconsider. I don't think we should be moving any cash funds, but that's me. But I have some questions. Would-- is Senator von Gillern around? No. OK. But I have some questions for him later. But I am curious, somebody asked me this question on the side. So would Senator Clements answer a-- yield to a question?

**KELLY:** Senator Clements, will you yield?

**CLEMENTS:** Yes.

**McKINNEY:** Quick question. I, I didn't know this answer. So with the LB1107 funds, and if we front-load it, if an individual hasn't claimed them for the past 2 years and this bill passes, will they be able to claw back that previous 2 years?

**CLEMENTS:** Yes. The statute of limitations on an income tax return is 3 years. And they can-- people can file amendments yet on their '23, '22, '21 tax returns. This will not stop that.

**McKINNEY:** All right. Thank you. Oh, another question. Are you on the Building Maintenance Committee?

**CLEMENTS:** Yes.

**McKINNEY:** Oh, good question. Well, I have a question for you. So how many times has the Department of "Punitive" Services come to your committee and requested funds for maintenance on the State Penitentiary?

**CLEMENTS:** I'm not sure, but I've just been on the last two sessions because I'm Appropriations. Senator von Gillern is Chair, he might know more, but I don't recall them coming to the committee myself.

**McKINNEY:** OK. Thank you. Because-- and, and I ask that because it's new to me today that the department could go to the Building Maintenance Committee and request funds for maintenance. I didn't know that. Maybe I should have known that, but I did know now. Hopefully,



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I'll talk to Senator von Gillern to see how many times they do come before the committee and request funds for maintenance and how much and what for? Because I think we should know, and I would like to see if there is a report on what they asked for and what they've done with those, those resources. But, again, I don't think we should be taking-- just like we shouldn't be taking money from the Universal Service Fund, because broadband needs to be expanded in rural communities and all resources are needed to do so. All resources-- all resources are needed also to take care of the facilities that we are housing incarcerated individuals that are living in inhumane conditions and we shouldn't be taking any money. So just like we shouldn't be taking money for broadband, we shouldn't be taking money for maintenance or facilities because it's needed. So I don't understand that. And the conversation about only Revenue bills are only being heard and that's the priority of the call or property tax relief. The way I read the proclamation, it was super broad and, from my understanding, no bill that, that got introduced was ruled outside of the call. So no matter if a bill did not go to the Revenue Committee, all bills were in the call so I think all bills should be able to be heard and regardless of going to Revenue Committee. If they get voted out of their committees, they should be able to be heard on the floor. And if they're out, they're out. They should be considered because there are-- there are bills that are sitting in committees that would raise revenue for our state that would be very helpful, instead of taking dollars from the people that would also-- that would also help renters, because we're not going to help renters, although we're here for a special session, we're not helping renters at all. We're helping--

**KELLY:** One minute.

**McKINNEY:** --property tax owners and I, I would also like to know of the unclaimed property tax credits that we keep talking about. How many-- what percentage of those unclaimed property tax credits are outside property tax-- property owners? If somebody could please give me that data, I would greatly appreciate it. What percentage of the unclaimed property tax credits are of individuals that don't live within the state, or are not owner-occupied residents? So with that, I'll close. Thank you.

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

**CLEMENTS:** Thank you, Mr. President. I voted no on AM100. The interest on the Universal Service Fund is part of the funding in LB3. And I

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looked up the balance of that fund the last 5 years was \$86 million, then \$96 million, then \$110 million, \$133 million, and as of July 31, \$131 million. It receives \$50 million of revenue per year from, from telephone bills. And it's been-- the spending-- it's been spending 27, 37, 35, 29, spending about \$30 million of the \$50 million coming in. So the-- that's why I voted to include this in that transfer of interest. Also, there already is some of the Universal Service Fund interest being used for the 211 information system that originated from the Omaha nonprofit. So this would-- excuse me-- this only transfers the excess over what's being used for the 211 as far as what I'm understanding. We have been discussing some compromises and I'd be willing to sunset this provision June 30 of 2027 so that it would fund LB3, AM41, as put out by the committee, but would have a sunset date in June of 2027, after 3 years so that the Legislature could decide at that point. So-- and if we're-- yeah, if we would vote no on this, we'd still be able to have an amendment to just limit the-- rather than taking it out completely, I would vote no on AM100 and then support a 3-year sunset either now or on Select. Thank you, Mr. President.

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

**MOSER:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. Well, first of all, the, the, motion by Senator Bostelman to preserve the USF Fund, I support that. That fund is supposed to be for maintaining the phone network. And it's money that winds up subsidizing areas that are not economically feasible to continue-- well, or to build out phone service. And so to take that money in perpetuity to fund the property tax is, I think, wrong. As to-- so I'm, I'm going to vote to reconsider. And I did vote for that bill previously. The notion that this is only a 3% improvement in property taxes and that that's not enough so I'm going to get mad and I'm going to go home, going to stomp my feet, this isn't enough. Yeah, it's not enough, but it's something. And we'll keep trying until we can make a substantial difference. Without having more revenue, there was-- there weren't a lot of places to go to find money to offset property taxes. It's just, you know, only in "Lake Wobegon," Garrison Keillor's fantasy world can all the children be above average and all the women good-looking. It's just, you know, it's just-- you can't reduce property taxes without having revenue to offset it. We can grow it a little bit at a time, is what we're trying to do. But we have a long way to go with that. Looking at the sheet that Senator Linehan handed out that showed the change in valuation-- in property tax valuation, I, I can't believe that people who live in Douglas County

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or senators who represent Douglas County and Lancaster County didn't all universally support the tax plan. In Douglas County, evaluations went up 27%, 27%. So if you're paying \$5,000 in tax now, that's going to-- in property tax, it's going to go up 27%. Why wouldn't we want to help those people? Now the schools if they get foundation aid, if the valuation goes up, they can't reduce their levy because they still don't have enough money, but they won't get TEEOSA funds or, or help from the state. So that all falls on the taxpayers of Douglas County. So why did the senators from Douglas County not support this tax plan or Lancaster County? Most of the more populated counties have increases in valuation. Buffalo, 2.3%; my county was less than 2%, just a little bit. But, you know, I agree with Senator Wayne that we needed 4 or 5 more votes to get something done. But if that plan wasn't it, I'm willing to come back in January and try to come up with another plan to see what we can do to help people pay their property taxes. This is-- this is just crazy. Thank you, Mr. President.

**KELLY:** Thank you, Senator Moser. Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you, Mr. President. So I'm doing what's called-- I'm making up a name for it, like a delayed filibuster. I'm not, I'm letting votes happen. I'm not going crazy and doing a whole bunch of crazy stuff. But we are going to take some time. And so-- and maybe-- I understand, there's some people who don't necessarily like me or get along with me. And so-- and it's unfortunate because you have to think of everything on the floor. I'll give you an example. When Speaker Hilgers was here, Senator Groene had a bill for the rail spur projects-- rail, rail, rail-- rural projects. I guess it was the act, the Rural Projects Act. And I had to schedule my north Omaha thing right after that, and I kept telling Speaker Hilgers at the time, I was, like, you have to schedule me right after that. You have to, because I can make the argument what's good for rural for \$40 million is good for north Omaha for \$40 million. And I can make the argument of where these would go in the populations. And I had to make some of those arguments on the floor. And then it kind of-- it, it just went through. Last year during veterans court, we had a conscious decision and-- for me and others to put Brewer's name on there. So it was Brewer's bill on the top of the floor because Wayne gets too much or Wayne might have another deal or this-- and so it's just-- it's, it's funny how much you have to think about-- not everybody does, but a lot of people have to think about how that board looks, who's on the board, and what order to even call a vote that a lot of people don't have to think about. Take that for what it's worth. But when you think about bills, you should think about all of that. Who introduces it,

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how you vote on amendments, how those amendments are written? All of that factors in in a different way depending on the mood of the body. So maybe I'm the wrong person to talk about it, but at the end of the day facts are the facts. And we're going to do \$400 million over 3 years. The first big chunk is \$180 million, then we actually drop down to 131, move back up to 140. So those 2 other years and the following are less than what we're doing this year. But I guarantee you valuations and property taxes are going to go up. So we actually have a little increase and then we decrease for 2 years while property taxes are still going up. So it's truly a minus when you talk about the increase-- the decrease in the increase. I want to mention that on the-- what's been handed out is part of Senator Blood's CA. And look at some of the unfunded mandates just in Sarpy County alone. It's about \$15 million. If you don't like EPIC or you do like EPIC-- let's back up, if you do like EPIC and you can't get EPIC there, this is how you force a conversation around EPIC. You vote for the CA, you put it to the vote of the people because all of the unfunded mandates will have to be paid for. So they're going to have to have a revenue conversation down here after it's voted on and the people say yes. And that's when the-- all the, the people with the Excel sheets and everybody comes out. And then Senator Erdman can say, if you're taxing 5.5% on the gross, and I'm trying to do just a one tax on a net, I don't think we're that-- I think we're a little closer than you think. But we're going to have to do something because the unfunded mandate constitutional amendment passes. The cost of unfunded mandates is huge. So we can dance around not having real property tax relief or we can take up the CA and have a real debate on how much this state puts on its counties, and should that go to the vote of the people?

**KELLY:** One minute.

**WAYNE:** So Senator Blood, Government Committee voted out her CA and it won't be scheduled because it didn't come from Revenue. But I would argue that would have the biggest impact this election on people who want to go out and say I want lower property taxes, and I want the state to stop putting it on the locals to carry this unfunded mandates and this burden. But I guarantee you people won't vote to let that be heard because they're scared of that conversation. It's funny, we're there for League of Municipalities and counties; when it comes to taxes, we want to listen to them about how we can't have caps. But they all signed off on this. But you won't listen to them on this because, see, we find ways to navigate to make excuses of why we won't provide, provide real relief.

**KELLY:** That's your time, Senator.

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**WAYNE:** Thank you, Mr. President.

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

**DORN:** Thank you. Thank you, Mr. Lieutenant Governor. I know there's been some discussion about the bill that we just-- of the amendment we just voted on and some discussion about-- thank you, Senator Clements, for bringing up what you brought up, that we probably will have a vote on that again sometime. Wanted to talk about a few things this morning, been listening to a lot of the discussion, Senator Wayne, other people. 3%, I guess you could call it a 3%, that's what we're going to end up with. It's \$186 million. That's what we're going to end up above what would have been. We would have had \$565 million; we're going to have \$750 million in LB34. That's, I call it, one side of the equation. I always look at the whole equation, though. Several people brought up-- the last I've heard is about 25% of the people don't claim that \$565 million, about 25% of the money hasn't been claimed each year. That's another \$140 million. Senator Wayne, in your district, and I think most of your district is in OPS, this comes from the Governor's staff, 60% of those people haven't been claiming it. So 40% of your people will see a 3% increase. 60% of those people, though, will also be receiving all of that \$565 million. They're going to be receiving the whole amount, probably a 10 to 12 to 15%. I don't know what percent it is. So, yes, we do have that statewide. It's 3% more is going in there. But in certain districts, Lincoln Public School System, 52% of the people weren't claiming the LB1107. I don't know if those numbers are right. Those are numbers we're hearing. The latest number I have heard is all that 25% of the people statewide, \$140 million is not being claimed. Myself, I claim it every year. I will be only collecting maybe a 2 or 3% increase. Does this affect me much? No, it won't affect me much. Not much at all. But that's why we're down here to do some of that work. I do agree very much with what Speaker Arch said this morning. This is a process and, and, and he laid this out very good at the start of the session. He's talked about it several times during this. We have a process here where we're going to go by the bills that are lined out-- are outlined. We're going through those first. He was very specific in saying-- and he's repeated it 3, 4, 5 times-- any other bill that you want scheduled, we can do after that. I will say this from my personal feelings, the longer you keep us here, the less likely I am here to stay longer for a discussion on some other bills. Let's get through these things. Let's vote on these bills. Let's vote on these amendments. Let's get through and vote this thing up or down instead of having these filibusters, what we have all the time and taking the 8 hours on

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discussion, then the 4 hours, it just drags this out and it wears on Senator Wayne, it wears on us, it wears on me. I go through the emotions of I'm not staying here any longer. I might stay here longer. All I can tell you is, once we get through this, I will stay here longer to have any of those discussions on those other bills. Thank you much and I yield my time.

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

**ERDMAN:** Thank you, Mr. President. Appreciate the opportunity again to bring to the attention of those in the room that are listening, the three of you. Did you get that, the three of you? OK. So I may start calling people out by individual, asking them to yield to a question. This might be the question. Are you OK with 3% reduction in property tax? If not, what is your solution? How do you explain to the people when you go home that you had a win and you got 3% reduction? That would be a very uncomfortable conversation. But that's one-- maybe it's a rhetorical question that you ponder to yourself. And once you've done that, then the decision that you and yourself made and your imaginary friend, if you have one, then you have to make a decision how to go forward. And I'm not sure what's going to happen. I'm not sure how we're going to negotiate something other than what we have in front of us. But I'm going to tell you right now, I'm not leaving here with a 3% reduction as a win. The EPIC consumption tax is in the Revenue Committee, could be voted out. I offered a solution earlier, an attempt to phase it in over time, which we've never done before. As I said yesterday, I got zero support from anybody except Senator Hardin made a suggestion. As I said earlier, we are the Legislature and we can do whatever we desire to do if we get 25 votes. So let's stay here and do the work. And if it takes all next week, so be it. I'm already missing picking sweet corn, and for those of you who got sweet corn in the last couple of days, you would probably suggest that we ought to adjourn or recess until next week so I can go home and get some more. The point is this, you have to decide who sent you here. And if you're here to protect sovereign immunity and eminent domain and all those things of the government, I understand that, that's who sent you here, the government. That's not who sent me here. It was those voters of the 47th District. And why did they do that? I believe they did that because I told them I was going to work on property tax relief. And I would assume everybody in this room had that on their card. How many bills, how many ideas did you come with to solve that issue? And if I had a show of hands, it'd be a very small number. But we keep nibbling around the edges and we keep saying we did something. So I am now to the point that I don't give a rip if

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we pass anything. OK? So I will not be voting for anything going forward, LB34, LB1, LB2, LB3, whatever you got. I'm out. So if you have 33 without me, great. If you don't, you're not going to make it. So you decide--

**KELLY:** One minute.

**ERDMAN:** --you decide how you're going to do this, but it's going to be without me. Because when I go home, I'm not going to be blamed for giving a decrease to the increase. I'd rather be blamed for getting nothing. I'd rather be accused of standing up for those who sent me here, than to give in and allow this insignificant reduction to be a solution. It is not a solution. And you that are running for reelection are going to find that out. So you may not get reelected for your vote if we do something significant. But I can tell you this, if you don't vote at all for something significant, you will lose as well. This is a defining moment in your legislative career. Do something that counts. Thank you.

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

**McDONNELL:** Thank you, Mr. President. Thank you, Senator Erdman. The idea of where does some of these bills come from that we, we introduce, 99% of the time it comes from a constituent, from someone telling you their, their story. And most of the time, the stories aren't, aren't positive. And how can we do something to positively affect their lives? So go back to the, the 5% on the idea of the constitutional amendment that we would-- the valuation would be capped at 5%. That came from a person that had lived in their home for 58 years. Their valua-- maintained their home, no improvements; valuation went up 35%. And they asked, do I need to sell my only vehicle to pay the difference now in my property tax? There's another bill that I introduced, a number of people helped, worked on it. The idea of the homestead exemption and the range of who's eligible. Over the years, we've used CPI. Wanted to switch that to HPI, House Price Index. Why does that make such a difference? Because if you look over the last 10 years, it's gone up about 30% with CPI. HPI would go up 90% to expand the range. So more people are eligible based on the homestead exemption. You have people that have told their story, that, originally, there's people out knocking for Legislature and then this got back to me and these, these individuals were-- they were just barely outside of the range. So then they had to make the decision because a number of them had lost their spouse, therefore their pension had stopped. Their revenue went down, but not enough to make

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them eligible for the homestead exemption. These people aren't talking about selling their car. They're saying, I have no choice but to sell my home. So you think about that American dream. You think about how we want to get people the opportunity to be a homeowner and what all that means. I'm second generation. Prior to, to my father, we always rented, but that was his dream after serving in World War II, was to come home and be the first of his family to own a home. And he did it, him and my mother. Worked very hard, spent their whole life-- well, two houses, but the idea, the-- all the memories, everything that went with that home and what it meant to them. Again, getting back to the one day where you could finally sit on your porch and not be partners and not owe rent to the government in the form of property tax. How about just be able to hang on to it? And so we talk about we, we can wait and, and I really just disagree with the, the, the strategy of if we wait till January, we'd have more time. No, you don't, you do not have more time in January. Now, is this more time-sensitive because our class of at least 15 of us aren't going to be back? It's more time sensitive because the citizens of Nebraska need our help now. This isn't just something where, hey, I've, I've got to pay a little bit more and it's OK and my disposable income won't be the same. No, these are people losing their homes. So I talked the other day about what are we going to do for our, our kids, our grandkids? How does the state look going forward? How does the state look tomorrow, the next day? And I know you're sincere about trying to work on this in January. I know you're sincere today, but it is time sensitive and we have to have that sense of urgency. We have to make sure the citizens know that we are-- again, I'm supporting LB3, I'm supporting LB34. And it's been work and it's been something.

**KELLY:** One minute

**McDONNELL:** Again, as told to me this morning, not enough. Also, I appreciate Senator Bostelman. The 8 years we've served together, here he is trying to work on AM100. We talked about the 211 system, the-- through the United Way of the Midlands for the whole state, east, west, north, south. And that assistance line, how many people it helps. He's working on right now a way to make sure that that funding stays in LB3. And I, I appreciate his, his work. I know we can get there. There's talent in this room and I've seen it. There's so many good ideas. I know we can get there this session. Now, is it going to be perfect? No, it's not gonna be perfect. We're human beings, and we're never going to be perfect. Our legislation will never be perfect. But I know we can make a big step forward for the citizens of our state with true sustainable property tax relief. Thank you, Mr. President.



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**KELLY:** Thank you, Senator McDonnell. Senator Bostelman, you're recognized to speak.

**BOSTELMAN:** Question.

**KELLY:** The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 27 ayes, 1 nay to cease debate.

**KELLY:** Debate does cease. Members, the question is the motion to reconsider. Senator Cavanaugh, you're recognized to close.

**M. CAVANAUGH:** Thank you, Mr. President. I don't know how many people are in here, so I'm trying to decide if I should do a call of the house or not. But thank you, again, to Senator Bostelman for bringing this motion. This is reinstating the language that this Legislature agreed upon and voted on in April in the budget. All this does is not commit future Legislatures to taking the interest from the Universal Service Fund. That doesn't mean that we can't decide next year to not take it. It just means that we are not bound to do it. It's not a permanent change, which is something that we're not supposed to do through appropriations. And I just want to say there were 30 people who voted for this fix in April, and today there were 6 additional people that voted for it. So, colleagues, we should have 36 votes for this. Easy peasy, lemon squeezy. Let's just do it and move on to whatever the next thing is. Thank you, Mr. President. I think maybe a roll call vote. Thank you.

**KELLY:** Thank you, Senator Cavanaugh. Members, the question is the motion to reconsider. There's been a request for a roll call vote. Mr. Clerk.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz. Senator Ballard voting no. Senator Blood voting yes. Senator Bosn not voting. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad voting yes. Senator Day. Senator DeBoer voting yes. Senator DeKay not voting. Senator Dorn voting no. Senator Dover. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting yes. Senator Hunt voting

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yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting yes. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe not voting. Senator Sanders voting no. Senator Slama voting yes. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting no. Vote is-- excuse me, Senator-- Senator Bosn, I'm sorry, voting yes. Senator Riepe voting yes. Senator Ballard voting yes. Senator Jacobson voting yes.

**KELLY:** Record, Mr. Clerk.

**CLERK:** 22 ayes, 22 nays to reconsider, Mr. President.

**KELLY:** The motion is not adopted. Mr. Clerk.

**CLERK:** Mr. President, Senator Machaela Cavanaugh would move to offer AM107.

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

**M. CAVANAUGH:** Are we going to-- yeah. Yes, I would like to replace.

**CLERK:** I have a note that she would withdraw that and substitute FA132.

**M. CAVANAUGH:** Actually--

**KELLY:** With objection, it is withdrawn.

**M. CAVANAUGH:** Actually, AM115 [SIC].

**CLERK:** She would withdraw and substitute AM116.

**KELLY:** Without objection, it is withdrawn-- substituted. Without objection, it is substituted. So ordered. Senator Cavanaugh you're recognized to open.

**M. CAVANAUGH:** Thank you, Mr. President. Well, that was another "Profiles in Courage" for this body. Honestly, I'm too despondent to talk about any of this with any of you anymore. I had to file the amendment to do the compromise that whatever, I guess. So I yield my time to Senator Bostelman.

**KELLY:** Senator Bostelman, you have 9 minutes, 34 seconds.

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**BOSTELMAN:** Thank you, Mr. President. Thank you, Senator Machaela Cavanaugh. Colleagues, what we have is there's an amendment. The amendment she has is a compromise language we worked out with Senator Clements, our telecoms, those on the floor, myself. This-- what the amendment does basically is, it secures the 211 funding through the time that we-- that was in question because there was question after 2025 if 211 funding was going to be there. But this secures-- makes sure that that is there and it also returns the funds after '27 back to NUSF. So it ends in 2027. So I fully support this. I would ask for your support as well. Again, I want to thank Senator Machaela Cavanaugh, Senator DeBoer, others, Senator DeKay, others who have worked with us, Senator Conrad, Senator Clements, others that we worked on this to get this done. I do believe the amendment is good as it is, and I would ask-- kindly ask for your support of AM116 and then the underlying amendments and bills. Thank you.

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

**CONRAD:** Thank you, Mr. President. I'd yield my time to Senator Slama.

**KELLY:** Senator Slama, you have 4 minutes, 55 seconds.

**SLAMA:** Thank you, Mr. President, and thank you, Senator Conrad. I rise today in probably not as rare of occasion that I, I do agree with Senator Erdman. He is making quite a bit of sense. The wheels are falling off the special session, and they are falling off of the special session fast. We are so past being capable as a Legislature of passing a bill with 33 votes that makes any sizable impact for property taxpayers. The frantic deals that are getting made this morning aren't thought-through, they're not vetted, and we're going to do more long-term damage to this state than good. I'm with Erdman. I'm off advancing everything at this point. The next time I'm hitting my green button for something that is not an amendment is probably going to be for sine die, because this is-- this special session has passed its useful life as of this morning. Thank you, Mr.-- oh, before I hand over my time, I'd like to see if Senator DeBoer would yield for a question?

**KELLY:** Senator DeBoer, would you yield?

**DeBOER:** I would.

**SLAMA:** Fantastic. Is there anything you'd like to say?

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**DeBOER:** Yes, as a matter of fact, I would like to say a few things, how thoughtful of you to ask. So what we have here in AM116 represents a kind of a compromise which says that we shouldn't be taking all of the money into perpetuity from the NUSF interest, recognizing that when we build out very rural broadband, there's going to be an obligation on the state to keep it going. Fiber is a future-proof technology. You hear that a lot, but that doesn't mean it doesn't have to be repaired. So when we build out all these hundreds of millions of dollars of technology and we have this asset, which the state has invested in, we got to make sure that it's able to be kept going. And it's not going to break in 10 years; it's going to start breaking immediately because people have accidents, because rodents get into things, because whatever it is. And the little plastic doohickey, which I can never remember the name of that goes between this and that, those things fail. So we're going to have to be able to support keeping our broadband infrastructure going. That's what the NUSF Fund is for and it's going to need to get bigger over time. So in the next 3 years we've had some excess the last couple of years. In the next 3 years, OK, maybe we can take the hit to the fund, but after that we're going to need it. And the kind of ironic thing here is that this is Senator Machaela Cavanaugh's amendment. It was her amendment in the spring, and she lives in the city. City people don't get benefited from the NUSF Fund. You know who gets the benefit of the NUSF fund? It's rural. See, Senator Cavanaugh has been on this committee for 6 years, so she understands, because we hear it time and time again. Like Senator Bostelman, who's been on the committee for 8 years, she's a subject-matter expert in this area and she knows that we need this fund and we need this fund to be there for this asset. Because if we end up with stranded assets, unusable because we can't keep them repaired, then what are we spending all this money for? To help rural Nebraska. This is a vote, which everybody agrees now, as far as I understand, everybody I've talked to agrees, Senator Clements said we just need it for 3 years and then after that you can have it back in the NUSF Fund. This is a vote for rural Nebraska because I believe in helping rural Nebraska, even though I'm an Omaha senator.

**KELLY:** One minute.

**DeBOER:** Thank you, Mr. President.

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

**McKINNEY:** Thank you, Mr. President. I support AM116. But if we're working under the conversation that what are we spending all this

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money for? Why are we trying to take all this interest money away? Before we go to lunch, I would like to say I, I do have another floor amendment. I think it's AM131, which strikes the section to take away the interest money from the Correctional (Services) Facility Cash Fund and correctional industries because you all voted to spend a lot of money to build a prison. You also don't want to close the Nebraska State Penitentiary, because I tried to get it demolished multiple times and I didn't have the support to get it demolished. So that means you all want to keep it open and operational. It currently has a water main issue that's not being addressed. So since you all have committed to spend a bunch of money on Corrections, why are we just-- if, if we're working under the same premise about why are we spending all this money, we shouldn't take the money away. It's very important. Let's work within the premise of humanity and being humane and making sure people that this state has decided to incarcerate, and in some cases over-incarcerate, and in a lot of cases not give second chances to, let's make sure that the conditions that they're living within are humane, and we should not be taking away the funds to make sure these facilities are properly managed, and making sure that the facilities don't have water main issues, and make sure the upkeep is right. So no funds should be taking away Corrections. Because this body and this state likes to build prisons, likes to over-incarcerate people, doesn't like to give people second chances. Also, people in this state don't think people who have been incarcerated shouldn't vote anymore because we passed a bill in April and the Secretary of State and the Attorney General decided that was unconstitutional. And maybe what is it, next week on the 20th, those people get a pardon, but even the people who would have got their rights restored won't be able to vote because they'll have to wait 2 years, some of them. So if-- since the state is in the business of incarcerating people, not giving people second chances, not caring about the humanity of these people, we should, bare minimum, make sure that the facilities are properly managed and are humane. So if we're saying the dollars for the Universal Service Fund are needed for rural Nebraska because we need to take care of rural Nebraska, we need to take care of the people that are housed in the facilities that we decided to house them in, that some people think they should be housed in for the rest of their lives and not be provided second chances. So as you go to lunch, because I'm not sure if it'll come up by the time we go to lunch-- I won't try to think about that. We should not take any dollars away from Corrections, because we need to make sure that the facilities are humane, because although you don't want to demolish NSP, although you voted to build a \$350 million facility, and we're not talking about operations, you need to take care of that facility because the

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department has deferred maintenance for 10-plus years, and it keeps-- and it keep having problems. So why are you all trying to take away this money?

**KELLY:** One minute.

**McKINNEY:** Yes, the department can go to the Building Maintenance Committee and request funds. But if they have \$10 million left over for operations, why aren't we telling them to reallocate that to take care of the maintenance? Why do they have to go request money from the Building Maintenance Committee when they can just reallocate \$10 million? Why are we taking away \$100,000 that could be used for maintenance? It just doesn't make any sense. So as you go to lunch, make sure you think about AM131 since we're thinking about why are we spending all this money? We need to take care of people. Thank you.

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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I stand in support of Senator Cavanaugh's amendment and in support of the Appropriations bill once that is amended into it. I handed out, as usual, information on unfunded mandates, and I see that many of you have not even bothered to take the time to look at it, which is very telling. I have to disagree a little bit with Senator Wayne and the fact that what happens is this goes to a vote of the people and the vote of the people are being asked, should we pass any bills unless we can first prove how we're going to pay for them? That gives us the opportunity to talk to our political subdivisions, find out if it's a necessary cost and, if so, how can it be paid for before we pass legislation like that? Seems pretty simple and seems pretty logical. And I traveled all over Nebraska talking about this, and I can tell you not a single person in all of your districts said this was a bad idea. They were very, very excited. Now we're saying-- being told that we only have a limited amount of time to get done what we need to get done. Well, let's look back to 2 years ago when we rushed around and shoved a bunch of stuff into these bills and made giant omnibus bills. When we had to get stuff done, we got it done. If we could stop filibustering, start putting some real energy towards what needs to be done, not only could we pass what's necessary for Revenue, but we can get three legislative resolutions passed to get them on the ballot to let the people have a say. If you do not believe me, the unfunded mandates are the core reason for property taxes being so high. In Sarpy County, it's 15% of our budget, over \$100 million, \$100 million that you put on the political subdivisions, you guys and those who

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came before you. If you can't believe what's in black and white, pick a name: Senator Deb Fischer, Governor Ben Nelson, Senator Sue Crawford, Senator Justin Wayne, Senator Carol Blood, Governor Jim Pillen. If you can't find one person in that group you like, you're probably just not a very nice person. But surely you can find one person in that group that you like, and every single person in that group has either brought forward legislation, done an interim study, done both, or talked about it when they stumped. Governor Pillen talked about it at his town hall in Cass County. It was in the media, which is how I've learned about what was going on here, in the media. Governor Ben Nelson had multiple studies and said this would forever impact property taxes. Heck, he even went and preached that at the federal level as well. But that has nothing to do with today. We can get gambling on the ballot. Let the people have a voice. We can get Senator Brandt's bill on the ballot. We can get Senator Blood's bill on the ballot, and we can pass the Revenue bill. Because it's my understanding that we're going to adjust-- and maybe not, maybe I'm wrong-- the caps so we can make it so it's actually easier for "policital subs"-- political subdivisions to do their jobs, which I'm all for. We can move this forward, we can move this fast. And then, we can go home by Sunday so we can go to church or mass--

**KELLY:** One minute.

**BLOOD:** --or take a nap, whatever you do on Sundays, or golf. But, gosh, let's get to work. People aren't at their desks. People aren't working. They're meandering around. They're talking. Some of them are making deals. I, I know many of you have not read what's been put on your desk. Take a minute, have your staff call your county board members. Have them call your school board members. Have them call your mayors. And I guarantee you there is not one single political subdivision who's going to say it's not a big deal. So let's stop this once and for all. Let's create good property tax relief for the future. That's what we're doing, we're putting that welcome mat out. And let's steer next year's Legislature in the right direction, because you guys get to decide what this looks like moving forward once that's been passed on the ballot. Thank you, Mr. President.

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

**WAYNE:** Thank you, Mr. President. So what's interesting is, everybody is saying, Justin, you're leading this filibuster, Senator Wayne, you're leading a filibuster, there's a whole lot of other people talking that I have not went around and said-- I mean, it's amazing

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that I get blamed for so much on the floor. But at the end of the day, people are actually starting to have conversations around 3% maybe isn't enough. So I'm going to give you three clear options of what, what I see a plan. We can stay where we are with LB34. But at least at a minimum-- and I'm still not going to support it at a minimum-- but at least at a minimum do LB34 correctly. That means as the credit is disbursed, we can change where that credit goes. We can carve out in a credit owner-occupied; that has nothing to do with his constitutional amendment. It's a credit that we decide where it goes. We can do 100% to ag, 100% to the homeowner. We can do 100% to even renters, a renter who owns rental property. We can cut the, the property tax credit by 50% to corporations. They only get 50% of the credit if they get the credit. There's things we can do within the 3% to at least make it better. Option two, we find out some exemptions we actually agree on. Unfortunately, when we got the first draft and a list of exemptions, it's a whole list of exemptions and nobody really had time to figure out what we agree and what we don't agree on. In a little bit, I'll be passing out at least the exemptions I can live with. And my exemptions, and I actually went through it last night. I went through it with some people. I shot them over some text messages, people I trust, and these exemptions don't necessarily hit working class and poor. It's the people who probably own property, like landscaping and pools and things like that. Have that real conversation. Like, what's wrong with that? And if we were to include some of those exemptions and then talk about some of these sin taxes, I think there's plenty of movement. Maybe leave out pop and candy because that seems to be very controversial. I think we can actually jump up to a 15 to 20% property tax relief package. That doesn't include gambling, doesn't include some other things. I think if we were to have those conversations. And I keep hearing, if we do this, six senators fall off and you got to find another six. Who are those six senators? Let's have that conversation. And if we want to really build option three, where we actually deliver about 40% property tax relief, that's actually fundable. People just don't like the idea. We can pause the corporate and individual rate for 1 year, 1 year, \$250 million, just 1 year. So you extend it out for the full 39-- 3.99 isn't in '28. It takes effect in '29. One year is \$250 million. And you can actually target people starting in 2025 with their relief. But we can't have that conversation because six senators are going to fall off on corporate. Why? It's corporate 1-year pause. We're not taking it out. We're not stopping it. And I'll tell you the reason why I think we should do it is because the next Legislature in 2028 is going to have to make a critical decision, hear me out and hear me clear, 2028, that Legislature, by extending it out 1 year, has to make a critical



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decision. Corporate tax rate cuts versus incentives. Which one are we going to fund? Because I always heard we have to have incentives because our corporate tax rate is too high. Well, our corporate tax rate will be effective that year going into the next year at--

**KELLY:** One minute.

**WAYNE:** --3.99. So do we still need incentives? That's \$1 billion savings. That conversation has to happen in 2028. And that's how you line it up to make sure it happens. This ain't complicated. We just got to have real conversations. I feel like going back to a "Goonies" reference, I got a text about this. You know, when the Governor-- and I forgot his name-- when the Governor made the call, he made it real late at night. And all I could think of is the "Goonie" guy who was standing up saying, hey, you guys. And we all started running. Didn't know what we were running to, we just ran. We can make a difference today, guys. Let's have a real conversation. And I'm not filibustering yet. These amendments, I'm allowing voting up and down and everything else. I think people are talking because they're a little frustrated. Maybe we should listen. Thank you, Mr. President.

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

**ERDMAN:** Thank you, Mr. President. I always enjoy listening to Senator Wayne. He has a little humor in what he talks about. So there is a solution to all of these things that Senator Wayne has alluded to. And we have this misconception that corporations pay taxes. People pay taxes. But when this all started out with income tax, people used to have to write a check. And then someone had a great idea that they would do withholding and people doesn't-- don't know how much they pay. Then, they wanted to raise taxes and they said that will make people upset, so let's tax these evil corporations. And people said, yes, let's do that. So that's where we're at here. So if you want to fix the property tax, income tax, corporate income tax system, you need to eliminate it-- eliminate it and start over. Start over with a tax that people can pay when they have the money to buy something that they consume or a service they hire for their own use. We have that plan. We've, we've discussed it, we've talked about it. We've written about it. No one reads it. It's the only solution there really is. But we don't want to have a discussion about that. It would save the state, after it was fully implemented, about \$1 billion a year savings, cutting spending. And that's what we've always been told how you lower taxes is cut spending. So that's what it does. The Imagine Act, Nebraska Advantage Act, LB773 before that, TIF financing, all of

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those things would go away. And Senator Wayne is exactly right. The imagine I can-- I can't imagine how your taxes are going to be now act will sunset in '28. Then you'll have a decision to make. Do we continue to play in that game with all the other states that have incentives, or do we get to the front of the line and all those other states follow our lead? While many have said, hey, wait, wait, wait, wait, we can't be the only state to have a consumption tax. And I say, why not? We're the only state to have complete public power. Don't seem to be a problem for us; we have the best rates in the nation. We have the only Unicameral in the nation; doesn't seem to be a problem for us. A lot of people think it's a good idea. So the reason we have all these incentives is because our taxes are too high. That's one reason. The other reason is other states have them so we have to. So if we actually fix our broken system and others try to compete with something or a state that doesn't have taxes like they do, how do they do that? They follow your lead. That's how they do that. So let's have a consumption how to put the taxpayer in first place. Senator DeKay, you're off-- your district then would have people move back there. The young people would come back to the ranch and to the farm because they could afford to have them come back, because they would decide how much taxes they pay. You talk about economic boom, boom in the state. That's it. That is it. But we try to incentivize businesses to come here by charging other people more taxes so we can give them a break. How about we do this? Let's bring EPIC to the floor. Let's have a discussion about it. Help me understand how we should implement it so it's correct. Help me write the distribution plan so it comes back--

**KELLY:** One minute.

**ERDMAN:** --to those small communities, everybody gets the money they should have, and let's make a real decision. I don't think Senator Slama and I are the only two that are going to vote no. I think as the day wears on and we speak about these things, the longer we do, I would hope the more it makes sense with you that are in this room and those of you watching. Because there's only one solution, and that's to eliminate these taxes and put the taxpayer in first place. Thank you.

**KELLY:** Thank you, Senator Erdman. Mr. Clerk.

**CLERK:** Mr. President, an announcement. Excuse me, an item first. The Revenue Committee, chaired by Senator Linehan, reports LR2CA to General File. Additionally, the Exec Board will have an Executive Session in Room 2102 upon recess. Exec Board, Exec Session, Room 2102,

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upon recess. Finally, a priority motion, Senator Brandt would move to adjour-- to recess the body until 1:00 p.m.

**KELLY:** Members, you have heard the motion to recess. All those in favor say aye. Those opposed, nay. The Legislature is in recess.

[RECESS]

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

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

**KELLY:** Do you have any items for the record?

**CLERK:** I do, Mr. President. No, excuse me, I'm sorry, I don't at this time, Mr. President.

**KELLY:** Resuming debate and returning to the queue. Senator Halloran, you are recognized to speak.

**HALLORAN:** Thank you, Mr. President, and good afternoon, colleagues. I was going to start off by saying I, I have a question, but I didn't want anyone to be confused and think I was calling the question; I'm not. But I have a question, and it's kind of prefaced off Senator McDonnell's comment this morning where a constituent approached him and said, is that it? Is that it? I guess so, 3%. Years ago, there was an entertainer, Peggy Lee, and one of her hit songs was. Is that all there is? Part of it goes like this: and when I was 12 years old, my daddy took me to the circus, the greatest show on earth. There were clowns and elephants, dancing bears, and a beautiful lady in pink tights flew high above our heads. And as I sat there watching, I had the feeling that something was missing. I don't know what it-- I don't know what, but when it was over, I said to myself, is that all there is to the circus? Is that all there is? Is that all there is? If that's all there is, my friends, then let's keep dancing. Let's break out the booze and have a ball, if that's all there is. I don't know about the rest of you-- I'm going to ask a rhetorical question, how many-- and you can answer this if you come to the mic later. But how many of you are getting letters of full-fledged support for what we're bringing to our, our taxpayers for property tax relief? I'm not getting many. And so I'm not willing to say by default they're all happy with it. I think what's happened is, is there's this silent shrug of shoulders, the silent yawn from the voters saying, oh, well,

we're used to that. We've been promised property tax relief by everyone that's running for the Legislature for the last four and a half decades, and this one's proving itself to be just as dysfunctional. 3%. The problem is, is that there's a law of physics involved here, right? Everything tends to gravitate towards the center of gravity. The center of gravity for this body is mostly outside these doors, the lobby. But the center of gravity is a status quo. We're going to maintain the status quo at all expenses, even if it's at the expense of people being pushed out of their homes because they can't afford their property taxes. Someone said the other day on the floor, you know, we took an oath. We took an oath to protect this institution. I didn't take that oath. You all remember taking an oath to protect this institution? I didn't. I took an oath to protect the constitution, both the U.S. and the State Constitution, but not this institution. But what I've seen and heard over the last 4 or 5 days is mostly centered on protecting the institution, not protecting the taxpayer, not putting the taxpayer first, as Senator Erdman says. We should not dare do that. We have to protect the institution. Well, if that's what we promise people, then we're successful, but I didn't promise people that when I ran. And I'm guessing none of you really did either. Almost on every campaign for almost everyone here in this body, it was property tax relief.

**KELLY:** One minute.

**HALLORAN:** So I'm not getting a lot of people emailing me or texting me saying, attaboy. I'm not getting a lot of people saying, really? Is that all there is? It's, it's been pretty silent. Now I get a lot of emails and texts from local units of government. It's back to protecting the institution. But I'm not getting it from my constituents, either attaboy, or is that all there is? I think what's happened is, is there's a resounding silent shrug of the shoulders, a resounding yawn, because they've grown cynical over time, right? They've grown cynical. They've been promised for years, decades, we're going to provide you property tax relief. I understand that cynicism. I've been here eight years, and I was full of pep and vinegar, optimistic as all the newbies were last-- the freshmen that came in.

**KELLY:** That's your time, Senator.

**HALLORAN:** I'm cynical. Thank you.

**KELLY:** Thank you, Senator Halloran. Senator Conrad, you recognized to speak.

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**CONRAD:** Question.

**KELLY:** The question's been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

**CLERK:** 26 ayes, 2 nays to cease debate, Mr. President.

**KELLY:** Debate does cease. Senator Machaela Cavanaugh, you're recognized to close on the AM116.

**M. CAVANAUGH:** Thank you, Mr. President. Senator Halloran's remarks just have now that song stuck in my head. Is that all there is? If that's all there is, my friends, then let's keep dancing. I would like to yield the remainder of my time to Senator Bostelman if he would like it.

**KELLY:** Senator Bostelman, you have 4 minutes, 35 seconds.

**BOSTELMAN:** Thank you, Mr. President. Thank you, Senator Machaela Cavanaugh. As we remember, this is a compromise amendment that we worked out with Senator Clements, the, the telecoms, several of us here on the floor worked together on this, agreed to this. So this-- what this does this puts it out to three years, at which time those funds, NUSF funds, will return back into-- the, the interest on that will return back into the fund itself, and it also preserves the 211 funding that we have out there that's needed. So, this is an important opportunity for us to stand along with, the need for continued build out throughout Nebraska of high-speed internet, of telecommunications for telehealth, for education, for numer-- a number of areas that we, we know we fall far-- fall short on across the state, in communication areas. The funding that, that is there, the interest that the money that's being swapped, although a short time, it is significant, but this is a good compromise. This is a good thing that we do. I would just ask you, as you go back out into your communities across the state, just find out where it's at. Find out what's happening in your area. Some people have satellite communications, some people have wireless, some people have fiber, some people have cable. But we need to continue to encourage this growth and this build out. There are-- there is hundreds, hundreds of millions of dollars coming into the state to connect people, to break down barriers, to do those things. So I encourage you to vote on AM116, AM41, and the underlying bill. This is a very, very important topic of broadband that we've been working on, I've been working on for eight years, and we've made tremendous strides, tremendous strides in making changes, and

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improving and bringing that opportunity to every Nebraskan. Now we need to make sure that's completed. The body next year, and the next year, those of you who come back, you need to make sure you keep your foot on the pedal on this. This is something we need to make sure happens, that we connect everybody across the state. The opportunity we have, we just can't let it slip by. And we need to make sure our telecom cable providers, everyone out there, stays on target, keeps it moving forward, so we connect the entire state. It is critical for rural Nebraska, it is critical for the cities in Nebraska, it's critical for everybody to make sure we get this done. So with that, I ask for your green vote on AM116 again, and the underlying AMs and bills. And thank you very much.

**KELLY:** Thank you, senators, Bostelman and Cavanaugh. Members, the question is the adoption of AM116. All those in favor vote aye; all those opposed, vote nay. Record, Mr. Clerk.

**CLERK:** 40 ayes, 3 nays on adoption of the amendment, Mr. President.

**KELLY:** The amendment is adopted. Mr. Clerk.

**CLERK:** Mr. President, as it concerns LB3, Senator Wayne would move to reorder the Speaker's agenda pursuant to Rule 1, Section 16 to allow for debate of LR1CA before any further debate on LB3.

**KELLY:** Senator Wayne, you're recognized to open on the motion.

**WAYNE:** Thank you, Mr. President. I can withdraw this and put it back a little later. I don't know what I'm going to do with it right now, because I'm just going to say this is the definition of negotiations in bad faith. The Exec Board literally killed the easiest bills that could-- that were not involved with gambling and everything else that could have put the CA that I've been talking about on the ballot. But see, what's going on out here to the Nebraskans is they're leaving the one with gambling as tied to string along Bostar, and, and some other ones who want gambling to be a part of a package deal. These are the games they're playing. But what they fundamentally didn't understand is that to put a constitutional amendment on requires 30 votes. So, IPPing the statutes that were-- or the bills in that committee, all that does is move up a threshold on an amendment to guess what? 30 votes. So while you guys think you're playing checkers over there, learn how to play chess. Because you didn't do anything but show that you are operating in bad faith, that we really don't want to sit down and end a filibuster, even though I wasn't participating in one this morning, I literally didn't push my button every time. I had times in

the queues left. But now you created one. Because you chose to operate in bad faith, not understanding that I can still put an amendment out, and all it requires is 30 votes because you IPPed it, which is the same amount of votes it takes to put the dang constitutional amendment out for the public. So you showed your hand and you didn't even know it. Should read the rules before you make moves. And just sitting out and not voting on it is the definition of bad faith, in my opinion. What I handed out, and I know people won't read, but I'm a spend a little time talking about it, was distributed, is an idea. Three options. I don't really at this point think anybody's going to believe it, because they're my options, so we're going to play a little game where you close your eyes and we'll say option number one is Ben Hansen's. Ben Hansen hasn't signed off on it, but you might actually read it if it's somebody else besides me. So option number one is what we're currently doing in LB34. I'm just asking let's make it more targeted and more effective, and reach the people we're trying to reach. Why should Mutual of Omaha, Cargill, these big companies get the same tax credit back as grandma in Florence, grandma in Hastings? So option one doesn't really change anything. It just says, how about restructure the tax credits? One, it prolongs how they are distributed because corporations won't get as much, that means there's more down the long run, which would help out the Appropriations, because you wouldn't have to figure out the delta so fast. Hmm, common thought, don't have to worry about the delta as fast and as big. And if Brandt's bill were to get on, we could actually start breaking out in categories in 2025. So option one doesn't really do anything except for target where it could go. So we'll call that the "Hansen Plan" so you can read it. And I'm gonna go through it in a lot more detail. Option two on page two, we'll call that the "DeKay Plan." DeKay has not signed off on it, let me be clear, but you might read it if his-- if you associate option two with him rather than me. See, this is a way actually to boost our total tax-- reduction of taxes to around 20-25%. See, we get Brandt's bill passed as a constitutional amendment, and starting in 2025, we create some different assessment classifications, and we assign them differently. We actually increase corporation to 100%, because if you know how the statute reads, it's 95%. And we can lower residential to 95%. Now, why is that important to ag? It's not as big of a savings, I will admit that. But your house is taxed as a residential. So that acre lot you got, or a quarter of an acre, we could actually reduce that because you're an owner-occupied. Doesn't apply to Bill Gates and the renters; owner-occupied. Again, I'm not going to-- I'ma give a high-level summary right now, and then we'll go through it in more detail. And you can also treat renters a little different. That would actually be

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an amendment to his amendment of striking the word uniformly, which we could talk about when Brandt's bill-- if Brandt's bill is on the floor. And then you increase it by phasing in a property tax credit on your statement of NRDs, and averaging in county jails. That gets you there, because we're lowering the valuation. We're doing it at the legislative standpoint, so it's going directly to the homeowner. And we pay for the delta. So if you're taxed at \$100,000 value, your residence, you're only taxed at 95 or 90, whatever we set. We pay that delta directly to the counties, and they distribute it out to everybody else. We're not fighting with school districts. We're not fighting with everybody else. This is going directly to the taxpayer. Revenue sources. There are some sin taxes we're going to have to do. Just it is what it is. We can play with those numbers. What's not in here is pop and candy. So we are going to remove some exemptions. If you look through those exemptions I'm open to any idea, but where I started at and where the people I talked to started at, were with things that don't affect low-income and those on fixed income on a regular basis. So landscaping, those kind of things. I'm open to scratching whatever, deleting. Hell, I don't even have to be a part of the rest of negotiations, I'm just giving you a framework of how we can do something better. And the key for low-income and renters is there would be no tax on electricity. So the "DeKay Plan" is pretty good. Again, DeKay has not signed off on it. He has not looked at and said I should use his name. I'm just using somebody's name you might read. Option three, we'll call the "Ibach Plan." She has not agreed to this, she has not signed off on this, she has not even said it's a good idea. But you like her over me, you might read the plan. So we'll call it the "Ibach Plan," option three. This gets us to about 40 to 45%, which is what the Governor's goal is. You have to add in some candy and so-- and soft drinks. That's a big deal. But to make everybody squeeze, I'll tell you to go down to the bottom. Banks are going to have to do their part. And if banks don't want to, actually when you read the numbers, it's not that much. I'm showing my hand, you can probably get rid of it. But you take a one year pause on the income and corporation tax deductions. A pause, not a stop. You put a pause. So they pay the same thing for two years in a row. The purpose of that is to build up the cash of around \$250 million to start phasing in other things. Now, I might lose a lot of Republicans with that, might gain a lot of Democrats. But I don't know because we haven't really sat down and had this conversation. I'm just giving you a framework where we can figure this out in the next 48 hours. Just going on recess and just draw-- start drawing on here like, no, no, we just tally it up on the board, that exemption's out. That's probably faster or more productive than what we're doing. This may not be the



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answer, but I think it's the first time that people can sit down and figure out what we're doing. So got the "Hansen Plan," "DeKay Plan," and the "Ibach Plan." Let's start having a basis of a conversation to get it done. And if we have to go with the "Hansen Plan," can we at least target the people we need to target? I'm still not going to be in favor, but can you at least target the right people? So the Mutual of Omahas, the Union Pacific's in Omaha don't get the same thing as the person sitting on a fixed income living in their home for 30 years? Can we at least try that? So--

**KELLY:** One minute.

**WAYNE:** --what is the motion on the thing? What is the motion about the bill? I'm actually going to refile that. Didn't know it was going to come up that fast, and Blood's not on the floor, out of respect for her bill. But it is a lesson that we can always put on the motion how to refile something and change the agenda. And that's what we should be talking about. Different things, different ideas coming to the table so we can come a real solution. With that, I will withdraw motion to change the Speaker agenda at this time.

**KELLY:** So ordered. Mr. Clerk. Mr. Speaker, for an announcement.

**ARCH:** Thank you, Mr. President. I wanted to talk about another bill. So I've had several questions. So you may be aware that LR2CA was advanced this morning from the Revenue Committee on an 8-0 vote. Senator Linehan has indicated to me that she considers this part of the Revenue package, and has asked me to schedule it. With that indication from Senator Linehan, I will be scheduling LR2CA. When that is scheduled will depend on how quickly we move through this agenda. Thank you, Mr. President.

**KELLY:** Thank you, Mr. Speaker. Mr. Clerk.

**CLERK:** Mr. President, Senator Wayne would move to amend with FA126.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** Thank you. Now, this is where the filibuster begins. I just don't know if I want to do it on this bill or wait till LB34. Haven't decided yet. But here's what I do know. The options that I presented, and a senator-- another senator called me out, there is a fourth option that I-- if I'm going to be fair, is the EPIC option. So I want to be fair. That wasn't part of the Hansen, DeKay, or "Ibach Plan," but that's the Erdman Plan, and-- oh, we got to change the name, Erdman's right. It'll be the "Murman Plan," the "Murman Plan," and

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maybe people will pay attention to it. But I do want to-- not a lot of people are in the queue. I'm gonna let them talk, I'm going to think about whether I'm going to finish my filibuster here, but for sure on LB34. I'm gonna do some thinking to figure out if people are actually listening or not, if they actually heard what I said, and actually read what I said, or read what I put in front of them, and we can have a conversation. But if we're really happy with 3%, then I don't know why we came down here. I don't know why we changed our schedules. I don't know why we came down here. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. Would Senator Aguilar yield to some questions?

**KELLY:** Senator Aguilar, would you yield?

**AGUILAR:** Yes, I will.

**McKINNEY:** Thank you, Senator Aguilar. You're the Chair of the Exec Board, correct?

**AGUILAR:** Would you speak a little closer to the mic, Senator?

**McKINNEY:** Are you the Ch-- you're the Chair of the Exec Board, right?

**AGUILAR:** Yes.

**McKINNEY:** So you guys did a vote over the lunch hour? What was that for?

**AGUILAR:** We had four bills we had to address, that--

**McKINNEY:** What were those bills?

**AGUILAR:** They were all the same bill to change the date on when a bill can be submitted in special session.

**McKINNEY:** Did any of those bills make it out?

**AGUILAR:** No, they did not.

**McKINNEY:** Why not?

**AGUILAR:** They-- it was voted to IPP those bills.

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**McKINNEY:** If possible, could you discuss why you guys voted to IPP those bills?

**AGUILAR:** I didn't understand the question.

**McKINNEY:** If possible, could you tell me why you guys voted to IPP those bills?

**AGUILAR:** You know, I can't read everybody's mind. No.

**McKINNEY:** No? OK. I, I appreciate it. I bring this up because if-- even if Senator Brandt's LR2-- what is it, LR2CA comes up, Exec Board basically made it impossible for it to be on the ballot, so we could vote it while we're in special, we could vote for it while in a special session, but the Exec Board pretty much shut it down. So although what was just said was said by Speaker Arch and Senator Linehan, the Exec Board pretty much just wasted whatever time we'll take on that for it to be placed on the agenda. So maybe the Exec Board could reconsider their vote, because I'm not sure if that's been read across, or processed out, or whatever, but if we really want that changed, then we need the Exec Board to reconsider their vote, if we really want, want to do that and have that discussion. If not, even if it comes up, we're wasting our time. And it, it goes back to, like, what are we doing here? Why are we here for a special session? Is this really a special session, or, or, or did we just get called back from our summers for just, you know, just a field day or practice for the January session? I don't know what to call this, or just an interim-- I really can't think of a way to describe this. Interim chaos session, interim-- I don't know, an interim field day filled with chaos about taxes that we're not actually going to address because we don't want to do big things. We don't want to do things that are actually going to solve the problems. We just want to put Band-Aids on it, and say we did something. We don't want to legalize marijuana. We don't want online gambling, sports gambling. But, you know, we'll walk away from here putting caps on cities, front-loading LB1107, and calling it a day, making cuts to budgets--

**KELLY:** One minute.

**McKINNEY:** --and everyone will be happy about that. Well, not everybody, because I won't, because I feel like our time is being wasted. I don't know why we're here. I don't know what we're doing. All-- can we all look ourselves in the mirror and say we're actually helping our constituents as a whole? Can we walk away from here and say, as a body, we helped all Nebraskans once we're done? At this

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point, I don't think we could say that. And because we can't say that, I think we need to rethink what we're doing today and have a heart to heart with each other and figure this out. Because what we're doing isn't solving the problems. We're just throwing Band-Aids across the aisle, around the body. And we're having an interim field day filled with chaos. Thank you. It's not a special session.

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

**ERDMAN:** Thank you, Mr. President. Let me start with this. The Executive Board IPPed those constitutional amendments, and Senator Aguilar said they were all the same, which is not a true statement. There was one of those constitutional amendments that fixed the time for petitions to be placed on the general election to 60 days prior to the election, from the 120 it currently is. And that was mine. So to say they were all the same is not true. Those others dealt with specific bills being advanced to the general election. I thought appropriate we fix it for everyone. So that's where it is. Peculiar as it is, we're in the middle of a serious debate about what we're doing, and the Executive Board decides to pour gas on the fire. It's OK. It's all right. So I'm going to talk about the "Murman Plan." All right? So let me just go through this list, so you get a feel for what it would be if the "Murman Plan" passed. Senator Blood, your bill would be unnecessary because the state would pay for those things. Senator McDonnell, everyone, everyone, no matter how long they lived in their home, once the mortgage was paid, they would actually own it, everybody. Senator Brandt, your bill would not be necessary, because we wouldn't have to differentiate between those properties that are owned by corporations or rental properties, it would all go away. Eighty-one bills were introduced in this session to deal with taxes. Eighty-one. I have said often, and I'll say it again, one half of all bills that are introduced in a standard regular 60 or 90 day session would be eliminated. I may have understated that. Because you see, in this session, those 81 bills, those 24 constitutional amendments would have not been needed. Maybe you're getting the point. I don't know if you are or not, but here's the conclusion of all of what I've said. If we had the "Murman Plan" in place, we wouldn't even be having a special session. We would not be here spending the taxpayers' dollars to have a special session. Imagine that. Imagine that. If you're watching at home, and also those of you who are in this room, would you like to live in a state that has no property tax? Would you like to live in a state where your income is your income, and the state doesn't take part of it, do away with income tax, both corporate and individual? Would you like to stay living in a state that when you die

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you don't have to pay inheritance tax-- your, your, your heirs? If you answered yes to any one of those three questions, then you need to consider the "Murman Plan." And I'm not voting for anything going forward. I'm done doing that. And what the-- what the Executive Board did was inappropriate. By IPPing those bills, sent a message-- Senator Wayne is exactly right.

**KELLY:** One minute.

**ERDMAN:** So as we contemplate on how to move forward, we may be here till Christmas. And that's fine with me. But I want to tell you right now that I don't see anything on the horizon that solves any of those issues that I just spoke about. So maybe, just maybe, perhaps you should consider the "Murman Plan," just once. Just once, Senator DeKay, read it. Just once, understand what it does. But that requires effort on your part. And we're not here to put out effort, because if we did, we'd have solved this problem 57 years ago. We're here to do what everybody else has always done and go home and say, we did something. I'm not doing that this year. This is ridiculous. Think about that.

**KELLY:** That's your time, Senator. Senator Conrad, you're recognized to speak.

**CONRAD:** Question.

**KELLY:** The question has been called. Do I see five hands? I do. The issue-- the question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

**CLERK:** 27 ayes, 6 nays to cease debate, Mr. President.

**KELLY:** Debate does cease. Senator Wayne, you're recognized to close.

**WAYNE:** So I'm gonna talk about being hypo-- thank you, Mr. President-- being a hypocrite here. When Senator Erdman calls the question and there are people in the queue, Senator Conrad's the first one to get up and say this is wrong. The first one, but today it's OK. Funny, funny how things-- you know, we got selected memory sometimes down here, we got selected ethics, sometimes down here. But I remember late one night, Erdman was calling question every time he pushed in, and there were people in the queue, and the Dems were furious. But it's OK today. Because when it comes to fighting for working people and renters, I guess some Dems are OK with not giving them anything. And that's what's going to happen. If you vote for LB34, you cannot hide from the fact we are doing nothing for a lot of people. You cannot

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hide for the fact that today, when you vote for that, when we get to it about 10:00 tonight, Mutual of Omaha is going to be able to get more money. You didn't do anything to protect the renters who-- they're going to-- their owners are going to get millions, nah, maybe \$500,000 in some of the projects in Vargas' district in, in, in property tax relief. A couple of hundred thousand in McDonnell's. At least a couple of hundred thousand in mine. Probably a lot more in McKinney's, probably a million. And their renters have no protections. And when it was time to draw a line in the sand, you didn't draw one. You decided to go along with the get along. It's amazing, I'm going to talk inside baseball here and piss off some people, but it's all right. When we started, we weren't going to introduce no any-- no bills. None. We were just going to take a stance and kill this. Day 1, bipartisanship introduced on behalf of LB9. Then Dems started putting a whole bunch of bills in. I did, too. We were going to stand on the line and we were going to fight LB34. What I did, I did help Senator Linehan navigate procedure even when I didn't like the bill, because I have a relationship and a friendship, and I've done that with many people. But I also didn't participate in the filibuster. But many people voted for that cloture who did. And many people voted for that, and now today, they're trying to advance the agenda so they can get out of here. Senator McKinney, if I did that, there'd be tweets all about me already, Wayne sold out. Senator Cavanaugh, you saw those, both Cavanaugh's. You see how social media, if I were to do what just happened right now, there would be YouTube videos about it with the likes. See, I was just a little upset with one individual, but now it's going to spread around, so that's how the day gets long. How many amendments do I have up there?

**KELLY:** One minute, 25 seconds.

**WAYNE:** No. How many amendments? Six? All right. I'm going to let you guys vote, and I'm gonna drop about seven more. We're going to be here for a while.

**KELLY:** Thank you, Senator Wayne. Senator McDonnell, you're recognized to speak.

**McDONNELL:** Oh, I just took a bite.

**KELLY:** Oh, excuse me. 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:** 17 ayes, 6 nays to place the house under call, Mr. President.

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**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 Hunt, please return to the Chamber and record your presence. The house is under call. All unexcused members are now present. Members, the question is the adoption of FA126, and the request for it was for a roll call vote, regular order. Mr. Clerk.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood not voting. Senator Bosn voting no. Senator Bostar. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad. Senator Conrad voting yes. Senator Day. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan. Senator Erdman not voting. Senator Fredrickson voting yes. Senator Halloran not voting. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting yes. Senator von Gillern voting no. Senator Walz not voting. Senator Wayne not voting. Senator Wishart not voting. Vote is 8 ayes, 31 nays, Mr. President, on adoption of the floor amendment.

**KELLY:** The floor amendment is not adopted. Mr. Clerk.

**CLERK:** Mr. President, Senator Wayne would move to reconsider the vote just taken.

**KELLY:** Senator Wayne, you're recognized to open. Raise the call.

**WAYNE:** So I'm going to start off short, and let other people talk because they were in the queue. And I'm going to, when they don't talk I'll just jump in and keep doing what I'm doing. I do want to-- I'm going to walk-- spend some time walking through this and I'ma keep walking through this. They tried to get me sidetracked by the hypocrisy that's going on, but I'm not going to fall for it. I'ma stay

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focused on talking to the Nebraskans about different options and what we could be doing. So with that, I'd ask you to vote green on FA126.

**KELLY:** Thank you, Senator Wayne. Senator McDonnell, you're recognized to speak.

**McDONNELL:** Thank you, Mr. President. Good afternoon, colleagues. During the lunch hour, Revenue was meeting, the Executive Committee was meeting. We talked about this morning about trusting each other, that we can-- we can disagree without becoming disagreeable. And, and we can do that based on the idea of, of trust. Senator Wayne's correct, earlier, when he talked about negotiating in good faith. It's not that you have to agree. It's not that we're asking to have these 81 bills all come out of committee, and these 24 constitutional amendments. We're just saying to take them all seriously as committee members, give them the due process, and please look at which ones you think would be the best fit for the citizens of Nebraska and bring them to the floor. So during the lunch hour, getting some phone calls, and I was really-- I thought-- I, I think Revenue will kick out Senator Brandt's bill, we'll have a chance, and that'll start things. Because I'm standing here, and I'm in favor of LB3. I'm in favor of the AM41. Going back to LB34, I'm in favor of that. I just don't think it goes far enough. It's a step. But again, as I was told by some constituents this morning, it's just not enough. But we have that opportunity to continue to go forward. And Senator Wayne brings three options to us. I like option three. It's 40%. 40% reduction in property tax. That's where I'd like to start. Senator Wayne?

**KELLY:** Senator Wayne, would you yield some questions?

**WAYNE:** Yes I will.

**McDONNELL:** Senator Wayne, which option would you-- would you start with?

**WAYNE:** I would start with option three. And so, because once we figure out the revenue, we can back into what we can get as far as done as property tax.

**McDONNELL:** Senator Wayne, if we, if we had an option with option three and we went around the room and there was enough-- there was 25 people, let's say there's 30 people that are interested in option three, hopefully, hopefully 49 at least want to give it a chance. If we recessed, do you think by Monday we could work through option three and have something to present to the, the people of Nebraska?



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**WAYNE:** Absolutely. I think we can recess for a couple of days and have a, a option. And again, it's really so simple as somebody sitting down and saying, this is-- I can't do this, this is a hard no, this is it. And we figure out the revenue and back in so where we can-- we can deliver.

**McDONNELL:** Thank you, Senator Wayne. I'll yield the remainder of my time to you.

**KELLY:** One minute, 54 seconds, Senator Wayne.

**WAYNE:** So what I'm going to talk about is the-- is option three, since it was brought up. The easiest way to pay for it is one of the hardest sells that we'd have to make. And it would be a hard sell to my dear friends, it'd be a hard sell to people I care about, because it would be pausing corporate income and individual income tax breaks. That is a hard-- it's hard, I get that, because we have been trying to do that for 40 years, and we finally got it done in 2022. But the pause doesn't remove it. It just puts it out to 2029 instead of 2028. That's \$250 million-- let's say we pause it for two years. That's \$500 million we could figure out how to get upfront. And if you know anything about interest and everything else, we can phase in other stuff and make it work. But just one year is \$250 million. That's not my number.

**KELLY:** One minute.

**WAYNE:** That's what the number's been thrown to me by multiple people who've been running the numbers. Go look at the fiscal note. I think it was LB754, two, two years ago. I understand that it's hard, but here's where I'm at. I made the decision I wouldn't even come down here unless LB25 was on the table. I said that publicly, and I gotta answer to my community of why I'm still trying to do work without LB25. Because I made the decision that once I got down here, and I'm here every day, we got to deliver. I don't like failure. I don't like settling for less when we can figure it out. And those who know me, when you're on my side or I'm on your side, we fight to the end. There's just some things that are worth fighting for. And my goal is, if we cut-- we take a pause and come back in two days, four days, a week, we can all stand up in the front and say, go, Goonies. I thought I would end with something dramatic, but nobody really fell for it. So sorry. Thank you, Mr. President.

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

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**JACOBSON:** Question.

**KELLY:** The question's been called. Do I see five hands? I do. Question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. There's been a request for a call of the house. All those in favor vote aye; all those opposed vote nay. Record Mr. Clerk.

**CLERK:** 17 ayes, 8 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 to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Hughes has some desk-- some guests under the south balcony. Lynette Myers of Seward, and Mark Bremer of Staplehurst. Please stand and be recognized by your Nebraska Legislature. Senator Hansen, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Senator Slama. Senator Slama is-- All unexcused members are present. Members, the question is, shall debate cease? All those in favor, vote aye; all tho-- there's been a request for a roll call, reverse order. Mr. Clerk.

**CLERK:** Senator Wishart not voting. Senator Wayne not voting. Senator Walz not voting. Senator von Gillern voting yes. Senator Vargas not voting. Senator Slama voting yes. Senator Sanders voting yes. Senator Riepe voting yes. Senator Raybould. Senator Murman voting yes. Senator Moser voting yes. Senator Meyer voting yes. Senator McKinney voting no. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting yes. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt voting no. Senator Hughes voting no. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen voting yes. Senator Halloran not voting. Senator Fredrickson voting no. Senator Erdman voting-- Fredrickson, Senator Fredrickson not voting. Senator Erdman voting no. Senator Dungan. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer not voting. Senator Day. Senator Conrad voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh voting no. Senator John Cavanaugh not voting. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman not voting. Senator Bostar. Senator Bosn voting yes. Senator Blood not voting. Senator Ballard voting yes. Senator Armendariz voting yes. Senator Arch not voting. Senator Albrecht voting no. Senator Aguilar voting yes. Senator Lowe voting yes. The vote is 25 ayes, 9 nays to cease debate, Mr. President.

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**KELLY:** Debate does cease. Members, the question is the-- Senator Wayne, you're recognized to close.

**WAYNE:** Wow. Thank you, Mr. President. People are wondering what's at home, and what happens is when people call the question, you never kind of lose. And that was real close to my friend, Senator Lowe, has never helped me in eight years, decided it was not a good time to help me there either. Lowe. Man, I voted for so many of your bills, you never voted for so many of mine. That's-- it's OK. You're-- thank you. So here's what is interesting about what's going on here for the people out in Nebraska, is that Republicans used to call the question very quickly, and now the Democrats are. And so it's interesting dynamic of saying they used to complain about the question being called very quickly, and now they're doing it. So you're seeing some push-back up there. But I also think you're seeing some genuine push-back on let's have a conversation. We put out some options. I know some Dems on my side have already said, hey, I'm-- this pause might get me interested. Not necessarily yes. And there's some Republicans say this pause maybe take me off. But that's the conversation we need to have. Because I think we've already heard here, 3% is not enough. So then, how do we do something different? It's uncomfortable. It's uncomfortable to go with an idea and a plan and keep things moving so we can get out of here. What's more uncomfortable is going back home and looking at people and saying, we didn't do anything. Omaha senators, I'm surprised that some of you are ready to go home. Our valuations have skyrocketed, and our mayor gets to walk around and say she's delivering property tax cuts because our valuations have gone up so much. She gets to claim she's lowered them every year for the last five years. And guess what? So does OPS. OPS has lowered their levy for the last ten years, except for one year, because our valuations have been going up that much. But we get blamed for it. We go door to door, it's our problem. Yet we don't collect one dime of property tax. But every time you knock on the door, you hear about property tax from a homeowner. But it's the school officials, the cities and counties, NRDs. Out western, you got some irrigation districts, I think they collect fees. I might be wrong. But they're the ones who are actually collecting the property tax, not us. But we're blamed. And before Governor Heineman, that ain't us. That all changed with Governor Ricketts. He owned it, and said we got to do more. And that's when the blame came on us. Heineman and other previous Governors, they pushed that aside and said, that is your local government. For whatever, we changed the narrative and now it's us, so we gotta own it now. So my question is, are we going to own it and do something about it? Are we going to own it and do something

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about it? Somebody get up here and tell me what you don't like about one of the options, what you do. Because we complain about Appropriations going into a dark room and coming out, and they take a blood oath, and never change their votes on anything and fight off everything, but that's what we're doing right now with the Revenue Committee. The difference is-- not to throw you under the bus, Senator Clements-- I think that Revenue is open to ideas of how to get there. Appropriations, they make their cuts, there ain't no damn changing their minds. They just-- they cutters. I think Revenue's actually, is like, hey, let's talk to people. Let's figure it out. Appropriations, no, we made our decision and we sticking by it. And if you ever watch an appropriator go off on a different vote, every Appropriation person turns around, look at that person. What are you doing? Revenue--

**KELLY:** One minute.

**WAYNE:** --make a change on the floor, you're like, eh, we can live with it. Appropriations, they take them out back and they get a talking to, and the second vote, they do it to-- somehow Anna is sometimes not here in the morning, I'm like, they, they did something to her. She voted twice the way she wasn't supposed to. McDonnell, ah, took a vote, not changing my vote, no, nope, not going to change it. I don't care what new information comes, we are not changing it, we got a blood oath. Revenue? I'm open. Brad, I don't like it, but I'll listen. I'ma nod and shake my head yes, but I'm not going to change my mind, but I'll at least listen. Appropriations? Mm-mm. They won't even talk to you about it. Erdman? I'd say the word but I might get "piss on that." And I love them all, because I'm the same way when I was Urban Affairs Chair. Nope, this is what we doing. Judiciary, I got stuck with a 4-4, so I got to be open now. But Urban Affairs was--

**KELLY:** That's your time.

**WAYNE:** Aww, going on-- it was getting good. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Members, the motion to reconsider is the issue. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 10 ayes, 29 nays on the motion to reconsider.

**KELLY:** The motion fails. Mr. Clerk. Raise the call.

**CLERK:** Mr. President, Senator Wayne would move to amend the committee amendment with FA127.

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**KELLY:** Senator Wayne, you're recognized to--

**WAYNE:** Thank you, Mr. President. I do comedy on Thursdays in Omaha. No, actually I don't; I'm a terrible comedian. All right, let's have a real conversation. Yeah, by the way, Senator Clements reminds me, this strikes Section 2. I don't know what Section 2 is. I think it's Health and Human Services. So we strike-- we get rid of that change. Look-- so let's talk about valuations real quick in Senator Brandt's bill. If we were to get that on the ballot, what we could do, and I think we got to make one change, we got to strike the word uniform based off of my case law and research to add the classification to distinguish between commercial. But there's a new problem that just came up that I learned from another senator. Some of their buildings on ag land is considered commercial. Didn't know that. But that's why we got to have this to the floor to have these conversations and make tweaks, and we can do it in a way that can still get it done. But for definitely residential, we can lower it. And what we do in option three is we lower that without getting involved with the school district's business, without getting involved with the counties and everything else. We, we do lower it. I still have caps. We got to figure out the caps piece, but yesterday I was in a meeting. It seemed like people were willing to start as long as the start wasn't a zero, which is weird to me to have a zero. I usually see language around like up to, like up to 3%, but whatever. But my point is we get to put on that property tax statement credit, valuation of your residence, this much state credit. We can call it the Hansen credit, we can call it the DeKay credit, we could-- we could probably write the law that each individual senator gets the name on their district credit. So the Jacobson credit goes to Papillion of that gap if we put it at 95%, 80%, whatever it is, that 20% gap minus the Jacobson credit, minus the McDonnell credit, then that's their actual value of what they're getting taxed on. We make up the delta. Not all this extra stuff of going around and fears of taking over schools, et cetera, et cetera. The property owner actually sees what's going on. If we want to make a difference between owner-occupied and residential rentals, we can do that. The owner-occupied, by the definition of owner-occupied, implies that there is non-owner-occupied placement. So now we can set that, maybe, a little higher because we're going to offset and give the renters or low-income people a benefit. So there's a benefit to both people, a benefit to both people. Commercial right now is tacked at 95%, we'll make it 100%. The part of their value of a commercial piece of property is their business on that property. We can figure that out. And agriculture, if we do this right, we can actually lower your assessed value from the current 75 to 70. If we do it right. Now, the

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give would be the following two. Maybe we don't have enough money to fund all the county jails. Maybe we don't. Maybe it's 50% because ag and residential is such a big number. Great. We're still giving property tax relief to the person that we want to target. Now we're just trying to boost it with some feel-goods around the county saying, hey, county, we're going to reimburse you, so let's lower your levy. We're not telling them to, but we're offsetting and doing our part. NRDs, we do it just like we do with the community colleges. They have taxing authority, if we don't make up the difference, they get it. But guess what? Here's the benefit. Those two credits are on the taxpayer's bill, and it directly comes from us. So when you knock on that door, or you're at that community town hall meeting, and they say, what are you doing for property tax? You can say, next year, let me see your bill. That's right there what we did. Is there more to be done? Absolutely. But that's what we could afford without putting a bigger burden on you. Now that's just how we can change the assessed values. I'm going to go through more and answer any questions. And again, this is the "DeKay Plan." So DeKay, you should get educated on your plan because people might ask you questions about the plan you did not sign off on nor endorse. Because I'm just given a framework; I'm open to anything, but it has to make sense. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I'm not-- probably-- yes, I support FA127. I'm not sure what the Financial Institution Assessment Cash Fund is for, or what the financial institution assessment is, exactly. Wow. I don't see Senator Clements, I would, I would ask him, what is that for? But I don't see him. But-- oh, he's over there, but he's not on a mic. But what I wanted to say was, we're not doing anything, we haven't done anything to help all Nebraskans, and we should, because we have time, try to get something done. I mean, if we're going to be here till Saturday, we, we should utilize the days we have to try to get something done. We could speed things up if we really wanted to do something, but because we don't, we're just going to waste a lot of time on this, and whatever comes after this, whenever we get to cloture. I have an amendment later to strike sections that are taking away money from Correctional Facilities Cash Fund, because if it's justifiable to make sure that we don't take money away from the Universal Services Cash Fund, I think it's perfectly justifiable for 40 people to vote not to take away money from the Correctional Facilities Cash Fund, just as well as the Correctional Industries Fund. Because this state wants to incarcerate

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people, over-incarcerate people, not give people second chances. I want to also say that people who have been incarcerated should not be able to vote. So let's make sure we at least, at bare minimum, make sure they are living in humane conditions for our women and for our men. Currently, that's not taking place, because the Department for decades have deferred maintenance on those facilities. And because of that, we need to use all dollars as much as possible to improve the conditions of those facilities, because the new prison that you all voted to build will not be online for some years. [GAVEL] Oh, thank you. Appreciate it. It was getting loud in here. Glad you all can hear me now. That-- because the new prison that you guys voted to build will not be online, we should be making sure that all resources that we have already set aside to improve the conditions of those facilities is utilized, even the interest money. So if it was justifiable for 40 people to reconsider their votes and make sure that money stayed in the Universal Services Cash Fund, we should make sure that the money stays within the Correctional Facilities Cash Fund, and a Correctional Industries Fund. Now, my assumption-- I'm not going to assume. But if you guys vote not to do that, that tells me everything I need to know, and it tells all the individuals that were currently incarcerated and their families that we don't care about the conditions that they live in, which is sad. But this is Nebraska, and some people think it's not for everyone. That was our slogan. I don't know why it was ever a slogan, but it was. But I really don't know what we're doing here. We're wasting time. Nobody is really trying to do nothing. People want to go. I mean, I got to be here Saturday, and Saturday is my birthday. But I'll be here--

**KELLY:** One minute.

**McKINNEY:** --if I have to be here. So let's try to do something productive, and let's do something for all Nebraskans, not just a few. So let's think about that. My amendment will come up eventually. I hope 40 people will vote for it. Huh?

**WAYNE:** Your amendment will be next.

**McKINNEY:** Oh, OK. Let's get 40 people to vote for that. If it's just as important for the Universal Cash Fund to be protected, I think the Correctional Facilities Cash Fund and the Correctional Industries Fund should be protected as well. Thank you.

**KELLY:** Thank you, Senator McKinney. Senator Kauth, you're recognized to speak.

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**KAUTH:** Thank you, Mr. President. I got to tell you, I'm really enjoying this discussion. I am reading with great interest the information that Senator Wayne put in front of us. I'd actually like to ask him a question on the mic.

**KELLY:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**KAUTH:** So, Senator Wayne, I think, actually, your idea to rename some of these plans was brilliant.

**WAYNE:** Thank you.

**KAUTH:** Hansen, DeKay, and Ibach. Very, very good. Not something that people instantly reject out of hand, so smart thinking. I wanted to ask you some questions about, specifically, option three.

**WAYNE:** OK.

**KAUTH:** To me, I would-- first of all, there's a lot of work that has gone into this. But to me, it looks a lot like LB1.

**WAYNE:** It does, but it removes some of the exemptions that I heard-- I guess I'll say my side of the aisle.

**KAUTH:** OK. So, so why weren't you for LB1, or for making some of the changes earlier in the week?

**WAYNE:** I never said I was against it.

**KAUTH:** OK, great. So, so again, this is very close to what the committee had worked on. I'd love to talk with you about some of the things that, that are in here, because quite frankly, if we could get option three, it would be very interesting. So thank you for bringing these up and for redirecting things again. Branding is everything, and I think you've just proved that. So, thank you very much.

**WAYNE:** Thank you.

**KELLY:** Thank you, Senator Kauth and Senator Wayne. Senator Clements, you're recognized to speak.

**CLEMENTS:** Question.



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**KELLY:** The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 23 ayes, 5 nays to cease debate.

**KELLY:** Debate does not cease. "Resurming"-- resuming to the queue. Senator Erdman, you're recognized to speak.

**ERDMAN:** That was close. Thank you, Mr. President. I don't know exactly what those people at home think. But I hope this is what they conclude is that there are several of us that aren't happy with 3%. I hope they're getting that. More importantly, I hope those of you in this room, in this body, get that point. I just had a discussion for the first time with a senator about the "Murman Plan." It was good. It was good. I offered earlier an opportunity for us to work and implement the "Murman Plan" over time, using the sales tax model instead of making a constitutional amendment that would collect only a consumption tax. That opportunity of that offer still stands. We will make an effort to make some changes, as Senator Wayne has suggested. But he's also said several times when he and I have discussed this, they are not ready for EPIC. I understand that. And the reason is, their taxes ain't high enough yet. OK? So as it gets higher, you'll become more ready, and you'll become more negotiable, and you'll become more interested in what the "Murman Plan" does. 3% is not going to work, and Senator Wayne isn't giving up. So you decide. Do you want to be here another week? You decide. Pretty easy. I'll be here another week. Some of you had to cancel vacation plans and other things. You're preventing me from going home and picking sweet corn and bringing you some back. Senator von Gillern said it changed his life. I've never heard that before, but that must be pretty good corn to change your life. Carol liked it. Carol thought it was good. Colonel Brewer likes it, ate a half a dozen. I would hoped that Senator Conrad ate some and it sweetened her up a little. But maybe if I got another load, then we might get a few more votes. I say that to tell you this. We are at a point in time when we got to make decisions. And most of you have made a decision by not getting involved in a discussion. It's not going to work anymore. You can't hide, OK? Because the voters are watching. You won't believe how many people watch this. There are thousands. Thousands. I can't believe how many-- it's like "The Stomach Turns," every day they turn on that big old soap opera, and we got to see what they're doing in Lincoln. Yeah. So, Senator Wayne, I hope you got about 20 more amendments, because I'm going to keep voting, and, and I appreciate the opportunity. But you think about it for a moment. We don't have to be here. We don't have to ever have

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this discussion again. We don't ever have to worry about evicting somebody from their home because they can't pay their property tax. The retired person on a fixed income--

**KELLY:** One minute.

**ERDMAN:** --doesn't have to worry that they're going to have to either sell their home or move somewhere else. People will stop leaving the state. Now that's a thought. Someone said yesterday, we need to build a wall around the state, and I said yes, I agree: to keep people from getting out, people leaving. So those of you that are running for reelection, it would be wonderful if you could go to the door, knock, and say, I fixed the tax system. But that's a problem because the next group of senators that run, what will they put on their palm card? What will they put on their palm card? Can they say property tax relief? We solved that. OK, so what will be, a chicken in every pot? I don't know what they'd put on there. We're going to eliminate a lot of material for future legislative flyers. Can you imagine that? Thank you.

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

**McDONNELL:** Thank you, Mr. President. Is Senator Brandt-- oh he may not be here. Senator Walz, I have a question.

**KELLY:** Senator Walz, will you yield to a question?

**WALZ:** Yes.

**McDONNELL:** Out of the-- out of the three options right now that, that Senator Wayne handed out after lunch, what's the most appealing to you out of those three options, and how would you improve on the option that you're, you're looking at right now?

**WALZ:** Out of all of them, I, I am leaning toward option three.

**McDONNELL:** How would you improve upon that, on option three. Is there something you've already noticed?

**WALZ:** I would take out the NRDs, that part, as well as the adding the candy and the soft drinks, I would take those two pieces out of it; they cancel each other out, according to Senator Wayne, so. And add in maybe cannabis.

**McDONNELL:** Thank you, Senator Wishart, for the assistance. [LAUGH]

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**WALZ:** The other thing that, you know, I-- maybe Senator Wayne can explain it at some point, but I would really like to understand the last page, what the individual tax rates and the corporate tax rates, what happens there. But I think that out of all three, I am leaning toward option three.

**McDONNELL:** Thank you, Senator Walz. Senator Wayne, would you yield to a question?

**KELLY:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**McDONNELL:** Senator Walz was just asking about the last page on, on option three. Can you-- can you explain that?

**WAYNE:** So I made a little mistake, when you do this at three in the morning. So those who have a pen, I want you to look at the individual tax rate. The individual tax rate in 2028 should min-- mirror the corporate, so it should be 4.55, I believe, up top. It should be 4.55. But I have to go back and look at the fiscal note. But that is a mistake, we don't go down and then go up, so that's one mistake. But again, all we would do is pause. So in 2025 and 2026, everybody would pay the same rate. Then we add a year in 2029 to get to that 3.99. That's all we would do. And again, I don't know if that's the answer. Maybe we need to make a tweak somewhere, and they only-- they pay just half of that. But we need to have this conversation. And the other mistake I made involves Senator McDonnell's bill, so if you have a pen, go to page four. It is not LB78. It is LB73, and I would also add LB39. And I'm gonna tell you briefly, if I can Mis-- Senator McDonnell about your bill, and Senator Kauth's bill.

**McDONNELL:** Yes.

**WAYNE:** So LB73 and LB79 deal with the homestead exemption, but they target certain people. Senator Kauth's bill deals with people who in the last three years, their valuations have went up and they kicked them out of homestead, only like a \$2 million, \$3 million cost. Zero cost, zero cost. But I think that's important if we're going to talk about this. But then LB73 from Senator McDonnell actually moves away from Consumer Price Index to the Housing Index. And since we're talking about housing, you'd think we should use the housing index. That's just a good policy. And there's a cost to that. But the cost is insignificant enough that we shouldn't do. That is a very targeted approach to property tax relief for individuals who are typically on

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fixed income, who are typically already qualified for homestead, but because the market has deemed them out, we can, we can fix that for them. So those are two bills that I would add on option three, maybe option two to do that. The last thing I would say, if you take out pop and--

**KELLY:** One minute.

**WAYNE:** --pop and candy, then taking out the NRDs according to Senator Walz is, is a little bit doable, because pop and candy and-- NRDs are about \$95 million, pop and candy is about \$50 million. So you would have to find one more, or you just take it out and focus on the keep-- so you have a plus 40, you could actually focus on the individuals and maybe lower their rate and see where that goes. So you could put it back into the homeowner is the point. The point is, is I'm open. If there are stuff that we need to take out, stuff to get to 33, let's do it. Let's pass something significant. Let's make a difference. Thank you, Senator McDonnell.

**McDONNELL:** Thank you, Senator Wayne. What, what we were just doing right there is what we're asking for. We're asking for senators to look at these options, and other options, and have that discussion. That's what we're asking, that we we don't stay on a schedule that's going to be a schedule possibly to failure--

**KELLY:** That's your time, Senator. Thank you. Senator McDonnell, and Wayne, and Walz. Senator Wayne, you're recognized to speak.

**WAYNE:** OK, I'm going to-- since I took some of his time, I'm going to yield time back. But just let me be clear here. We got momentum going in this body. People are having conversations, and people are talking conversations, and not talking at each, each other, but actually listening to each other. I had a great conversation with Ibach about the "Ibach Plan." Now let me repeat for everybody listening at home, this is the "Ibach Plan," option three. She has not endorsed, supported, nor even wrote anything regarding this plan. So if you are calling her office saying this is a great plan, please keep doing so. If you're calling her office to say this is a bad plan, she had nothing to do with it. I just know a Wayne plan is dead on arrival. And with that, I'll yield the rest of my time to Senator McDonnell.

**KELLY:** Thank you, Senator Wayne. Senator MacDonnell, 4 minutes, 4 seconds.

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**McDONNELL:** Thank you, Senator Wayne. So back to where we, we were just having that discussion. Look at how quickly that went with Senator Walz, and, and Senator Wayne of just trying to throw out ideas and trying to understand, and we already started making improvements, I think, on, on option three. It doesn't have to be those three options. We can be as creative as, as we want. But going back to LB73, and what we were talking about early on, where we broaden the-- who's eligible for the homestead exemption. And again, that's just a simple change from the CPI to HPI, the housing price index. And over a ten year period, that would have broadened who was eligible instead of by 30%, it would have went up by 90%. And therefore, those people that are just on the fringe that I mentioned earlier, that we've had calls from, that had a spouse they lost, lost their pension when they lost the spouse, and at that point they weren't eligible for the homestead exemption, but they were not able financially to stay in, in their homes. That's what-- that's what we're talking about here. That's how important this discussion is. And I just know that we, if we, we, work on this, and we do have time, because again, this isn't-- it's up to us to end it, the Governor started this special session, but it's up to us to end that-- this special session. And I know by working together, and coming up with these different ideas, we can improve it. I'm, I'm a person right now that's in favor of LB3, and, and AM41, moving that along. But at the same time, making sure that we get through these bills, LB34, and we're not going to stop. And I'm not saying we're going to be successful after that, and we're going to agree on everything. I'm just saying give those 81 bills that were introduced, those 24 constitutional amendments, a chance. Have that discussion, because there's so much we can do before we sine die on this special session to truly help the citizens. And I know we have the, the people in this room that can work together, as long as we do it in good faith. And again, we can disagree without becoming disagreeable. And we just need time. So that's what we're asking for. But look at that short five minutes, how fast that went. If we had a few days to all work together, how much we could do for the citizens of Nebraska. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. Well, again, we're back to wasting a lot of time. We are talking about LB3, or we're supposed to be, which is an appropriations bill, which is the last of the two appropriations bill, to do the funding, and then we're going to get to the-- back to the main event on Select File, which would be LB34. Now, we got a lot of chatter going on on LB34 about what we can and can't

do, and need to do, but I want to zero in a little bit. I know there's a vote card going around on where the cities and NACO and-- NACO and the League of Municipalities have run and gotten all the cities to send emails that are incorrect, but to get everybody to raise the cap to 3%, or the higher of 3% or whatever this index is. Well, let me tell you the problem with that, folks. Senator Wayne made a comment earlier. We don't levy property taxes. Local municipalities and political subdivisions and school districts and NRDs, and on down the line, they're the ones that levy your property taxes. You elect a board, and they decide what your tax levy's going to be within certain limits, but fairly broad limits. The Legislature does not levy your taxes. So I've had a number of constituents that have reached out to me and said, Senator Jacobson, let me be clear. You tell me that it's a local issue, but you, the Legislature, needs to do more to limit their ability to tax us as much as they are. And they're right. And we have that authority. We have the authority to determine how much you can tax. So I want to be real clear as to what those carve-outs are, and what the-- what the bill actually includes. If you're a city or a village, you would be limited to the greater of a 0% increase year over year in your tax ask, in your tax ask, or the higher number of something that's at a substitute for CPI, it's a government index that's higher than CPI, plus real growth, plus have a carve-out for public safety which includes the judiciary. And you have the ability to go to the voters and get the voters to vote for an override. That's what's in the bill. The emails I'm getting are saying, well, you're limiting us to zero. No we aren't. Read the bill. Don't read the email you got; read the bill. The bill is you get the greater of that. And by the way, that's just on the tax ask. So if you have local option sales tax, there's no limit. The fees that you charge, you keep. If you have a for-profit subsidiary, that's a adminis-- like a light and water district, that's not capped. All we're talking about is that you can't be raising 3-- they want 3% minimum cap. Quick math says over three years, compounded, that's a 10% increase in your property taxes. What if we're in a negative environment, a negative growth environment, and the CPI is negative. And they can do 3%, and 3%, and 3%. You're asking us for help. This is the lifeline. This is a fundamental part of what the Governor brought. I see I have one minute left.

**KELLY:** One minute.

**JACOBSON:** If you're a county, same thing applies. Lower of ze-- or the greater of ze-- zero, or tho-- that index, plus real growth, plus public safety carve-out. But in the county's case they also have fees-- lots of fees-- and they get inheritance taxes. I can tell you

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in Lincoln County, the county and the school-- and the city have not even come close to 3% a year. In fact, the city actually reduced their tax ask last year, and probably will again this year. This can be done. The sky is not falling. This is a critical piece of LB34. It absolutely needs to be in this bill.

**KELLY:** That's your time.

**JACOBSON:** Thank you, Mr. President.

**KELLY:** Thank you, Senator Jacobson. Senator Erdman, you're recognized to speak. Senator McDonnell, you're recognized to speak.

**McDONNELL:** Mr. President. If Senator Erdman comes in, I'll yield him my time. I wanted to ask Senator Erdman some questions, and based on-- I wanted him to break this down, talking about EPIC. Last week, we had a meeting that Senator Erdman had put together with Senator Linehan, Senator Halloran. But it was-- the people that were there were the people that had worked on EPIC. They had been working on this now for a number of years, all volunteers, going around the state trying to educate people on EPIC, collect signatures. Very, very invested in, in that plan. And the idea that in that meeting, they had a list of things that they were-- they were willing to-- I don't want to say give up on, but they're willing to, to try to compromise. And again, their, their goal is to someday have EPIC in the, the state of Nebraska. But the point about the meeting was they were willing to work with Senator Linehan as the Chair of Revenue, and at least throw out those ideas and have that conversation. And I think that did help those people based on-- not that they were agreeing to everything, and, and changing their position on EPIC, but they were at least trying to say, hey, today, can we include this one, or this part, or number two, or number five, and still pursue the EPIC long term? I've just seen Senator Erdman come back into the Chamber. Senator Erdman, where-- I was starting to discuss the meeting that you had put together with, with Senator Linehan and some of the people that had worked on EPIC. Can you go through a little bit of that on what EPIC was trying to do, the people that had done the, the groundwork and trying to look at how they could at least take steps forward, and help and, and with, at that time, LB1.

**KELLY:** Senator Erdman, will you yield?

**ERDMAN:** Yes. Thank you, Senator McDonnell. To answer the question, Senator, Senator Linehan had contacted me. She was gracious enough to set up a meeting with us so we could talk about this, the "Murman

Plan." And that conversation went quite well. Senator Linehan had read the proposal. I had several very significant questions, and we fleshed those out. And she said, there are things that are listed and, and thought about in the EPIC plan that she had not considered. And she, she thought that those were some of the things that they could implement going forward. And some of those were like lawn care service, cleaning your home, and some of those services that aren't currently have, have sales tax collected. So as you mentioned, the conversation about EPIC has been more focused this special session than it has for the last number of years. And I, I think there's two things that caused that. One of them is we are all frustrated with not accomplishing something. And I think the other issue is we're getting a lot more pressure from our voters, from the constituents about the tax situation. And so I think those two things are, are bringing us to a point where we've got to have a discussion about how we fix this.

**McDONNELL:** Thank you, Senator Erdman. Another example of-- here was an hour meeting with people that have been working on EPIC for years, that are passionate about it, invested time, money into it. They had an hour meeting; again, not that they changed their position, but it sure was educational for me to sit in there-- I believe Senator Halloran, and Senator Linehan and all of us-- to, to talk and look at how do we move the ball forward. Again--

**KELLY:** One minute.

**McDONNELL:** --we're not going to accomplish exactly what the people and, and Senator Erdman, what he's been working on, but can we take parts of that? And that's what we're looking at with option one, two and three. Only thing we're doing is asking for you to take this seriously, which I know you will, because we're here to serve the citizens. And I know you're all dedicated to doing that. Can you please look and see how we can improve? And then at that point, we started having these discussions. We needed a little bit more time. And I think we can do better than LB34. I think we can-- again, which I, I support. But again, we should not stop and sine die just based on the idea that it's going to take us more time to get to a better, better place for the-- for the reduction in property tax. So again, I encourage you to please look at option one, two and three, and let us-- let us know. Let us know what you-- what you like about it, what you don't, how we can improve them--

**KELLY:** That's your time, Senator.

**McDONNELL:** Thank you.



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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I stand in support of FA127 from Senator Wayne. With that, we, as usual, have gotten off the path of what's on the board. But I do want to answer to some of it, because it has been brought up during this discussion. I'm going to ask that Senator Holdcroft yield, please.

**KELLY:** Senator Holdcroft, would you yield?

**HOLDCROFT:** Yes.

**BLOOD:** Senator Holdcroft, as a fellow Sarpy County senator-- don't worry, it's not a trick question. Would you say that when it comes to our municipalities, when it comes to our county board, that they not only count their pennies, but really look towards the future when it comes to our growth and economic development?

**HOLDCROFT:** I would say, for the most part. I would add, though, that we have to look at our wants and our needs and often, it's easy, once-- and I saw this in the Navy, often. You know, when-- in the Navy, you can get a paycheck. Your pay increases by two, two-- every two years, you get a longevity increase. And so-- and, and typically what I saw, particularly in some of the junior ranks, is you see that money, you spend it. So I can see in the cases of our municipalities and, and counties, they're seeing 10% growth in their budgets every year. And it's hard to do a 10% levy reduction, particularly when you're growing as fast as Sarpy County. So I, I understand the growth in the-- in the municipalities and the county budgets. And I support adding growth every year to that budget. But I really think we need to reel in any excesses, that-- to, to keep our property taxes down.

**BLOOD:** Thank you. Senator. So here's a common misconception. We are not elected to serve the political subdivisions. We are elected to serve the state. We've chosen for 30-plus years to pass down unfunded and underfunded mandates, and never do anything. And I'm guessing that some Republican next year gets a bill passed on it finally, by the way. And so instead, what we want to do is we want to cap them. So we try and negotiate what they can do that will be helpful. I know there were vote cards that were taken. The thing that really irritates me is that we in this body are not mayors, are not county board commissioners, are not city council members. And the same people that elected you elected them. But yet you know better. You know better than the people doing the budgets. You know better than the people

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who, by the way, actually do strategic planning, which the state doesn't. And you're not up in arms on that when we talk about taxes, because that's one of the reasons we have a tax problem. Because every time we pass legislation, it's the biggest property tax relief bill in, in the history of Nebraska. You've said that three times in eight years. Three times. And previous Legislatures did that and then gave us \$1 billion in the hole. So I don't think we know as much as you think you know. Maybe, you know more than the people that came before you, I don't know. I think a lot of you are cut from the same cloth. You don't know better than parents. You don't know better than doctors. You don't know better than those that are elected at the local level. You are Nebraska state senators. Your job is to represent the state. If you can't figure it out at this level how to balance the budget, and you have to keep going outside of this building to fix what you guys have already messed up, something is wrong with this picture. Again, I wish a lot of you had served. And I know that Erdman has, and I think Senator Dorn has, and a couple others, Senator Sanders. You learn so much when you previously serve at different levels of government that make you a better senator, and help you protect policy from causing collateral damage. You guys are going to cause collateral damage. You are totally ignoring what your constituents want, which is to let the local people do their jobs locally. Thank you, Mr. President.

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

**JACOBSON:** Well, thank you, Mr. President. I just want to say again, I agree that people who have served in the military, in particular, have learned a lot along that time. I'd also take people who have been in business all their career also learn a little bit along the way, and have some things they can bring to the table as well. Because they do understand the numbers; they understand how this all works. But let me just say again, there's a lot of talk about changes: option one, option two, option three. LB34 was option, I guess, 0.1. That was the first thing that was brought on the table that a group worked on all summer with the Governor's office to bring a plan that has a bunch of car-- that has a bunch of, of repeals of, of pre-carve-outs for sales tax that we're putting back on the sales tax rolls that would not harm low-income people. We also brought in some sin taxes. I'm ready to go. I mentioned that when we had General File debate. Let's get to Select File on LB34, let's vote this through, let's get LB3 passed, and let's move to LB34 on Select File, and then let's bring the amendments. I asked for that on, on General, we can do it on Select. Let's bring the amendments, let's bring some more pay-for, yes, let's get way beyond

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the 3% that we brought today. I'm as disappointed as anybody as to where we are today. I'm just saying, let's bring it. Let's don't keep wasting time here. Let's bring it, let's go to LB34, and let's talk about some real changes to bring additional revenue. I'm on board. Let's go. Thank you, Mr. President.

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

**HANSEN:** Thank you, Mr. President. So, there's been a little discussion around-- I forget, it's the-- is it the Ibach, or the "DeKay Plan?" It's, it's the "Ibach Plan." It ain't mine. Mine was the wimpier, wimpier of the three, because he made sure to point that out. But we're looking at option three, and I'm actually just-- I'm just-- it's more to maybe spur a little discussion about what Senator Wayne has been saying, if there's a possibility we could actually do more. And so I had a couple of questions for Senator Wayne if he'd be willing to yield to a question, please?

**KELLY:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**HANSEN:** Can you-- can you explain a little bit more in detail about how-- because it says option three, 40% reduction in property tax. Where do you come up with the number 40? Where's the-- where's the 40% come from?

**WAYNE:** So what I was doing, early in the morning, was coming up with calculations. And so the calculations that I had were when we had the LB1, it was taking it down to zero for \$0.45, and LB9 had \$0.25 on the levy, levy value of schools. So when you start looking at it, at schools and what that means, and it's about \$200 million, or \$300 million every \$0.05 of a levy, I started thinking, well, if you just reduce the starting value, you actually get a one for one reduction instead of the 60% of the one, which is what happens, because education is about 60% of your, your local tax bill. So if you reduce the one for one, it's actually a greater reduction in your-- in your property value. Now in here I have 40% at the top, then I have 45%. Those are all typos. It could be anywhere from 30 to 40, and it depends on the revenue side, right? So how I got there was, you give a direct credit to a lower value-- valuation. You also do a direct credit for at least \$95 million across the state for NRDs. You also do a direct credit on the statement of around \$212 million in counties for reimbursement of jails. So if you take that off of their assessed

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value, then it lowers their overall total assessed value to roughly about oh, in this case, 85-- it'd be about 85% of their invest [SIC] value, minus the \$300 million is about a 30% reduction. But I was thinking about it as the dollar for dollar, so that's where I came up with. My math could be a little off, because it was 3:00 in the morning when I was working on this. But the point of it is, it's a lot more than 3% of new tax-- property tax relief.

**HANSEN:** OK. And you're- and that's where you're lowering the assessed valuation of the different kinds of land, right?

**WAYNE:** Correct.

**HANSEN:** OK. So I get the NRD part. So then you're, you're pretty much saying that the state would appropriate \$95 million to help pay for NRDs, which would then take that off the people's property tax statements.

**WAYNE:** Correct.

**HANSEN:** And \$200 million to refund county jails. I think this where-- a little bit of the rub that I have, is that you're going to help pay for refund county jails without the guarantee the counties are going to lower their levy with the money that we give them. I think that's the one--

**WAYNE:** Well, I left that up in the air because I don't-- I didn't know where people are. I got-- I mean, I don't know where people are. I'm OK with actually making them lower their levy with a public health exception, or a public safety exception, especially in Omaha dealing with juveniles. But-- I'm OK with that. But I don't know where that's at. My point is, is we were putting it directly to the taxpayer in some kind of credit form on their form, and let the counties argue with the-- let counties raise their taxes on why they have to use the, the assessed value gap they can't do. But I'm open to-- I'm open, is my point, I'm open, Senator.

**HANSEN:** OK. And I think that's kind of the point, I think then, the end point I was trying to make here, is--

**KELLY:** One minute.

**HANSEN:** I, I ultimately appreciate what Senator Wayne is doing, so he's at least, for good or for bad, for what depends what you think, is he's opening up a conversation, he's looking at stuff that we have talked about as a property tax committee, that we were all discussing,

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stuff we've talked with other senators about, stuff we've talked about on the floor. That, that's included in, in this plan. Just kind of a different approach. And so that's why I was just trying to get through some of the-- maybe kind of spur a little conversation, but also just kind of see where you're at with the more specifics of the plan. So I do appreciate you discussing it and bringing it to us, and maybe it's something we can kind of look at further, or discuss it later. Thank you, Mr. President.

**WAYNE:** Thank you.

**KELLY:** Thank you, Senator Hansen. Senator Bostelman has some guests enter the south balcony, they are Tim, Anne, Amelie and Mathi Tschauner, and Eric Gottschalk. Please stand and be recognized by the Nebraska Legislature. Senator Erdman, you are recognized to speak.

**ERDMAN:** Thank you, Mr. President. So I, I'm going to say this for the old "Fish Whisperer:" it's time to fish or cut bait. So I wondered if he would yield a question. Senator Wayne, will you yield?

**KELLY:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**ERDMAN:** Senator Wayne, when you're talking a 40% reduction in property tax, are you including the funds that are already given for property tax relief?

**WAYNE:** I am.

**ERDMAN:** So this is not an additional 40, it's a total of 40.

**WAYNE:** Correct.

**ERDMAN:** OK. Thank you so much. Because you see, when we were doing LB388, they advertised it as a 50% reduction in your property tax, or 40%, whatever it was. And they left it in a way that people listening and people reading that, it indicated to them it was going to be an additional increase in, in decrease. OK? So currently we probably get about 25-- depending on your school, 25, 27, 28% reduction now. So this would be an additional 12, 14%. So let's talk about the real numbers here and not the 40%. The 40% is not the number you need to understand. Because currently, we're discussing 3%. So what we're talking about is another 12, maybe 12, 13% more of a reduction than you're currently getting in the current legislation. So let's just be clear about that. And that was one of the issues that I had to try to

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describe to people back home on LB388 as to why it was not a 50% reduction above what we were currently getting be-- we advertised it like that. So, that's what we do here. We like people to draw their own conclusions. We don't really necessarily lie to them; we just don't tell them the whole story. And so that, that's what that would be. The issue that you need to consider when you're talking about doing whatever, 1, 2, 3, the, the Ibach/Hansen/DeKay plan-- these plans will be a plan that you'll have to do over and over and over again. This is not a solution; this is a Band-Aid on an amputation. So, just know that, if you're listening back home, and you think this is going to be a solution for you, it is not. Because, you see, property tax are going to go up \$1 million a day, and, and even if we got-- even if we made the attempt, or did reach the 40% total, that'd be 12-13% more of a reduction. In one more year, you're going to be behind the eight ball again. So, what that tells me is, they'll have to come back, do it during the regular session, 90 or 60 days, or have another special session to do that all over again. And that's what we've been doing for 57 years. And it's worked real well. Not. It hasn't worked at all. And so, if you're going to fix the system, you need to fix the whole system and not just put this Band-Aid on this amputation and keep moving forward. So, Senator Wayne is going to keep us here for a while, and I understand that we could be here till 10:00, and that's fine with me. But let's talk about the truth. This is not a 40% increase over what you're currently getting, because if we front-load LB1107, your reduction with the, with the property tax credit fund and the foundation aid, you're probably going to get 28, 26, 27, 28% now. So, it's another 12%. So, we're increasing it 9 or 10%. So, just keep that in mind as the discussion goes forward. Thank you.

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

**WAYNE:** So, what I've-- thank you, Mr. President-- what I've told Senator Clements is, I'm probably gonna pull my amendments. I gotta talk to Senator Blood about re-referencing, or re- -- re-changing the agenda, if she still wants to do that. When I say "wants to do that," she was never involved in it, but I'm here on the floor to help explain her own bill. So, she's not-- so, I'll talk to her about that, but I do-- I, I, I want McKinney to get his up or down vote on Corrections. But here's what I will say. We are hearing-- I am hearing a, a fourth option-- or a fifth option, because the "Murman Plan" is the fourth option. I am hearing a fifth option, and it is the Senator "Sanders Plan." Senator "Sanders Plan" is a mixture of option 2 and 3. We are working out the details. I don't know what it is; it's not on

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paper, but I'm hearing people saying, I like this, I like that, and I say that's more of a option 5, and we'll call it the Sen-- "Sanders Plan." So, just so we're clear, we're calling the "Hansen Plan" option 1, and that went around like a, a lead weight; it did not go very well, it just dropped to the bottom. So, I want people to understand we really don't like LB34, because that's Hansen's plan, and it dropped "choo!" quick. LB2-- "DeKay Plan." DeKay said he's always stuck in the middle when it comes to me, so that's why I put him number two, and we-- it's not going very well, but it's not really failing. The "Ibach Plan" is, is really going, and what I've told Senator Ibach is, if the "Ibach Plan" moves forward, she can carry the bill and the amendment, and she can argue on the floor with it; it'll be her-- if it goes really bad, it'll be the Wayne Plan. But there is an option now-- option 5, the "Sanders Plan," which is a mixture of option 3 and option 2. Sanders has not signed off, she has not agreed, she has not endorsed. But you should talk to her about option 5, because-- I haven't came up with the solution yet on option 5, I just know it's a mixture. So with that, what I'm going to do, Sen-- Speaker-- I mean, President and the Clerk, I'm going to-- actually, I want to take this to a vote, and I'll tell you why on, on a close, because it does deal with something we should talk about. But then, after this, I'll withdraw my other ones, let Senator McKinney go in front of me, and then I'll reach out to Senator Blood and see if she wants to push it on the floor. Out of respect for her, I will never put a bill, a pull motion, without the introducer being actually here and wanting to do it. It's their bill; I've always taken it that they control their bill, and I've never took over somebody's bill without their permission. So with that, I will say no more and close on why we should vote for this.

**KELLY:** Thank you, Senator Wayne. Senator Holdcroft, you're recognized to speak.

**HOLDCROFT:** Thank you, Mr. President. I just wanted to provide a little more information in response to Senator Blood's question concerning, did I think that the, you know, the [INAUDIBLE] cities and the county-- are they good stewards of our, of our funds? Did they spend well? And, and, and, and to be-- go back to the beginning, I think we started with-- the Governor started with, when he did his, his town halls is-- this is a spending problem, OK? We have pushed people into high property taxes because we are expending more than we should. I expressed the other day, my, my appraisal on my house went up 17%, and, in the meantime, my levy went down 2%. Now, there's actually a state statute that says levies cannot go up more than the appraisal. In other words, if the appraisal goes up 10%, the levy must go down

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10%. Now, that's easily overridden with a majority vote of the board. So, they've been doing that. And, as I mentioned, I think it's human nature that, when you get a windfall, when you have money, you tend to spend it. And it really comes down to balancing wants and needs. Now, we have tried to, I think, address that in, in our caps with, you know, increases for inflation, increases for growth, ensuring our public service people are well-compensated, but I think what's been demonstrated in the past number of years is that we're spending more on wants, and not necessarily our needs, and we need to take a harder look at that. And so that's-- and that's where I stand on that. I have great respect, actually, for our county board, for our, our cities; I know all the mayors personally, and the county board. I think they're outstanding individuals who have the best interests of their constituents in mind, but I think we need to take a hard look at the budgets. Thank you. Mr. President.

**KELLY:** Thank you, Senator Holdcroft. Seeing no one else in the queue, Senator Wayne, you're recognized to close on FA127.

**WAYNE:** Thank you, Mr. President. Colleagues, I do actually do want to talk about what FA does. It does strike a, a cash transfer. And here's why I think we should strike this cash transfer. We're striking money from the director of Banking and Finance. And what they do is, they oversee our entire banking institutions and our finance institutions, and we're striking money in the specific provision that employs the, the individuals who oversee the Credit Union Act, Delayed Deposit Service Licensing Act, the Interstate Branching and Merger Act, Interstate Trust Company Office Act, Nebraska Bank Holding Company Act of 1995, Nebraska Banking Act, Nebraska Financial Innovation Act, Nebraska Installment Loan Act, Nebraska Installment Sales Act, Nebraska Money Transmitter Act, Nebraska Trust Company Act, and residential mortgage, mortgage and licensing. I say that's important is because those acts deal with the people we represent, and I think we need to make sure that we keep this agency in particular-- banking and insurance and finance-- fully funded. So, I would ask you to vote green on striking this section in this cash transfer, because I think this is one of the agencies that already are very low on funds, and it's one of our agencies who oversee, I consider, critical institutions on affordable housing. And, and that's my closing, Senator Clements. You should have educated me before I started talking, but he'll talk to me afterwards. So, just vote the opposite of what Senator Clements does here, and we'll be fine. I ask for a green vote on this. Thank you, Mr. President.



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**KELLY:** Thank you, Senator Wayne. Members, the question is the adoption of floor amendment 127. 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:** 15 ayes, 6 nays to place the house under call.

**KELLY:** The house is under call. Senators, please record your presence. All those 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 Machaela Cavanaugh, Hughes, Dungan and John Cavanaugh, 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 of FA127. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

**CLERK:** 9 ayes, 32 nays, Mr. President, on the adoption of the amendment.

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

**CLERK:** Mr. President, Senator Wayne would move to reconsider the vote just taken.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** Thank you, Mr. President. I want to be clear on what's go-- what I'm willing to do right now. I'm willing to go to a motion for a cloture vote after Senator McKinney gets to present his amendment that he really wants. He gets to present it, people can talk on it if they choose to, up or down vote. I'm willing to cut three hours of debate, since I will be the only one living-- leading this filibuster to a cloture motion. That means you have to have a burden of 33. Otherwise, I'm going to go till 6:00. Again, I've-- we have done this multiple times where the both sides have agreed that, instead of burning 3 hours, we can put a cloture vote up here right now. We vote on cloture, it counts for 33, or I can burn the 3 hours. What I'm willing to do is withdraw my amendment. McKinney has a correctional amendment that he's passionate about. And I have done this all morning; I have had Bostelman, everybody else introduce amendments to keep this bills moving, and I'm willing to pull off the last 3 hours. I won't object to a fair and "farcial" debate. If you draft a, a, a, a si-- a motion for cloture, it is a cloture threshold; we can move on. I'm willing to withdraw my reconsider motion. Move my amendments down, Mr. Clerk.

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Allow Mr. McKinney to-- Senator McKinney to allow-- to present. So, I withdraw my reconsider.

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

**CLERK:** Mr. President, Senator McKinney would move to amend the committee amendments with FA131.

**KELLY:** Senator McKinney, you're recognized to open.

**McKINNEY:** Thank you, Mr. President. AM1-- FA131 strikes two sections that deal with the Correctional Facilities Cash Fund and the Correctional Industries Fund. The reason why I want these struck from AM41 is because, if it's important for us to keep the Universal Service Fund whole, and protect it, and make sure that no one messes with it, I believe we should have that same philosophy for the Correctional Facilities Cash Fund, because-- I'll repeat again-- our correctional facilities are not the greatest. The prison that individuals voted for is not built yet, and it won't be built for a few years. I don't even know if they started construction yet, because they don't give us updates. Currently, at the Nebraska State Penitentiary, they have a water main issue. The women's prison in York has a water issue. Although we set aside \$2 million in the budget, they still have water issues out there. So, why are we messing with these funds? We need to be telling the department to use all-- as much dollars possible to take care of these issues, to stop deferring maintenance. Why should they have to go to the Building Maintenance Committee to request funds when they already have funds available? Just re-allocate those dollars, and take care of these issues. So, I'm asking the body-- the 40 people that voted to protect the Universal Service Fund-- I'm asking the same 40 people or more to protect the Correctional Facility Cash Fund and the Correctional Industries Fund. Our, our-- Corrections is currently overcrowded. Because no one wants to pass legislation to decrease our prison population, and do things to improve our system in a-- in, in a better way, we're stuck at this juncture. And, because of that, we should be making sure, and ensuring that the, the facilities that we house people are humane. I've brought amendments on the budget in, I think, two sessions to demolish the Nebraska State Penitentiary once the new facility is online, and you guys don't want to demolish the Nebraska State Penitentiary complex. And what that told me was, you guys would like to keep it open. So, if you would like to keep it open, we should be making sure that we make sure the facility is adequately operational; making sure that all funds that were set aside are being utilized to make sure that there isn't any water main issues. There's been a water

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main issues for the 4 years since I've been in the Legislature. But, if you do your research, you could date-- you could see that a water main issue dates back to a decade ago, for a request from the department asking for money from, from the Legislature to deal with the water main issue. But, no. The department and multiple administrations have deferred maintenance on NSP, in my mind, to justify coming to the Legislature, saying that they need to build a new prison. But they got that; they're definitely building a new prison. \$350 million. And we're not even talking about operations, but we want to cut operational costs; they're going to come back and ask for hundreds of million dollars for operations. You don't even want to demolish NSP, so let's protect the cash funds to keep up the maintenance, to make sure that the people we are housing are living in humane conditions. Let's make sure that they're not digging their feces out of toilets. Let's make sure that they don't have to use Porta-Potties. Let's make sure that the, the staff doesn't have to cart around water bottles so they can have adequate water to drink and, and wash themselves with. Can we at least do that? Yes, broadband is important, and making sure people have access to the internet, but it's just as important to make sure people have adequate water. This should be-- actually, I don't know how many people here, but there shouldn't be any no votes on this, because we talk a lot about protecting all of Nebraskans. And, just because these people are incarcerated, it does not mean we should not protect them. So, I'm asking for all of your green votes to strike these sections, to make sure we keep these cash funds whole, to ensure that these facilities can be properly taken care of-- hopefully taken care of-- but at least let's make sure the funds are there to take care of these, these facilities. And it's not just NSP, and it's not just the York facility; I went to OCC in Omaha, and there was a roof leak. The, the guy, it was-- I forget the unit. He literally took a trash bag-- because he had a bunk, he took a trash bag and put it over-- on-- o-- over his bunk, just so the water wouldn't drip on him while he was going to sleep at night. Literally. And, the department knows it's a problem. He had to put a trash bag over his bunk to make sure, when he sleeps at night and it rains, he don't have water coming in on him. That's how bad these places are; that's why we need to protect this stuff. They also have mold. They also got a problem with rot-- with rats and mice in the kitchens. That's why we need to protect these funds, to make sure this stuff is being taken care of. And we also need to figure out some type of language that holds the department accountable for utilizing the dollars to take care of these issues, because it's a problem. That's why I'm asking for everyone's green vote to, to take-- to make sure we keep this whole. Just as the

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Universal Service Fund is important, I think it's also important to protect these two funds, to make sure the dollars are there to take care of people. And with that, I yield my time. And, people might talk, but I hope you guys vote to protect this. Thank you.

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

**CLEMENTS:** Thank you, Mr. President. I want to clarify the uses of these two funds that we're talking about. First is the Correctional Facility Cash Fund, the-- there-- excuse me. There are a number of cash funds in the Department of Corrections. Not, not one of them does any construction of any buildings. The-- Corrections puts in request for construction costs; they get capital construction funds. There's a Nebraska Capital Constructions Fund, and we have always-- [COUGH] excuse me. We have funded any construction requests that we get from the department, and these funds are prohibited from being used for construction purposes. The Correctional Facility Fund actually gets money from housing county inmates in state facilities, and then it pays out money when they have to-- for the housing expense that the state has for those inmates. The fund had \$400,000 in 2020, then \$1.3 million, then \$1.3 million, then \$3.4 million; now, \$4.1 million in it. Last year, it took in \$3.8 million; it spent \$2.8 million. It, it spent \$1 million less in its revenues than its expenses were. And the proposal here would take \$135,000 of interest-- estimated-- where they didn't even spend \$1 million of their revenues, and they can't spend it on anything but housing inmates. So, there's no-- it says facility, but it's facilities for housing people, and for the cost of housing inmates. And it's grown from \$400,000 5 years ago to \$4 million now. And, could be they're charging more than they should charge, but that's up to them to figure that out. But the fund is building-- this is an example of a fund that we see has excess money in it; the interest is not needed to make the fund sustainable, and so, we're putting it to a better use for this property tax relief. That was the first one, it-- Correctional Facility Interest Fund. Second one is Correctional Industries Revolving Fund. Correctional Industries Revolving Fund-- revolving means it gets money from another state agency. When you have a revolving fund, like the computer department, OCIO is a revolving fund. All the different agencies have computers, and they pay to-- pay a revolving fund charge inner-- so, they pay for the computer costs, but a lot of different agencies pay it. This revolving fund in Corrections-- let's see, it-- its revenues, let's see. It's-- it is for services that Corrections inmates do, like making license plates. They make license plates, and they charge DMV for that. They make furniture for different agencies; they charge an

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agency for the furniture they make, and the expenses are to buy raw materials out of that. That fund has had \$11 million balance in 2020, then (\$10.8 million), (\$5.2 million)--

**KELLY:** One minute.

**CLEMENTS:** --(\$10.5 million), currently \$12.3 million. It took in \$19 million last year, and paid out \$15 million, and grew by \$2 million. And so, it has been receiving more than it pays out. And it's estimated 108-- \$108,000 of interest would be what we would be taking off of this, where it's getting \$19 million of revenue, paying out \$15 million this last year. And I-- and it cannot be spent on any facilities-- improvements-- capital improvements; neither one of these funds can. So, I would urge your red vote on FA131. And we're not going to harm either one of these funds, but neither one of them would help do any repairs on any facilities.

**KELLY:** That's your time, Senator.

**CLEMENTS:** Thank you.

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

**DEBOER:** Thank you, Mr. President. Senator McKinney is making some really valid points here. I know we're-- well, I don't really know where we are this afternoon, in terms of what we're doing. But, on Senator McKinney's point, I understand what he's trying to work on here is a really serious issue. And I know not, not a lot of people are listening, but I wish they would be. So, Senator Clements, I was wondering if you would yield to some questions; I want some clarification on what you just said.

**KELLY:** Senator Clements, would you yield to some questions?

**CLEMENTS:** Yes.

**DEBOER:** Thank you, Senator Clements. So there are two cash funds that we are transferring the interest away from, is that correct?

**CLEMENTS:** Yes.

**DEBOER:** OK. I understand the Correctional Service one. That was the second one that you spoke to. That's where they buy raw materials that they used for building other things. Is that right?

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**CLEMENTS:** Yes.

**DEBOER:** And that one, we're taking 150, or whatever you said--

**CLEMENTS:** 108.

**DEBOER:** OK, 108. And we're not allowed to use that for anything other than buying those things?

**CLEMENTS:** That's right.

**DEBOER:** Could we redirect them? So, instead of taking it and putting it in the general funds, could we redirect that money and put it somewhere else?

**CLEMENTS:** Yeah, this is-- that would be a-- I assume that'd be a possibility. If you change the direction of, of the fund, or of the interest on it, both.

**DEBOER:** So if the-- so, if the amendment said we're going to-- instead of taking out the taking out, just redirecting the money. So the amendment takes out the sweep, is what McKinney's amendment does.

**CLEMENTS:** It takes out-- it-- the amendment stops the interest from being transferred to the General Fund.

**DEBOER:** Yes. Stops the sweep.

**CLEMENTS:** Well, sweep talks about principal.

**DEBOER:** Oh, I'm sorry--

**CLEMENTS:** We're just talking about interest--

**DEBOER:** OK. I didn't have my, I didn't have my term of art right.

**CLEMENTS:** --in my opinion, anyway. Go ahead.

**DEBOER:** OK. So, we could redirect that money, is that right?

**CLEMENTS:** Yes.

**DEBOER:** OK. And the other fund that you were talking about, can you tell me about that one? That was a housing fund?

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**CLEMENTS:** Yes. County-- evidently, counties. It's called 'County Safekeepers.' They pay \$90 a day. The state charges the county, evidently, for housing inmates.

**DEBOER:** This would be the inmates who-- when, when they talk about safekeeper, those are the people that are not safe in the general population. Apparently, this is the folks that are not safe in the general population of the county jail. So, we char-- we put them in the-- it's either one way or the other, and I'm trying to figure out which it would be.

**CLEMENTS:** Yes. All right. Well--

**DEBOER:** And then, and then we house them for them, and then they pay us for housing them?

**CLEMENTS:** Yes. And then, the expenses on that just-- or, the housing expenses that the state has.

**DEBOER:** OK. And that money that we're siphoning off from the interest, could we direct that somewhere else?

**CLEMENTS:** Yes.

**DEBOER:** OK. So, basically what you're saying is that, the way that the amendment is written, where we're directing the money to be used for some other purpose by just striking it, it just leaves it in there; it's not needed in there. But what we could do is, we could redirect the money to something other than the general funds that's within correctional services. That's within our power as a legislature?

**CLEMENTS:** That gets pretty technical, and you'd probably need to ask the Fiscal Office about that.

**DEBOER:** OK.

**CLEMENTS:** I would assume we could direct it to go somewhere else rather than the General Fund.

**DEBOER:** OK. All right.

**CLEMENTS:** Might need a separate bill, if it would be.

**DEBOER:** OK. Thank you, Senator Clements. All right, so it sounds like just sweeping the--

**KELLY:** One minute.

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**DEBOER:** --interest, or not sweeping the interest doesn't help Senator McKinney to get it for what he wants to use-- programming, repairs, that sort of thing. But we could do that. Thank you, Mr. President.

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

**ERDMAN:** Thank you, Mr. President. We've been contemplating trying to make a change. And Senator Wayne, I think, is negotiating something, or trying to. So, the opportunity is going to present itself quite quickly, I think, to a cloture motion. Not sure if they have 33; we're about to find out. It won't be the end of the world if they don't get 33. For you see, a bill that's on General File can fail 3 times before it fails. And so, if this doesn't pass, we will then have to make a decision on how we go forward with choosing something other than 3%. 3% is not sufficient. 3% is not a win. And we spent-- this is the thirteenth day, I believe, and we spent that kind of money to have a special session for 3%. So, as I said on the mic earlier, and I don't often-- I seldom change my mind. I shouldn't say not often, but I seldom do. So, I said I wouldn't vote for this, or anything else, and so, unless it's more than 3%, unless we figure out the "Ibach Plan," or a different plan, or the "Murman Plan"-- whatever the plan is, it's going to have to be different than this plan. And so, as I told the "Fish Whisperer," it's time to fish or cut bait. And, if you want to bring the cloture motion, find out if you have 33 than not, then the Speaker can make a decision. He will have to make a decision on when he brings it back for another round of debate. That's the way it works here. And so, now that I've said that, you'll have an idea who's going to vote where, and we'll see if you have 33. But, we haven't had a lot of movement on the negotiation; it seems like we're kind of at a stalemate. I think the thought is, we have 33, so, listen to Erdman and Wayne for a while, and when they run out of steam or amendments, or time, we will then move on, and we'll go to another bill. So, we'll find out. So let's vote, and let it see where the chips fall where they may. Thank you.

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

**M. CAVANAUGH:** Thank you, Mr. President. I rise in support of Senator McKinney's amendment, and I'm trying to figure out exactly what the issue is with getting any repairs done in Corrections. We continue to have water mains break, air conditioners break, not get fixed. We have to pass bills to get clean drinking water at the women's prison. By the way, the women's prison in York also has a nursery program, so,



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mothers that are incarcerated, or mothers that are-- women who are expecting can have their baby with them up to 24 months. So, not having drinkable water, not just for the normal humane reasons, but also is jeopardizing the health of some babies. So, I guess I just don't understand how we're supposed to be allocating funds, and I know Senator Erdman, I think, is the Chair, or was the Chair of the Building Committee-- would Senator Erdman yield to a question?

**KELLY:** Senator Erdman, would you yield?

**ERDMAN:** Yes, I would.

**M. CAVANAUGH:** Thank you Senator "mern"-- Erdman. Are you, are you the-- you were the Chair of the--

**ERDMAN:** I was.

**M. CAVANAUGH:** Are you still the Chair?

**ERDMAN:** I am not.

**M. CAVANAUGH:** I apologize. OK. But while you were the Chair of the committee, did Corrections ever ask for anything for-- as far as repairs go? Or, is that not under the purview of the committee?

**ERDMAN:** I, I, I don't remember-- it's been-- it's-- Senator, it's been 2 years since I've been on that committee.

**M. CAVANAUGH:** OK.

**ERDMAN:** But, I thought about that, because Senator Clements asked me earlier, and I don't remember a-- I don't remember a time. But I do remember the University asking every year.

**M. CAVANAUGH:** Well, OK. But, the, the committee, that is-- you would go to that committee to ask for money for facility upgrades and repairs. Correct?

**ERDMAN:** Yeah. Yeah.

**M. CAVANAUGH:** Because I remember this being-- you were with us on the YRTC Committee--

**ERDMAN:** That's correct. I was. Yeah. That's correct.

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**M. CAVANAUGH:** --because of that position. OK. So if, if an agency or a department never asks for the money, is there any way that the Legislature can proactively say you need to use money for repairs?

**ERDMAN:** No, I don't believe there is. Those, those issues were always brought to the committee for our consideration by the people who manage the 301 task force.

**M. CAVANAUGH:** So we can't-- who manages it?

**ERDMAN:** I don't know who does it now.

**M. CAVANAUGH:** The 30--

**ERDMAN:** 309 task force.

**M. CAVANAUGH:** Task force?

**ERDMAN:** Yeah, that's the Building and Maintenance Committee. That's the money that we get; we get money from the in-- insurance, or this-- the tobacco settlement and insurance tax.

**M. CAVANAUGH:** So, is the Building and Maintenance Committee one and the same as the 309 task force?

**ERDMAN:** No, 309 task force is those who manage the money.

**M. CAVANAUGH:** Oh, OK.

**ERDMAN:** The Building and Maintenance Committee works with the task force to see where the money goes. We decide. I should say that differently; they decide and they tell us, and then we vote.

**M. CAVANAUGH:** OK. So the 309 task force is not-- is it made up of senators? Or is it made up of agency?

**ERDMAN:** The Building and Maintenance Committee is made up-- 309 was the bill that they introduced to inter-- to implement that program.

**M. CAVANAUGH:** OK. But the task force that makes the recommendations to the committee--

**ERDMAN:** Yeah, they have a-- they have--

**M. CAVANAUGH:** Who makes up the task force?

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**ERDMAN:** It's the management people that go around them, and inspect the facilities to make sure that what we're approving meets the qualifications, meets the requirements, and then, 'does it fall within the scope?' of what is to be repaired out of that fund.

**M. CAVANAUGH:** OK. OK. So, that would mean that the 309 task force has not visited our penitentiary?

**ERDMAN:** They may not have been-- they've not-- might not have been contacted. I don't know. I don't know how that works. I don't know [INAUDIBLE] about that.

**M. CAVANAUGH:** OK.

**KELLY:** One minute.

**M. CAVANAUGH:** I appreciate it. Thank you. This is--

**ERDMAN:** Yeah, thank you.

**M. CAVANAUGH:** --very illuminating. Thank you, Mr. President. I yield my time.

**KELLY:** Thank you, Senator Cavanaugh and Senator Erdman. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. So, so I'm clear-- although I'm aware there are limitations to both of these funds, I don't want y'all to touch these funds. We could figure out what to util-- do with these funds, but, it's kind of confusing to me that you could say these funds can only be used for specific purposes, but you could use these funds for property tax relief. If they only could be used for specific purposes, how can you then use these for property tax relief? Makes no sense to me, but it is what it is. Also, you're gonna use these funds for property tax relief off the backs of men and women who are utilizing their labor for literally sl-- slave wages, for property tax relief that some of them won't ever get to see, because they're never going to be provided a second chance, because we don't want to provide people second chances for mistakes they made in the past. So, that's confusing to me. So, I-- honestly speaking, I just want to protect these funds, just like Senator Bostelman wanted to protect the Universal Service Fund. We could figure out the details later, but right now, I would like to protect these funds. That's what I would like to do. So, when we go up for a vote, I am hopeful 40 people, or 40-plus people, are willing to protect these funds, just like we were willing to protect the Universal Service Fund. We can figure out what

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to do with the interest later, but overall, we should be protecting these funds to ensure that the people inside best interests are taken care of. I don't think any money should be moving out of Corrections, with all the problems that we have. We keep talking about 'let's make smart decisions' here, and 'we shouldn't make hasty decisions today,' or whatever. That's why we should protect this fund and other funds, and we shouldn't be moving \$10 million from operations; we should be moving that \$10 million for maintenance for the water main that's keep messing-- keep being messed up at NSP. So, I hope you get your green vote for FA131 so we can protect these funds. We can figure out what to do with them later, but currently, I, I hope for your support to protect these funds, so we can make sure that the men and women inside best interests are taken care of going forward. So with that, I'll thank you.

**KELLY:** Thank you, Senator McKinney. And, seeing no one else in the queue, you are recognized to close on FA131.

**McKINNEY:** Can I get a call of the house?

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

**CLERK:** 22-- 22 ayes, 4 nays, Mr. President, 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 to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator McKinney, you may continue with your close.

**McKINNEY:** Thank you, Mr. President. Again, colleagues, those that weren't in here. FA131 is a floor amendment to protect two cash funds that deal with Corrections. You all-- well, not everybody, but 40 people vote-- voted to protect the Universal Service Fund, and I'm asking you all to protect the Correctional Facility Cash Fund and the Correctional Industries Fund. I'm asking because, although there's excess within these funds, we shouldn't just be moving cash out of these funds for property tax relief. There's way too many issues within Corrections to just be moving these, these resources out of Corrections for property tax relief. I say that because we do have issues with a lack of maintenance that's not going on in our, in our

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institutions. We also have an issue with overcrowding, and a lack of programming. We have too many issues in Corrections that are not being addressed, that need to be addressed, that could be addressed if we better utilize and re-allocate where these dollars are going to help the men and women that are currently incarcerated. And it's not even just men and women. I think people forget that there is a youth prison that we have in this state; NCYF, in Omaha. We, we also have to think about the juveniles who are, who are incarcerated as an-- as adults that we have to take care of as well. So, all I'm doing is asking you-- just as many of you voted to protect the Universal Service Fund-- to vote to protect these two funds. We can figure out what to do with the excess dollars, but the dollars should stay in Corrections. This is not even a lot of dollars that would give any type of relief, less a-- at "leash" get our best bang for our buck within Corrections. So with that, I ask for all your green votes. Thank you.

**KELLY:** Thank you, Senator McKinney. Senators Slama and Hughes, please return to the Chamber and record your presence. The house is under call. They're, they're-- all unexcused members are present. There's been a request for a roll call vote, reverse order.

**CLERK:** Senator Wishart voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator von Gillern voting no. Senator Vargas voting yes. 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 voting yes. 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 voting yes. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn. Senator Dorn? V-- voting no. Senator DeKay voting no. Senator DeBoer voting yes. Senator Day. 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 not voting. Senator Bostar voting yes. 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. Senator Wayne not voting. Vote is 13 ayes, 32 nays, Mr. President, on the adoption of the floor amendment.

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**KELLY:** The floor amendment is not adopted. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Senator Wayne would move to reconsider the vote just taken.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** Thank you, Mr. President. Colleagues, I think you should listen to this. I offered to go straight up and down motion for cloture right now. Speaker does not want to do that, says it's state-- said it's a bad president-- precedent. Let me be clear here. We get an email the night before last year that we're going to have only 4 hours of debate on a bill, sometimes only 2 hours of debate on a bill. The idea of a full and far-- partial debate is up to the person in the Chair. File the motion, he can say there's been a full and fair debate. When I first got here, Scheer had a 3-hour rule; show him the card. That was a full and fair debate underneath him. It is not in our Rules; it is 100% to the discretion. We have changed what is full and fair, at least in the 8 years I've been down here, multiple times, if not day-by-day. So we are going to go on a filibuster, because we don't want to maneuver. Why? Because I said it on the mic, and it's my idea. Not because the body might want to vote on it. It's about control. Scheduling. And the second part is, if I keep going, people might get turned off, and my ideas of option 3 or option 2 will get turned off, too. Do I have the energy to go till 6:00? Oh, I'm not even-- I ain't even hit my second wind yet. We have done this multiple times in this body, when there is a filibuster on the other side, and a filibuster on this side; we say, "look, let's just agree, go to cloture, be done." We've had times where we've pulled stuff off of the floor to not take a vote. We pass over stuff, because somebody says, "I don't, I don't want to go right now. Pass over it." We maneuver our agenda all the time. Hell, we stood at ease for no reason, so people can recalculate where they are. But, you want to hear 3 more hours of me. We can do a cloture motion right now. And the individual sitting in the Chair does not have to follow what this body has, or wants, anywhere; he is the sole decider, not Speaker Arch. So, I would submit to Clements, file your motion. Let him make a decision. Then, we can offer to overrule the Chair. I'm not here for power and games. I saw what was going on. I saw people having conversations. I said, "Let's keep this going. Let's move to the next bill. Post 33, and let's move." But we got to stick to the schedule, we can't maneuver like we've done in every session, including special sessions. Predictability? We were supposed to come in on Saturday, and it was now we're not coming in. We thought we were coming in on Monday;

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didn't come in, actually, till Tuesday. Predictability? The whole purpose is to be fluid. I make my offer again: post 33. Tell me, in what precedent we haven't done that; we haven't changed full and fair debate. Find me, in the journal, where there is a ruling that said that. Is it-- could they might not have 33? They say they got 34, so what are we-- we, we killing time? Let me kill time. Post the 33, let's move on. File the motion. Somebody show me where that's "un-precedent." Point to somewhere where it's "un-precedent." Point to where we haven't changed the agenda in the middle of a day. We are scheduling ourselves into failure. We are scheduling ourselves into 3%. New 3%. If you're happy with the new pre-- 3%, and you're satisfied with that, we'll do a test vote on LB34. You post 34 on 30-- on that, then I know you guys are happy with it. I'll still filibuster, but you got enough. But, on the A-bill, if you don't post 33, then maybe leadership needs to regroup here, and figure out how we get to 33. 3% isn't enough for my community. If you want to take that home, that's great. But if you want to have some real conversation, and some real digging, get out some spreadsheets-- we can do that within the next 48 hours. There is nothing stopping us from, right now, sitting on this floor with spreadsheets, with the bill, crossing out stuff, figuring out stuff. There's nothing from us putting a damn smart board up there, and tallying which ones people like and don't like. There's nothing stopping us but ourselves. And I offered to move forward. Because it was my idea, and it came out first, we're going to make up a different rule today. And nobody sitting down can say we have never changed the agenda; nobody can say that we didn't change full and fair debate. Nobody can say that, because it happens all the time. We sometimes get emails in the morning, 'this is only going to go for 4 hours.' Controversial bill; we're only going to do this. But we can keep walking through plans and having conversations, and talking to people on the mic. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Speaker Arch, you're recognized for an announcement.

**ARCH:** Thank you, Mr. President. So the reason Speakers announce in advance what is full and fair debate--

**WAYNE:** Point of order!

**KELLY:** Senator-- Senator Wayne, please state your point of order.

**WAYNE:** Point of order. He can clock-- push in and talk like everybody else, or this part of the bill does not run during time while he's speaking. It's going to only prolong this whole thing. He is speaking

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to something that was spoken to, then my clock is not running on this. He could push his button and use his 5 minutes; if he wants something special, then--

**KELLY:** Senator Wayne, I believe you've stated your point of order.

**WAYNE:** OK.

**KELLY:** The Speak-- it's the ruling that the Speaker's always been allowed to speak to scheduling matters. Speaker Arch.

**ARCH:** Thank you, Mr. President. The reason Speakers announce in advance what is full and fair debate is for predictability; it's not control. Predictability. As a matter of fact, I have been asked, even in this session, well, look, why don't we just, why don't we just change that to 4 hours now, and, and, and not this, and not-- that is-- that's always requested, depending upon the motivation of the people asking me. But predictability is, is what I seek when I, when I say that. When, when, when the reference has been made to the 4 hours-- in, in 2024, I put out a memo that, that said that on-- in-- if I identify these certain bills as social issues, that we are going to do a, a 4-2-1 on those bills, and not an 8-4-2. And so, when those bills were identified, that's-- but, again, that was done in-- that was done in advance. I think it's unprecedented, but bad precedent, bad precedent to require a cloture vote, when opposition-- if opposition to the bill has ceased. If there is opposition-- if there's opposition to the bill, then it, then it continues; if there is not opposition, no-- no one wants to burn another 3 hours on this bill. I'm certainly not wanting to burn another 3 hours on the bill. But again, I think it's bad precedent. If there's continued opposition, let's continue debate. If not, there's always the option to take a regular vote and, and just move on. Take it to a vote, and not require 33, 3 hours early. Thank you, Mr. President.

**KELLY:** Thank you, Speaker Arch. Returning to the queue. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I support the vote to reconsider, and I just want to let the 32 people who voted no on my motion that I am not done, and I don't quit. I will be bringing back another amendment to do what I just tried to do, and more. So, although you voted no, I'm not finished. I'll figure out something else, and you can vote no again, and we'll be taking time on that as well. But I am not done. Senator Bostelman, I voted for the Universal Service Fund, although you didn't ask me to vote for it. But, you know, just as you



saw, that was important. You know? It's interesting what we deem important and not important around here. People who are incarcerated under the care of the state, who have to scoop feces out of the toilet because the state cannot take care of the water issue as not important. And, although Senator Clements can stand up and say that this money cannot be used for the-- for water issues, and whatever else, this money can be used for other things. I don't really understand how he could say it can't be used for the water issues, but it could be used for property tax relief some type of way. He could stand up and explain that to me, but-- I'm really interested in that. How can it not be able to be used for-- and my amendment had nothing to do with the water issues; it just said, 'don't take the money away.' That's all I asked. Just don't take the money away, and we could figure it out from there. But I didn't make the argument that the dollars could be used for water, or the water main issue, because my issue is the \$10 million that is being taken away from operations. That's my biggest issue. But, I was just saying, let's protect these cash funds, and I also brought up the issue of the water main. So, I'm sure-- I think he's in the queue; he'll probably try to explain how those interest funds could be used for property taxes or whatever, some type of way. Although they're restricted cash funds, but they could be used for property taxes. Kind of confusing, but it is what it is. One day, hopefully, this body will become humane. One day, this body will begin to understand that, just because people are incarcerated, it doesn't mean that we should have to give them the bare minimum, and we should not treat them as humans. 90-plus percent of the people incarcerated are going to be released back into society. Are we going-- are we going to treat them as humans while they're incarcerated? Make sure that they're getting the services they needed? Because most of them are coming back out. As much as you don't want to believe it, as much as you don't want them to vote, they're going to be your neighbors. They're going to pay taxes. So, one day, that reality is going to set in, that these people are human, just as you are human. And, and, and you should think about that. So, when we get to-- I think it's LB2, or whatever, we're going to have a discussion about that \$10 million, and what it should and should not be used for.

**KELLY:** One minute.

**McKINNEY:** There's no way we should be taking \$10 million because somehow, the department, which is understaffed and overcrowded, found some type of way to save money; that we shouldn't be use-- using it to fix the problems that are inside. It makes no sense in the world. But it's real interesting that 32 people didn't think that was important-- to, to protect these funds-- but going around with vote cards saying,

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"will you vote for this?" No, I'm not voting for anything. I-- I'm a 'no' on everything in here, because y'all don't care about people. Nothing you've brought thus far cares about people. And that's my overall problem; that's why I'm 'no.' Y'all don't care about people, and it shows. Thank you.

**KELLY:** Thank you, Senator McKinney. Senator Clements, you are recognized to speak.

**CLEMENTS:** Thank you, Mr. President. And thank you, Senator McKinney, for speaking up about this. I just wanted to make the record clear. The Department of Corrections has 7 different cash funds. The LB3 originally had proposed taking interest off of 4 of those funds. And when I saw that, I saw the first one was Vocational Life Skills Fund, which we put-- were asked to put \$5 million in 2022 into vocational life skills training, and we did that; it currently has \$2.6 million in it. And we struck that provision in our amendment 41. So, nothing's coming out of the-- being taken away from vocational life skills. Another people fund is prison overcrowding-- let's see-- Prison Overcrowding Contingency Fund. We put \$15 million into that in 2021; it has \$10.3 million remaining. And, when I saw that, I proposed that we just strike that from the-- from LB3, and we did that. So, we preserved the interest going into life skills and prison overcrowding. These two funds that we did leave into the bill are funds where the interest is going in, but it's not being spent; it's just accumulating money, just adding into a cash fund and not really being used. This was why that we felt-- that I felt that it was all right to take the interest. It's about \$135,000 in one fund, \$108,000 of another fund. And the other issue about transferring it to another fund, there's-- the Corrections does not have any cash fund that is for repairing facilities. That also-- that comes out of the, the Capital Construction Fund, and we have funded those when we've had requests. So, we do care about people, and did exclude anything coming-- taking-- being taken away from vocational life skills training, or the prison overcrowding financing. That's a concern that we do have. But I think the other two funds are more operational type things that are not really needing the interest to be sustainable. So, I ask for a red vote on the reconsider motion. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. I rise in support of the motion to reconsider the vote taken. I also support Senator McKinney's floor amendment to strike sections-- I think it was 45 and 46, which,

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if you look at the amendment, those are on the last couple of pages of the amendment. Starting on page 50-- I think 50. Yes. I did want to speak about the idea of cloture, and going to cloture sooner. I oppose LB3; I will not be voting for cloture on LB3 at whatever time that is. I am also not taking time just to take time. There's a lot of things that are wrong with LB3, and I've put forth solutions; other people have put forth solutions. Senator Wayne tried to cut out the Health Care Cash Fund transfer, and the transfer from the Financial Institution Assessment Cash Fund, which was the last vote that we took from Senator Wayne. So, that cash fund, the Financial Institution Assessment Cash Fund, is used for regulatory purposes. So, I don't know what investigation was done into whether or not they would need this money, but here we are. Senator Clements mentioned that these funds are not being used, but I did check with our fiscal analyst. That is not accurate. They are being used, and they are looking into what they are being used for; they just are not being used at a rate quickly enough that they can use up the interest as it is being accrued. Which begs a better question, or bigger question-- the one that Senator McKinney has been asking all this time-- if we have this much money sitting in a cash fund for Corrections, why are our correctional facilities so abhorrent? And a broader point I would like to make about this entire bill is that we are sweeping money out of cash funds, and I honestly haven't even bothered asking anyone on Appropriations today a question about why we're taking the money, because I know-- I have learned my lesson-- they don't know. We're just doing it because it was there. That's it. So we do-- for those who are either new to the Legislature or watching-- when we adjourn sine die in any year, before that happens, we introduce resolutions for interim studies. And the idea with a resolution for an interim study is to dig deep into a specific issue area, and come up with policy solutions to introduce the next year. If we were not doing this exercise right now, most of us, and most of the committees, would be going through either having meetings, forums or public hearings on specific topic areas. In fact, this is a great time to announce, if anybody's paying attention-- on August 30, the Appropriations Committee is holding a public hearing--

**ARCH:** One minute.

**M. CAVANAUGH:** --for my resolution to look at the fees that the state levies, because we have been taking money out of those pots of cash, and I want to know, are we overcharging the people of Nebraska in fees to substitute for General Fund expenditures? And I'd like to know the answer to that before I shift money around. Same thing with these sweeping of cash funds. In addition to 'is it ethical?', 'is it

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legal?,' I want to know why. Why is that money sitting there, and why do we need to take it from there? We should be more inquisitive about these things. But, I am happy to vote against cloture whenever cloture comes, because I do not care for this bill. And I didn't get to the part on page 32 that takes \$9 million out of the tobacco administration fund--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** Senator Bostelman, you are recognized to speak.

**BOSTELMAN:** Well, thank you, Mr. Speaker. Give me a couple minutes here, so I kind of follow my time, what I have. I see-- I think Senator McKinney was over talking with the fiscal folks perhaps. AM-- my amendment previously that came up on the board was defeated. My first amendment that came up was defeated by the body; was 'no.' So, there was a reconsideration that was in play with that, and during that time, several of us worked together with, with Telecomms, Fiscal, Appropriations, others on the floor; we worked together to craft an amendment that was subsequently passed after negotiations. Some compromises were made in certain areas, so, we did not-- in that compromise, we maintain the 211 funds, but we only allowed the funds for 3 years to be taken. And then, after 2027, then the funds go back into the NUSF; it's what it was. So, thought what, maybe, would be an opportunity to take a little bit of time on the clock, if Senator McKinney needed some extra time to kind of work on that, that this would be a good oppor-- good time to stand up and talk about that for just a few minutes, because sometimes, our first go-around aren't always successful, but then, someone will have an idea, someone will come up with something that says, "Hey, what about this? Let's do this instead. Will this work?" That's what happened on AM116, and I appreciate everybody that worked on that. But it did-- it took a, it took a group effort, in a sense. And I just-- again, I wanted to take a little bit of time to do that, to provide that opportunity of time if, if needed, to potentially have those discussions, those parties involved, to be able to see if there is something that we do now. And if you don't do it now, maybe you do it on Select, but it's given that opportunity to understand what options may be there, what potential may be there, to work on something that you feel so strongly about. And I do appreciate Senator McKinney for what he says on that, and his stance on that position, and what he's trying to do. So, that's why we're going to take just a few minutes to, to talk about this, and what worked bef-- what we did-- what I did before, and hopefully,

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maybe, there are some things that can be done. Don't know what those are, but there may be some options that come forward that are workable for everybody, that still provides funding as needed for the appropriations in LB3, still providing those funds that are needed, and still comes up with a workable solution for everybody involved. Don't know if that's possible, however, that's one thing that I worked on, and hopefully, that maybe you can find something along those lines. I do believe the opportunity for us to do something further is significant, in the sense of just-- on the property tax side. Senator Wayne's suggested I-- when we debated that-- the bill-- LB34, there was a lot of opposition to just about anything Revenue Committee came up with. If people are really genuine, ready to make some changes and change their votes, and make some compromises, I'm all willing to listen to what that is, and do that; I just don't know there-- that exists within the body. And I appreciate the opportunity, or the thoughts that Senator Wayne has on that; I think the thing is, is it, it will take a significant amount of work together to make that happen. If the body is willing to do that--

**ARCH:** One minute.

**BOSTELMAN:** I am-- certainly am willing to do that, if that can bring some change to what we already have. But there was a lot of opposition all the way through. When Senator Linehan worked on that bill, when the Revenue Committee worked on that bill, there was just a ton of opposition from the floor. And I don't know where you're going to find the end ways to that, but, if there are some, let's talk about it, Senator Wayne. With that, I hope that maybe I gave it a little bit of more time for Senator McKinney to gather his thoughts, and maybe talk to some others, and I yield the rest of my time back to the Chair. Thank you.

**ARCH:** Senator McKinney, you are recognized to speak.

**McKINNEY:** Thank you, Mr. President. I still rise in support of the vote to reconsider. Since I've been off the mic, I've been reading some statutes. And, Senator Clements, nowhere in the statutes does it say that, for example, the construction of-- the Correctional Services Facility Cash Fund cannot be used for maintenance. It just says, really, you just have to transfer the funds into a fund, but there's no restriction for maintenance, to make it clear. For the Correctional Industries resu-- Revolving Fund, it does have some limited uses, but, we can use the interest funds for programming, for parental education, early literacy, relationship skill development, re-entry planning involving family members of incarcerated parents prior to release.

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This is what we could use the dollars for. Why-- why aren't we re-allocating the dollars to do this? Yes, it might be some, some funds left over, but we could re-allocate the dollars to do these things. And if the department isn't already using the dollars to do this, maybe we should be asking why. Why aren't they using the dollars to do these things? Why aren't they increasing programming for these services? Those are the questions we should be asking, not taking the dollars because the department isn't utilizing them adequately. That's what you-- we should be doing; that's why we should reconsider the vote on FA131. Keep the dollars intact, and have a, and have a real conversation later about what to use those dollars for, because we need to beef up programming on parental education, early literacy, relationship skills development. That is critical, especially for people who we've over-incarcerated who are going to be released-- maybe jam out or something. Maybe they could get some programming for relational skill development, so when they do come back into society, they know how to deal with relationships and deal with people. Re-entry planning, to make sure that they never go back; to make sure they know what their housing is going to be, to make sure that they have a job when they get out, make sure they, they know what they're doing. Those type of things-- that's how you decrease the population. You're building a prison that is going to be overcrowded day one. We should be re-allocating dollars to make sure it's not overcrowded day one, Senator Clements. We should also be finding ways to re-allocate these dollars to deal with maintenance, to make sure there is no more deferred maintenance. We're going to have a, a, a robust conversation on LB2 about that \$10 million from operations, because that definitely needs to go to the water main issue. And we're going to find a way, or-- and we definitely are going to have a conversation about that. I don't-- I, I really don't get it. Somebody stand up and tell me why y'all voted no. Why shouldn't we re-allocate these dollars to deal with programming, to deal with maintenance issues in the facilities? If it was your kid, or your family member that had to dig their feces out the toilet because the water main issue keeps breaking in the prison, how would you feel? How would you feel if your family member--

**KELLY:** One minute.

**McKINNEY:** --had to dig feces out the toilet, because a water main keeps breaking in the NSP. How would you feel if your daughter was incarcerated in York, and couldn't shower every day because the water quality is so horrible that it w-- it, it would have detrimental impacts on her? How would you feel? Y'all can ignore me and not care, but this is what I'm talking about. This is why you should vote to reconsider. We should vote for FA131, and have a conversation later

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about what to do with these dollars. But just allowing these transfers to be swept is irresponsible. It is wrong. Completely wrong. I don't understand how having broadband is more important than making sure people aren't digging feces out the toilet, or women--

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

**M. CAVANAUGH:** Thank you, Mr. President. I was going to stop speaking and let us get to a vote, until I realized what we are doing. Fund Program 563, that Senator McKinney is trying to strike from this bill, is the fund that is funded by the work of the inmates, and we are taking the interest from that fund and sweeping it when there shouldn't be any interest, because we should be paying them. They make under \$2 an hour to make our license plates. The Transportation Committee-- 2 years ago, I think it was-- had the Department of Corrections 1-- set-- leader-- Frakes, at the time-- come in and ask for an increase in their budget to pay for how the cost of steel has gone up. And I asked him, what about the cost of the workers? No increase. And now I'm looking at the end of 2022-2023; we carried a \$10 million balance, and we're taking the interest from that, and paying them under \$2 an hour. This is a human rights violation. This is disgusting! I cannot believe this. I cannot-- I genuinely am, like-- how is this real? How are we unwilling to pay a livable wage to people who are incarcerated, who have families that they need to support? So that we can sell those goods, as the state, cheaper to private companies, the same companies that won't hire those people when they get out of prison to do the exact same job, because they're felons. They are good enough to do this work for under \$2 an hour when they are incarcerated, but they're not good enough to do it for a livable wage when they're no longer incarcerated. And to boot, the state is exploiting them, stealing their money. Stealing their money. I honestly almost just cursed. I-- this is-- what are we doing? Appropriations committee, what are you doing? Get on the mic and defend this! You are stealing money from people who we don't even give clean water or air conditioning to. Well, I'm already a 'no;' I can't be more of a 'no.' But if I could be more of a 'no,' I would be a fiery 'no' right now. This is not Nebraska. This is not what we do to people. These people are people who have families, who have made mistakes. And who of us hasn't made a mistake in our lives? They have made mistakes. They are incarcerated and paying for those mistakes, and they are working. And they are working so that they can have an income to either pay for things while they're there, or give money to their families, to their kids, so that when their kids go back to school-- because they have only one parent in the household-- that

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they can buy new shoes, or a backpack. But we're going to pay them under \$2 an hour, because they aren't worth having the dignity of hard work. But we want to talk about how poor people need to have dignity and work, and how we need to have them working, but we're not going to give it to them; we're not going to hand them dignity, oh, no. We're going to take their dignity, and we're going to fund the General Fund and--

**KELLY:** One minute.

**M. CAVANAUGH:** --your property taxes with it. That is abominable. That is outrageous! How dare you! Appropriations Committee-- all of you-- how dare you! This bill came out unanimous. How dare you! These are real people. Nebraskans. With families. This is disgusting.

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

**CLEMENTS:** Thank you, Mr. President. And I would-- well, just wanted to tell you that the committee was not aware there was any issue, and we had a hearing on this bill. These issues were not brought up in the hearing. I personally subtracted two of the proposals of cash fund interest in Corrections, thinking that was-- they were more people-involved items. And, now that I see that there is great opposition here, I am willing to reconsider the vote and pass FA131, it would remove the interest sweep off of these two funds. The dollar amounts are about \$250,000 out of \$23 million of interest that's in this bill. And it's-- the state's General Fund will be able to fund \$250,000. And I apologize for the, the great turmoil it has caused, and I think it's better to, to just move forward and pass FA131, and so I-- I do want to tell you that I am listening and hearing your opposition. And, in the hearing that we had, we had none of this brought up. And so, that's, that's why we bring bills to the floor and debate them, and I-- for me, it was about the numbers, and the dollars weren't being spent, so let's spend them somewhere else. For others, it's more personal than that, and so I, I will support a reconsider motion; I will vote to pass FA131 to preserve the interest in the corrections funds. Thank you, Mr. President.

**KELLY:** Thank you, Senator Clements. Seeing no one else in the queue, Senator Wayne, you're recognized to close on your motion to reconsider.

**WAYNE:** Will Senator McKinney yield to a question?



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**KELLY:** Senator McKinney, would you yield?

**McKINNEY:** Yes.

**WAYNE:** Is there something you would like to close out with?

**McKINNEY:** I just would like to say, 1) I think we should vote to reconsider, and 2) I think you all should vote for FA131. No, this doesn't completely solve the problem with the department doing the right thing and taking care of the maintenance, but it protects the money, to make sure that the money is there. Saving the money within the Universal Service Fund didn't ensure that the broadband gets expanded in rural Nebraska, but you protected the money. The issue was still there. I didn't see nobody standing up saying, "Senator Bostelman, yeah, we're gonna vote to do this, but broadband still is not going to get expanded in a timely fashion." But we protected it. That's all I'm saying. Protect these dollars so we could figure out how to utilize it properly. Yes, we have to figure out, as a body, how to hold the department more accountable-- and really, all departments, more accountable-- to dollars that we appropriate to them. We'll figure that out, but right now, let's protect those dollars, and we can find a way to re-allocate the dollars in the best way prop-- possible. But right now, let's protect those dollars, like we protected the dollars within the Universal Service Fund. So with that, I will ask for your green vote. This is also supported by the chair of the Appropriations Committee, if you don't want to listen to me. Thank you.

**KELLY:** Thank you, Senator McKinney. 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:** 21 ayes, 0 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 to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Hughes, Duncan-- Dungan, Hunt and Bosn, please return to the Chamber and record your presence. The house is under call. Senator Lowe, please return to the Chamber and record your presence. The house is under call. Senator Lowe, please return to the Chamber and record your presence. The house is under call. Members, the question before the body is the motion to

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reconsider. All those in favor, vote aye; all those opposed, vote nay.  
Record, Mr. Clerk.

**CLERK:** 32 ayes, 12 nays on the motion to reconsider, Mr. President.

**KELLY:** The motion is adopted. Senator McKinney, you're recognized open  
on FA131. And I raise the call.

**McKINNEY:** This is-- just waive it, yeah.

**KELLY:** Senator McKinney waived his opening. Seeing no one else in the  
queue, you're recognized to close, and waive. Members, the question is  
the adoption of FA131. All those in favor, vote aye; all those  
opposed, vote nay. Record, Mr. Clerk.

**CLERK:** 29 ayes, 14 nays on adoption of the amendment, Mr. President.

**KELLY:** FA131 is adopted. Mr. Clerk.

**CLERK:** Mr. President, Senator Wayne would move to amend the committee  
amendments with FA128.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** Thank you, Mr. President. So, I had my staff reach out to Bill  
Drafting-- quietly-- to figure out if we could do an amendment; it  
would take two days. Two days. And, as we know with Bill Drafting, you  
can read the thing twice, and then return it to somebody else, and  
they'll read the comma or the something different, and you go back and  
fix that part to make sure it's clear. And I'm not blaming Bill  
Drafting. I mean, you're talking about a massive thing with multiple  
different things in it, and it's complicated, even if we can do it,  
"done the one." So, there's been a lot of conversations today. First,  
let me talk about-- people asked the question, when McKinney is doing  
motions and things like that, how come I'm not on the floor and  
supporting him? Well, you got to be able to read the room. And there  
were a lot of people who were negative towards me because of my  
exchange with Speaker Arch, and the spill-over effect goes to people  
you hang around. So, like, when you're filibustering, and people are  
mad at you, you notice a lot of people don't come back and talk to me.  
But when people are happy, they'll come back and hang out, or  
whatever. Read the room. And so, that's why I didn't speak on it: it's  
because I didn't want my energy to go onto him. Some of you guys can  
actually take that advice and use it when I'm not here, because  
sometimes-- I was actually in the queue. I was in the queue because it  
was going south, and I was going to give him my speech that we really

shouldn't be here, and the conversation that I'm having with my family about moving out of Nebraska. And I was going to go through all the reasons, but when Senator Clements said what he said, the tides turned. So you get out the queue, and you keep rolling. Gotta be able to read the room. Just a little advice for people to know-- who want to know how it works, and how you can get things done late at night or in the morning. It's about reading the room. And I know right now, people are frustrated. But what I'm trying to figure out is a revenue source. And I'm-- I just told Senator Erdman jokingly, maybe I just put up a bill for every one of these points, and see which ones gets 25. And if we get 25, it becomes somewhat of a-- not necessarily law, but it's moving on to the next one, and maybe we'll know where people are. The frustration we saw the first couple of days was how it was called, when it was called-- the special session. Then, the frustration occurred because people felt left out of the process. Believe it or not, some people in the secret non-secret committee took the oath of not telling anybody seriously, to a point where I've seen some conversations that people were mad, because that person wouldn't release the Governor's plan. So, I know there was some assumptions that people were being filled in, but some people actually, when you say, "Don't tell nobody," they don't tell anybody. So, most people didn't see the plan; all they got was what was reported. And when you're talking about a policy change like that, and you're talking about the thousands of doors people walked on, and the time they put in, you get r-- you kind of get rubbed the wrong way. You want my vote, and you want to talk to me the day before you drop the bill? On this big of an issue? Then, when you get a call, and it says you got to find 5 people in the next 6 hours, or 12 hours-- I don't even-- I know kind of where people are on things, but not, not everybody. And here's the crazy part: it doesn't have to be one bill. There are people who will not expand gambling to online if it's the death of them. They will never vote for it. And that's OK. But you can probably find 25 somewhere else. And so, if you lump it all into one bill, it doesn't work. And that's nobody's fault but how we got here. I think there were assumptions on both sides that everybody was informed. Well, I'm here to tell you, on both sides, everybody wasn't. So, the issue is funding streams. There's only a couple ways to do that. Close exemptions-- which some people count that as raising taxes; I think there's a clear distinction between raising taxes and eliminating exemptions. I think you start off with everything being taxed, and you back out to what shouldn't be taxed. So, as our society changes from producers of products to services, you have to look at that. You have to change with time. You could find new taxes: luxury tax, restaurant tax, excise tax, ammunition tax, real estate sales tax. I can go on

with new taxes all the time. That's another way you can do it. Or, you find complete new industry. Recreational marijuana-- maybe we sell water? We got plenty of it, I guess, in the aquifer now. And it's actually state-owned; you don't own water as an individual. It's in our Constitution. If you haven't figured out, we have a lot of things in our Constitution. I don't know, maybe the state sells it. I don't know. Who knows? But you got to have a new industry, right? Those are kind of the three main way to get indus-- revenue quick. The last way is, you got to have new people. Well, I'm going to share with the rural senators a secret. Senator McKinney's district is losing people just like Senator Brewer's district. Some of it is property tax-related. Some of it is income, as far as jobs and opportunities. Some of it's safety; when you think of safety, you think of just crime, but there are actually people in Brewer's district who move out of their rural, rural parts because they want to be closer to a hospital, or they need to be taken care of. Guess what? That's in East Omaha too; same issues. So, I say all that to say, we're not that far apart. But we go into these dark holes-- considered committees-- and we try to make big changes without looking for everybody. Do I think one day, if the lobby gets out of the way, or we have the courage to vote on something-- we'll probably move to a more EPIC-type flat-tax scenario. That is the nature of where everybody's moving to. All countries, everybody, states that are doing well; everybody's kind of moving that way. How that looks is a little different. Are we, in Nebraska, probably ready? Probably not. But there isn't some good pieces in there we couldn't have a conversation about. So, who's for making some financial institutions maybe pay their fair share? I don't know. Who's for smoothing out, or pausing, corporate and income taxes? Maybe just corporate, maybe just not. Who's for recreational marijuana? Who's for expanding gambling? Have we actually thought about all these issues, and figured out, 'is there a path to 33?' Because let me tell you something, one of our biggest changes happened with Senator Kristensen around Telecom in 90-- 1996? 1990, I think. Might have been 1990. And there were a lot of pathways there, and people couldn't agree on one bill, and it was going back and forth, and it was this huge deal. But the biggest fundamental change in telecom industry in Nebraska passed on a 25 vote, no filibuster. Because they all agreed not to filibuster, but work out a different pathways to get it done.

**KELLY:** One minute.

**WAYNE:** We haven't done that. But there's a way to do it. And the biggest thing that I want Nebraskans to know is-- what I am hearing is-- it's this pathway. If we get done, we'll see if we have enough

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people to stay around to do other things. So, we're going to start with the bare minimum, and hope we have enough people to help doing something that's special during a special session. How about we start with the fundamental problem of how we classify our property? We can't do that now, because the bill is in General File. Chairman decided he's not going to exec anymore, which is his prerogative. But now, you introduce the dynamic of a pull motion, then we're back to the 'if you do one pull motion, do you do the rest?'

**KELLY:** That's your time, Senator.

**WAYNE:** Thank you.

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

**BLOOD:** Thank you, Mr. President. If I understand FA128 correctly, I actually stand in support of that floor amendment, to eliminate Section 3, if I read that correctly. And let me tell you why I have a concern with Section 3. So, when somebody who wants to farm or ranch decides that they are going to choose self-employment as their vocational goal, they will likely write, with the help of voc rehab, a business plan, feasibility assessment-- not necessarily in that order-- and come to the state for funding. Now, if part of that funding is going to require special farm equipment, for instance, that the person has a disability that prevents them from being able to climb in and out of a tractor, or if a person is missing a limb, and something has to be modified, that's when AgrAbility steps in. Now, in the past, for decades, AgrAbility has been run by Nebraska Extension and Easter Seals. Easter Seals, also, is one of the people-- in addition to people in DHHS-- they help facilitate a program called the Ticket to Work program. The Ticket to Work program helps somebody who happens to be on SSI, or SSDI, move forward, choosing self-employment as their vocational goal without losing their benefits, because it can be so hard for people with disabilities to get those benefits back, especially when we're talking about SSI and Medicaid. So, the question I have-- knowing that there's all these components that pertain to nonprofits that already pertain to ag, and pertain to DHHS-- is why, now, are we starting an AgrAbility fund in the Department of Agriculture, in the Department of Agriculture, when they don't have the people to deal with these issues? Are they now going to hire somebody? Because before the AgrAbility funds came from the USDA and, again, went to Easter Seals, went to the Nebraska exci-- Extension Service-- and it's been a very effective program, and it hasn't been a program where dollars have been wasted. In fact, it's a program that

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has allowed a lot of people who have become disabled as a result of farming to also gain access to equipment that allows them to continue farming. And so I question-- I would ask that Senator Clements yield a to question.

**KELLY:** Senator Clements, would you yield to a question?

**CLEMENTS:** Yes.

**BLOOD:** Senator Clements, I know you were talking to Senator Wayne. Did you hear my explanation on Section 3, in reference to AgrAbility?

**CLEMENTS:** Yes, I heard the-- Section 3 you're talking about is in LB3. The amendment, FA128, is regarding Section 3 of the AM41; Section 3 of LB3, we did not include in the committee amendment. It is not on the floor.

**BLOOD:** Perfect. All right. That's why I was asking earlier, and I was getting 'yes' shakes from people. I'm like, OK, well I'm just going to move forward.

**CLEMENTS:** OK.

**BLOOD:** OK. So, so, when we get to LB3, AgrAbility is no longer in it?

**CLEMENTS:** AgrAbility has been protected that we're not taking money away from it--

**BLOOD:** Well, but you're moving to where the funds go. You're take-- you're moving the funds to the Department of Ag now, right?

**CLEMENTS:** I'll have to double check that, but--

**BLOOD:** Because, in the past--

**CLEMENTS:** --my opinion is, we left-- my understanding is that we did nothing with the AgrAbility program; we didn't move it around. We left it the way it is.

**KELLY:** One minute.

**BLOOD:** All right. Off the mic, I'll come over and talk to you. Thank you, Senator. So, that's my concern when we get to that part on LB3, and-- I read the amendment incorrectly, and I would like to say to Nebraska, "I made a mistake." But it's still worth talking about, because it's still in the bill, and we're still going to get to that, hopefully, yet today. Thank you, Mr. President.

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**KELLY:** Thank you, Senators Blood and Clements. Senator Erdman, you're recognized to speak.

**ERDMAN:** Thank you, Mr. President. I want to speak a little bit about the double-secret committee. Senator Wayne had mentioned that some people took seriously the oath not to say anything about what was discussed in the meeting of the committee. I was one of those. My good friend Senator Halloran rode me like a rented mule, trying to figure out what we were talking about, and I wouldn't tell him. I didn't tell my wife what we were talking about. 4 or 5 days later, Senator Halloran called me, and he said, "I know what you've been talking about in the double-secret committee meetings." I said, "How do you know that?" He said, "The Governor was in Hastings, and he told us." I said, "Oh, OK." So we, the committee, had taken that oath not to say anything, at least I did. But obviously he didn't. And so then, once it was announced at the Hastings meeting that that's what we were doing, then I felt that I was released from that obligation, and I began to tell people. We never once came to a consensus-- the 17 of us-- what should be in the bill. We never once had a discussion about 'how many would like this plan?' 'How many of you think 4% on the ag equipment? Show your hands.' 'How many are opposed to this?' There was discussion about all those items, but we never, ever got to a consensus. Senator MacDonald [SIC] and Senator DeBoer pushed that a couple of times, trying to get us to make an idea-- or, a consensus, and come forward within the plan. We never, ever had drawn a conclusion as to what it should be, and then, maybe appropriately, the Governor took from our discussion the ideas that he thought we had consensus on, and he came with this bill. So, I'm not sure exactly what people thought that committee was to do. I thought we were supposed to come with a plan. I, I didn't feel we did. Maybe I just-- I'm too simple to see it. But-- I didn't attend all in person, but I did ev-- I made every meeting except one. Several by Zoom, and several in a p-- in person. So, I am convinced-- and I'll have to ask him to see for sure, but I'm convinced that he can't be pleased with 3%, because the goal was 50%. Now, 50% total is what the goal was, not additional 50%. And so, this, this 3% gets us up around maybe 30. Maybe, in some cases, it'll be 30. And so, Senator Wayne has tried his best to try to make us sit down and have a negotiation about how we move forward, whatever time it takes. But what we will get-- I'm quite confident that we will get the 3%; that will pass, and the caps, perhaps, will pass, that we've wanted to put in place. And then we'll go home, and then you can work on this in the next session, and the session after that, and the session following that, and the next one. In other words, you will keep doing this as long as we are a, a

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Unicameral, and the Legislature meets. Sad. Sad to say, people are leaving--

**KELLY:** One minute.

**ERDMAN:** --Senator McKinney's district, people are leaving my district and Senator Brewer's district, and they're all moving either to some other state, or into Sarpy County, it appears. So, I don't know where we go from here. I guess at this point, I'm perplexed as to what we do, but I'm sure the people watching are just as confused as everyone else. Thank you.

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

**M. CAVANAUGH:** Thank you, Mr. President. I rise in support of FA128. It strikes Section 3, which is the interest on the Securities Act Cash Fund. So, I-- thank you to the revenue, or the Fiscal Office and Nikki for helping me find the program number. So, they are currently carrying about-- you know, year-to-year balance-- so, last year, 2022-2023's balance was \$32 million. And this fund is funded by filing fees, registration fees and any other fee collected pursuant to the administration of the Nebraska Security Act is credited to the fund. So, I know I've asked this question before, but perhaps we should evaluate if we are choo-- charging too much in fees, if we have a fund that carries over 2-- \$32 million in carry-over balance, and that's not even taking into account the interest that we are sweeping from it, from the General Fund. I'm not, like super familiar with securities, but the revenue credited to the Security Act Cash Fund supports the department's activities related to regulation of the sale of securities within the state of Nebraska. The department regulates issuance of securities via registration and filing requirements, licenses broker deals and their agents, as well as investment advisors, and investigates criminal activity under the Nebraska Security Act. So, again, when we talk about government waste and government spending, I know it's glamorous to say we've cut spending by cutting the budget, but we could also cut spending by cutting the fees that we put to Nebraskans. Because a lot of these funds, these cash funds, are funded by fees that Nebraskans pay. So, if you really care about giving financial relief to Nebraskans, then let's join together-- not now. Please, dear Lord, not now. But in January, let's join together and re-assess what fees are we really using to run government, and let's talk about if they are reasonable and appropriate. And that will be cash back in our constituents' pockets, especially, apparently, if you buy securities. So, that's all I wanted



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to say so that we knew what we were voting on. I will be voting yes, because this is a cash fund funded by fees paid for by people in Nebraska, and it is way too much money just sitting here that we should be giving back to the people who are paying into it. So, I'd like to see us not raid this cash fund and go back and evaluate if we need to adjust what fees are going to pay for this. Thank you, Mr. President.

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

**CLEMENTS:** I waive.

**KELLY:** The Senator waived. Senator Wayne, you're recognized to speak.

**WAYNE:** Will Senator Clements yield to a question?

**KELLY:** Senator Clements, would you yield?

**CLEMENTS:** Yes.

**WAYNE:** So in this account, how much is usually raised every year into this, in this account? I don't need the exact number, so you don't have to look for-- just a close enough number.

**CLEMENTS:** \$26 million, I'm thinking.

**WAYNE:** And what do they spend these money on, for \$26 million? Or how much is carried over on a yearly basis?

**CLEMENTS:** Oh, this is, this is like Senator Machaela Cavanaugh was saying. This is fees on securities transactions. And in the past, this has been one year at a time transferred into the General Fund. This bill here just puts it in statute, so we do it every year, so that we can count it as funds on our General Fund status.

**WAYNE:** Thank you. So you brought up something interesting. Because the 8 years I've been here, has this ever shown up on a-- on the green book or any of our accounts that we could talk about on the floor?

**CLEMENTS:** No, it wasn't on the General Fund status unless a-- the-- like, the Appropriations bill, one year at a time would be-- this would be added in.

**WAYNE:** So they-- so we collect money out of-- at the agency and we, we just assume every year that we reappropriate it there, of about \$26

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million. Is that when I'm gathering? We, we reappropriate-- where, where does it go, I guess?

**CLEMENTS:** It just goes to the General Fund. We've been transferring it to the General Fund [INAUDIBLE] so we don't have to, you know, raise taxes, or we fund agencies with it.

**WAYNE:** OK. Thank you. Thank you. And so-- well, I'm just trying to figure all this out as we go through here, because this is a lot of agency stuff. And it just seems like we got a lot of cash laying around, that if we can just swipe stuff and move it-- and so I was-- I'm not saying it shouldn't be swiped. It just seems like we have a lot of fees being charged by a lot of agencies that we just keep moving to General Fund. And I'm kind of wondering if we need to look at our fees like Senator Cavanaugh has on right now, talking about looking at fees. So I think that's important, too, that we should do that. So thank you, Senator Cavanaugh and Senator Clements, for raising this issue. So, we have 5 hour-- we got an hour and a half left. And we'll start talking a little bit more about some of the exemptions in the current firm-- or the last fir-- form of LB34A, that had some issues. And then we'll talk about the current version of LB34 a little bit, and talk about some of the current issues there, around some dynamics that I can tell you is causing some problems. So I think it's important-- sorry, I pushed my light so I can take a little more time on this one. I think it's important we continue to talk about property tax, what can be done, and how we change what, what we're doing right now to do more than 3%. And I want to-- I'll wait till my next time.

**KELLY:** Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you. Light's a little delayed. So we locked in that we were going to do 40, 50%. We locked in. I kept hearing that all summer, we were going to do 40, 45, 50%, and we're settling for 3. And what's interesting to me is that the urban senator is fighting for more property tax relief, and the rural senators are settling for less property tax relief. I find that very interesting that I am fighting for it, and the majority of Republicans and rural senators are settling for less. You would think the dynamic would have been different. You would a think that the rural senators would be trying to figure out how to get more than 3%, but they're not. So I'm going to talk a little bit about other people's bills, as we keep going through here, and we'll see from there. So let's talk about natural resource districts. Natural Resource District is another taxing agency that levies. What's interesting is only the NRD which is east--

eastern Nebraska, part of Omaha-- it's a little bit Sarpy, et cetera, down. They have bonding authority. Their bonding authority is up in the end of 2025, but that's part of the reason they didn't want us to just take over completely their levy. But they did-- I mean, they came in opposition. But the reality is, is that's \$95 million we can take off the taxpayers. Why is that important? Well, it's the nickel and dime of the, of the different taxing agencies that continues to drive up our property taxes. So that's one way the state can carry the load of one of our most precious resources, water, that we are doing that. Where I came up with that idea is we're building a canal. We're building a canal because we say we need better security of our, our water, and Colorado is supposedly taking our water. Well, why don't we do that everywhere, or we're paying for all of it. So that's really simple of how we got there. I'm not saying we should control NRDs. We still leave them levying authority if they need it for special projects, or grant matches and those kind of things. But the thought was let's figure out how to take over-- or not take over, but fund all water, and that's what we should do. So for the mayor-- the public who are watching, I just wanted to give a quick refresher, and then I'm gonna start telling stories and have some fun about actual bills and what we're talking about. But for people who are watching, this is pretty simple. We are settling for a 3% property tax decrease in the increase. I'm, I'm just disappointed in that. Actually, I'm just disappointed in how we got here and where we're at. I mean, usually, we fight all the way through. We, we secure a couple votes on 33 to get to-- get over cloture, and then you kind of work on it going into Select. Very rarely do I see the whole thing getting thrown out within 4 hours of a debate. And maybe there wasn't enough votes there. But sometimes, I thought the special session was to go big or go home. And so I thought we were going to go big. Now, I wasn't in favor of it at-- as it was written. There were some no-gos. The one I keep bringing up is haircut. It's pretty simple for me why. Kids have to get hair-- their hair done to go to school. People who are going to jobs need to get their hair done. People who are taking family photos, they might want to go get their hair done. So that's more of a need for me than it is a want. And that's how I explain it when I talk about nails, right. Nails, you can go get your nails done. That's because you want to. Some people may feel it's like a need--

**KELLY:** One minute.

**WAYNE:** --but that's where I drew the line, line in the sand. So, just different ways of, of where you can find wants and needs, but that's where I came out at. So we're going to talk about some of the exemptions that I am talking about, and look around the room and see

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what people think, if they like them or don't like it. And I'm just going to kind of take some notes, and people may not look at me at all. I may not talk at all, but that's OK. So we'll start with exemption number one: storage and moving services. Now that's interesting, because I got feedback in multiple emails about storage and moving services affecting lower-income or middle-income people. Because most of them who are moving hire people to move, people who get evicted would hire people to move. And so, they were talking about that. And then I started thinking about it. Most of the people I grew up with hired their friends or had their cousins and people come over and help. Then I started asking people about it. And overwhelmingly, when I talked--

**KELLY:** That's your time, Senator.

**WAYNE:** --to people-- thank you.

**KELLY:** Senator Wayne, you're in the queue, but this is your close.

**WAYNE:** Call of the house.

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

**CLERK:** 10 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 to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Wayne, you're recognized to continue on your close.

**WAYNE:** Thank, thank, thank you, Mr. President. So, so storage and moving services, after I started talking to people at Walmart and everywhere, and Target, they all kind of were like, most people I know, we rent a truck and we go get our buddies to help us move. So the more and more I talked to people about that, it's a lot of people, it's a lot of businesses, and a lot of other people who are actually paying these moving companies to move. So I felt more comfortable with the storage and moving services exemption being closed, because everybody I've talked to in my community kind of were like, when I move, we, we literally get our buddies and we go do it. And so, then I started thinking about the people who are moving from their homes and things like that, who have big things, they typically hire people. So [INAUDIBLE] I was like, oh, I could live with that exemption. Tattoos.

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Now there is-- I mean, if there is a medical need for a tattoo or modification-- body modification services, then I think we can carve out an exemption for a doctor order or a medical need. I don't know, but sometime somebody said that there is a medical need. I-- so I'm just trying to accommodate. But for the most part, everybody I talked to who have-- who has tattoos, that was, that was a want. Now, I know some people who are addicted to the ink, not the ink physically, but that's how they say. Like, oh, I like the ink, because it's kind of a rush for them. And then the pain, it's weird, but not my thing. But I know people, and they're cool with me, and I'm cool with them. So it doesn't bother me, but it's definitely a want, not a need. So tattoos, I was like, I can leave it in. Believe it or not, there were some senators here-- I got a lot of pushback on that. And I was like, I don't understand. So they explained it, and I explained the want and need thing. And so, this is not a hard line in the sand for me. I didn't hear anybody say it was a hard line in the sand for them. But why not? That is clearly a want. Clearly, unless it's medical necessary. So then you move to the next exemption. And let me tell you why you should probably vote against my amendment. This is one of them secret things that I really wasn't paying attention to, but I went back and looked. And when Chairman Stinner used to want to find some money, it would be one of these accounts he would pull from. So whether we sweep it every year-- I think we should just make it every year, so Chairman Clements would-- you know, he won't be like, I need \$15 million. All right. Here you go, from the banking fee. I think we should stop that ability for the Chairman to be able to do that, you know, cut deals that-- you need something? You need \$20 million for-- Vargas needs \$20 million for affordable housing. Banking fee, got you. We should stop that. We should make sure it goes to General Fund every year, so just think that's a good idea. So-- but it's true. It was a slush fund-- and I like Chairman Stinner, he-- but now I know where he got that \$15 million for affordable housing trust-- affordable housing-- workforce housing that we got a couple of years ago when he said he had no money, and now I know where he found it. So things you learn. So I would vote no on this. I'ma vote neutral. We'll come back-- on our reconsider, come back and keep talking about exemptions. And the reason again, you should vote no, because this is truly a little slush fund that previous Chairmens used to throw and make people happy on the committee and things. So I'm-- yeah, let's always make sure this goes into General Fund-- yeah, to cover A bills is a nice way of-- that's the political thing to say. To cover your A bills, this is what we did.

**KELLY:** One minute.

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**WAYNE:** So we should definitely make sure this goes to General File every year. So I actually support the change. But due to a filibuster, I will be not voting. Now we're going to move to nail services. Believe it or not, I got into a little trouble on nail services when I was asking people. Somebody said, I am going after women on this. And I had to kindly remind them, I get my toes done, too. And there are a lot of men who do, too. So this is gen-- gender neutral. But I wanted people to understand I was not targeting them. I, I won't tell that there are certain senators who you would not think get a pedicure every 3 weeks, but it is on their calendar every 3 weeks. And I'm just going to leave it at that. If they want to tell about their pedicure stories, they, they, they can. And with that, I would ask for red vote on FA128. I bet you people vote green just because I said vote red.

**KELLY:** Thank you, Senator Wayne. All unexcused members are present. Members, the question is the adoption of FA128. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 5 ayes, 38 nays, Mr. President, on adoption of FA128.

**KELLY:** The floor amendment is not adopted. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Senator Wayne would move to reconsider the vote just taken on FA128.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** So while people think-- thank you, Mr. President. While people think this filibuster is not successful, I actually think it is being very successful because there are conversations going on about property tax relief, and people are talking who have not talked before. So we'll keep talking about these things. So, so nail care. So I want to repeat, if people just tuned in, this was not targeted towards women because there are a lot of men, particularly senators, who get their nails done. And so, I think it's important. But I do think, again, this is not a need. It's a want. You can clip your own nails and buy a clear coat and be cool. It's just the way it is. If you want some press-ons, that's fine. It's definitely a want is my point, not a need. So now we're going to talk about hair removal services. I do think if we draft this bill in part of an exemption, that we got to be more specific. Because if it is medically required, we should not be paying taxes on anything medical. But if you want to remove some hair, it's probably a want. If it's a need, go see your doctor. We can talk about it. So again, I talked to multiple people

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about this. It wasn't a big deal. I got the most pushback on this first page on skin care services. Because when you say skin care services, people think medical. And that's not the-- I'm trying to figure out how not to-- I was thinking more along tanning and stuff like that, but I might have been wrong. Because that's how it was listed in the original bills that I saw. So we got to make sure we're clear to the public this is not like medical. Because when they read it, they read it as skin service-- skin care services. And they're like, I'm being taxed because I'm going to my doctor and I'm supposed to get something, something removed, or laser removal, or something like that. So I think that's important. Cleaning-- grossed on cleaning of clothing, excluding any amounts exempt under that section. So I take this as dry cleaning. Believe it or not, not one person that I talked to, and I'm literally-- I was just randomly walking down to Walmart a couple of days ago-- Target, up the street. And I-- because people know me, and they just-- and I talk to them, and I talk to them about anything. I literally was just talking to them about stuff. And not one person thought this was a bad idea. And most of them said, if you get your suit pressed or that dress pressed-- cleaned-- don't know the right term for that. Like, you do it like once, maybe on worst-case scenario, once a week. And on Martin's, you get Wednesday-- walker-- I mean Walker Wednesday, it's half off. So like, you maybe do it once a week. But for the most part, it's usually less than that because you're not getting all your suits pressed. So I was like-- so that's what we talked about. And so people were OK with that. So that one, I just want you to know people are OK with it. Long-distance traveling services. Most people didn't know what that were, so they didn't comment and say-- they were like, well, leave a text, because clearly they didn't use it and they didn't care. So that's how I got to that one. Charter vehicles including limousines. Now, the key to that when you write that statute is if you keep the word "limousines and luxury vehicles," my district is fine. Because if you're pulling up in a limousine, you can get an extra 7 cents on that, it's cool-- per dollar. Again, people ain't really going to be upset about that. I'm just being honest. So if you're pulling up in a limousine-- and you know, again, most people who are buying limousine services in my district, it's like for a special occasion: weddings, prom, there are more like once, maybe twice if you get divorced, other times that you're going to do that. So it's not like an everyday occurrence-- it's not an everyday occurrence that this is going to happen. So I'm, I'm saying this, and everybody-- I'm looking around, like, yeah, we can live with that. We can live-- so people can live with some of these. That's my point. Then you got sightseeing for ground vehicles. Now, I've been thinking about opening up this, like, concept of stay

in the hood and we'll drive you around at night and show you all the places. I never really launched it, but if I was running that, I should pay a tax on it. Now, I don't know what else it means by sightseeing services by ground vehicle. But I'm assuming if you're in Cherry Hill and you're driving around showing people mountain lions, they probably can afford an extra tax on paying for that. I don't know-- otherwise, I'm driving myself and we see a mountain lion, or people I know are usually driving themselves. So if you can afford somebody to navigate you sightseeing, you can probably pay some taxes on it. Again, it's not every day. You're not waking up every day saying, can you-- can we go sightseeing, and I'm being bummed because I got to pay a tax on it. Like, who's, who's saying that? Tell me, tell me who's waking up and saying, every day, I'm going sightseeing by a vehicle, and I just don't want this damn tax. Exactly. We're going to keep moving on. Now, this one I got pushback on, and I'm probably OK with deleting this one. And somebody made a good argument. And this is services on-- if you don't know, I'm on page 3, if you want to follow along and put check marks like I am, so we can get some consensus and maybe cut down on debate when a, a new bill comes. Services of real estate agents and real estate appraisers. So the reason that's got to go is-- well, I think it should, too, after be-- talking to people, is anything that's really going to affect the housing market and the ability to do houses, we can't say we're about affordable housing and then add an extra seven cost because somebody is coming and doing an appraisal. Because typically, you negotiate who pays for the appraisal and it's just one more cost. And I'm like, eh, we already, we already got a tax in there with the doc stamp. So, so everybody who's paying attention we're going to cross that one out. We are going to cross out real estate agents and real estate appraisers. See? I just negotiated with somebody. It's not that hard. Travel agency services. There we go. This was actually an interesting conversation. Do you, do you-- if you do it and I book it on Expedia, is it going to be taxed? Is it not? Does it have to be a person? We're gonna have to work that out because if we're going to tax it, it should be everywhere, like Expedia.com, Amazon, Google flights, because those are technically taking the place of people who used to do it. So I think we're underestimating closing that exemption, if you start talking about online people who are providing those services. So I think it's actually going to be more. But there again, if you are using a travel agent every day to wake up to go to work and you're in the working class, I understand why that's a problem. But if you're using a travel agent for vacations, then maybe one night of drinking on your vacation is a good thing. You say, hey, I'm going to eliminate that one night. That's going to pay for the tax that I have to do, for



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my kids and my whole family to go somewhere. Probably makes your spouse happy, because you're not drinking when you're out of town. It's a win-win for everybody to tax that one. That's all I'm saying. It's a win-win for everybody. So we'll leave taxing travel agencies in. Tour operators. I don't know how many tours are going on in Nebraska. I'm trying to figure this out. I did some, some, you know, some recon out in, out in Cherry Hills out there. I didn't see a whole bunch of trucks driving by, saying Wayne Tours. Like, I didn't, I didn't see that. So I don't know how many tours are really out there. The question I have is, is it a tour when I ask somebody at the zoo, can you help me find a spot? So we got to clarify some of that. But I think for the most part, if you are taking a tour, it's usually 1 or 2 times a year. We can pay a tax on that. And if you got the money where you're flying in and you don't know where you're going and you're paying for a tour, pretty sure you can, you can pay for that. Now, if you-- in Omaha, and you want a tour, I take cash only to get out of the tax problem, so just look me up-- anyway. Talk about that later. So I think we're all in agreement on tour operators. Weight loss services. Now, I've lost 50 pounds since I've come down here. My first year, I've lost 50 pounds. Now, the distinct-- this-- the distinction that I'm trying to figure out, and I actually presented this in, in the Revenue Committee on the, on the smart plan, was do we add something around these fly-by-night weight loss people that, that you just open up and, and you, and you take these "tragepitide" and these--

**KELLY:** One minute.

**WAYNE:** --other things and we tax those, or are we talking about the people in the gym? And I think we got to figure that out. But in addition to that, we need to carve out stuff for medical needs. So like if your doctor says, hey, you need to lose some weight and it's in their file-- I don't know how we do it. I'm just saying we need to be conscious of that. So that's why I don't know if we're talking about taxing the gym monthly because of your monthly thing, your monthly membership, or are you talking about the person who is out there helping you lose weight? I mean, that's just a clarification we should figure out. But again, by-- most people I talked to, except for the ones who are in the industry providing it, they were like, that's kind of a want, right? Again, if it's medical, we should figure out how to carve that out. And there are some smarter people on the Revenue Committee to do that. And we should do that. So I'ma keep that one in. Now, I got a minute, so I'm going to wait till my next one. I'm up in the queue. And the, the, the President will actually probably agree with this, but he's not supposed to say it--

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**KELLY:** That's your time.

**WAYNE:** So I'm gonna wait till the next one.

**KELLY:** That's your time, Senator. Thank you, Senator Wayne. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. Rise in support of motion to reconsider. I just wanted to get up because, you know, after I sat back down, I was on my phone, and I realized that the Secretary of State will not remove existing voter registrations of individuals with felony convictions for now. Real interesting, because he had stated prior that individuals with pre-- with felony convictions were not eligible to vote in November. And those who would have had their rights restored after LB20 was passed wouldn't be able to vote. And those who would have their, their rights restored by LB20 still won't be able to vote unless the Supreme Court does the right thing and upholds the law that we passed as a body. I just think it's interesting that it says, for now. He's hopeful the Supreme Court will rule quickly. It's just-- I don't know, it's just interesting that in 2024, we're still having conversations about people being able to vote. I thought when people went to prison, did their time, I thought that was doing-- if, if you did your time, I don't understand-- really, I've never understood how you lose your right to vote. In Vermont, actually, if you're incarcerated, you can vote in prison or in jail. So this is-- it's just crazy times in this world, in this state, in America, where we're still having to fight for people to have the right to vote. We're still fighting for the dignity of incarcerated individuals. It's-- I don't know. I, I always say I-- nothing makes sense to me. But I shouldn't be surprised because of where we're at. But I, I know sometimes, it just makes no sense to me. But I'm sort of happy that those who had their rights restored in 2005 and beyond can still vote for now. But if the Supreme Court rules against those individuals and individuals who had their rights restored because of LB20, I will be very disappointed. Well, that's just that, you know. We're having conversations about cash funds again, and transfers, and things like that. And I agree, I think we should have a real conversation about fees and how, how they are being utilized. Because if the dollars aren't being spent because it's too much money, maybe we should have a conversation about maybe we should decrease fees that we're charging people for all these services. Maybe we should, we should have a conversation about that. If it's so much money in these cash funds because these dep-- these departments can't spend down, maybe we should figure out how to decrease the, the cost of these fees, or figure out how to allow these departments to better

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utilize the resources that are coming in because of these fees. But with that, I'd give the rest of my time to Senator Wayne. Thank you.

**KELLY:** Thank you, Senator McKinney. Senator Wayne, you have 1 minute, 22 seconds.

**WAYNE:** Thank you, Mr. President and Senator McKinney. Now, I want to-- this is not shocking, but this is how I know there were certain people not in the room when making these conversations. The next one is gross income received from bail bonding services. I don't want to tell you a secret. Nobody provides bail bond in Nebraska. The closest one is in Iowa-- because of how we set up our bail system. So you can leave this in, but you won't collect any money. So we set up our bail system here in Nebraska, where you put up 10% of your bond and 90% comes back because there's a 10% administration fee. So Nebraska has never had bail bonding services. Just Google it. They'll-- you'll find some national ones, like bail bond, any state. But when you actually get down to the nitty-gritty, closest one is in Council Bluffs. So unless somebody opened up a bail bond shop in the last year that I've never seen-- because I don't know who would do that, because they'll-- person only gets back 90% of what they put in. It's a, it's a losing business in Nebraska. So, just want people to know that, but you can leave it in. I just don't think you collect any money from it because I haven't seen one actually opened. So I-- I'ma keep that as a check mark. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Senator Wayne, you're next in the queue.

**WAYNE:** OK, I just had to-- thank you, Mr. President. I had to look out in the hall and confirm with Spike. I don't practice in Lincoln, but he gave me the nod. Yep. No bail bond. See? So we could actually quadruple the sales tax on bail bonds, if people feel like we're-- we should maybe put 100% tax on it, because I don't think we'll collect anything. OK. Flower delivery services. Now, this was a tough one in my family because people do like flowers, but you don't send them every day. And if you do, might be a little trouble. So I'm open to the idea of people talking about that. I'm just saying it's more on the want, not the need. But man, these flowers are expensive. I was looking at some the other day. I have to wait till my next paycheck come in. It was-- I was like, wow. And you know, the problem with flowers are they're eventually going to die. So you going to-- it's like fireworks. You going to spend \$100 bucks to watch it just go away. Boom, there it is. Now if you do it right, you might get an expensive vase, but-- so are you paying tax on the vase? Ooh, good

question. Hmm. Think about that. So teleflower is still in, because I think that's a want, unless somebody can tell me that's a need. Because if you are-- I mean, tip-- I mean, you should have to pay a little bit more. Think-- I mean, most people send flowers because you're in trouble with, you know, your loved one or your, your spouse or-- so you should pay, pay a little bit more. And we can offset it when it's the good times like birthday-- be like, no, no, no. I need a deduction because this is a happy time. We can, we can figure that out. So that's still in. Geophysical, geophysical services. So just to be clear, I asked some people at Walmart, Target, checked in my house, nobody knew what the hell that was, so we just left it in. I, I don't know. I'm not smart enough. If it's engineering or makes housing go up, take it out. But if it's geophysical services, leave it in until we figure out what it is. Next one is dating services. Now I didn't see a big lobby coming against this one. But my thought are-- my thought is we'll just leave that in. [LAUGHS] All right. Hunting and fishing guides. That's a want. Nobody can debate that that is a need. I mean, seriously, if you fly out here or you drive to Lake McConaughy, or you want to go to Calamus, or you're up in Niobrara, if you really want to fish and you're paying for a guide, that's because you don't know how to fish and don't know where to fish. That's kind of a luxury. So let's just make it good. Spend a couple hundred bucks, and an extra 14-15 bucks on that, you won't even know. So you're good to go. Keep that in. Swimming pool cleaning and maintenance services. Nobody said no. I mean, I talked to tons of people that couple nights that I was asking people, and they were like, I don't care. I don't have a pool. So if you have a pool, your property value is probably more expensive anyway, so you can pay for that service, contribute to our property tax relief. We'll leave it in. Lawn care and landscaping. Actually, I got some mixed reviews on this. Mixed reviews were not so much they wouldn't pay the tax and shouldn't, it was I don't know the person who's doing it will pay the tax. I said, that's not my concern. Once I said that, they were like, well, yeah. If I pay 25 bucks, 50 bucks a week for my lawn to be cut, it's going to suck, but that's because I'm choosing not--

**KELLY:** One minute.

**WAYNE:** --to go cut it. Do you know a secret to losing weight? Cutting the grass. I did it. It feels great. Especially-- I got a little backyard with a little hill. Push that up there, get a good workout in. Get some steps in, works out. So I think it's a health benefit. We should tax it. Maybe more people will cut their own lawn. But as far as landscaping, most people aren't hiring landscapers unless they have a little bit of money. I'm just being honest. I live in a district--

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right down the street is Home Depot. Home Depot is filled with do-it-yourself people. They're going to do it themselves. Clearly, not paying a tax. But if I got to hire somebody to put the news rose bushes in, we can pay a little tax on that. We going to leave that in. All right. So guess what? We are down already-- we're going to keep going. But I have seen nobody really say this is a hard objection. So that means we're OK to closing some exemptions. We'll go through some more here in a little bit. But we're clearly OK with closing some.

**KELLY:** That's your time, Senator.

**WAYNE:** Thank you, Mr. President.

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

**ERDMAN:** Thank you, Mr. President. So I, I listened to Senator Wayne. I don't know how he gets all this communication with these people at Walmart and Target, because-- of course, I, I never go to Walmart, but I do go to Target once in a while. And I've never had those kind of conversations. It's like a roving mic on the street or something, he does. But I want to, I want to tell him a story about flowers. Years ago, I had a good friend that had a flower shop. And one day, I stopped in there to visit with him, and he had a whole vase of roses sitting on the counter. And I asked him, what are you going to do with those? And he said, I'm going to throw them away. They're, they're starting to open, and I can't sell those kind of roses because they don't last very long. And I said, well, if you're going to throw them away, maybe I could take them. And he said, I'll, I'll let you take these home, but you have to tell no one, including your wife, you got them for free. I said, it's a deal. So my nephew was with me-- my cousin was with me, and he, he, he worked for us. And so, there was like 2 dozen. So I give him a dozen, and I kept a dozen, and we took them home. He gave them to his mom. And my aunt called me and she said, what did Eric [PHONETIC] do? I said, what are you talking about? She said, he brought home roses. Did he get picked up for speeding or MIP or something? I said, no. No, he just wanted to show you how much he appreciated you. And she thought that was so great. So I did that 2 or 3 times. It worked out wonderful. And then one day, there was like 41 flowers. And so another friend was with me and I told him the same thing. You don't say anything to your wife where we got these. So he takes like 21 flowers home. Roses. And his wife says, where did you get these? And he said, we got them for nothing at the blossom shop. So his wife called my wife. That was the end of the flowers. No, no more flowers. So flowers are important, and they work if you pay for

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them. But if you get them for free, it don't count for much. So Senator Wayne, you going through that list is-- it's amazing that you've had enough time to visit with people about each one of those specific taxes to draw the conclusions that you've drawn. And I think when you leave here, you may have an opportunity to have, like, your own podcast or maybe your own TV show. Maybe you and Tyrus could join up, and 2 guys from Omaha could have your own show. But we're just wasting time here, so it's kind of humorous. And so I appreciate that, so I'm going to yield the rest of my time to Senator Wayne.

**KELLY:** Thank you, Senator Erdman. Senator Wayne, 2 minutes and 5 seconds.

**WAYNE:** Term-- sorry. Thank you, Sen-- thank you, President. Thank you, Senator Erdman. All right. We're going to continue going through this because I'm trying to show the point that not all exemptions are bad. Gross income received by credit reporting inf-- report information. I had a circle on this. Most people were saying, you're going to pay me. I got to pay a tax on pulling my credit report. I don't know if that's what it means. But I would remind people, you don't do that every day. You do it before you make a big purchase or you're about to get a loan. So I don't know the impact on your life if you have to do that. And so that's what we were talking about. And yeah. And when people think of a tax and they hear that it's just 5 cents or 5-- 5%-- 5.5%, then they kind of back off. So I left that one in, too. Now, self-service employment agencies and temporary help. I actually been thinking hard about this one for a while. It's a business-to-business kind of input. But what I've seen happening on the legal side is how people shift liabilities on worker's compensation. And I've seen how a lot of companies are, are kind of creating these walls to say, to get around some things. And so I, I, I respect this industry and I understand how it works. I'm just-- I'm a little skeptic of some of the things they do. So I left it in. And again, I'm open. But to me, that's why. Because one, I think companies should hire people themselves. I think part of their problem is companies are pushing all these hiring decisions everywhere else, and we're getting some bad hires. So part of it-- me is, hire people yourself, and you don't have to pay the tax. So I'm OK with that. To me, that's a want, not a need. Interior design and decorator services. Now in fairness, I was getting feedback on both of these. But I--

**KELLY:** That's your time, Senator.

**WAYNE:** Thank you. Mr.-- thank you, Mr. President.

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

**ALBRECHT:** Thank you, Mr. President. Because I'm not real thrilled where we're at after sitting on the Revenue Committee and listening to our 67 bills, I find this very enlightening. I think everyone should be in the room listening, because, you know, it's all a numbers game. But if we can all go home with 40% for our property taxpayers instead of 3, I'm all ears. So I'd like to yield the rest of my time to Senator Wayne.

**KELLY:** Thank you, Senator Albrecht. Senator Wayne, you have 4 minutes, 24 seconds.

**WAYNE:** Thank you. Mr. President. Thank you, Senator Albrecht. So the interior design is kind of going back and forth. And so, here's how I fill out, and I'm going to be a little transparent. And I know I might get some emails and text messages from some people. So most people nowadays, kind of take pictures of their-- at least the people that I interact with on a regular basis. And don't-- and get on me, but I'm a licensed general contractor. I've kind of did some remodifications of homes, and things like that. Most people kind of take pictures of their houses and go out and look at stuff themselves. And the people who are kind of opposed to this are the people who-- that I've talked to-- could definitely afford it and pay the tax. Sorry. There's no other way for me to say it. People who were like, well, you know, I kind of figure out how to do stuff myself. I Google things. I try to look at things and do it myself. OK. But if you need to hire somebody to redo the inside of your house, then I think it's a want. Does it drive up the price of hose-- housing? That's, that's my concern. I don't know. I need to talk to more people in the industry to figure that out. But my thought is you keep it in and take it out, versus how hard it is to put stuff back in. So I left it in. But again, most people I know, they take pictures, they go and look at things, they take the, the, the colors at the-- at Home Depot and Menards, and they line up the paint and stuff like-- so they do it themselves. So I'm going off of my [INAUDIBLE]. You know, lobbying services is a, is a interesting concept. And I'll be very blunt about why I'm supporting lobbying-- putting a tax on lobbyists. It's really simple. In the 8 years that I've been down here and we're, we're talking about a children issue or HHS issue that deals with juveniles and kids, that lobby is empty. But if it's a tax issue that deals with corporations, you can't find room out there. So I do talk to people. This is just personal for me. I mean, there have been criminal justice reform issues, and it's usually just the, the county attorneys, maybe the

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police, or FOP, or the POA. But when it comes to attacks like we have for this, they found 8 hours to come down here and talk, and it's full. But when it's a kid issue, helping children-- and I ain't talking about schools because they got their own lobbyists, which we'll talk about that another time. But if they can fill up for businesses, then businesses can pay them a little bit more and they can pay some taxes on it, if they can't be down here for the kids. Because you know why, the kids can't afford to pay them. So it's not a knock on the lobby. They-- I mean, I'm an attorney. You go with who can hire you, but I take a lot of pro bono cases. A lot. If you don't believe me, some of you all in here have benefited from some. So-- that I take a lot of pro bono cases. So that's just where I'm at. It's a lobbying thing for me, that clearly, the businesses and people that are hiring you, but when it comes to issues in my district--

**KELLY:** One minute.

**WAYNE:** --and the kids, I don't see you. So we're going, we're going to tax you. Telemarketing services, I'm open to get rid of that. I don't know enough about how it affects things. I know that telemarketing-- so actually, this is a-- ooh, I got me a minute. I want to talk to you about telemarketing because they're-- people were actually interested. Because in my district, we used to have old West Telemarketing. So we had a lot of telemarketing companies in my, in my area. Sitel was a huge one that started in my area. So people really thought, well, yeah, that we should tax them. Because they worked for them, worked part-time-- I worked for them, part-time job. And they were like-- they making a lot of money off of me answering these phone calls or calling people. So tax them. Tax them. I'll wait till my next time.

**KELLY:** Thank you, Senator Wayne. And, you're next in the queue. And that's your last time before your close.

**WAYNE:** Thank you, Mr. President. So we're keeping telemarketing services in until somebody can help me understand why it shouldn't be in, or I mean, I ain't the final say, but it's not my dying on the hill thing. Public relations services. Now, I asked my daughter about this, and she was-- and my daughter, she's very smart. She said, well, if you can hire a publicist, you can pay the tax on it. Now, I don't know if that's the real definition, but that's how we read it. Tax it. Telephone answering services. This is complicated for me. And why I'm kind of open to removing it-- I don't-- I'm-- it's complicated, because we have so many digital-type answering services now. I don't know how you're going to tax that evenly with the live worker. What I don't want to do is help put out an industry of live workers who are



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already moving that way. I think AI and technology, the telemarketing services and answering services, they are in a world of hurt in the next 5-10 years. So I'm open to that one maybe. But for right now, it's in. So the laboratory testing, most people I talked to were OK with it. It was people in Lincoln who raised some issues, because they were-- it was some kids from college. Because they were like, does that involve ag? So here's my stance on ag. And I am one of the few probably urban senators who will say this. As much as I want to tag-- tax ag people, ag businesses, property tax, sales tax on machinery and parts, as much as I want to do that, I just don't want to drive up the cost of food. And I don't want to drive up inputs for food. Now, somebody will come back to me and say the market rate nationally dictates the price of corn. We really don't have any say. Maybe. But when it comes to food, that's just kind of a hard line for me, which puts me in a weird spot because I want to tax machine and parts, but I just feel like we shouldn't be done because it's an indirect tax on a, a, a industry that directly deals with food. So call me weird or whatever, but that's how I got there. Information services. Don't know enough about it, just know a lot of IT people are making a lot of money. So I have no real reason. I'm being transparent. So I left it in. If, if it should be taken out, let me know. So what's interesting about parking lots, parking lots and parking garages-- my only ask is we do an excise tax, not a sales tax. And I'll tell you why. I usually throw a dollar or 2-- they're like \$5 to park here, right? \$5. I don't want to have to dig in my pants to figure out some change. So just give me like a \$2 tax, so I can give him \$7. Is that making sense? Am I making sense? Everybody-- you know, when you pull up and they got-- and they're standing out there and they're waving you down-- come in here. It's \$5. So if they'll eat the tax and not charge me more, great. But then they're going to have to raise it more than a \$1.05-- or 5 1/2 cents because I don't want to have to pay like \$10 or \$11.50. Like, I just want to be able to give them a dollar. And you know how it works, right? They're going to be behind you. People going to be honking. What's taking so long? They don't have the right change. It's a issue. I'm here to solve issues. And the best way we can do that is doing an excise tax of like, \$5, you pay an extra \$1; \$10, you pay \$2. And that way, we keep the line moving. Otherwise, I'm telling you, there's going to be this young worker who's 19 years old, he's going to drop 4 quarters, he's going to be looking for the dime, and people are going to be honking. He or she going to start sweating because he can't find the mon--

**KELLY:** One minute.

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**WAYNE:** It's late at night. It's just going to cause a problem and a fight will break out. I'm here for public safety. So what we do, we don't put a weird tax on that, we make it even. I don't know how to do it, but that's my reason why I think we should do it. Just my thoughts. Second part of that, if the city owns the parking garage, are we now taxing the parking garage and taxing the city? Because that would be kind of weird that we're taxing the government. I don't know. People got to think about that. Erdman said it's OK, then tax it. I'm with it. Land surveying. That's probably coming out, because now I'm hearing some rumors it has to deal with building-- developing homes. Again, I don't want to touch 2 things: food and housing. So I don't know, but I'm hearing. Oh, I love this one. Oh, I got a minute. OK, it's almost done. We were about to get to charter flights. Everybody said "tax that" in my community.

**KELLY:** That's your time, Senator.

**WAYNE:** OK. I'll come back to that.

**KELLY:** And you're recognized-- no one else in the queue. You're recognized to close.

**WAYNE:** All right. So-- and I think it's charter flights with pilot, if I remember the exact language in the other bill. Now, for this one, I even went way out west. I went to-- I went to Village Pointe. Figured they might actually charter some flight-- flights out there. Then I went real far north. I have actually a airport in my-- I have 2 airports in my district. I have the Omaha Eppley Airfield. Then I have the North Omaha Airport, which is north. And it's a private airport. I even stopped out at Millard Airport. Nobody would answer, because I was just a random person knocking on the door and it was closed. But my point is not one person said we shouldn't tax a charter flight. If you can charter a flight-- 8 buddies put together and they're like, we're going to Vegas-- paying the extra tax isn't going to be the reason you didn't charter that flight. I think everybody agrees. Don't you agree? Senator. I'm sorry, Senator. I knew you before you were a senator. Sorry. My bad, my bad. But-- Merv, you agree with-- Senator Merv, you agree with that, don't you? Yes. Yeah, see? Let the church say amen. See? We having church up in here now. We getting, we getting it real good. So again, nobody in my community, nobody in west Omaha, nobody said this is a bad idea of charter flights being taxed. The question is, since the state owns a plane and Piller flies on a chartered plane, will the state pay its own tax? Somebody saying, hmm? Good question. Income received from labor repair maintenance services performed with regard to railroad, stocks, motor vehicle, watercraft,

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aircraft. Nobody knew what that meant. I read it over and over again. But when you put watercraft and aircraft, my community is O-- typically OK with it. We don't got a lot of watercraft. We're OK with that. So I left that in. So there we go. I went through 2 pages of non-controversial exemptions. And I will defend closing these all day, because I don't-- now, they probably don't bring in as much money as agriculture and manufacturing inputs, granted. But they're something. They're something. So now, I'ma talk about something that's not on there: a luxury tax. People are like, wow. Why would you bring that up? It's not on here, because people don't like that idea. We don't like raising taxes, I get that. But there is also a optics, right? If people can spend \$125,000 on a car, maybe they should pay a little more. I don't know. We're just throwing out some ideas here. If you're buying an airplane, you can pay a extra little bit on that. If you're buying a watercraft, pretty sure you can pay a little extra. Because if you're like me and you buy a boat-- I haven't bought a boat. That's-- I mean, isn't because of the-- and they're not taxed, so it ain't going to change if it gets taxed. But if you buy a boat, I'm assuming that means watercraft, you could pay a little bit more on it. That just means you got to fish more to make up for it. It's a win-win for everything. Pay a little bit more, got to fish a little bit more. It's a win-win for everybody. So the luxury tax, there was 2 bills. Senator Blood had a bill, and then I had a bill. I will admit, mine was too low. I started off with, like, \$50,000 for a vehicle as a luxury. I copied Illinois. I don't come up with these ideas on my own. And then I recently forgot that I bought a Suburban. My kids are old. My daughter's like 5'11". Katie, my wife, is 6 foot. I got a son. Her little SUV, driving for basketball trips just was not working for me. So I got rid of my work truck, my big white work truck. Got a Suburban.

**KELLY:** One minute.

**WAYNE:** Where we at? Reconsider. OK, I ain't got no more. And I was like, man, that price is around \$80,000. It was used. No, it wasn't brand new. So I was like, you know, a good minivan cost about \$65-70,000. Those are working people's cars. So we shouldn't put a luxury tax on that. But if you want to go out and buy a Rolls-Royce, I got no problem with putting more money on that. That's a luxury. Now, you're talking about work trucks. Well, work trucks cost a little bit more, too. They do. If you want a good, good truck to haul some stuff around in-- but you're already writing that off, so the taxes won't matter. That's kind of my thought. I'm open to ideas. Most people won't support a luxury tax, but I'm throwing that out there for discussion, because there should be discussion. If you pay 20 grand

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for a ring, typically one time, maybe 2, if you get divorced, you should pay extra money on that. But if you want to buy a nice watch for a couple hundred bucks, that's probably some working-class things. So there, again, there's a way to do this.

**KELLY:** That's your time, Senator.

**WAYNE:** Thank you.

**KELLY:** Thank you, Senator Wayne. Seeing no one else in the queue, and that was the close. Members, the question is the adoption of the motion to reconsider. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 3 ayes, 22 nays on the motion to reconsider, Mr. President.

**KELLY:** The motion fails. Mr. Clerk.

**CLERK:** Mr. President, Senator Wayne would move to amend with FA129.

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

**WAYNE:** Thank you, Mr. President. This, I believe, strikes Section 4 of the amendment. Section 4 is the Racing Gaming Commission of horse track gaming fund [SIC]. Right now, it says that-- well, the new language will say, beginning October 1, 2024, any investment earnings from investment money in the fund shall be credited to the General Fund. So I move to strike that. And I think all my conservatives would agree we should not touch gaming dollars. You don't like gaming dollars, so we shouldn't touch gaming dollars. We shouldn't even move them. Let's leave them where they are. Senator Lowe is adamant about not expanding gambling. By transferring this money, we are transferring it to General Fund, we are expanding gambling. That all right? OK. Sounds right. All right. So I was talking about the luxury tax. So what this does, again, is strike Section 4. That is the gaming money, the gaming money-- gambling money. And you guys are against anything gambling, so you should be against this bill. OK. I want to make sure we're all on the same page. So I was talking about the luxury tax, the tax that I can live with. I know people don't like the idea of a tax, but to me this was more about optics. And what I mean by optics-- and this is not on any option. So don't worry, it's not on any option. I'm just talking about other revenue streams. The thought of the luxury tax was we are putting out there that we're taxing things differently, and those who can afford can pay. It's a political thing. It's a way to show the public that everybody's pinching in, not just the people who are on the working-- working poor or working man

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and woman and low-income; that even the, the rich have to pay a little bit. So again, you're trying to find a balanced approach. So what I find amazing-- now I'm going back to the paper-- is how we can justify taxing electricity. I-- it amazes me. So I brought a bill 3 years ago, I think, to stop taxing water. And it was a fight. And all I did was-- and it was a mistake. I found out on the floor the year before that we don't tax irrigation water. That's what I was told. Ibach turned around and gave me the death stare. I was told that by Curt Friesen. I'ma throw him under the bus. Curt Friesen. Curt Friesen. And so my thought was, well, then why are people whose drinking water being taxed? It just floored me. But then I had the municipalities didn't want to-- they wanted to keep the money. It, it was like people out here in the Chamber really against taxing-- or getting rid of a tax on residential water. We even said residential water. It was just people who were drinking water. And that's when I knew I could tax the lobby, because it's some problems if we fighting taxing water. I remember during that debate I kept getting up and just say water is life. That's all I kept saying, because I couldn't-- I mean, it was just so amazing that people were fighting against tax-- not taxing drinking water. Mind-blowing experience. And I feel that way about electricity. That's a need, especially with our temperature fluctuations. I mean, it could be snowing in the morning and 90 degrees at-- in the afternoon. And so, I brought a bill to bring both-- not this special session, but before, to bring-- get rid of both tax on all electricity, including natural gas. My fiscal note was \$84 million 3 years ago. I thought, wow. Now I understand why some people might be against it, but surely this Legislature wouldn't want to keep a tax on electricity and natural gas. Like, that just doesn't make-- we're public power. We're all about public. Man, I couldn't get that bill to move anywhere. So we got a Property Tax Credit Fund. I'm saying, can we at least get rid of taxing electricity? And the crazy part is, is most people don't. So when I was at Walmart, and Target, and even Chick-Fil-A up the street I stopped at. I said, do you know, when you turn on your light, you tax electricity? They didn't believe me. The lady at Chick-Fil-A said, no, I don't pay taxes on electricity. I said, oh, no, you do. She said, no, I don't, and was adamant. Got mad. No, you're wrong. Because it was like, well, how does a state senator not know this? This is-- you should know this. And I was like, I'm not here as state senator. I'm just talking to you. But they were really mad. So, I got an email from that lady. I was right. In what world are we paying taxes on electricity? Amazing. So at a minimum, we should do that by all Nebraskans, whether you're a property owner or a renter-- hell, if you're driving through, we shouldn't-- when you flip the switch to turn the light on, we shouldn't pay taxes on it. Now think

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about that. We are fighting about not having a tax on pop and candy, but not fighting to get rid of electricity tax. You heard that right, public. You buy a Snickers, I'm against taxing that. But turn on your light, hell, tax it. Need some heat at night? Tax it. What bothers me about this body is we'll take one issue on one side and not think it's connected to the other issue on the other side. So I'm going to tell you a secret I do every year, because this is my last year. I won't be back. And only like 2 lobbyists know that I do this, because I showed them the grids. I put every bill into an Excel sheet. I plug that around, and then I go through and figure out what people would want and need. And typically, every year, I am not that far off on the deals that are going to be made. Not even with me, but with other people, how people are going to move. Because I feel it's my job as a state senator to understand Erdman's issue, to understand Myron's issue-- sorry, Senator Dorn's issue. I feel that way, because if I want to get anything done as a minority in this body, not just a Democrat, but a racial minority, I got to meet people where they are. I got to understand their issues. And my biggest mistake was not talking to Halloran or Erdman, Erdman my first 2 years more than I should have. Brewer and I connected because I went turkey hunting. He like guns, I like guns, so that was easy. But getting down to where they are, knowing their wants and needs, what makes them push their buttons and understand where they're coming from is how you become effective in here. And what's the worst thing about where we're at now is term limits, because by the time you really get to know people, it's time to go. And that's because we had 2 years of COVID and this, where we didn't go out and have drinks, or have these receptions and things like that and-- we just didn't. And so we just, we just didn't know everybody like we should. But when you get to know them where they are, you can have conversations that you probably can't have and you can actually move people on issues, because the issue isn't so abstract anymore. The issue isn't just some policy discussion you can hide behind. It actually is real people you're impacting. So, electricity. You're telling me in a special session-- I don't-- in a special session, you're telling me we can't figure out how to lower electricity? If it was \$84 million for both, I would say just electricity--

**KELLY:** One minute.

**WAYNE:** --is about, probably 30. We're making all these cuts to the budget. We can't find 30 to knock that one out? That's what I mean by fighting. And you don't get-- I hate to say this. You don't get a pass because it's not on the board. You don't get a pass to vote on one bill and say, well, I'm not really supporting the other bill. Because

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at the end of the day, for me, it's do I go home and I know I've done everything I can for my community, even if that means standing up here and talking, even if that means meeting late night to figure out why votes were taken. You do it. So tell me a good reason why we, as Nebraska, tax, tax electricity. And tell me a good reason why right now, we can't take it out. I would vote to lower the property--

**KELLY:** That's your time, Senator.

**WAYNE:** Thanks.

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

**ERDMAN:** Thank you, Mr. President. I want to follow up on-- Senator Wayne commented about taxing irrigation water. In my district and in western Nebraska, we have a lot of surface irrigation. And some say it is a tax that they charge us for the water. And that's not correct. What they do, they charge us an operation and maintenance fee to manage the canals and the ditches, and to keep them in shape, and to pay the people who make the distribution to make sure we're getting the correct amount. So it is not a tax. And he is correct. We do not tax irrigation water, but we do pay a fee for maintenance of the system. Now we don't tax the aquifer that we pump out of to irrigate, but we do have meters on every one of our wells. And it always bothered me to know that they know how much pump-- how much water we pump, and generally anything that has a meter or measured is taxed. So I'm very concerned that at some point in time it very well could be taxed. And, you know, I was listening to Senator Wayne and his comments about talking to these people at Target and at Chick Fil-A and all those things that he said. And I begin to think back about our fishing trip this summer. We went into Spicer, Minnesota, to the grocery store. Senator Wayne was with me, and he starts talking to people going up and down the aisle. And that was pretty peculiar for those people from Minnesota to see this guy just come up and start talking to him. And so when he says he talked to people at Walmart or Home Depot, he may very well have done that. And I, I thought it amusing-- I find it amusing to some of the responses. They just looked at him like, are you, are you talking to me? And, and so he would talk about their children or whatever, and he just struck up a conversation with them. And I kept saying, hey, let's go. We got to go fishing. So he very well may have done all that and tried to see if he could figure out what they were doing or what they were all about, or why they were buying what they were. But Senator Wayne has brought to your attention those exemptions that we were trying to take away. And then

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he was trying to point out the fact that some of these things should have never been exempted in the first place. So in '67, when the sales tax first was implemented by the Legislature, there were 2 bills introduced that year for exemptions from sales tax, the very first year. And then it-- every year, it got to be more exemptions and more exemptions. How the zoos got exempt and all these things that he spoke of became exempt, that's because the lobby was hired by somebody to go in-- to come in here to the Legislature and speak to somebody about a bill that would help them be exempt for their specific item. Taxing electricity is a need. And I do remember very distinctly when he brought the bill to take the tax off of drinking water. I remember that. And I thought it peculiar at the time that we were taxing water people drink, but we do a lot of strange things here. We exempt zoos. We exempt all those things that he talked about, and we don't think even twice about it. So if you really want to make a difference, remove all the exemptions. All right. Broaden the base. Lower the rate. That's how that works. Broaden the base, lower the rate, you get more money. When we lower our income tax rate, we collect--

**KELLY:** One minute.

**ERDMAN:** --more money, because we take our foot off of the throat of the economy. So Senator Wayne has pointed out the absurdity to the exemptions that we allow in the state. So maybe need to-- we need to rethink what we're doing here. And as Senator Albrecht said, let's go home with a 40% reduction instead of 27 or 28. Thank you.

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

**WAYNE:** Thank you. So colleagues, what you'll-- kind of made me nervous when I was talking, because all these senators came back on the floor. And we weren't voting, so I was like, ooh, somebody cut a deal. I wasn't involved in it, so they can't blame me for it. But I don't even know if a deal was cut. So we were talking about electricity being-- and then drinking water. And we were talking about luxury tax. So let's talk about another tax that-- wait. Actually, I'm going to take a little bit of time to talk about something off-topic, but people have been calling me and asking for a comment and I just haven't obviously had time. And so I want media to understand that I do know about Secretary Evnen's decision, and I'm going to speak on that now. And it's off the cuff, so, you have free to-- free liberty to change my quote to make it work and sound like I was smart. So for those don't know, August 20 is the Pardons Board. And he was supposed to make a motion to allow those who were already registered to vote-- who



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have already been registered to vote and were convicted of a felony, to stay on the rolls. What I figured would have happened would happen. Either he wouldn't do it or there would be a no vote. And, and I don't even fault Hilgers or the Governor, or even the Secretary. Because to go through a voting roll of 2,000 people who may fall into that-- if not more, 5,000-- and to look at all their cases and make a personal vote on whether I should allow this person to vote under what they believe they have authority, I, I don't know how you do that in the amount of time. So I think that was problematic from the beginning. But what's more problematic now, by saying he's taking that off the, the agenda and are going to allow people to stay on, you are putting more confusion into the process. Putting confusion into the process is a form of voter suppression, in my opinion. And I have a fundamental problem with any officer-- any constitutional officer or otherwise elected, who can make a decision on their own that something is unconstitutional and decide not to follow the law that we passed. The process is somebody files a lawsuit to deem it unconstitutional. But until that happens, it is deemed constitutional. In my opinion, he broke the law. Nobody should have to file suit to uphold the current law. You file the law-- follow the law, and you file a lawsuit to remove a unconstitutional, if you believe, law. Attorney General Hilger's opinion is no different than mine. It is an opinion. A court decides what's constitutional and not constitutional. And if we're going to allow individuals, after we pass a bill and it is signed by the Governor or it goes into law, one way or another, to just say, no, I'm not following it, that is a threat to our entire system. So I'm disappointed today by adding more confusion to this process. And I think his actions are outside the law anyway, because he doesn't get to determine what's constitutional and what's not. So I'll end there. Now, back to this great thing of taxes. So another tax that many of my Republicans, conservatives, libertarians won't like that I thought we should at least talk about is a restaurant tax. Now, I understand, no new taxes.

**KELLY:** One minute.

**WAYNE:** Read my lips. No new taxes. That didn't work out so well for that person. But my point is we are dealing with some unprecedented valuation increases, and we got to start thinking outside the box. Omaha did a restaurant tax. It is now bringing in over \$40 million. It's 2-- 2 1/2 cents. But 2 cents goes to the city. They have a breakdown of how it goes. And I was adamantly opposed to it when it first came out. I was like, no. One, I like to go out to eat. No. I mean, I didn't gain weight by not going out to eat. No, I still didn't want the tax. But now, I don't even pay attention to it. And what's

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interesting, when I was talking to my server the other day-- because see, I do have random conversations-- I said, if we put a tax on here of 2 or 5%--

**KELLY:** That's your time, Senator.

**WAYNE:** Thank you.

**KELLY:** And you're next in the queue. And this is your last time before your close.

**WAYNE:** Thank you. It was interesting. This young college kid, ind-- male individual-- was like honestly, it's before my tip. So it increases it. I never thought about that. When they get the bill, it's there, and the tip is below it. On a good-sized family portion, that's a \$70,\$80 bill. That little tax is-- it gives them a couple extra dollars. I was like, I didn't think about that. Did not think about that. See, I'm just saying there's always 2 other sides to a coin, 2 other sides. I mean, there was 3 or 4, of a coin, which is weird. See, nobody's paying attention. But the point was, I could stay at home and cook, or if I choose to go out, that's a want, not a need. And so I'm trying to figure out if there are wants versus needs, so what makes sense? That is a personal choice to go out and eat. Two cents across the state raises over a hundred-and-something million. If Omaha is 40-- say, we can just guess, Lincoln's 20-- well we got Husker games down here, people-- restaurants go up. Who knows? But across the state, that's at least 80-90, right? So 80-90 pays for electricity-- tax on electricity and, and, and residential natural gas is \$80 million. Restaurant tax, \$80 million. Which one's a want? Which one's a need? Kind of making sense here. So there was that one. Now, I introduced a delivery fee. It was included in this bill. I got a lot of pushback, so I left it alone. I know it's still included in this bill. But what I kept hearing is that it was going to hurt small businesses. I think Senator Blood would say-- disagree and say there's a way to do it without it. And I'm OK. I'm up and I'm listening. I don't pretend to know it all, but I try to figure it out. So there's that piece on that one. So now, we're going to talk about the last revenue piece. I gave somebody else my piece of paper. Pausing-- nope. Before we get there, the sin taxes. Got to go through those. Cigarette tax. I put-- take it up a dollar. Whatever. I'm not in favor of necessarily taxes in general, but I just don't like it when people say that it's going to-- this tax right here, by itself, is going to hurt the poor community. First, I don't like the word poor-- low-income community or working community. I, I don't necessarily think cigarettes-- they used to target children. There are a lot of people

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in east Omaha who probably smoke cigarettes, but there are also a lot of people who don't. So would it be a bad thing to tax it? I'm on the fence. I can go back and forth on that. But when we go to alcohol, the next one, I can't go to \$14. \$14 that was set out, that's just too, too high. Too, too high. I could go up to \$5. And what's crazy, I can go up \$5, and when I talked to most of the people who represent those in the lobby, they were OK with it. What they're not OK with is having a different tax inside the 3-tier system. OK. And then, this is so funny. I got to say this, because I know Clements doesn't always get a, a, a cloture motion, so he's, he's like, really excited. He, he, he literally sat down and said, it's time. [LAUGHTER]

**KELLY:** One minute.

**WAYNE:** So I'm just-- it's kind of-- we should just take a pause and, and just think about this exciting moment. But yeah, he literally sat down and just said, it's time. Like--

**CLEMENTS:** It's--

**WAYNE:** Go ahead.

**CLEMENTS:** It's time. [LAUGHTER]

**WAYNE:** All right. So I guess it's time for cloture, and we'll continue having this conversation on the next bill. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne.

**WAYNE:** I will withdraw FA20-- FA129.

**KELLY:** So ordered. Mr. Clerk, you have a motion on your desk.

**ASSISTANT CLERK:** Mr. President, Senator Clements would move to invoke cloture pursuant to Rule 7, Section 10.

**KELLY:** Senator Clements, for what purpose do you rise?

**CLEMENTS:** I'd like a call of the house and a roll call vote in regular order.

**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:** 24 ayes, 4 nays to place the house under call, Mr. President.

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**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. Senators Hughes and Bosn-- all unexcused members are present. Members, the first vote is the motion to invoke cloture, and there's been a request for a roll call vote, reverse order. Mr. Clerk. Regular order. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting yes. Senator Day. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting no. Senator Fredrickson not voting. Senator Halloran voting no. 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 voting no. 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 no. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart voting yes. Vote is 37 ayes, 9 nays, Mr. President, to invoke cloture.

**KELLY:** The motion to invoke cloture is adopted. The next vote is on the adoption of FA129.

**CLEMENTS:** I heard him withdraw that.

**KELLY:** The question is the adoption of AM41. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 40 ayes, 6 nays on adoption of the committee amendment, Mr. President.

**KELLY:** AM41 is adopted. The next vote is to advance LB3 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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**CLERK:** 35 ayes, 11 nays on advancement of the bill, Mr. President.

**KELLY:** LB3 is advanced E&R Initial. Mr. Clerk, for items. And I raise the call.

**CLERK:** Mr. President, your committee on-- the Executive Board, chaired by Senator Aguilar, reports LB5, LB18, LB21, and LB74 as indefinitely postponed. Additionally, Senator Cavanaugh, amendments to be printed to LB3; your committee on Enrollment and Review reports LB2 to Select File with E&R amendments; and an amendment to be printed from Senator Linehan to LB13. Next item on the agenda, Mr. President. General File, LB34A, introduced by Brewer. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB34; and declares an emergency. The bill was read for the first time on August 13 of this year, and placed directly on General File.

**KELLY:** Senator Brewer, you're recognized to open.

**BREWER:** Thank you, Mr. President. I introduced this bill on Tuesday, and it became clear that LB34 was going to have a fiscal impact that was different from the original version of that bill. We had a A bill prepared accordingly. As LB34 dell-- developed on the floor, the fiscal impact changed. So, stay with me here; I'm going to try and explain this so that everybody understands. I, I will not be speaking to the green copy of the A bill, because we have a different fiscal impact now, and the amendment that is adopted to this base bill will address. So I'm going to update the details on my next time at the mic, which will be on AM95. Thank you, Mr. President.

**KELLY:** Thank you, Senator Brewer. Mr. Clerk.

**CLERK:** Thank you, Mr. President. First of all, Senator Brewer, I have FA111 and FA112, both with notes that you wish to withdraw.

**KELLY:** Without objection, so ordered.

**CLERK:** Mr. President, Senator Wayne would move to bracket the bill until January 7, 2025.

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

**WAYNE:** Thank you, Mr. President. So I got about 4 motions up there; if I remember right, A bills go a hour, 2 hours, 3 hours. Speaker will let us-- I mean, he already told us before. I just can't remember. So we were talking about a lot of stuff here. So we started the sin tax

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stuff. So, Brewer, this might be the-- Senator Brewer, this might be the first time that I'm attacking one of your bills. Just, just want you to know that. I-- I don't apologize, though. So, spirits. We originally had-- the Governor originally had \$14. I can't, I can't go there. I did meet with some people in the lobby and some of the associations. I heard about a \$5 range was acceptable to the industry. The issue is our 3-tax system. Well, we're trying to do a tour-- 2 toured-- 2-tiered tax on a 3-tax system, and some of that confusion about it. So how it typically works, underneath the e-commerce clause, is the first \$100,000 is taxed at X; everything over that is taxed at Y, but you still tax the X. The way our bill has been written, it's completely-- it's-- you're taxed here, and anything above here is here, for the-- even the ones below. I think that's part of the issue. It's funny, because I'm getting text messages. I can't believe people actually watch this. This is amazing to me. So in my scenario about candy, I do not believe Snickers will be taxed. According to the people who have just texted me multiple times, they have flour in them, so Snickers will not be taxed. Goes back to Senator Erdman's comment of how we distinguish things around here is very interesting. So back to the conversation about liquor. So not every state has a 3-tier system. Iowa does not. I believe Iowa owns all their liquor and they distribute it out, if I remember right. I got a lot going on in my head, and I only slept for like 5 hours in the last 3 days. Yes. OK. So that's why-- how we wrote our tax. We say, well, Iowa can do 14. It's different though. It's a different. So how that's collected is the issue. But if we just did \$5, \$5.50, I think we got a deal with the lobby. And I mean, you know me. I'll go against the lobby if we need to, but I'm thinking that's a little more reasonable than a \$14 jump. Now, I go to Costco, and I buy the Costco brand vodka, so it's already cheaper than the Tito's that I buy down at, down at Hy-Vee. Not knock on Hy-Vee; that's where I like to shop, at my local Hy-Vee off of 30th and State. But what you can get Tito's for, you can get a whole big, like a, like a pint of Tito's, you can get a whole, like, gallon of Kirkland vodka. And it's probably made at the same place, so there you go. So anyway, I say that to say you can shop around and maybe you'll save the \$5 you get the increase on. I can live with that. Vaping, that's interesting to me. So where I am at on nicotine stuff, is I think we have to tax based off of the health risk. That might be a very, very hard sell at 6:30 at night, to switch how we do that. But that's where the industry would like us to go. And that's honestly, where states should go. Now what's interesting-- and Cam, if you are watching, this is your fault. I was against the nicotine patch, until the individual who was down here last week from Creighton Prep was telling me how all the students use it. And I was like, ahh,

didn't know that. There is something to this. So I'm open, but I think we should do it based off of health risk. Problem with the nicotine patch, it's still too new that we don't know all the health risk. But I think we should try. So what I would like to see-- and this is, you know, just me talking. So I'm going to call this-- because if it's my plan, nobody likes it-- "Bostelman Plan." The "Bostelman Plan" is just around nicotine. The "Bostelman Plan" would tax, tax cigarettes the highest, and then cigars and the pouches kind of the lowest. That would be like, my goal. Cigars, every study-- I bring this bill every year, but every study I, I bring shows, shows time and time again, when you lower the cigar stick tax, you actually increase the overall state revenue, because people actually start buying cigars locally. It's just the fact. So vaping is interesting. Keno, now I got 20% on here when I did this late at night, but I forgot how they're currently taxed. They're taxed in a different way, and it's not on kind of like gross. They got like this weird 2%, 1% tax on something. So that one we got to flush out a little bit, because it's not like other gambling operations. So that one, based off of how they're taxed we got to, we got to change that. Game of skill, Bank Shot, all those things, I don't care what anybody tells me. That's gambling, because I always lose my money on those things. That could be about 20%. Industry, I think, can live with 20% total tax, not a 20 additional, I'm talking totals-- total. So we can put a excise tax on there. Just to verify the Snickers, does have that in there, so it won't be taxed. So there's that. OK. There is that. I forgot where I was. Snickers-- I haven't ate for-- haven't ate-- didn't eat lunch, so I just-- no, I'm cool. I'll, I'll be fine. I got enough on me that I can burn some fat energy and take away from the fat. It's fine. So 20%, from the industry, I heard was good. Don't know those numbers. I'm saying this out loud because I'm hoping some number of people who've been working on tax bills, you know, might start running some numbers. Now, the consumable hemp. We had that at 30. That's a no-- that's a no-go for me. It's got to get down to 20 for the industry to survive. So let me tell you about consumable hemp or just in general, deltas and all this other stuff. If you go above 25%, your black market starts to get back in-- into play. That's what every state has found out. You-- the biggest way actually to deal with the cartels running weed and those kind of marijuana and all these things, is to actually legalize recreational. It sounds counterintuitive, but it then becomes regulated. And by the regulation, it's a little-- it actually works better. I mean, every state has shown that. So it's kind of interesting, listening people to talk. Because the number of imports and things being caught actually went down in the bordering states that have legalized it. There's less traffic coming across, because

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it's not as profitable for them to do it. If you don't believe me, there's an excellent episode on Secretary of State, where they have a lobbyist talking about all this. Shout out to that show, but I actually followed up with it. So my point was consumable hemp, if you're trying to figure that piece out, 20%, max 22 total. But after that, you're actually doing the opposite of what you want to do. You want to regulate that industry and keep certain people out? Once you cross that space, you bring them back in. So, there-- that's just the facts. So there goes the sin taxes, people like to call them. I don't have pop and candy on, on the "DeKay Plan." For whatever reason, there is just a lot of pushback on pop and candy. So I want to talk about my Walmart experience last week, my Target experience last week, and just people I randomly talked to. First, everybody thought they paid taxes on pop and candy. I did not find one person who thought that was exempt. In fact, they kind of thought only like real food was exempt, as one person said. No, real food is exempt, but pop and candy you get to pay taxes on. I said, actually, you don't. So there's this misnomer that somehow it's going to hit certain people. Well, they think they're already paying it, first of all. But second of all, there is a difference between real food and some of this stuff. Now, it might be a problem with the definition, but--

**KELLY:** One minute.

**WAYNE:** Thank you. But like I said before, if I have to pay a little bit extra for pop and candy to make sure renters get a break, I'm telling you that is an even trade for many people in my community. Because renters have to pay their rent. They don't have to buy pop and candy. That was overwhelming, the, the multiple people I talked to. If you can give me a deduction or credit on, on rent because, you know, I never get anything because I'm not a real property owner, I rent. If you can give me something to help me out there, I'll pay more at Walmart on my, on my bad food that I, that I, you know, get. That's literally what they say. Now, the industry doesn't like that. I get that. I'm OK with taking that out. But I'm saying let's not use the argument that it's nickel and diming people, when we're taxing them for electricity, and we're not giving them a break for their rent. I'm just asking people to legitimately have that-- thank you, Mr. President.

**KELLY:** That's your time, Senator. And you're next--

**WAYNE:** I, I like that new light up there. That's really nice.

**KELLY:** You're, you're next in the queue.



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**WAYNE:** So if you haven't noticed, we got a light. It says, time remaining. It's yellow. Whoever thought of that, praise to you. I'ma call it the Cavanaugh light. Because Cavanaugh would always be about a minute 30 left, and she be like, "how much time?" Then now, she knows, because if she going to go into her new story or she just going to wait. I like it. Put a little sign up here that says Cavanaugh light. But at the end of the day, I'm being serious about this when it comes to pop and candy. I understand policy arguments, and I understand we want to fight just to fight. But I'm also dead serious about talking to people in my community about something for a renter and them having to pay a little more for pop and candy, nobody objected. Not one person. Not one person. And I didn't, I didn't frame it as this or that. I just said, what would you feel about pop and candy tax? Seriously, 85% of the people thought they already did. So they were like, we already do. When I told them they didn't, they didn't. But when I said, hey, if we can provide some kind of relief here and it may cost you more on alcohol, it may cost you more in this, it may-- you mean I can figure out how to get a credit for my rent? Yeah. You can figure out how to get a deduction. You're feeling out how to do a earned income tax-- all of them, yes, yes. So I don't know who people are talking to about why this is an issue, or are we just being the savior that we always are, saying we think it's going to be an issue. Because I haven't talked to anybody. Now, I know the grocers don't like it. I get that. That's a different conversation, about businesses and functionality and things like-- I understand that. But to say that people really don't want it, I just haven't heard that. And maybe I'm unique. But when it comes to diversity in a district, I got billionaires to homeless people-- 2 homeless shelters. And Walmart on Ames brings everybody. Target on 72nd. It's just a cultural mix. Everybody. I legitimately didn't hear anybody say no. Now, in general, people don't like taxes. Right? And if you're a homeowner, you want to reduce it. If you're a renter, you want something, too. So to me, it just like-- I just want intellectual honesty. If it's a policy decision, I get that. If you just feel for some reason it's going to hurt people or you're just against sales tax because they're regressive, OK. OK. But then help me fight to get the electricity tax off. And if you call it a shift, it is a shift that my community will take. Because again, they have to pay for electricity. They don't have to pay for candy. And then when you say, oh, what about X, Y and Z and low-income? Well, if they're on SNAP, you can't charge a tax anyway, on anything they-- that they use. So if they got a EBT card and all that's in there and for whatever reason, your code-- once it rings, you can't charge a tax on it. So, so it ain't the SNAP people you're concerned about. I'm trying to figure out who it is. Same conversation

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about luxury tax to the conservative side. If they can buy a Rolls Royce, they can spend a little bit more extra money on it. I don't see why a luxury tax on 150, 120-- 125 may be low. I can see some trucks maybe, but definitely 150 and above, in my opinion. Now, we're going to talk about some other programs. So the home extent-- home exemption program. McDonnell's not here. How much-- see, I almost did a Machaela--Senator Cavanaugh, asked how much time. But I'll wait till my next time, because I'm going to ask--

**KELLY:** One minute.

**WAYNE:** --Senator Kauth, Kauth about her LB39. And McDonnell's not here, but I'll talk about LB73, because that's going to be one of the spins in anything we do, I think, to be targeted to help people. And with that, I'll wait for my next turn. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Senator Wayne, you're next in the queue, and this is your last time before your close.

**WAYNE:** Thank you. So, LB-- would Senator Kauth yield to a question?

**KELLY:** Senator Kauth, would you yield to a question?

**KAUTH:** Yes.

**WAYNE:** Thank you, Senator Kauth. Will you tell me a little about your LB39?

**KAUTH:** Yes. So this past session, here in 2024, we passed a bill for homestead exemption, so that people would not get kicked off their homestead exemption because of a valuation increase. However, as I've been out door-knocking and meeting with constituents who-- first of all, no one knows that they're not taxed on pop and candy; that's a total surprise to them. And they all agree that we should be. But I've met 3 people who have actually lost their homestead exemption because their valuation went up so high. So what this bill does is it looks back 3 years to say anybody who was kicked off would automatically be put back on, as long as the reason they were kicked off was because of their valuations. Now if they win the lottery, they lose their homestead exemption. We just don't want to punish people because their valuation, which they have no control over, has removed them from the homestead exemption program. Do you need me to keep talking?

**WAYNE:** No. We're good. So thank you, Senator Kauth. That is just one example of something we can do as a targeted approach. Another targeted approach to me is Senator, Senator McDonnell's LB73. And what

that does is right now, our homestead exemptions are changed based off of consumer price index. It moves it to a housing index. That housing index actually is a little bit bigger, or-- moves faster, I guess, is the right word-- and greater than the consumer price index. So there actually is a bigger savings to make sure that people can get into homestead exemption. Now, one thing I want to talk about is I love the idea of a circuit breaker. I'm willing to have that conversation. The only problem I have-- and it's not even a problem. It's more of an efficiency issue, is-- for whatever reason, our current tax credit didn't work and that's why we're trying to front-load it. I don't know if that was an education piece. I can tell you, when I passed a \$5,000 tax credit for new homeowners in high-poverty areas across the state, it took a letter from our mayor out to new homeowners 3 years later, for people to go back on their taxes 5 years to claim it. So I don't know if, you know, that was a, a DED or a-- I just don't know how that wasn't promoted. You would think that we would have gave a, a little card to every Realtor and say, if you buy-- you know, if they're buying in this area, here goes a benefit you get. I don't know. But the issue with the tax credit is you heard earlier, Senator Dorn said, well, 68% of the people in Omaha didn't do that. So I don't know enough to dig in and say, if the credit is the problem-- people don't know how to apply, or it just-- general credits are a problem when it comes to certain parts of Nebraska. But the concept of the circuit breaker is great. I don't know how you front-load it, is my point. I'll, I'll throw it in there. I just kept hearing 68% of Omaha didn't get this credit. And what I don't want to do is throw another credit in that's not working. That's not a bill drafting fault. That's just-- it didn't work, and I don't know why. And so, until somebody can tell me why people aren't applying for the how-- property tax credit, I think we can figure out that piece. But a circuit breaker concept, just Google it. Unless-- do you want to talk? If you don't want to talk-- OK. This is my last time. Next time around, we'll talk a little bit more about circuit breakers. And Senator Blood introduced that bill, and she could talk about it. The point is, I want people-- I don't want people at home thinking we're just not-- like, I'm not just talking to be talking. I'm talking because there are still ideas out here we can bring to the table and talk about.

**KELLY:** One minute.

**WAYNE:** And they should be talked about. And we should have this dialogue. And does it make for some long, painful nights? Absolutely. But that makes us a deliberative and intentional proc-- a body that is trying to find solutions, not 3% and go home. This is not-- and people say, why are you doing this? Real simple. I'm not coming back. I'm

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gonna give it my all. If it don't work out, it don't work out. Thank you, Mr. President.

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

**HUNT:** Thank you, Mr. Lieutenant Governor. Good evening, Nebraskans and colleagues. I probably have 8 hours or 5 hours of material I could talk about on these issues, but I have not been in the mix today on the record-- on the microphone. And I just wanted to speak quickly, hopefully not taking up the whole 5 minutes, to District 8, to my people in Dundee and Benson, in the northern part of midtown, and the other people around Nebraska who rely on our votes here, and the decisions that we make that has a lot to do with how they end up living their lives. And what I want to share with you is my view, which is principled and sincerely-held and maybe ignorant in some ways. I'm definitely not an economist. Although one difference between me and some of my colleagues is I'll admit that I'm not an economist. But a lot of this conversation around this whole special session has reminded me of in 2019, when I came in here, the first bill I introduced. And I was so proud. I brought it up on the first day-- was a bill to tax tattoos and piercings. And my intention with that bill was to use the revenue from that new tax for property tax relief, which is something that made a lot of sense to me at the time. And after I introduced that bill, I received such a deluge of negative feedback from not just people in the tattooing and piercing industry, but consumers, you know, just regular people. And a lot of them talked to me very kindly, and made me sort of think about it and realize that this is an art form. This is-- you know, there are, there are many arguments against this new tax. And I ended up withdrawing the bill because I came to see it their way. Like, they ended up convincing me that this was probably not-- it was kind of targeting a certain group of people to get some money, some revenue for the state that would be disproportionately kind of borne by middle and lower-income Nebraskans to give tax relief to the wealthy. And that was an argument that I accepted. And so I withdrew that bill. And sort of the reason that I don't support things like tax increases like this is because it's not just the question, like my colleague Senator Wayne was saying, about 'Can you afford this? Can you afford that? If you own a pool, can you afford to pay a little bit more to get your pool cleaned?' Things like that. 'Can you afford a little bit more to get your haircut?' It's a want, not a need-- all of these things we've been hearing all day. Yes, yes, I hear you. But we have to continue to follow the logical path with that, because it's not just the consumers that are affected. It's the workers who-- you know, after we got the new restaurant tax

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in Omaha, restaurant business declined. And, of course, you know, we all go out to eat. It's not like the restaurant industry went out of business, but a lot of businesses struggled after that tax increase. And that always happens after tax increases. And it's not just the consumers. It's not just those of us in this body who look at our bill at the end of the night and go, oh, it's a little steeper than I thought. It's the workers who then pay that price by having reduced tips. It's, it's workers who pay that price because fewer people are coming out to eat. You know, that's just one example. So we have to keep following the logical path and think not just about the impact to our bottom line, but the impact to the service providers, and the workers, and the low-income Nebraskans who are cleaning our pools, who are doing our dry cleaning, who are serving our food, and cutting our hair, who cannot afford to raise their prices again. Think about the small business owners, many of whom, because of this plan, will have to remit some taxes for the first time and what a burden that will be to them, and the stress of compliance with that. Is it the end of the world? No.

**KELLY:** One minute.

**HUNT:** Thank you, Mr. President. But we can't act like it's nothing. We can't, we can't shrug it off like it's nothing to service providers, workers, business owners, and consumers. And these are not wealthy people we're talking about. I will, of course, support taking the tax off electricity. And I will, of course, support commonsense property tax relief measures, but not until we consider serious relief that is not borne by the middle and working class. I loved the idea that Senator Wayne was talking about yesterday, about, you know, owner-occupied homes being valued at 65%, going up to out-of-town investors paying 100%, things like this. These are very creative ideas that we need to take seriously. And frankly, we're running out of time to do that. That's what the working group should have been talking about months ago. And we can look down our noses at poor people, and judge them, and say it's a want, not a need. But in the long run, it is workers who are going--

**KELLY:** That's your time, Senator.

**HUNT:** --to bear the brunt of these tax increases. Thank you, Mr. President.

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

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**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I want to actually respond to Senator Wayne's statement about people not getting their tax credits. So in, I believe, 2022, I had LB688. And I'm going by memory, so I may be off a number. But what I brought to both a hearing and then I tried to amend onto the floor in a last ditch effort, was that people would automatically get property tax relief. I worked with it on OpenSky. It was a good bill. We got to the floor. I tried to get it to the people, to the masses. But Senator Briese and another senator who's still in the body so I won't throw him under the bus, said, you know, Senator Blood, you're just implying that Nebraskans are too stupid to figure out how to get this tax credit. What you're doing is insulting. You're insulting Nebraskans, and saying that they're not smart enough to know how to get this property tax credit. And then there's some elitist things that were discussed, you know, because they have people doing their taxes. And so, for a lot of the average Joes on the street that can't afford to have someone help them with their taxes, there are some people that struggled, so much so that I remember that the Farm Bureau had to create a particular web page. And it was actually really good. I referred a lot of people to it-- that showed people how to get that property tax credit. So I would just like to say that it's so weird that time after time after time, we bring forward some pretty simple bills, because we see these things as going-- that they're going to be issues in the future. And we wanted to make sure that everybody got those credits. But because it wasn't the idea of the masses, it was basically rolled over. And so as we talk about, gee, I, I don't know how come people didn't get those tax credits, Senator Wayne, it's because I was told it was a stupid idea to let them automatically get it. And how dare I say that Nebraskans aren't smart enough to figure out how to do it? When I was actually saying, let's make sure that everybody that has it coming truly gets it. And so now we're having this discussion, so I would just like to say I told you so. Thank you, Mr. President.

**KELLY:** Thank you, Senator Blood. Seeing no one else in the queue, Senator Wayne, you're recognized to close on your bracket motion.

**WAYNE:** Thank you, Mr. President. I am never one to say I can't be wrong. And Senator Blood was right. She did make all them points. I don't disagree. I'm with her on that. So we should entertain circuit breaker, to have some more conversations about it. As far as what's going on, I'm looking over to Hansen. Do I need to keep talking? All right. So I'ma keep talking. Funny how a filibuster [INAUDIBLE] can we keep talking-- waiting on somebody to come up. So after this is an amendment, and they're making sure the person is here to open it. So,

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we had a great conversation today about, about homestead and a couple other things on that last minute-- that last bill. So then we're going to talk about, next time, the individual tax rate and corporate tax rate, and some conversations around that. But what's interesting, for those who don't know, I'm going to point out a procedure here we should really pay attention to. For those who don't know, you can file a motion to reconsider any vote, anytime that bill is still on the floor. Actually, you have up to 24 hours. So if it's still on the board, I can file a motion to reconsider after somebody else's amendment. People don't know that. With that, I will withdraw my bracket motion.

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

**CLERK:** Mr. President, Senator Brewer would move to amend with AM95.

**KELLY:** Senator Brewer, you're recognized to open on the amendment.

**BREWER:** Thank you, Mr. President. Anticipated Senator Wayne talking longer, so. All right. This is the white copy amendment. So first, this would be a one-time appropriation of \$156,000 to the Department of Revenue to pay for what we've asked them to do in LB34 with the changes that are made in Senator Linehan's AM84. Let me make this clear, this money cannot be used for employee salaries or per diem for the agency. Second, we're going to write two big checks. The first of these checks will be to move \$750 million from the School District Property Tax Credit Fund to the current fiscal year. Then another \$780 thou-- million, million to the second year of the biennium. This money can only be used for the state aid under LB34 and no other purposes. And, finally, we have an emergency clause so that the money can be immediately flowing as needed. Colleagues, I ask that you adopt both AM84 and LB34. The amendment to the A-- for this A bill just moves money accordingly for this plan. I would ask for your green vote on both AM95 and on LB34A. Thank you, Mr. President.

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

**CLEMENTS:** Thank you, Mr. President. I rise in support of AM95. It continues to do the funding for LB34 as we've been discussing, the \$750 million in the first year is funded partly by the current Property Tax Credit Fund at \$565 million, leaving \$185 million to fund LB2 and LB3, which we have advanced, provides \$139 million of that, leaving just \$46 million that will come out of the General Fund of excess of \$500 million, leaving us \$458 million positive in our

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General Fund. So there is-- there is money to fund these the next 2 years as well. Are better off actually, we only need-- would need \$10 million in the second year and \$22 million in the third year. Otherwise, the \$780 million and the \$808 million are within our budget, and I ask for your green vote on AM95.

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

**WAYNE:** Thank you, Mr. President. So there's only been a few times that I've seen Brewer move up here in such a fashion and breathe hard on the mic. One time-- I won't mention the other senator's name. I tell the story all the time in front of Brewer. He gets mad, but it's funny. It was a debate about some gun thing, we'll leave it at that, and a senator said that he was not a patriot, that he doesn't know anything about being a patriot. Well, Senator Brewer had stepped off the floor at that point and was down in his office, and all you heard were these loud footsteps, you can hear him all the way coming. And he ran all the way to where he crosses into his aisle and was going over right where Senator Fredrickson was. And he was going to tear that senator-- it, it was going to be a bloody mess. And I was right where Senator Armendariz is, and I came running over and we met dead in the middle. And I was, like, you are not taking another step further. And he looked at me and said, nope, I'm going. You can't stop me. I said you are not. And he started walking back towards his desk and he pushed his light. This is the only time I have turned off somebody's light. I admit it. Sorry, Clerk, I did touch somebody else's light. I turned off his light and said you are going to keep walking. You are not-- there is somebody who is thinking about running against you. You are not going to talk right now. We are leaving the floor. So he starts storming back off and storming. Tony Baker's standing right there. I said, Tony, what the hell? Said it just like that. He said, I've only seen that look two times and people died overseas when that happened. So his own staff saw that look and was, like, we ain't getting in the way. I was too naive to know what that look meant so I just stood right there. That is one of the moments of how Senator Brewer and I got close over the years. And we-- I still laugh about it, but man, that was-- I mean, he stormed and he was going-- it was going to happen right there. And I know you're immune for what you say on the floor, but I think you would have been charged with some crimes that day. Oh, yeah, he was-- that's, that's, that's Brewer. So anyway, I just wanted people to know that sometimes you can get a little hot up here. It can get a little interesting up here. People can get upset. But if you feel you have to walk over there, make sure you have another senator who is not afraid to turn off your like and escort you



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out, because that means you went a little too far. But, no, so here's what I'm going to tell people. If this was really a true filibuster, I'm taking time, but if I wanted to be a jerk and say I'm trying to kill everything, I wouldn't have just pulled that and allowed this bill to happen. He needed the amendment. I'm slowing things down because I'm ready to get to a vote here pretty soon on LB34. I'm going to take that the distance and we're gonna have a choice. We vote for cloture, we keep moving, we're going home with 3%. We kill it on cloture, it makes everybody back to the table to figure something out. We can still come back tomorrow, 2 days from now, 3 days from now, and have the same version of LB34. And you can say it didn't work. And here's what's going to happen. I'm going to predict this right now. We're going to take some votes because I see Senator Linehan running around with some paper and some amendments. So I'm pretty sure there will be some votes somewhere. I believe in filibustering with votes, not necessarily what I'm doing today, I just didn't have time to prepare amendments. And there's going to be so many--

**KELLY:** One minute.

**WAYNE:** --no votes by the Democrat side. They are going to say, see, told you, Justin, your side didn't want to do anything. We're going to leave here, the Governor is going to blame the Legislature. The Republicans in the Legislature are going to blame the Democrats. Democrats are going to blame the Republicans. And we're back to the same thing of nothing getting done. That's the easiest thing to do. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne, and you are next in the queue.

**WAYNE:** Oh, I thought Senator Slama was in the queue and she punched out. So the beautiful thing about being in the back is you can see everything going on. Who's in, who's out. Kind of get the vibe of what's going on. And so people are ready to vote and that's fine. This one probably has 34, 36 votes on it, which will be fine. So keep talking about property taxes. So let's talk about corporate income tax rate and those kind of things. So corporate income tax rate was passed last year-- 2 years ago-- last year-- not last session, last year. And we are moving our corporate tax rate and our individual tax rate down to a 399-- 3.99 in 2028. That's interesting because as much people who talk about they don't like the consumption tax, we're moving to where everybody's paying the same rate. I find that ironic that both corporate and individuals by 2028 are going to be paying the same thing. We know who's not: bankers and financial institutions. We'll figure that out later. But think about that. We're moving to almost a

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flat tax on income anyway. Flat tax is not that far off from EPIC, now deemed the "Murman Plan." The "Murman Plan" is catching a little more attention than EPIC. But what we're doing really is changing the third and fourth bracket, and the individual rate goes 5.01, 4.55, 3.99. What I'm saying is, let's just put a pause. I would prefer, if I'm being transparent, a 2-year pause. Probably couldn't get that, a 2-year pause is 500-and-something million. It's a lot of money we can deliver to taxpayers, but the argument is we're going to be giving those taxpayers. I understand. My problem is more of the corporate rate. My problem with the corporate rate is, is we have companies here who don't pay any taxes because of our incentive programs. They have so much incentive they pay nothing. We sometimes might be writing them a check. So they're going to get a corporate tax break and a property tax break. The individual might get a tax break, but if you don't own property you don't get a tax break. So we're not all even here. Fourth bracket will go from 5.84, 5.2, 4.55, then 3.9. What I'm saying is '25-26, 2 years or 1 year, you just pay the same. And here's how I know that's going to be OK, because you're paying what you paid before. It's called a pause. So corporations have already budgeted for this. In fact, they have 5-, 3-year plans out. So they're, they're solid. Individuals are not getting an increase, they're paying what they paid before. I think that's very easy to budget for if you're paying what you paid before. So that's kind of the individual rate. The corporate tax rate is 58-- 5.58 down to 5.20 down to 4.55 down to 3.99 on the third tier. So, again, we're going to a flat tax. But my point in all of that is all you have to do is just pause. And the problem is when people talk-- and I can hear them, I can still listen while I hear. I have this weird thing. I call it a Jason Bourne complex. So I'm not actually jabbering, I'm talking things that we should be talking about. It's amazing that I can still hear that. So where I'm at right now-- yes, the Jason Bourne complex. So what I mean by that is I, I got to sit with my back to the exit, and then I just hear things all the time, and I'm always looking because I'm, I'm waiting for it to pop off. And I got to go into my Jason Bourne mode, got a grab the--

**KELLY:** One minute.

**WAYNE:** --knife and flip it up and throw it at somebody. Like, I'm all-- I'm ready. Jason Bourne. Just-- it's the way it goes. So I'm not going to-- I'm going to take myself out of the queue. We'll get to a vote on this first one. I'll talk just a little bit more. And here's what I'ma say. Everybody's saying, what's the plan, Justin? What are you working on? What are you doing? I've been talking the entire time. Somebody else is working on stuff, not me. Because it seems like my

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ideas are the problem, let other people talk. But somehow I'm still masterfully, while I'm talking, sending code languages to everybody by doing something still. I, I wish I had that ability, but I don't. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Seeing no one else in the queue, Senator Brewer, you are recognized to close on AM95 and waive. Members, the question is the adoption of AM95. All those in favor vote aye; all those opposed vote nay. Request for a call of the house. The question is, shall the house be placed under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 19 ayes, 1 nay to place the house under call, Mr. President.

**KELLY:** The house is under call. Senators, please record your presence. All 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, Senator Hardin, Senator Erdman, McDonnell, Halloran, Dungan, and John Cavanaugh, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the, the question is the adoption of AM95. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 40 ayes, 1 nay for the adoption of AM95, Mr. President.

**KELLY:** AM95 is adopted. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Senator Wayne would move to indefinitely postpone LB34A.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** Thank you, Mr. President. And I want people to know I am not the one who called the house. So I didn't make you come back up here for a vote. Just want you to know that. I, I know people get mad, call of the house, take a little time, and they can get upset. That was not me. All right, so we have a little-- people are back here again. I would like somebody to explain why candy and soft drinks is a bad idea of taxing. I'm not saying I'm for it. I'm kind of indifferent on it, but I'm trying to figure out why it's a bad-- a bad idea. I'm trying to figure out why, at a bare minimum, if we have to do just the front-loading, why we cannot give the tax credits out in a different way. The uniform and proportionality clause deals with how you assess and apply the taxes. This is a credit. We can give it out however we want. So what I'm asking is why can't we give it out to owner-occupied

agriculture, residential? And then for corporations, why do they have to get any? And if we feel like we do, why can't they only get 50%? What-- they get incentives and we're giving them a tax break. They're corporations; they're not people. So let's think about that. We can give them 50%. And what does that do to all my appropriators in the room? It prolongs how much money is in there and actually keeps more money in there if you only give 50% to corporations. You can do 100, 100, 95 to renters. I don't know. If we do something with the renters' deduction or credit, that might be a good balance. But why are we giving corporations 100% of the property tax back? They can-- I understand they pay property tax too. But here's the difference, people. You get incentives. You have special tax breaks, financial institutions. Why do we have to give them a special-- why do we have to give them the same break as Mary in Lexington? Again, people are acting like what I'm asking for is something crazy. I say, if you're going to pass this and not do anything but 3%, at least target the 3%. Is that crazy? We don't have time to do that? It's funny people are complaining about me taking time today. But you know what the biggest-- we'll say waste of time, if you want to use the word wasting time, I don't think it was, I thought it was kind of genius-- is when the Exec Board kicked LB1 to Government. You had to spend a day just getting the bill back into the right committee. Nobody talks about those days. But today, because I'm doing something today, it's a problem. Interesting. I love the standards we have. So smoothing out the-- or pausing the corporate tax rate. So let's talk about a renter deduction. There was a bill-- forgot-- think it was LB740, it was 3 years ago that Senator DeBoer brought, it calls for a \$3,500 deduction for renters. That was \$37 million. I think it should be a little lower. Not because I want it to be lower, but I'm trying to be proportionate to the tax break so the renter isn't getting more of a break than the owner. We should have some kind of balance. Maybe it's \$2,200. The reason why I picked \$2,200 is you want to keep it kind of even so you can do the married versus single. And maybe you put an additional limit saying it can't be more than 20% of your income. That drives that fiscal note down. And now it's doable, doable. There was a bill brought to expand the Earned Income Credit. It was taking it from 10 to 20 of the federal. That was about \$27, \$30 million. What if we just did 10 to 15? And we do a renter, we cover both, single parent work-- I mean, single person without kids, and we also cover the person who is on a fixed income and retired and renting? That's smart policy. I'm not saying it's the best policy. I'm not even saying the numbers I have are the right ones. But being targeted seems to be the right approach. It's amazing that I'm talking and people are agreeing with me, but don't have the courage to not vote on LB34. It's like an

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angel with only one wing. I was trying to work that in for 8 years and I just worked it in there. I don't know if it made any sense, but 8 years it's been on my mind. I've been wanting to say that, so. I got a funny look, like "huh?" But, yeah, keep people engaged. So Brent's-- Brandt's constitutional amendment, need language to actually get it done. So we got to change a statute. But I'm going to talk a little bit more about where his amendment is and kind of one of the changes I would make, but I probably won't because if I drop an amendment it'll get voted down just because it's mine. So Brandt's amendment adds the owner-occupied piece to the constitution. I personally would also delete the word "uniform" in the upper section. That would give us the ability to do commercial, maybe a little different. I'm not going to be picky and die on that hill, but just adding the owner-occupied doesn't change non-- non--residential non-owners versus commercial. They still would have to be the same. I would say we should be able to separate those out. But, hey. If you look at other states' constitutions of Colorado, Arizona, Minnesota, I can keep going on and on and on, they actually took time out in their constitution because their legislatures wanted to change how they do taxes and wrote in the categories. That would be ideal, but that would require us to come together--

**KELLY:** One minute.

**WAYNE:** --and help get people to vote. So I just think that's interesting that we can do so many things, but we choose not to do them. So now, this next section, I'm going to maybe go to a vote so I can get the bill. We're going to start going through LB34 as amended. And I might talk about some of the language problems in there, some of the problems that the city keeps talking about as it relates to TIF and some other things-- some things I agree with, some things that don't, but I figure we should at least have a conversation because we'll be getting to LB34 and the problems with it. And if you don't think there's a problem with how some things are written, you're not reading the bill. You're going along with the get along because there are some people who catch-- who can get windfalls, there are some people who it might not work out for.

**KELLY:** That's your time, Senator.

**WAYNE:** Thank you.

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

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**M. CAVANAUGH:** Thank you, Mr. President. Senator Wayne, I wanted to answer your question about pop and candy. If you want to yield to a question, we can have it as a dialogue. Would Senator Wayne yield to a question?

**KELLY:** Senator Wayne, would you yield to a question?

**WAYNE:** Yes.

**M. CAVANAUGH:** So pop and candy, some of the reasons that you're hearing so much pushback on pop and candy is, one, of course, the definitions. I talked about this the other day. The snack that I get for my kids to take to school is gluten free and made in a factory that is allergen free. And that would be candy because it doesn't have wheat. So healthy snacks would now be taxed as candy because of the wheat description. But, additionally, candy is not including things like chips. So we're talking about, like, unhealthy snack food. So we're going to tax candy but not chips unless it has wheat in it. Then we're not going to-- then we're not going to tax it. And, additionally, the place that this would impact people the most is food deserts, where sometimes all you have access to are the least healthy options, unfortunately. Our former public health director in Omaha, Dr. Adi Pour, had worked really hard to make sure that there were healthy food options in gas stations and convenient marts in the Omaha area to address this very issue so that there would be, like, you'll go and you'll see like cheese sticks and things, grapes and hard boiled eggs, because sometimes that's the only place people can get food. So that's another reason that it's problematic. But for the people that this would impact, just like any other taxes that we talk about that impact poor people directly. This is a regressive tax because, yeah, it's not going to matter to people maybe out of a certain income, but people in the lower income brackets, it is going to impact their bottom line significantly. And that is, for me, a line in the sand. Additionally, the pop factor, there's-- sports drinks would be included in that. And, you know, youth sports is another reason that I would want to not see, you know, sports drinks. Does that make sense?

**WAYNE:** I'm mean, it's your opinion so whether it makes sense to me or not--

**M. CAVANAUGH:** Well, I know. I mean, it is my opinion, but does it make sense why, like-- do you understand why I don't support taxing pop and candy?

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**WAYNE:** I, I do now why you don't. Whether I agree with all of that, different conversation.

**M. CAVANAUGH:** OK.

**WAYNE:** But I'm gonna-- I'm pushing my light so we can continue to have a conversation because I'm glad somebody is talking about this. The gluten free, healthy thing.

**M. CAVANAUGH:** Yeah.

**WAYNE:** I agree with you. We should figure out a definition to include that. I don't know why we couldn't exclude that. I, I-- that's a definition issue. We can-- we can figure that piece out. Chips. Agreed. We should-- if we're going to tax them, they should be included if we're going to tax them.

**M. CAVANAUGH:** If we're going to.

**WAYNE:** Now, where I will disagree with you is on the food desert.

**M. CAVANAUGH:** OK.

**WAYNE:** And this is-- this is philosophy and practical experience. And sometimes they don't always match. It's kind of like economics, right? Sometimes if you say you do X and it still doesn't work out. But overall-- so I represent some parts. Now they don't have as much food-- ah, no, I don't have any left because we put a new store over there so-- Senator McKinney still has one, I would say around 16th Street area-- oh, nope, Chubb's is there. Oh, 24th, ah, maybe. OK. Just trying to think of areas. But the people I've talked to said they're OK with it. So that's-- this is where I, I, I, I struggle, because to me, in my head, and this is how I'm looking at it, it doesn't make it right, wrong, or indifferent.

**KELLY:** One minute.

**WAYNE:** As long as we're taxing electricity and not food and candy, from what I hear, people would gladly shift. I think what you're saying is we shouldn't have to tax both. I'm, I'm OK with that.

**M. CAVANAUGH:** Yeah. I don't think we should have to tax either of those. And I don't think pitting one bad tax against another is, is the way to solve the problem. I will gladly tax pool services, which apparently must be a huge revenue driver because it was brought up a lot in this debate. But, OK, we could tax that. But I mean, I don't--

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I don't think we should tax electricity. I know we do, but I don't think that we-- I don't think we should be doing any regressive taxes. And including the fact-- and you were talking about tobacco. I mean, I brought-- I brought cigarette tax several times because of the health outcomes, but even that makes me uncomfortable because it is a regressive tax. But thank you for the conversation. I have been listening--

**KELLY:** That's your time, Senator.

**M. CAVANAUGH:** --and I'll continue to listen. Thanks.

**KELLY:** Thank you, Senator Cavanaugh. Mr. Clerk, you have a motion on the desk.

**CLERK:** I do. Mr. President, Senator Brewer would move to invoke cloture pursuant to Rule 7, Section 10.

**KELLY:** Senator Brewer, for what purpose do you rise?

**BREWER:** Call of the house and roll call vote regular order, please.

**KELLY:** 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. Record, Mr. Clerk.

**CLERK:** 28 ayes, 4 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 to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Fredrickson and Dungan, please return to the Chamber and record your presence. The house is under call. All unexcused members are now present. Members, the first vote is the motion to invoke cloture. All those in favor vote aye-- request for a roll call vote 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 yes. Senator Bosn voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad-- Senator Conrad voting yes. Senator Day. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes.



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Senator Erdman not voting. Senator Fredrickson voting yes. 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 voting no. 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 no. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart voting yes. Vote is 41 ayes, 5 nays, Mr. President, to invoke cloture.

**KELLY:** The motion to invoke cloture is adopted. The next vote is on the motion to indefinitely postpone. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 5 ayes, 39 nays to indefinitely postpone the bill, Mr. President.

**KELLY:** The motion fails. The last vote is to advance LB34A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 40 ayes, 4 nays on advancement of the bill, Mr. President.

**KELLY:** LB34A is advanced to E&R Initial. I raise the call. Mr. Clerk, items for the record.

**CLERK:** Thank you, Mr. President. Series of items: Motions to be printed from Senator Conrad to LB13, as well as an amendment to be printed from Senator Machaela Cavanaugh to LB2, Senator McKinney to LB2, and a motion to be printed from Senator Wayne to LB3. Mr. President, first of all-- Select File, LB34. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, for what purpose do you rise?

**BALLARD:** Mr. President, I move the E&R amendments to LB34 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 Linehan would move to bracket LB34 until September 3, 2024.

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**KELLY:** Senator Linehan, you're recognized to open on the motion.

**LINEHAN:** Thank you, Mr. President. So my understanding is we're going to be on this for a couple hours tonight. I have-- go back to what it does. I've got amendments coming to try and make it better. I would like this debate tonight to be about real issues. Senator Hughes had asked me-- it's OK to say during a normal general election, you can have a bond expansion or a levy override, but that only works in Lincoln and Omaha or Douglas and Lancaster County because other counties don't have elections every year. So the language in the First Amendment that will come up, I think it's the First Amendment, depending on what else is going on, will be that if you need-- excuse me-- if you need-- I may need water. I'm sorry. If you have an election-- thank you. Thank you, Senator Slama. I should have planned ahead. So every county will be able to have an election on the first Tuesday after the second Monday in May. That's when Omaha is so everybody will know statewide that's their opportunity to have a, a special election. So there won't be kind of surprises, hit-offs-- the whole state, that's when the elections will be. Thank you. And Senator-- somebody want me to yield them time? I'd love to do that. Can I do that now? Senator Slama.

**KELLY:** Senator Slama, would you yield?

**SLAMA:** Absolutely. Thank you, Senator Linehan. I'm just going to talk for as long as you need. If you give me an indication you want to hop back in, just let me know. And do you think we'll be here for a few hours tonight? And I do really just want to give Senator Linehan credit. She's been feeling under the weather, and she has hammered through. I haven't heard her complain once. I mean, even when her voice is going out on the mic, there is no questioning her commitment to this Legislature and her service to this body. And we are all better for her being able to serve with us. So we are-- we are going to have an extended discussion tonight. How long it goes, I don't know, we could be here till 11:40. We could go home earlier. No one knows. I, I am, of course, opposed to a lot of things that Senator Linehan has presented in this special session. That does not mean I do not appreciate working with her. I think it has been one of the privileges of my life to get to serve with and learn from her. And we've got, I think, a long list of things to do on this bill. The first up, we did handle Senator Ballard, who has done an exemplary job of being the E&R Chairman. We, we did pass some really, I think, just exceptional E&R amendments. And given the fact that I don't exactly want to go into full fighting force against this bill on the introducer's time, I do want to review these E&R amendments because

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Senator Ballard just does not get enough credit for what he does in this place. Senator Ballard, would you yield for a question?

**KELLY:** Senator Ballard, would you yield?

**BALLARD:** Yes.

**SLAMA:** Fabulous. Well, thank you so much, Senator Ballard, for yielding. And now we, we just passed E&R amendments with little debate, little discussion. So tell me, how much work did you put into getting these drafted?

**BALLARD:** I stayed up all night getting them-- I stayed up all night.

**SLAMA:** You stayed up all night. Oh, that is-- that is fantastic. I did not put in nearly as much work when I was E&R Chairman. Thank you, Senator Ballard. I, I am very appreciative of your work. So looking at these E&R amendments, starting with Section 1, on page 1, we strike the beginning with section in line 1 through line 4 and insert Sections 13-508, 13-518, 13-2817, 29-30-- 29-3933, 72-2305, 72-2306, and 77-27,142, Reissue Revised Statutes of Nebraska. Sections 77-1776, 77-27,144, 77-4602, and 81-12,193, Revised Statutes Cumulative Supplement, 2022. Section-- and Section 77-1632, 77-1633, 77-1701, 77-6702, and 77-6703, Revised Statutes Supplement, 2023; to adopt the Property Tax Gross Limitation Act and the School District Property Tax Relief Act; to change provisions relating to the Nebraska Budget Act, budget limitations, payments to municipal counties, county reimbursement for indigent defense systems, the Public Facilities Construction and Finance Act, the Property Tax Request Act, collection of taxes, the Local Option Revenue Act, revenue forecasting, the Nebraska Property Tax Incentive Act, and the Nebraska Transformational Project Fund; to redefine terms; to harmonize provisions; to provide severability; to repeal the original sections; and to declare an emergency. And with that, Senator von Gillern is walking to his desk. But I do in all light, the Bill Drafters do an exceptional job. Especially during a special session where it's a lot of extra hours for them and they haven't gotten enough credit for the work that they've put in. Lots of weekends, lots of late nights. So huge thank you to Bill Drafters for everything you've done. They actually drafted these E&R amendments even though Senator Ballard would like to take the credit. Would Senator von Gillern yield to a question?

**KELLY:** Senator von Gillern, would you yield to a question?

**von GILLERN:** Be happy to.

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**SLAMA:** Fantastic. First off, is Senator Linehan OK?

**von GILLERN:** She appears to be OK and on the mend.

**SLAMA:** That's outstanding. Is there anything you would like to add to this discussion?

**von GILLERN:** Sure. I would like to talk a little bit about the AM109, which is coming, which is kind of where we're going with this conversation. Obviously, there's a bracket motion that's filed that we'll, we'll see if we can overcome here in the next hour or two and move on into the conversation. But I'll just-- Senator Linehan started to give the highlights about the technical fixes in AM109. So I'll just hit on those real quick. There's really-- there's three fixes that are in here. They're all very simple. The first one corrects the language regarding TIF that was in the, the original bill that we were working from before. That bill, LB9, had-- it changed the levies, which required some kind of complicated language in order to make sure that TIF projects weren't damaged and weren't put into default. This bill does not change-- this underlying bill, LB34, does not change levies so that TIF language needed to be changed. So, so that's item one on the AM. Item two talks about a special election being called for such purpose as-- for the override of a budget. So the underlying bill, LB34, allows for an override of the voters. If the cap is-- if they'd like to exceed the cap. And the language in that dictated that it would be in a general or primary election. And as many of us know, not every area, not every county has a general or primary election every year. So the amendment clarifies that an election can be allowed annually, and it calls for it to be the first Tuesday after the second Monday in May of an odd-numbered year. So it, it allows for an election to, to happen in every jurisdiction at least annually. I understand there's been some questions raised about that. Is that the best date to have that? The, the idea behind that is it generally coincides with when people are accustomed to having an election. And then the third clarification is just-- is some technical language--

**KELLY:** One minute.

**von GILLERN:** --that the Tax Commissioner requested in order to, to clean up some, some language around General Fund net receipts. So that really is the, the summary of AM109, which eventually we're going to get to here. Like I said, we got-- I think we've got a-- let me look at my notes. We, we have a bracket motion. And then I think we have a, a recommit motion that we're going to get through, and then we got a floor amendment and so on. So we'll, we'll go through the motions

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tonight, literally and figuratively, and we'll get to the underlying bill, hopefully, through this evening or tomorrow morning. Thank you, Mr. President.

**KELLY:** 21 seconds, Senator Slama.

**SLAMA:** [INAUDIBLE], my mic got cut off. Thank you very much, Senator von Gillern. I appreciate that outline. Appreciate Senator Linehan starting out, and I look forward to what I'm sure will be a very substantive debate over LB34 and everything that goes along with it. Thank you, Mr. President.

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

**WAYNE:** Too late. So where I'm at right now is, what I'm hearing is we're going to be here till about 9:00, 9:30, for 2 hours. There are a lot of amendments still up in Bill Drafting, trying to figure out what's going on. If we're going to get one shot to move this in the right way, let's take one shot the right way. Let's call it a night. Come back in the morning, do the 4 hours. Get everything you need to get lined up. Get it the right way. See if there's a path forward if there is. And I'm-- this is me helping you when I don't even want to help you. So I have an adjourn motion for the night up there. But I'ma yield my time to Senator Jacobson, and I want us to take that up. Let's just do the 4 hours tomorrow. Thank you. I yield my time to Senator Jacobson.

**KELLY:** 4 minutes, 14 seconds.

**JACOBSON:** Thank you, Mr. President, and thank you, Senator Wayne. Well, I just wanted to talk about a couple things as we're starting to gear up for these amendments that will be coming. And I've heard a lot of discussion, you know, about LLCs and how we tax corporations and different things. And so I want to remind some people on how business is done in Nebraska today. So when we talk about housing, OK, most apartment complexes, most rental properties are owned in an LLC. Why are they owned in an LLC? It's real simple, because of personal liability. OK? When people come to the bank and borrow money against the apartment complex, if they own it personally and they signed the note personally, they're personally liable. All their assets are on the line, all their personal assets. If they come in and they borrow money and they have it in an LLC, I need to get a personal guarantee from them to put their personal assets on the line. But I can tell you that if you have a rental property, and that includes a lot of farms,

but if you have rental property and you lease it out so you have tenants, you have their visitors, you have other people come on that property, somebody gets hurt, there's an attorney that's willing to sue. And they're not only going to sue the tenant, they're going to sue the owner. And that's why you put it in an LLC to protect your personal assets. That doesn't mean it's some big, faraway, huge conglomerate that owns it. I know a lot of individuals who have built wealth by buying rental properties one at a time, putting them in an LLC, renting them out, and then ultimately selling those, and they end up with the appreciation in value on the back end. So let's keep that in mind as we start talking about how these LLCs are buying land and buying properties. It's, it's, it's the way business is done today. I want to also talk to you a little bit about where we're at with rental properties. It is true that right now we have a supply and demand problem. Senator Wayne and I talked about this at lunch. The reason rents are rising at the rate they are, not only-- it's not only because property taxes are going up and insurance rates are going up and interest rates have gone up and repair costs have gone up, but they're also going up because there's a limited amount of housing units available. How do you fix that? It's really simple economics. It's supply and demand. And you say, well, but we're never going to have enough supply. Well, I would beg to differ. Back in '08 and '09, we had a downturn in the economy. I could tell you you could buy a lot of homes in Lincoln really cheap. You could buy them across the state and across the country really, really cheap. You could rent property really, really cheap. Give you another instance on supply and demand. Look at where we are in apartment complexes or on, on an office, office units today-- I got one minute--

**KELLY:** One minute.

**JACOBSON:** --look at office units today. Go to downtown Lincoln. You could buy an entire office building. It's empty. You can-- you could rent property all over, rent, rent offices all over Lincoln, all over Omaha, across the state. This work-from-home thing caused us to have a surplus of offices. Do you think those rents are going up or do you think you're going down? I will assure you they're going down regardless of what the costs are to the owner. I would also tell you my wife and I rent a duplex; our, our-- her-- my mother-in-law, her mom is in one half of it. That's why we bought it. We charge the other tenant enough to pay the principal, interest, taxes, insurance, and repairs after we put 40% down. So if our rent-- if our taxes go up, we're going to raise the rent by the amount of the taxes going up. If our insurance goes up, we're going to include that in there, too.

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That's how it works. We're raising it because our costs are going up. So keep that in mind as we start talking about who the bad guys--

**KELLY:** That's your time.

**JACOBSON:** --are here. Thank you.

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

**CONRAD:** Thank you, Mr. President. Good evening, colleagues. There is a lot of energy and activity in the Chamber here at almost 8:00 at night after a fairly quiet day, which is never a good sign in the Nebraska Legislature. And here we are. Now it seems proponents of the Pillen plan have brought forward a new counter attack. A new sneak attack here at 8:00 at night. And after working together with one of the state's most diverse coalitions to oppose tax increases and tax shifts that were killed in LB388 in the spring session, and the Governor and his allies in the Legislature spent all summer working on a broader package to bring forward one of the largest, most significant tax increases and tax shifts in Nebraska history to soak the poor and seniors and benefit the largest, wealthiest landowners in the state under the guise of property tax relief. Proponents didn't have enough votes to do that; after LB1 became toxic, they tried to hijack LB9, and then they tried to hijack LB34 with the Pillen plan amendment that didn't even move to a vote this week because it was so toxic and the votes weren't there. So rather than learning the lesson and listening to Nebraskans time and time and time again, the Pillen plan has been revived yet again, and is before us in a series of late-filed amendments that just came on to LB34, which many senators have not had a chance to even read, even look at. No one has talked to them about it. So the good news is, as senators have a chance to digest that, the basic component of the Pillen plan is the same, whether it is in component parts or one large package. This is an effort by Governor Pillen and his allies in the Legislature to increase taxes on Nebraska. And it's not to take a broad comprehensive look at sales tax exemptions, which is a thoughtful, legitimate, and worthy debate. But everybody knows on tax policy 101, if you're going to take a look at the exemptions and broaden the base, you bring down the rates for everyone. That's sound tax policy that simplifies the tax code. It helps to make our most regressive tax, sales tax less regressive and have a lower rate. It makes it more affordable for families and businesses to navigate life because we have lower sales tax rates. And so I know that there's some political gamesmanship, and I don't know if they're going to try and throw some sharp elbows or elicit some,

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quote unquote, what they think will be embarrassing votes. But don't let anybody fool you about what's happening now, not under the cover of night, because we're still in August. August, evening light. But here at 8:00 at night, after a quiet day, after the Pillen plan had been disposed of in the regular session, and again in this special session, the Pillen plan has been revived with his allies in the Legislature. And now they're seeking to bring back a new host of new sales tax increases and asking Nebraska business and families to pay more. These amendments that are being brought forward haven't-- no one's had a chance to read them yet. No one's talked to senators about them yet. There was no indication--

**KELLY:** One minute.

**CONRAD:** --that this was coming forward. Alas, why we must always stay vigilant while the Legislature's in session. None of these measures have been modeled. And we're going to-- we're going to be in a tough political dialogue, I think. And I hope we finish it up tonight. There's no reason to come back tomorrow. We're here, let's finish it. I'm ready to work. All the senators that are here are ready to work. And there's no reason to prolong the delay with more backroom deals, more arm twisting, less transparency. You want to have a debate? Let's have it on the record. Let's commit to each other to stay here tonight and put this to bed again as it has been many times this year. I'm not tired. I don't think proponents who are fighting for working families are tired. There's no reason to put this to bed-- to not put this to bed tonight. Let's go. Let's have the votes and the debates on the record. There's no reason to go back--

**KELLY:** That's your time, Senator.

**CONRAD:** --behind closed doors. Thank you, Mr. President.

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

**DeBOER:** Thank you, Mr. President. So-- actually, I can't remember what day it was. Was it yesterday when we did General File on LB34? Anybody? No? No one remembers. No one can actually tell me if it was yesterday when we did it. 2 days-- 2 days ago, whenever it was? Whenever it was, when it got to cloture-- well, first of all, we had a very messy board, the likes of which I have never seen. And I, I didn't know what to do because was the bill perfect? It was not. Were there some big problems in it? There were. Things I didn't like. On the other hand, did it help the people in my district? It helped some



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of them. Quite a big chunk of them, because about 40% of people aren't taking the LB1107 credit, and now they are. Well, now they get it. The people in my district aren't fancy. They're just normal people, some middle class, some a little lower middle class, whatever, sort of all over the middle class. And this helps them if they don't take the LB1107 credit, helps them quite a lot. So I was open to thinking about this bill, wasn't open to raising taxes on them. Didn't want to do that. Been working on this super secret, not secret committee all summer. And you can ask anyone on that committee, they were very clear with what my opinion was on taking over control of the schools. And I say control, I mean, if you're paying 100% of the bill, there's some expectation that you get some say in what's going on. And I think the folks in Alliance and the folks in Omaha ought to be able to pick which math books they're going to use. I think they know the kids that are in their district. So I believe in the local control. What we've got here is the continuation of something we started in, in 2020. In 2020, in that 17-day sort of like a special session COVID return, we were-- it was during COVID so we adjourned and then we came back for 17 days and that's when LB1107 was passed. LB1107 are those tax credits on the income tax that we're moving forward by giving to everyone as a statement credit on their property tax bill. We probably should have done this back then. We probably should have put these as statement credits and not income tax credits, because some folks back then said, what if people don't remember to take them, don't know they're supposed to? And I have done all the outreach in my district that I can think of. And when I went knocking on doors 2 years ago when I was running again, one of the first things I said to people is, here's a sheet of information on how to take your LB1107 credit if you didn't. And a lot of them said, what's that? And I explained, and a lot of them got it that way. But I got to tell you, I didn't get to every door. So this moving LB1107 forward so that everyone gets it, this will make a real difference in the property tax payments of people in my district. And even for those folks--

**KELLY:** One minute.

**DeBOER:** --who did claim the LB1107 credit. Now, if we pass this bill, LB34, as we've written it here, they don't have to loan the government their money until April when they get it back in their income tax credit. So this is a good deal for my people. So, you know, somebody asked me, what are you still fighting? Because all the things you said you didn't like, we took care of. So when I look at this bill and what's there and how it will help people, I think it's a good bill. Thank you, Mr. President.

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

**SLAMA:** Thank you, Mr. President. I'm not going to pretend that I knew I was next up in the queue. All I know is that I was snacking on mini peppers and now I'm here. OK, now, since I'm not on the introducer's time, I do want to take some time and outline why I, fundamentally disagree with the concept that you can raise taxes in one area to say that you're trying to cut taxes in another. And it comes from my fundamental core principle that as a Republican, you don't raise taxes, and you absolutely do not raise taxes to try to get yourself out of a taxation crisis. It comes from my belief that at the root of every government tax crisis is a government spending problem. So, to me, I see things like increasing taxes on the state level to provide refunds on a local level, as merely increasing the pot of money that the state is taking from the citizens of the state of Nebraska and laundering it, recycling it, whatever word you want to use to make yourself feel better about the process, and using that pot of money to give back to people. Personally, as somebody who believes in limited government, protecting individual liberties, I would much rather have my own money and get to keep my money. If the government's just going to be taking money out of one pocket and putting it in my other pocket to try to tell me that somehow I'm saving money and not using it for things like roads, the greater good, like whatever the things we've decided are uses of our taxpayer dollars, I would much rather just have the money as a private citizen to invest, to spend as I see fit. I mean, that is the beauty of the American system in that we value an individual's ability to manage their own money, and we see an erosion of that. And what's been proposed so far in the Pillen plan-- and I'm going to call it the Pillen plan because we could call it LB1, we could call it LB9, we could call it LB34. Like, God only knows what version of this bill we're on now. But it comes down to the core concept that we need to raise taxes, sales taxes on things that aren't currently taxed to provide refunds, to limit levies, to do whatever you need to do on property taxes. Why not, and hear me out here, cut the overall tax burden for the state by cutting wasteful government spending. You're telling me that if the administration can just come through with an \$8 million no-bid Epiphany contract and just send out emails to department heads saying we've targeted your department to save blank amount of money, like \$200 million in some cases. Like, are you convinced that the government is using your money as efficiently as humanly possible? Are you telling me that a, a department like DHHS is structured to sustainably and efficiently spend your taxpayer dollars to the point to where we should be sending more of our state's

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money to those departments or to the government to redistribute in the form of tax credits? My answer is no. And I know some people were surprised at how publicly I came out against this plan, but I-- you shouldn't have been surprised. I've opposed every single tax increase that we've had on this floor over the last 6 years. I'm not about to break that streak just because there's an R attached to the name of the person presenting it. I'm going to oppose it--

**KELLY:** One minute.

**SLAMA:** --I'm going to oppose it with my full chest. And that's because I work and represent a working-class district in southeast Nebraska. My constituents work for a living, whether it's in agriculture, at Cooper Nuclear Station, at any other fantastic employer in District 1. Overwhelmingly, the people of District 1 work for a living, and those are the people that are hurting because the government can't rein in their spending. And so they're being forced to decide things like, do we improve our house? Do we move across the river to Iowa? Do we move our ag operation to Missouri? So until we're dealing with the major government spending problem that we have in our state, we're not even going to begin to touch this tax crisis. And I'm not going to raise taxes to make our leaders feel better and pat themselves on the back and say that they did something on a mailer. It's not worth it anymore. It's not worth you losing your money to make government officials feel better about a job well done. Thank you, Mr. President.

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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all. Some of what Senator Slama recently said, I actually agree with. Some of it I don't. And it's, it's not because we don't both have the same concerns, we're just approaching it differently. And so concerns that I have is, is there too much government spending? You know, I don't know, Senator Slama, at the state level, because we've been passing down millions of those costs down to our political subdivisions. So your little county and it's-- I don't mean to say it's little and not important, but, you know, your rural area. How about that? I go through there a lot. It's a lovely area. You know, it struggles because of the state. So we want to get state spending in control. I don't understand the hodgepodge way it's been done, where we brought in a specialist who costs us millions of dollars, when we actually could have done that with a well-written strategic plan and done it year after year after year and work towards that. And to be really frank, that should have been done many Governors ago because it's a

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living, breathing document. You don't rewrite it with each Governor. You find a good goal, you work together, you include everybody that's involved. And then guess what you get? Property tax relief. But instead it keeps being dumped in our laps to, to, to, do property tax relief. And the first thing that we thought that was our biggest priority were big businesses, corporations. I go back to when we used to give out money for economic development before I got into this Chamber 8 years ago. And I thought how weird it was that we had given away millions of dollars with no metrics. We're like, you guys got to provide jobs, bring jobs to Nebraska. And so many of those jobs didn't pay a living wage or didn't offer benefits. And so we never really got our money's worth out of that money that we put out. We've made mistake after mistake after mistake, and I'm not sure with how we're doing this is, is going to be great. I mean, I kind of want to get to voting things up or down. I don't think we need to adjourn; I think we just need to get on with it and get to work, not have any surprises. Because, frankly-- I don't know if you can see this on TV, and I kind of wish that sometimes they would just kind of, like, scan what's going on. You get to see who's never in their seats, who's in their offices. You get to see the groups of people that get into their little circles and discuss things, but don't tell anybody else, and then they surprise us on the floor. It's really just unfortunate that we're not being told truly what's going on. We're just getting bits and pieces, and I know they're working hard to try and do something, but what is that something? What is that something besides taxing things? I like that they're doing it one at a time so we can vote it up or down. I do like that because I'm ready to tax the rich. My bills to tax the rich, by the way, never got out of committee, even though I did a survey with hundreds of Nebraskans that said we need to do a better job of taxing the, the wealthy. I just am really concerned that we filled up the queue. We're going to yap on the microphones because, apparently, it's now our job to kill time because we can't seem to get anything because we don't either have a consensus or we have a consensus that nobody really knows about, and we're going to be surprised and start voting on and maybe we'll get it done tonight. Maybe we'll be here for a couple more hours. Maybe we'll be here till midnight. Maybe we'll stop and go to tomorrow. I don't know, the suspense is killing me. Senator Slama, would you yield to a question?

**KELLY:** Senator Slama, would you yield? And that's--

**SLAMA:** Absolutely.

**KELLY:** --one minute.

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**BLOOD:** Senator Slama, would you say that what I just described is kind of accurate?

**SLAMA:** In terms of process, unfunded mandates, generally speaking, I, unfortunately, have to admit that I agree with you on a decent amount of what you've said. Yes.

**BLOOD:** OK. Can I get that in writing?

**SLAMA:** Do you want a pepper instead?

**BLOOD:** You know, maybe later--

**SLAMA:** Fantastic.

**BLOOD:** --maybe later, but I'm glad you're eating so healthy. I think that that's a good thing. Thank you, Senator Slama. I was literally just trying to kill time. With that, I would yield back any time to you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. Senator Blood, it's called the transcript. Senator Blood, it's the transcript. You can get it in writing in the transcript. I rise in support of bracket-- the motion to bracket until September 3, 2024. I rise in opposition to LB34, and I don't know what's going on. I've been asked that a lot today. Like, what's going on, what's going on? And, like, I don't know. But right now, in this moment, I really don't understand what is going on. I thought we were going to finish Select File debate on LB34. That was my understanding from the beginning of today, and we had a conversation on the floor earlier today about how we all had the expectations of what the schedule was going to be and we were going to stick with that schedule. But now we're not going to stick with that schedule because we don't stick by what we say anymore when it is convenient for some. I-- there was talk about how we had multiple check-in days where we did nothing, and now we're cramming things in. We could finish this bill at, like, 11:30 tonight and be done with LB34 on Select File, but apparently we're not going to do that. I don't know why we're not going to do that. I-- and I think a lot of people, based on my social media feed, my direct messages, the texts and calls and emails to my office, would like to be done. Why? Because this is not productive. This is and has always been an exercise in futility. When you start with a double super secret committee that doesn't present a plan, but bring us here with no plan and then put us

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in this room and for the lobby out there, basically a hot box, and make us do something. Just at this point, something. Doesn't matter what it is, doesn't matter if it's good or bad policy, does not matter. Doesn't matter whose communities it hurts or whose communities it, it benefits more. Just do something. I would prefer to go home and go back into my community and come back here during regular business hours and work on interim studies and craft strong public policy, allow our fiscal analysts to work on the budget for the next biennium and stop wasting everybody's time because we are not being productive. Today was anything but productive. But, by golly, I'm here. I am here, and we're all tired, getting sick, et cetera, so let's finish this. We were told we were going to finish LB34 today. Let's finish LB34 today. Speaker Arch wouldn't go shorter on LB3 earlier today with a cloture-- an earlier cloture vote because he wasn't going to change the schedule. Let's not change the schedule. We've done that enough. We have changed the schedule enough. I know that some of you have plans.

**KELLY:** One minute.

**M. CAVANAUGH:** I think somebody's getting on a plane tomorrow or maybe they're not now. I don't know. We all have plans that we've had to move every single day and juggle taking kids to school. First day of kindergarten for three of my colleagues. Children had their first day of kindergarten this week. And we've all had to juggle. But we don't have to do this. And Nebraska is not asking us to do this. 7% of Nebraska wants this. 7%. That means 93% of Nebraska would like us to go home and come back in January and do our jobs like we're supposed to. So let's do that. I, for one, will be furious if we adjourn before this bill is done tonight. Thank you, Mr. President.

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

**DOVER:** Thank you, Mr. President. I hear a lot of discussion about a number of things, whether we should be here or not, attempting to solve the monumental problem of property tax in a very small amount of time. But that's irrelevant because we're here. Whether front-loading our budget cuts with existing property tax relief and capping city and county spending is enough, some say that we're putting a Band-Aid on a property tax problem. But that's irrelevant because that's, that's all we can agree on and it's all we can pass. I don't know what else could be done in such a short time frame, but doing nothing is irresponsible and it's not why we were elected. I think something needs to be done, especially since we are spending thousands of dollars to be here. I think that front-loading almost \$1 billion and giving it back to the

people who earned it in the form of property tax relief is a big deal, especially since those who didn't receive the income tax property tax relief will now receive it. I do think that placing spending caps on cities and counties is also a good thing. We simply need to pass what we can and sine die. Nebraska is a high-tax state, and much of our high tax burden comes from a property tax burden. Governor Pillen has called a special session to address the property tax issue. I want to share with you my desire for genuine tax relief and my principles for good tax policy. Governor Pillen said everything is on the table. As we look forward at lowering property taxes, a release of his plan shows that as, as a tax shift, not tax relief. The Pillen plan eliminates sales tax exemptions, meaning it adds 7.7% sales tax to many things that are currently not taxed to generate enough tax revenue to try to reduce property taxes. It also moves K-12 school funding with decision-making authority from school boards to the Capitol in Lincoln. At a base level, I want taxpayers to keep more of the money they earn. That's my operational philosophy and tax policy. So as the plan unfolds, if it represents a tax shift, it isn't really tax relief. It merely shifts a heavy burden of taxes from landowners to consumers and families. By eliminating sales tax exemptions, we would, in effect, be imposing a higher financial burden on the necessities and the quality-of-life aspects of a family budget. The other major component of the Pillen tax plan adds sales taxes to agriculture, manufacturing, business inputs like energy and equipment, which will have an effect increasing the cost of goods and slowing economic growth. Now, some people may be wondering, why are we talking about that? Because, obviously, their plan didn't go through. But just as some senators have alluded to, there's a lot of things going on behind the scenes right now. We don't know. I believe what, what is-- the Pillen plan is being brought back right now and, and we don't know what's going to be on it. So I'm going to speak to what we, we knew was, was on it initially like taxing haircuts, self-care, vehicle maintenance and repair, home maintenance and repair, books and movies, school sporting events, pet services and grooming, burials, postage, tax return preparation, dry cleaning, dance, tennis lessons, floral arrangements, and even weight loss help would be to disproportionately affect families. A sales tax or elimination of exemptions--

**KELLY:** One minute.

**DOVER:** --could also-- thank you-- would also negatively impact local businesses. Nebraska small businesses are the backbone of our communities and increasing their operating costs would stifle growth and job creation. My goal is to create a robust economy where both individuals and businesses can thrive, not to create a tax system that

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hinders our businesses, disproportionately impacts low- and middle-income Nebraskans, and encourages Nebraskans to shop in other states. Additionally, I propose the state taking on full funding of schools to the cost of \$1.3 billion, with the intention behind this idea as well-intentioned, this policy strips local control from schools across the state and requires a multitude of new taxes to offset this new state spending. It's beyond believability that communities like Meadow Grove and Madison and even Norfolk would fare better in prioritizing funding of our schools that senators from Omaha and Lincoln had outsized influence in directing educational fund. Again, we don't know what's coming down the pike. All we do know is what came down the pike. And to assume that it's going to be different, I think, would be a mistake. Thank you.

**KELLY:** That's your time, Senator. Thank you, Senator Dover. Senator Walz, you're recognized to speak.

**WALZ:** Thank you, Mr. President. I just want to say that I, I do kind of agree this has been probably one of the most unproductive days that we've had in the Legislature in my entire 8 years. Senator Dover mentioned that they are going to tax funeral services and burials. And we were listening to that back here and somebody said, I'm not going to say who, that we can't even die without being taxed here in Nebraska. With that, I would like to yield the rest of my time to Senator Dungan. Thank you.

**KELLY:** Senator Dungan, you have 4 minutes, 20 seconds.

**DUNGAN:** Thank you, Senator Walz. Good evening, colleagues. I have not spoken on the mic at all today and so I'm actually kind of excited to have a little bit of a conversation here. I hope people are paying attention and listening. It's been a really long day. I know people are exhausted, and I know at a certain point, people start to tune things out when they feel like a filibuster is going on. But what we're talking about here with LB34 and what clearly is about to happen, I think it's important we actually pay attention to what's on the board and to what's coming down the pipeline with regards to amendments that have been filed. The through line of all of this session for me has been a conversation about both process and content. I want to start by talking a little bit about the process. Rumor is we're going to potentially not finish debate on this tonight. We have the capability to do that. For those at home, you know that we can stay here till 11:59. And when we take up a bill as serious as LB34, we have 4 hours. We can address this entire bill tonight. I would like to stay here and do that. I know it's tiresome. I know it's



exhausting. I know there's people who want to go home. I get that. I'm tired too. We're all tired. But we need to make sure that we can address this bill in one fell swoop. Because for every day that we delay and kick this further down the line, it's more taxpayer dollars. So I, I urge my colleagues who are listening right now to make sure we do everything we can to stay here tonight. I want to continue having this conversation. A number of my colleagues across the entire political spectrum want to have this conversation for the rest of the night, and we can finish this, at least this, this layer of debate, Select File; we can go 4 hours here today and be done with this part. So my request is that we commit to doing the hard work and that we stay here and we continue to have this conversation. We can talk about this for 4 hours without it even being a filibuster, because the things that are being proposed, both in the form of LB34 before us, which are the hard caps which we've heard from our friends at the counties and cities levels, is incredibly problematic. Or if it's the amendments that are coming down the pipeline right now with regards to additional taxes that Nebraskans are going to have to pay, I think we can talk about that. Senator Wayne spent a good chunk of today having, I think, a really good conversation about the, the, the benefits and the, the downsides of various tax policies. So I think we're gonna probably dive back into that. And he made a comment at one point that if you are just philosophically opposed to the sales and use taxes being broadened because they're regressive, he understands that. And my intention as these come up one by one by one, if we get to that point, is to vote against each and every one, because I don't want my constituents to pay more in taxes. I don't want the sales and use tax base to be broadened without bringing down the sales tax rate to a significantly lower enough amount that they're going to see a benefit. It is regressive. I'm sorry. We can have the conversation. We can disagree about whether you like it or not. But economically speaking, sales tax are regressive because they take a larger, proportionate amount of a lower income person's wages than a higher income person. It is. So if we're looking at funding a property tax relief program on the backs of everyday Nebraskan families--

**KELLY:** One minute.

**DUNGAN:** --thank you, Mr. President-- by broadening the sales and use tax base, a plan that did not have the votes before, a plan that has been pushed back on by everyday Nebraskans that I've spoken to, then I'm happy to have that conversation. But I will oppose it, and I will oppose each and every one of those as they come up. And you can try to say, this one's silly or that one's stupid, or why do you oppose that? And the fact of the matter is, I don't want the constituents of LD 26

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to have to pay tax on more things. That's how I feel. So I look forward to having this conversation. I look forward to my colleagues chiming in. And I think we're going to have a pretty interesting talk here today. But please do everything you can to stay here. We are going to try to finish this conversation tonight. We want to do the hard work. Thank you, Mr. President.

**KELLY:** Thank you, Senator Dungan. Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. I, too-- this is the first time I spoke today. I share Senator Walz's sentiment. I appreciate her perspective. And Senator Walz was talking and it reminded me of a Beatles lyric. And so I had to look it up. So to paraphrase the Beatles: The taxman will tax the street. And if you-- if you try to sit, they'll tax your seat. If you get cold, they'll tax the heat. If you like to walk, they'll tax your feet. So when Senator Walz mentioned the idea of taxing people for burial services, that reminded me of that lyric of over-taxation. So I rise in support of the bracket motion. At this point in time, I rise in support of my colleagues who join in asking that we continue this debate today and move on. I was opposed to this special session being called at all. I was opposed to LB1. I don't recall exactly where I was on LB9, because I don't think it ever got to that point of being an actual draft of something. The version of LB9 that was the one that was supposed to be reported to the floor and then it was pivoted to LB34 and have opposed LB34 throughout. Opposed the original version or, I guess, the version of LB34 as amended, and then have opposed this current iteration of LB34. But we don't legislate, I guess, on my calendar. We don't legislate on everyone else's calendar. If it were up to me, we would have taken up this debate hours ago today. So I-- but I'm here. Let's finish the work that we are here to do and not continue to change the calendar on everybody once we're dressed up, ready to go. So I join in the concern of colleagues that want to have this conversation tonight. In that vein, the parts that we're talking about, that we're seeing folks at home, if you haven't gone on the internet and seen, we're hearing-- reading on the website that there have been a bunch of amendments filed that would be putting back in parts of the original LB1, which was a bill that had its hearing on the very first-- second day, I guess, of the special session, and was an entire long day of hearing where it was 9 a.m. to 9:30 or so; 12 hours of people coming in most of the day was just folks who were opposed to all of the tax increases in the bill. And those of us who check our email have continued to receive negative emails about each one of those sections, some of which, I'm sure, are in these proposed amendments that may come before

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us as we debate this bill. And so I think any adjournment would be a delay or a stall tactic to try to, I guess, drum up the support that hasn't been drummed up for this-- these tax increases over the last year. LB388 during the regular session ultimately didn't have the votes to move forward and was withdrawn because of the tax increases. LB1 didn't even get attempted to report out of committee because of the tax increases. LB9 in the special session--

**KELLY:** One minute.

**J. CAVANAUGH:** --didn't get reported out because of the tax increases. And LB34, ultimately, was-- all of the tax increases were taken out of it because there wasn't support for it. It's because Nebraskans don't want the Legislature to increase taxes. In this-- all of this time, there hasn't been a consensus or an interest in raising taxes on Nebraskans. So I continue to oppose raising taxes on Nebraskans, and I will vote against any regressive tax increases, as Senator Dungan was just talking about, and will continue to stand up for the constituents in my district who do not want to see these tax increases. And, by the way, the reason for the tax increases, is to give big tax breaks to specific individuals who have more land than the folks who live in my district. And so I continue to represent the interests of my constituents in opposing these tax increases.

**KELLY:** That's your time, Senator.

**J. CAVANAUGH:** Thank you, Mr. President.

**KELLY:** Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. I appreciated the time being yielded to me by Senator Walz. But I was right here in the queue, so I'm glad I can pick up where I left off. Colleagues, Senator Cavanaugh brings up a really interesting point that reminds me of the hearing that we had on LB1. So I am fortunate enough-- or unfortunate enough during this special session, I guess you could say-- to sit on the Revenue Committee, and we had 67 bills that we heard, I think, over the span of 1 week, and that included hearings on a Saturday. I'm happy to do the work, but it was a lot of work. And the hearing that we had on LB1 was remarkable. And I say that in the most literal sense, it was something that I think I'll remember for a very long time. And the reason for that is we were there almost the entire day; I think it was about 10 hours. And we ran out of proponents for the bill, and I think there were opponents of the bill getting up and testifying, person after person after person, for about 3 to 4 hours after we ran out of

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proponents. And I understand that there's been a lot of talk by the proponents of LB1 who say, oh, those are just special interests, that those are just people who are paid to get up there and say those things. But I will tell you, sitting in that seat in the Revenue Committee, I was actually moved by the testimony of a number of them. I was upset by a lot of the testimony and the things that I heard with regards to the potential effects they could have on their business. I was-- I, I laughed at some of the things they said in terms of they were-- they were telling jokes. They were there in good spirit. But at the end of the day, these were real people coming in. And what I said on the mic, I think maybe it was yesterday-- time seems to have lost all meaning-- is there is a difference between a special interest and an expert. There's a difference between somebody who has a special interest, when we think of this dark money backroom lobbyist and somebody who actually lives and works in the field that we're talking about. So when you're talking about implementing an entire litany of taxes, when you're talking about pages and pages of new things that are going to be taxed, either have their exemption removed or services that have never been taxed before, keep that in mind that we were not sitting there being lectured by special interests. We were being talked to by the people who they affect. When you think it's a special interest, it's actually the owner of a local bar and grill down the street where you might have had a, a graduation dinner. When you hear special interests, think about the fact that it's actually a mom-and-pop shop who opened up a dry cleaning business down the street trying to make things work for them. When you hear special interest, think about the fact that that's the vet who you go to every single day or every single month to take care of your pet. When you hear special interest, think about all of those people who are actually affected by that. Think about the lawn care business that was created by the one person who worked their butts off for years so they could actually expand that business and hire 1, 2, 3 other people and create an actual business. That's who we're talking about. We're talking about people who came in here. It's your Realtor who sold you your house. It's all the local folks that make Nebraska great. And we talk about how they're special interests. These are your neighbors and they showed up. They waited for 10 hours to talk for 3 minutes to talk to us and say this hurts me. This affects my business. This is a problematic thing when we keep talking about special interests, as though the complaints of real, everyday Nebraskans aren't valid. And, yet, here we are having a discussion about potentially adding back in to LB34, those pages and pages of taxes and it seems--

**KELLY:** One minute.

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**DUNGAN:** --thank you, Mr. President-- that if we do that or even entertain that notion, we're disrespecting the ideas and the values of those everyday Nebraskans who took the time to drive across the state to come here and talk to us. And, again, there are proponents of this bill. I understand that. But I listened to the people who said that these things will harm them and I think it's very important that we all listen. These are your neighbors, these are your friends, this is your family, and they're saying don't do this. So please pay very close attention to that as we get to the amendments down the road, if we get to the amendments, with regards to increasing the amount of things that we're going to tax here in Nebraska. Thank you, Mr. President.

**KELLY:** Thank you, Senator Dungan. Mr. Clerk.

**CLERK:** Mr. President, I have a priority motion. Senator Conrad, would move to recess the body until 8:50.

**KELLY:** Speaker Arch, you are recognized to speak to the motion.

**ARCH:** Thank you, Mr. President. I'm not going to speak specifically to the motion, but I just want to alert-- I just want to alert the body that there's, there's, obviously, considerable discussion going on about when, how we end this day, how we-- how we end this day. So you're going to hear-- you're going to hear a series of motions and votes will be taken, I'm assuming, on those motions. And this, this is a decision of the body so I would ask that you pay very close attention to these motions. Thank you.

**KELLY:** Thank you, Speaker Arch. The question is, shall the body recess until 8:50? All those in favor vote aye; all those opposed vote nay. Have you all voted who wish to? Record, Mr. Clerk.

**CLERK:** 9 ayes, 29 nays, Mr. President, to recess until 8:50.

**KELLY:** The motion fails. Returning to the queue. Senator Vargas, you're recognized to speak.

**VARGAS:** Thank you very, very much. I rise in support of LB34. A couple of things I wanted to make sure to talk about. And I've been listening to the debate in these last-- I don't know when we started now, and there was a couple of things that I thought would be helpful in terms of clarity. You know, one of the reasons why I support the cap on the cities, municipalities, counties has largely to do with-- I do agree that if they do not rein in more of their spending, that it's going to affect our long-term ability to provide tax relief. Some people might

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remember this. I introduced bills in the past to cap occupation taxes and cell phone taxes and make sure they go to the vote of the people. Those bills did not advance or they were filibustered on the floor. And it was a pretty bipartisan filibuster, actually. And the reason why I brought that was because I, I did continue to see that there was new taxing mechanisms that were being added on that people didn't see them as taxing mechanisms, but they actually were, and was trying to prevent additional ones from being added. And also if they were, making sure that a vote of the people would happen. So if they did believe that something was necessary or important, if they was a reason behind, you know, getting us to having the, the second highest, third highest cell phone taxes across the country and they wanted to increase that occupation tax in some way, shape or form, or that telecom tax, that they would have to explain why they wanted to increase that tax, to then make sure that there was transparency for the public. That was a big reason why I supported that bill. Because it seemed clear to me that while there might not be agreement on the floor on whether or not taking exemptions off or creating a new revenue or anything, that one thing that I, I could agree to was whether or not we try to rein in spending at, at that local level. And I know there's some people that don't agree with me on that, even, even within my own party. But in an effort to be more consistent with that, that was the reason behind supporting it. There are certain exemptions that I really don't support increasing because I see them as regressive, and I said that on the mic in the past. What I do support-- and I've had this conversation in my committee with my committee members-- is trying to do a bit more identifying of cuts to base budgets for other agencies and not just lapses. You know, a large component of the lapses that we did have. You know, we have one base budget cuts that's a really big one, which was to HHS, when I think we probably could have looked at a lot of other agencies in the base budget cuts. And that would have added up to sort of more, more structural base budget cuts that would have enabled us to have even more tax relief in the out-years. If you looked at the numbers, we don't have enough of that in the out-years; we really only have mostly lapses. I remember having this conversation with Senator Dorn and Senator Lippincott, where the lapses for this year are mostly taking it from the existing budget, rather than looking at each of the agencies and figuring out not a 10% cut, but what a 1, 2% cut would look like across the board. And doing that, you could get to an additional number. You probably can get to at least another \$150 million from doing that. And now that's a more sound way, in my opinion, of being able to rein in some of the spending that we often talk about is, is affecting how we actually do some of the tax relief.

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And it's one of the rationales why in committee I've worked on not spending too much and, in particular, only focusing on things that are--

**KELLY:** One minute.

**VARGAS:** --more economic development types of legislation or bills and, and trying to focus less on, on one-time special projects. Yep. And so this is something that I wanted to make sure was clear. I know what the conversations were like in Appropriations, not everybody gets to have these conversations. A lot of them were on should we be looking at other base budget appropriation, budget reductions? Are there places where we can do more transfers? That's why I supported the transfer bill. Those transfer bill was really, really important for the offsets in the later years. If you-- if you look at the offsets, the transfer bill, LB3, represented about \$180 million in the next biennium that is necessary to balance. That is the bulk of what is needed to make sure that there was some structural balance to what was happening. One of the reasons I supported it. There's probably more that we could look at there, but the reason we didn't do it has more to do with it was one-time lapses.

**KELLY:** That's your time, Senator.

**VARGAS:** Thank you.

**KELLY:** Thank you, Senator Vargas. Mr. Clerk, for a priority motion.

**CLERK:** Mr. President, Senator Linehan would move to adjourn the body until Friday, August 16. Excuse me. Apologizes, Mr. President. Before that, series of items: Senator Linehan, Senator Riepe, amendments to be printed to LB34. Then, the priority motion from Senator Linehan to adjourn the body until Friday, August 16, 2024 at 9:00 a.m.

**KELLY:** Members, you've heard the motion to adjourn. All-- there's been a request for a machine vote. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 25 ayes, 10 nays to adjourn, Mr. President.

**KELLY:** We are adjourned.