

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate August 20, 2024

Rough Draft

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

LOWE: Please attain an attitude of prayer. Lord, as we start this day, help us remember that we belong to you and that our desires are to act accordingly. Keep our feet from stumbling, our minds from wandering into distractions that could steal precious time and energy from the most important things you have designed for us. We are proud to be our-- your children, Lord. And we are fulfilled that we have been in this Chamber doing the work for the people of Nebraska. And we are grateful that you gave your life for us, raising again on your own new morning so that every day could be filled with your wonder, of your love, the freedom of your spirit, and the joy of knowing you. In your name we pray. Amen.

ARCH: I recognize Senator Brandt for the Pledge of Allegiance.

BRANDT: 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.

ARCH: Thank you. I call to order the seventeenth 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.

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

CLERK: I have no correction this morning, sir.

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

CLERK: Just one, Mr. President: an amendment to be printed from-- excuse me. A motion to be printed from Senator Wayne. That's all I have at this time.

ARCH: Mr. Clerk, we will move to Final Reading. Members should return to their seats in preparation for Final Reading. Members should return to their seats for Final Reading. Mr. Clerk. The first bill, LB34e.

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CLERK: Mr. President, first of all, there's a priority motion: Senator Linehan would move to recommit the bill to the Revenue Committee.

ARCH: Senator Linehan, you are recognized to open.

LINEHAN: I with-- withdraw.

ARCH: Without objection. So ordered.

CLERK: In that case, Mr. President, Senator Linehan would move to amend the bill to return it to Select File for an amendment, that would be to strike the enacting clause.

ARCH: Senator Linehan, you are recognized to open.

LINEHAN: Withdraw.

ARCH: Without objection. So ordered.

CLERK: Mr. President, the next item we have: Senator Wayne would move to amend the bill with AM130-- excuse me-- would move to return to Select File for specific amendment, that being AM137.

ARCH: Senator Wayne, you are recognized to open.

WAYNE: Thank you, Mr. President. So when I walked in this morning, I-- the matrix had a glitch. It showed me a, a press release from a alternate universe. And I, I sat down and tried to find Neo or Morpheus, but I, I couldn't quite get a hold of them this morning. But what that press release said was, if we send-- that, that the, the-- the Governor sent a email to leadership saying if we send LR34 as is to his desk, he would veto it. And he would veto it because it didn't provide substantial relief to property owners nor renters. It said that he called us here to do something special and we are failing to do that. And so since too many people in this body are afraid to take a vote before this election, he'll call us back after the election and maybe we'll have the political courage to do something. It wasn't me who wrote that. I got it in the matrix. Like I said, I think it was a glitch. It didn't mean to come to me, but somehow I got that press release from an unknown person. This amendment is simple. It removes electricity-- residential electricity. I heard from Senator von Gillern multiple times: how are we going to pay for it? How are we going to pay for it? Well, I included the payfor. Couple things we're going to do. We'll remove

electricity by, one, putting a sales tax on lottery. According to that number, it's about \$7.1 million this year, \$11 million the next year, \$12-- \$11.5 million the following year. What that also does is give local cities and counties the ability to put their \$0.02 on-- \$0.015 on it. So that takes away-- that'll also give them from losing the ability to tax-- tax electricity. The next one is charter flight with pilots. I don't know too many middle- and low-income people who are chartering flights, so I feel like it's a great offset. That's \$3 million this year, \$5 million next year, \$5 million the following year. Again, cities and counties, roughly about \$1 million-- cities are roughly about \$1 million, \$1.5 million next year, and \$1.5 million the following year. I deleted-- I was-- I had a big fight in the family about tattoos. I was going to tax them, but I took it out. Against my own wishes. But we'll do dry cleaning. That's \$1 million this year, \$1.5 million next year, \$1.5 million the following. It also allows coun-- cities to do their sales tax. Dating services. It's about \$200,000 this year, \$300,000, \$300,000, \$350,000 the following. Lobbying. Nobody should have a problem taxing a lobbyist. They are mainly big corporations. And it's really simple for me to come up with that solution because when we talking about kids, criminal justice reform, it's empty except for Spike. When we talk about taxes, you can't even move out there. So clearly, corporations can pay-- help-- they can offset that. The last one-- well, the last exemption I'm removing is swimming pool cleaning-- swimming pool cleaning and maintenance. Not a big number, but it's just the principle by it. I just don't know that many middle-income people who are paying for their swimming pools to be cleaned. What I also did is I took the sin taxes and moved cigarettes up to \$1 from \$0.68. Spirits I moved up a quarter, from \$3.75 to \$4. And I moved vaping from 10% to 15%. That is over-- combined, \$53 million this year. And next year, Senator von Gillern, according to the math on the same charts that we've all looked at, \$84 million, followed by \$86 million. That pays for electricity. So we're not going to get to dance around. We're actually voting for a motion to go back to Select. That's not how this is going to happen when it hits your campaigns. That's not what the flier's going to say. The flier is going to say voted against removing the exemption on electricity over, what, sin taxes? And things that what I would deem upperclass or rich people do, charter planes. And I don't care about the lottery. I play it every once in a while. It's \$1. \$1.05 is not going to make that big of a difference. \$1.07. If they're going to buy their lotto ticket, they're going to buy their lotto ticket. So it's real simple. I'm not taking a lot of time. It's a up-or-down vote.

Are we going to remove electricity from being taxed and have these small exemptions closed and a modest, modest, small tax or increase on cigarettes, spirits, and vaping? Yes, I'm not going to say it's a, a property tax cut, because it's not. This is a shift of taxes to remove electricity that helps all people. Not just those who own property, but all people. Thank you, Mr. President.

DeBOER: Thank you, Senator Wayne. Senator Erdman, you're recognized.

ERDMAN: Good morning. I'm gonna say hi to Jim back there in Bridgeport, my corn-picking friend. I appreciate his help. I'm here today to support whatever it is we may do to make a difference. There are ten people in this room that are seeking reelection. I went through that list this morning. There are 15 of us leaving if you include Senator Meyer. So if two or three of those people that are up for reelection would lose their reelection, that would be a class of 18. That would be the same size as the class that came in in 2017. We have come here-- at least I did-- I came here with intentions to make a difference in people's lives. 3% does not make a difference. What Senator Wayne wants to do with electricity is very similar to giving 3% to property owners because the average renter may have a \$100 electric bill. That's \$5 a month. But it's about equivalent to a 3% reduction in property tax that we're offering. I would rather just go home than to give 3%. It's a slap in the face. It's absolutely absurd that a body of 49 has not the intestinal fortitude to do anything. What we should do is ask each one of you on the mic, are you OK with 3%? What are your voters going to say when you knock on their door and say, hey, I voted for 3% reduction on your property tax? I stopped yesterday to fill gas in Ogallala, and those two gentlemen behind the counter said, 3%? They said, my taxes are going to go up 15%. 3%? I said, yeah, that's it. 3%. They said, why did you go down there? I said, that's the-- that's only-- that's the only amount that this body has the intestinal fortitude to do. So what Senator Wayne is doing is trying to bring it to your attention that what we're doing is nothing. Absolutely nothing. But those of you running for reelection are going to find it very difficult, whether you-- if you vote for 3%, those people at the door are going to say, 3%? If you vote against 3%, they're going to say you didn't vote for property tax relief. You don't have a choice. No matter how you vote on this or not vote, whatever you do, you don't have a choice. It's not going to be good. The only outcome that would really be beneficial to you is to stand up and say, hey, it's time to do more than 3%. It's time to make a difference. I wonder if Senator Hardin would yield to a question.

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DeBOER: Senator Hardin, will you yield?

HARDIN: Yes.

ERDMAN: Senator Hardin, you and I had a discussion this morning about how to-- how we should deal with taxes. Can you share with this body what you shared with me about how we go forward?

HARDIN: My concern-- and I mentioned this last week on the floor-- is that when we attempt to solve any kind of tax, whether it's income tax, corporate tax, excise taxes, property taxes in a silo, compartmentalized from the rest of taxation, that-- what we end up with is, frankly, this kind of frustration, this kind of ambivalence. And when we look at the states that have growing economies-- and I realize these states have some different attributes than we do-- but South Dakota is most like us. They are--

DeBOER: One minute.

HARDIN: --one of those states. But you look at Tennessee and Florida and Texas and others, and they essentially have a broad based, sales-oriented tax. They broadened the base of who pays taxes. And that takes courage because when you attempt to increment your way there, you'll end up very frustrated because the next Legislature will blow it up. And that's my concern.

ERDMAN: Thank you. Thank you, Senator Hardin. So going forward, we need to decide what we're going to do, whether we're going to pass on Final Reading those three, four bills and go home or if we're going to stay here until we get some work done. My opinion is we stay here and figure out how to do something meaningful. Thank you.

DeBOER: Thank you, Senator Erdman. Senator Moser, you're recognized.

MOSER: Good morning, colleagues. Good morning, Madam President. And as much as I hate to disagree with my friend, Senator Erdman, I think we should push the reset button. You know, when your computer gets all discombobulated and nothing works, turn it off. Turn it back on. Start over. The process had many faults, in my estimation. I'm only one of 49. Keep that in mind. Well, I'm sure you're all thinking that anyway. But I don't think enough people were included. I mean, there were-- I don't know-- what, 17 senators? And all the rest of them learned what was going on from the press. And that's, that's, that's BS. we should all be included in the process. And, you know, there were some members of the minority, but the members of the minority

that were chosen I don't think were the most opposed to what you wanted to do. And if you need a number of votes to make it work, you have to include the most adamant objectors so that you can get their input into the process and get a group together to move forward. But including a smaller number of senators and not reporting what the committee was doing to all the senators I think was a mistake. And-- so I think we should adjourn, go home. There's no difference in recessing and coming back one day in cost versus having a second special session. At least that's what I learned from talking to the Clerk's Office this morning, that the costs are the same. I think we're tired. We're crabby. Some of us are sick. I think we should-- I mean, we're working nights and weekends. This is crazy. This is crazy. This is not the process to change our state's tax system. I, I think we should push the reset button, form a committee of all 49 senators, a tax equalization committee-- Taxeco, if you, if you will-- and include everybody, even the most ardent, negative opinions on changing the tax structure, and then see if they can come to a conclusion. And if they can get what looks to be a supermajority so we can actually get something done, then call a second special ses-- special session. But I wouldn't do it not having a good plan in place. You know, I, I-- again, I-- you know, I just think the, the process has kind of wind-- winded down. It's too late now to, to make this big a change, bring it back for another amendment, and take the tax off of sales tax. This is how we dug this hole we're in in the first place. You can make a case for getting rid of any tax. Nobody likes to pay any tax. Tax on utilities. Oh, that sounds great. Let's take that away. Well, it's \$60 million. So what are you-- where are you going to make that back? We already put a limit on what cities and counties can tax in their property tax. And then we're going to take away the tax income on some other things. We took it off of water already. You know, the-- looking at these things from just one--

DeBOER: One minute.

MOSER: --direction, we're not, we're not coming to the conclusion that we need to come to. There's no way to fund taking the tax off of water. It's too late in the process to change it now. It's 3%, but we already had 20%. So let's celebrate it's getting better instead of worse. It's 23% instead of 20%. We could have screwed it up worse than that, I guess. Have a good day.

DeBOER: Thank you, Senator Moser. Senator McDonnell, you're recognized.

McDONNELL: Thank you, Madam President. Good morning, colleagues. I do agree with Senator Moser on, on one issue that, that he just mentioned, was that people in this room are, are tired. They're frustrated, not possibly feeling too well. But that's not just the people in this room. That's the people that we're representing throughout the state. That's the way they feel right now about a number of issues. But one that we're discussing here is property tax. What Senator Wayne has put up with AM137 is an idea on electricity and how to pay for it. So now I want you to think about this. If we're sitting here in January, February, March-- whoever's going to be sitting here, the 15 new faces, plus whoever is not going to be reelected and the replacements potentially. So those new-- the new group of people. But the ones that are definitely going to be sitting here, would you vote for this in January, February, March? Would you be open to, to Senator Wayne's idea? And if, if the answer is yes, then why not today? Why not be open to that today? Because one thing about the idea of a Governor starting a special session and we have the ability to end it, it's up to us. It's up to us when we finally want to say, stop. We've done enough, which I believe every person in here would say we have not done enough. Or that we're tired? I just don't think being tired's an excuse. I just don't think being frustrated is an excuse. Because we know the citizens of Nebraska are tired and frustrated with us and with what's going on. Now, we-- can we fix this overnight? No. Do I support LB34? Yes, because it's something. It's definitely not close to enough. And I don't want to quit working right now while I still think we have a chance with the people in this room because people that are-- I'm talking to from my district and around the state are saying, you have to do something now. We can't wait any longer. I yield the remainder of my time to Senator Wayne.

DeBOER: Senator Wayne, you are yielded 2 minutes, 53 seconds.

WAYNE: Thank you, Madam President and Senator McDonnell. I guess where I'm at today is if you don't like cigarettes going up to \$1 or you don't like vape going up to \$0.15, tell me what you want. I'll-- we'll draft one. I don't-- I'm open. But the idea that we can't do something for electricity because it's too late is just mind-boggling to me. There's a couple things I learned in this Legislature. No bill we write is ever perfect. Every year, we have clean-up bills. Every year, somebody interprets how we wrote something differently, and sometimes they go against the entire spirit of the bill because they read something differently. You got to come back and fix it. Sometimes they just flat out don't want to do it. That was Senator

Linehan's deal with dyslexia. We-- no matter how many times we passed a bill saying do something, they just didn't do it. That's the nature of where we are. So what I've learned from that is do it-- if you can do it today, then do it. If there has to be a correction, we can correct it. Because nothing's ever perfec-- perfect. So I'm saying we have a opportunity today to remove electricity from being taxed. Are the numbers 100% going to line up? Maybe, maybe not. People stop drinking alcohol, it may change. But I'm giving you a start on the funding. And maybe it's too much funding. Maybe it's not enough. But it is a start and it is a good start. The second thing I learned recently is that if you cook Senator Erdman's corn on the grill--

DeBOER: One minute.

WAYNE: --with the husk, after you eat it, you become a better person. I don't know what he sprinkles into the ground out there, but every time I ate one, I thought of something new that I couldn't think of before. So I would highly encourage you to get some of the sweet corn that Senator Erdman has. Thank you, Mr. President.

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

WAYNE: I was trying to hop out. OK.

DeBOER: Or we can go to Senator Erdman.

WAYNE: [INAUDIBLE] my time, so I'll talk, I guess. We keep talking about-- let me just give you a historical problem. So I ran in-- I, I did a lot of studying over the weekend of why people are concerned about the-- LR2CA. And what it comes down to is when ag got their CA passed and how the state pushed it off on the counties and cities. And what happened was we passed this-- the people passed this constitutional amendment. The Legislature decided to lower ag value without paying for it. And what happened was residential and commercial shot up-- not in valuations, but levies across the counties and cities-- particularly counties-- went up because we didn't pay for it. This has been going on since the 1950s where we pass things and we don't pay for it. And so what I would like to do is have an amendment brought onto the LR2CA that says anything that's the difference of the actual value and what the Legislature decides is the assessed value, we pay for. Now it's interesting if we did that, based off of calculations, ag value is about \$1.75 billion, I think. Let me read this right. And why is that interesting? Is

because at a 75% valuation, the state would have to come up with \$430 million to fill that gap. \$430 million gap that the state has pushed onto the counties in the cities because the state decided not to pay for lowering the valuations of ag. So ag not-- are very concerned. This is a common theme for us, right? Education. Everybody in education is against the idea of relying more on state funding. Why? Because we don't fund it. So I'm trying to do something different. I'm trying to say, let's put in the constitution that we'll fund it. I think that resolves all-- or, or, or, solves everybody's problem. But we probably won't get to that debate because once these three bills pass on Final Reading, people are going to be ready to go home. People are going to be ready to go home instead of actually doing something. So I'm saying at a bare minimum, if we're going to pass 3%-- somebody said it's 4.5% property tax relief-- I think that depends on where you're actually at depending on your levies-- then we should at least do something for renters and everyday people who maybe not own property. But the benefit of no electricity tax is that actually helps property owners too. It's a win for everybody. And what I heard of the objection was is, how do you pay for it? Well, I'm giving you a great, great start. And if you don't like one of the sin taxes, I'm willing to take it out. But at the end of the day, for those who are running for office, this is a tough vote. And I'm sorry to do it to you on Final Reading because you're going to have to explain to the voter that, no, it was actually a motion to return to Select File, when that, when that flier hits. And they're going to say, well, why didn't you vote for that? What's your excuse going to be? Because I'm tired? I'm ready to go home? That I don't want to tax--

DeBOER: One minute.

WAYNE: --chartered jets to pay for electricity? That I don't want to tax swimming pool cleaning so we can untax electricity? Tha-- no matter how you put this conversation, it's not a good one. So you might as well vote your conscience here. Because a no vote-- I can see it right now. Senator Blo-- Block, Blank, Blah, whatever chose not to vote to untax electricity. And they'll cite this motion right here. And when they get that flier, you're going to have to explain to them. Try to be technical with procedures. It doesn't go very well. I've tried that many times. They're going to say, do you support it or not? Good luck with that conversation with your constituents. Thank you, Mr. Pre-- Madam President.

DeBOER: Thank you, Senator Wayne. Senator Erdman, you're recognized.

ERDMAN: Thank you, Madam President. I want to be clear. I'm an equal opportunity offender, so I want to bring it to your attention that the class of '17, even though we've done some things that are very beneficial, we did not as well fix the property tax issue nor any other tax issue. We, we're part of that Band-Aid on an amputation group, and we continue to do that. I disagree with Senator Moser's comment on hit the reset. One of the reasons why the double-secret meeting committee didn't function correctly or accomplish anything is because we never came to a consensus. We never once had a vote to say, this is what we should do. The other issue is-- and I'll be opposed to what Senator Moser said in this regard-- the committee was too large. The committee was 17 people. Should have been seven, maybe nine. It's difficult to get a consensus on 17 people. So what would have been beneficial is if seven or nine people had made a conscious effort to come with a bill that made sense. And then the month of August or maybe the first part of September, we worked that bill with the senators to get their input. And then the negotiation that we've been doing the last 17 days would have happened before we arrived. And then we'd have had something that we'd all-- could have voted for and we wouldn't have been here for 17 days. So we were dealt a hand that we couldn't play because it was a situation that was too difficult for us in the committee to come to a consensus. And so here we are on the very last day and we're going to vote for 3% and we're going to go home. That doesn't sit well with the 14 or 15 of us that are leaving, nor does it sit well with anybody else who's going to go on in the future. So whatever we do, whatever bills we pass today, you will revisit this same exact subject again and again and again. And I say that with a lot of confidence. And the reason I can is because we've done this for 57 years. But it's like communism. They say communism hasn't worked because no one has done it right yet. The reason the three-legged stool concept hasn't worked is because we just haven't applied it correctly at this point. So one more time making one more adjustment is going to fix it. And I don't know if you listened to what Senator Hardin had to say, but Senator Hardin is spot on on the issue, what needs to be solved. So unless you can determine what the problem is, what the cause of the issue is-- and then once you have determined what the cause is, then you know how to fix it. But we fail to recognize the problem. We fail to recognize the cause of our taxes being as high as they are, and therefore we keep doing what we've always done because that seems to be what is acceptable. And so for those of you who are not up for reelection, you're in the same boat that those people who are going to be

standing for reelection. When you talk to your constituents, they're going to ask you, 3%?

DeBOER: One minute.

ERDMAN: Perhaps you can say to them, who cares? Special session. That'll go over big. So I don't look for this body to move on Senator Wayne's amendment or motion to come back to Select for an amendment. But we're going to get a vote, and we'll see where the votes are. It's very unusual. Very unusual that we put in 17 days and accomplish so little. Thank you.

DeBOER: Thank you, Senator Erdman. Senator Clements, you're recognized.

CLEMENTS: Thank you, Madam President. I stand in-- opposed to AM137. The reason is when we had the original property tax bill, property tax relief opponents said that large landowners would benefit the most. So we, we don't want to benefit those large landowners. The electricity tax relief is similar. When Facebook came to Sarpy County, I was representing that area and met with them. They said they would need 300 megawatts of electricity, which is 10% of OPPD's 3,000 megawatts of generation. So you're going to be talking about Facebook getting the largest benefit from this proposal. Now we also have Google across the street from-- basically from Facebook, and Amazon are here too. And there are going, going to be even more benefits absorbed by these large corporations. The other interest-- other part of it is this will reduce the property tax relief in LB34 that we are already getting. And it is less than what we wanted, but this is what the body came up with. So-- and also from what I hear Senator Wayne saying, he does not count-- have enough to pay for the \$63 million of electricity tax loss. This should have been part of the overall sales tax adjustments. If we would have expanded sales tax some, we could have reduced electricity some and would have been able to work that in with the overall bill. This is, as a standalone item, is not part of the bill that we have passed forward to Final Reading. And it should be considered in the future, but not as a last-minute addition to this bill. So I am-- I encourage your red vote on AM137. Thank you, Madam President.

DeBOER: Thank you, Senator Clements. Senator von Gillern, you're recognized.

von GILLERN: Thank you, Madam President. Good morning, colleagues. Good morning, Nebraskans. The-- it's interesting how we can get off of the topic so quickly. And our frustration is certainly showing, and I'll try and manage mine in this conversation. I, I actually came here this morning and did something really, really unique, I think. Kind of counterintuitive. I actually read through the bill again this morning so I could have an accurate understanding of what it said when we got here to the floor because I felt I needed to be prepared if we had a ten-minute debate or a two-hour cloture vote. So I reread the bill. So let me remind us of a few things that are in the bill. And most important in my mind and the one thing that had to be advanced in this special session were the spending controls. LB34 has spending lids in it. It follows inflation. And there's been a lot of messaging that's gone around. It's driving me crazy. In fact, I-- I don't know. Even on the radio this morning I was texting back and forth that-- because they used the term 0% cap. It's not a 0% cap. It's a 0% floor. There are spending lids in LB34 that move with inflation. We've talked about this ad nauseam over the past few days. We agreed in the, the, the group that the Governor pulled together this year and last year there was, there was wide agreement that the issue is spending. Tax taking is tied directly to spending. If you want to reduce tax taking, reduce spending and the lids applies-- apply to the local taxing authorities and will reduce tax taking. That is significant. This is-- we are not doing nothing here today if we advance LB34. 3% to 4% reduction? I agree. That's pathetic. It's, it's 1/10 of what I hoped to get done in this session. I agree completely with Senator Erdman, with Senator Wayne that those, those numbers are absolutely pathetic. I can't even think of another word. But here's the other differentiator. If you live in an area where you're going to see a 10% increase in your valuation next year, guess what? 3% turns into 13%. If you were someone who last year has had a 20% increase in your valuation and you're going to see that next year, 20% turns into 23%. 30% turns into 33%. There were people in Lincoln that had a 50% increase in their property value. You think they wouldn't be interested in getting a 53% decrease in their property tax taking? That's significant. The other thing in LB34 is the front-loading of the tax credit. And there are those that will argue-- and not inaccurately-- that that's a credit that already existed and many Nebraskans already took. Absolutely true. About 50% of Nebraskans took it. Well, that LB1107 credit amounts to 23% to 33% of your property tax bill. For those Nebraskans who haven't taken that, that's significant. If they weren't able to take it because they either didn't know it was there or they couldn't afford a tax

consultant, whatever the reason. Don't tell me that's not significant, because it is. I'd like to see much more done in this session. And we had some great plans to do that. And they got resoundingly shot down. And that's unfortunately the way that things work in here. They were submarined by those that were determined to stand in the way of any change in policy. And unfortunately, some even stood in the way simply because it was the Governor's idea. But it's certainly not the fault of those of us that worked endlessly over the last months. I actually really like Senator Wayne's amendment, AM137. I don't agree with the way that he's brought it this morning. And it's clear that none of us have had time to really analyze it because Senator Clements to-- and all respect to Senator Clements-- the AM does say residential electricity only. So commercial would not be given an advantage there. But I actually like the idea. And actually, all of the tax-- the elimination of the exemptions that Senator Wayne brought, Senator Linehan tried to bring last week, and they were resoundingly shut down. So I don't know really where this is going to go. But I guess we'll find out on Final Reading. But don't convince yourself that we're doing nothing here today. There are parts of LB34 that will have a lasting impact on property taxpayers in Nebraska. Thank you, Madam President.

DeBOER: Thank you, Senator von Gillern. Senator Hansen, you're recognized.

HANSEN: Thank you, Madam President. And thank you, Senator von Gillern, for stealing my thunder. He took about pretty much everything I wrote down on my piece of paper. So now I'm standing up here aimless, I guess, which wouldn't be the first time. I am opposed to AM137 for some of the specific reasons as also Senator Clements mentioned. I do appreciate, actually, what Senator Wayne is trying to do here with this amendment. I'm not opposed to it. I think I do disagree with his assessment that those who are up for reelection have to go to their constituents and tell them why they didn't vote for this. I know my constituents would be like, well, why don't you actually take that money you just get rid of from the sales tax exemptions and help me with my property taxes? Isn't that what you're there for? You're not here to reduce my utilities. You're here to reduce my property taxes. That's what my constituents are going to say. As good-hearted and natured as it is with AM137, it doesn't do what we're here to do. And we're here to reduce property taxes. It's going to help people with their-- with the utility bill. Not going to help with their property taxes. And like Senator von Gillern said, 3% is definitely not what we came here to do. But I, I kind of find it

ironic, though, that we talk about the taxing authorities taxing 3% every year and how cumulative that is. And then next, we know it's 10% after a few years. So 3% isn't, isn't, isn't nothing. It can be cumulative. We're doing something. It's better than 0%. It's better than the property taxes going up 3%. And now the-- and I'm, I'm going to agree with Senator von Gillern here again too-- the, the caps I believe are the most important thing here. This is some-- any senior senator here, how many times has Senator Briese been up there trying to put caps on schools and counties and cities and failed almost every time? And we do it with this bill and it's not enough? I think that's-- I think that's-- they have to spend like we do now as constituents with inflation. And if they want to go above that-- now the people get a say on whether their taxes go up? They have to go to the people? I think that's monumental. I'd like to see schools do it since the, since the state isn't taking over how we're going to fund schools. But counties and cities now have to live within their means. Many of them were. Some weren't. So caps are huge. And so to just, to just push that off the table like it's nothing I think is doing the people of Nebraska a disservice. So instead of just leaving here saying, well, I'd rather just leave here with nothing, I think the caps are a big part of it. I do agree with Senator Erdman when he says there's-- there wasn't much consensus on the, on the plan, but that's part of the problem of trying to pass a bill when there's no consensus. Nothing's going to happen. I wish there was. I liked LB1. Thought it had a lot of good things in it. I liked LB34 when it got changed and skinnied down. And I would like to do more. And I think it's "behooven" upon us as senators who are going to be here in a few months to make sure we come with a very concise and specific plan that's going to do what the people of Nebraska expect us to do. So I am going to not vote for AM137 and encourage my colleagues to vote green on LB34. Thank you, Madam President.

DeBOER: Thank you, Senator Hansen. Senator Brandt, you're recognized.

BRANDT: Thank you, Madam President. Thank you, Senator Wayne. Nobody has done more in here to keep things going. And I appreciate your efforts to come up with new and innovative things. This Chamber is an amazing place. We've got 49 people in here that are all the range of sick, tired, sick and tired, but this is one team. And we've-- a lot of us have played on teams, whether it was basketball, football, wrestling, track. And you don't quit at halftime. You don't quit because you're tired, or you shouldn't be on that team. I mean, we got sent here to do this. And if we got to come back another day, so be it. This is a good idea. I like this amendment because it uses

some of these sales tax exemptions. The committee came out and they proposed, I believe, 113 elimination of sales tax exemptions. Today, zero have been touched. It's a big win for the lobby out there. This uses five or six of those. This is a good first step to eliminating more of these down the road. There is consensus when I talk to people in this Chamber about getting rid of 20 or 30 of these sales tax exemptions. Their time has come. And we're using them for a good use. We're eliminating the sales tax on electricity. LB34 front-loads the LB1107 money. I don't know what this 3% thing is. This is an apple and orange thing. But LB1107 will go from \$560 million to \$750 million. My math shows that's a 33% increase in LB1107 funding. It will also be front-loaded so the 35% of the people today that do not claim this will see this money now. This will help. The state is on fire with property taxes, and we need a firefighter. And the only professional firefighter in here is Senator McDonnell. Senator McDonnell, would you yield for a question?

DeBOER: Senator McDonnell, will you yield?

McDONNELL: Yes.

BRANDT: Is it time to give up?

McDONNELL: No. I don't think it's ever time to give up for the citizens of Nebraska. If you look at-- if you want me to continue.

BRANDT: Yes.

McDONNELL: Thank you. You used a sports analogy earlier and the idea of what happens. And I, I remember being in-- involved in, in athletics and you look at halftime and it looked pretty bleak. Well, I think you've all probably have heard the, the saying, fatigue makes cowards of us all. The idea that when you get tired, your desire to win is lessened. That's why you condition all the-- prep goes in before a sporting event. I know we're tired, but I think we got to put that in perspective with the people of Nebraska are tired, and that's who we're here to represent. And if the idea was to quit when we're serving the citizens as a firefighter, no, you hit a second alarm, you hit a third alarm. You put the fire out. The idea otherwise-- because people's lives and property are on the line. And I believe that's exactly what we're talking about right now, people's property, having to give it up because of property tax, how high it is. Also making those, those decisions based on their lives going

forward because of the property tax. People's lives are on, on the line today.

BRANDT: Thank you, Senator McDonnell. I fully support LB34 and this amendment. I yield the rest of my time to Senator Wayne.

DeBOER: Senator Wayne, you're yielded 1.0-- 1 minute, 29 seconds.

WAYNE: Thank, thank you, Mr. President. Colleagues, we got a draft of the bill before it was dropped to LB1. Came out of committee. And with all due respect to Senator von Gillern, that came out and was on the floor the next day. 122 pages. So to have an idea that we can't read 15 pages within a hour goes contrary to the 122 pages we got the night before, starting at 9 a.m. It's 15 pages.

DeBOER: One minute.

WAYNE: It's only residential electricity. So the Googles and Facebooks and everybody else do not get a break. There is a payfor. That payfor is actually more. And so here's the deal. I'm just trying to get a vote. We can keep talking this to death, but let's just get a vote. Even if we go to cloture, we're going to get a vote. But if there's something people don't like, then we can take it out. Send it up to, to Bill Drafting, take a 20-minute recess, and plug something else back in. The only thing I heard is we didn't want to double from \$0.68 to \$1.32 on cigarettes. OK. I have no problem. We can also put it in LB3. Despite my friend, Clements-- Senator Clements, it is germane. We could put it there. But the problem we had is we couldn't move past this lock of not moving anywhere on exemptions.

DeBOER: Time, Senator.

WAYNE: Thank you. Mr.-- Madam President.

DeBOER: Thank you, Senator Wayne. Senator Hardin, you're recognized.

HARDIN: Thank you, Mrs. President. A constituent of mine made an interesting comment several months ago, and he said, when it comes to sales taxes and those being regressive, he said, you know what? I've lived it. Nothing is more regressive than a lousy job. And I think, moving forward, that's what we have to lean into, is looking at how do we broaden our sales base and the, the tax base. And the only way to accomplish that is by looking at all of the taxes, as I was saying earlier. Would Senator Wayne yield to a question?

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DeBOER: Senator Wayne, will you yield?

WAYNE: Yes.

HARDIN: Senator Wayne, what would be the total of everything that you were listing, oh, 15 minutes ago if we were total it all up? Can you get a crayon and kind of give us a round figure in terms of what the payfor would be?

WAYNE: Yes. It is-- according to the math that I have, it is a total of \$52 million this year, which I think is a little high, and then \$83 million and \$86 million in the following two years. So I think the \$52 million is probably a little high, in my opinion. But the other two come straight out of the exemptions that the Revenue Committee was using as their math.

HARDIN: OK. Thank you. And I would yield the rest of my time to Senator Wayne if he would like it.

DeBOER: Senator Wayne, you're yielded 3 minutes, 22 seconds.

WAYNE: Thank you. And so-- Nebraskans, let me be clear. I don't know which camera it is. I think it's this one. The blue light's on. So I'm going to look at Nebraska here. Let me be clear. There's two things. People don't want to work right now. This vote is about if we start moving just a little bit, just a little bit on exemptions, we could break the dam and actually do something. And there are fear on both sides, both sides, that if we do that, we might have to work. We might have to work to deliver for you. And we're afraid of that because there are some things we are uncomfortable voting on, some things that the other side is uncomfortable voting on. And when you have a good deal for Nebraska, you got to be uncomfortable. And we don't want to do that today. So this is about delivering for all Nebraskans. Residential electricity should not be taxed. It is truly about a need, not a want. And I'm willing to stay here as long as we have to to get it done. I don't know if the rest of my colleagues believe that. What I am willing to do if this comes back to Select, we have a debate on it, move it forward. I'm willing to take a recess for a couple weeks. We can come back after the Colorado game. We'll either be really, really happy or really, really depressed. Either way, we'll probably want to do something. Because if we're really, really happy, we want to do something. And if we're depressed, you're going to be so mad you might just vote for things you normally don't vote for. I seen how this body works. We can do something. And it

doesn't have to be today and tomorrow. It's not going to cost any more if the Governor decides to call us back in November. We just take a recess and really talk. But I just don't understand how when you say we're here to deliver property tax relief, Senator Hansen, that electricity is not a part of that when it was included in the package. So clearly, there is a thought that we should benefit everyone. And that's what I'm trying to do. I'm trying to benefit everyone. I'm not in favor of the bill. This might make me a little bit more comfortable with voting green. I don't know if I will. But how do we not change electric-- residential electricity tax? I mean, seriously?

DeBOER: One minute.

WAYNE: So Senator Hansen's constituent may be different than most people, but I do know there's a lot of renters up there too. And I do know there's a lot of people who are paying electric-- a tax on electricity who would like to see their \$7 off if it's a \$100 bill because usually there's a local tax too. And so I tried to be thoughtful about the local tax too by closing some of the exemptions. That's how I came up with that. If you just take it away and you just, just use only sin tax, then actually the cities and counties can lose a little bit of dollars. Well, I'm making up for that. I'm making up for that by closing some of these exemptions in areas where, when I'm looking around the cities and counties, make sense. So I'm asking people to vote for-- green. Send it back to Select. Let's add it to the bill. And if we got to correct something, as you guys keep saying, you can correct it next year. But at least we're trying to help all Nebraskans. Thank you, Mr.-- Madam President.

DeBOER: Thank you, Senator Wayne. Senator Halloran, you're recognized.

HALLORAN: Thank you, Madam President. Good morning, colleagues. Sometimes, sometimes you have to put things in some perspective to have a grasp of what is being accomplished or not being accomplished. 3%, 3% is kind of a meaningless statistic unless you put it in context. I had a constituent who wrote me an email and said he was going to start a, a GoFundMe page. A GoFundMe page. Not for my personal benefit, but he said he wanted to commission a statue on my behalf to commemorate my being part of a special session that brought him 3% property tax relief. I thought, well, that's, that's, that's wonderful. That's swell. But he said, Senator, don't get too big a head about that because I'm going to make the statue proportionate to

the 3%. Right? So I figured it up. 5 foot 3, that's 63 inches tall. Times 3%. That's 1.9 inches. 1.9 inches. And I thought, wow. Gosh. I've been looked over before, but at 1.9 inches, I'm going to be looked over a lot-- or, overlooked a lot. So keeping things in perspective-- even if someone waved a magic wand and said, Steve Halloran, you know, you see a lot of jokes about your height. A lot of people say a lot of jokes about your height. And I said, and I'm fine with that. But if someone waved a magic wand and said, Senator, you're-- we can make you 3% taller. Not a big deal. Not a big deal. 5 foot 3. I would go to 5 foot 4.5. So keep it in perspective. You know-- when Steve Erdman-- Senator Erdman proposed EPIC, you could go out in the lobby and it'd be like a parting of the Red Sea. You couldn't find any lobbyist that was for the EPIC consumption tax. They were all absolutely opposed to it. And that's not normal. When you or I go out and into the lobby on any bill, we're called out there to talk on-- visit with a lobbyist-- we'll go out and visit with them-- LB1, LB2, LB3-- and they'll be a proponent. They'll give us reasons why they want us to vote for a bill. And then on the way back in, another lobbyist will say, Senator, I know we didn't give you a, a, a request to come out here, but would you visit with L-- about LB1, LB2, LB3? And I'll say, sure. And they're against it. So on the same visit to the Rotunda, I've got people for it and against it. That's normal. When Senator Erdman proposed the consumption tax, EPIC option, you could go out into the lobby and it was like parting the Red Sea. It's like parting the Red Sea. There wasn't anybody for it. That speaks volumes to me. That speaks huge volumes to me because every lobbyist is against it. Why would they be against it? Well, because their job has been to pick winners and losers in the past, and this would kind of nullify that. Like Senator Erdman said, you know, a lot of lobbyists and a lot of us in here promote bills that, that, that pick winners and, by default, everyone else is a loser. If you listen real closely, if you listen real closely, you can hear the resounding sound of the can being kicked down the road. One more time.

DeBOER: One minute.

HALLORAN: I yield my time.

DeBOER: Thank you, Senator Halloran. Senator Moser, you're recognized.

MOSER: Thank you, Madam President. Good morning again, colleagues. So in all the doors you went and knocked on to get elected, how many

times was the first complaint that your electric bill was too high? I've never had anybody say that their electric bill was too high. One of the advantages of public power is that we have very reasonably priced power in Nebraska. And the sales tax on electricity does increase the cost a little bit. But if you sold those utilities to an investor, I guarantee you'd be paying more than 7% more. So public power helps us keep the cost of electricity down. And I don't think anybody's going to notice if you take the tax off of electricity. But if you do, it's going to cost us somewhere around \$60 million. And we don't-- currently without these exemptions, we don't have any way to pay for that. And \$60 million versus \$5 billion is about 1% again. So you'd be slipping back from 23% to 21.8% or something like that because \$60-some million out of \$5 billion is 1.1% or thereabouts. So tax on electricity is not the problem. Property taxes are the problem. The, the caps that we put on cities and counties I question. I'm going to vote for LB34. I was involved all through the process. I mean, considering it and talking about it. But the caps on cities and counties, most of the counties aren't anywhere near their cap. They have a cap of around-- I don't know if it's 0.45% or 0.5%. My city is at, I think, 3.31% something, and I think their cap is 5%. So they, they've already been somewhat careful-- although I question-- they've bought a lot of expensive stuff, but. Nonetheless, their levy is way under the current cap. And-- yeah. I think by giving electricity a free pass for residential, you're giving away \$60 million. You're digging yourself a hole. We've got all these exemptions already. We've got 127 of them. It's going to be 128 now. And some future Legislature is going to have to come back and say, whoa, that was a dumb one. Let's, let's put that back. You know, I doubt if they will. Probably they'll just flounder forward like we have. But public power has helped us make the price of electricity reasonable. And it's a reasonable way to generate elect-- income for the state. And I don't think we should be exempting it. If you wanted to add all these things-- all these exemptions up, and if they do raise \$83 million, I'd vote for this AM137 if you take out the sales tax exemption on electricity. But again, I support LB34. I think we should push the reset button and, and-- you know, you never want to give up. You want to stay in the game to the end and all this rhetoric. You know, we're playing Oklahoma. We're behind 42 to 7.

DeBOER: One minute.

MOSER: Let's go home and play them again next year.

DeBOER: Thank you, Senator Moser. Senator McDonnell, you're recognized.

McDONNELL: Thank you, Madam President. I do agree with Senator Moser on, on one point he made, that when going door to door, did people bring up the idea of taxing electricity? No. I don't, I don't think they did. I don't remember that. They definitely brought up, of course, property tax. But I think that this is what we're missing. What Senator Wayne's trying to do with AM137 is to say that, I want to put a dollar back in the people's pocket, and I'm proposing-- if you would read it, he's proposing a way to do it through current sales tax exemptions. I think that's worth the discussion. That's worth us reading and looking at because it does help those citizens because it puts a dollar back in their pocket. Even though, yes, it wasn't something that possibly was on their minds that day when I knocked on their doors. But I got to tell you, if I'd go right in my district right now and bring AM137 and have them read it and say, what do you think? Is this a good idea? I am pretty confident 90%-plus are going to say, yes, thank you. It's a dollar in our pockets. Every dollar's precious and we need it right now. Senator Erdman had handed out earlier the history-- a short history of the taxation in Nebraska. Number three: In 1966 became the most pivotal year for taxation in Nebraska history. The state property tax was abolished by the voters through measure 301, and the State Legislature passed legislation for the income tax during a special session. People have said, oh, we can't, we can't tackle this. We can't do this in a, in a special session. I still believe that, when, when the people that are going to come back here in January-- just like every, every January, there's, there's new bills introduced. There's new energy, of course, but there's so much on the table at once. I believe we're going to get-- you will get caught up in that we're-- today, we have the opportunity. We're here. It's been discussed about, oh, we should have had more people in the room back in May. We should have had more time together. And I, I don't disagree with that. But right now this is our problem to solve. This isn't the Governor's. The Governor came up with some ideas, threw them out there. OK? Some people agreed. Some people disagreed. But this is our problem to solve today. We are here. What Senator Wayne is trying to say is that-- let's take a two-week break. Let's take a three-week recess. If we can come up with an idea and we came back for one day and we had a true debate on that idea and when it's clear that there's not support for that, then fine. I don't think we're there yet. I don't think we've had that opportunity for all of us to

weigh in individually as groups and look at, OK. Fine. We know LB1, LB9. We've gone through that. I, I, I, I always like when people say, well, thi-- this is a problem, this is a problem, and I understand that. But I was taught if you're going to bring up a problem, you better bring up a solution with it. Otherwise, you're just complaining. So fine. If that's not the right solution, then bring up another solution. But I don't think we're even close to exhausting everyone's ability in this room and the opportunity to solve this problem. And going back to what Senator Hansen said on LB34. Yes, I'm still supporting LB34 based on the idea it does do something. Doesn't do enough. But is spending a problem? Yes, we've seen it. We've also seen unfunded mandates from the state are a problem for the locals. And they brought that to us, local communities and, and counties. But that's definitely an issue. And this is de-- this is going to address it. LB34 isn't enough. It's something but not enough. Senator Erdman, would you yield to a question?

DeBOER: Senator Erdman, will you yield?

ERDMAN: Ye-- yes, I would.

McDONNELL: This is your handout that I, I quoted earlier with the history. Can you kind of give us a, a briefing on your handout?

ERDMAN: Yes, sir. So--

DeBOER: One minute.

ERDMAN: --my understanding is we ask LRO to research this. And so it was obvious that, in a special session, the Legislature had decided to place on the ballot an opportunity to collect a sales tax and an income tax. And when the voters heard that they were going to place two more taxes on them, they decided to circulate a petition in '66 to put on the ballot to eliminate property tax. So in a special session, in a special session, they voted to place on the ballot two different forms of taxation. We can do things in a special session, and they've proven that. But back then, they had a lot of intestinal fortitude. Maybe that's why they did the things they did.

McDONNELL: Thank you, Senator Erdman. I do think we have the same desire and the same ability that they did in that special session now 60 years ago.

DeBOER: Time, Senator.

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McDONNELL: Thank you.

DeBOER: Thank you, Senator McDonnell, Senator Erdman. Senator Kauth, you're recognized.

KAUTH: Thank you, Madam President. I'd like to say I love the fact that we are still trying to figure out a way to help Nebraskans citizens. As I go doorknocking, I do talk to people, and I ask them the electricity question. Most of them have no idea that they're paying taxes on their electricity. I didn't until we heard it in the committee. I was shocked. I, I figured that was an essential. We don't tax the essentials. We don't tax those things that you cannot live without. But there it is. So I love the fact that we're still trying. I don't want to lose the ground that we've got with the hard caps. Those are absolutely critical. I support LB34, but I also support AM137. If we move it back, I intend to try a floor amendment to add pop if possible. Not candy. Will, will not poke that bear. But may I ask Senator Wayne a question, please?

DeBOER: Senator Wayne, will you yield?

WAYNE: Yes.

KAUTH: Senator Wayne, if we are able to get more exemptions on your AM137 if we move it back to Select, will any money over the electricity go to property tax relief?

WAYNE: Yeah. It'll go to general funds. So you would have more funds to put into property tax relief, yes. And so right now I believe by year three I have a extra \$12 to \$15 million right now.

KAUTH: OK. Thank you. I appreciate that. Again, we're still here. We're still fighting. We're still trying to get things done. If we can get more-- I agree that this could break the dam on these special interest exemptions. It could be what we need to say, OK. That didn't hurt so bad. Nobody's, you know, dying. Nobody's gotten hurt by this. Let's try more and let's keep adding to our property tax relief fund. So I appreciate the fact that Senator Wayne has introduced this, but I fully support LB34. We will continue working for this. 3% is not nothing. It's not fantastic, but those hard caps will do so much long term to protect the investment people have made in their homes. Thank you.

DeBOER: Thank you, Senator Kauth, Senator Wayne. Senator Erdman, you're recognized. And this is your third opportunity.

ERDMAN: Thank you, Madam President. So as you deal with this issue next year, you'll have to take into consideration there's going to be at least, at least 15 new people. And so it may be more difficult than you think. You know, the, the bill that came out, LB1, when it was first introduced on July 25, that Saturday, I spent a significant amount of time reading through the 144 pages, making notes, copying, pasting my opinions or questions. And then it became LB9. So my staff went through and categorized every section in LB9, what it did. And before they finished, LB9 became AM84. So every one of those opportunities or effort that we put in to understand what the bill was changed before we could do the analysis. So to say that Senator Wayne, his amendment needs more time is inappropriate at this stage of the game. So when we are talking about what we have done and what we are trying to do, tho-- those two things don't line up. We came here to do property tax relief. And Senator DeBoer explained to me that I was incorrect on the 3%. It's 4.5%, she said. Well, it very well could be 4.5% this year. But next year, it'll be less. And the year after that'll be less, and here's the reason why. Because this fund, the LB1107 money, grows \$58 million in the next three years-- this year, next year, and the year after. All right? So property tax is going to go up \$1 billion by then. Maybe more. And so I don't know if the number's 4.5% or 3%, whatever. It doesn't make any difference. It'll still be a decrease in the increase. You can write that down. It's been that way for 57 years, so it'll continue to be that way. A decrease in the increase. So we're going to get a chance to vote. I think cloture on this is, like, 11:15. And, and then we'll, we'll have a vote and we'll see where we go from here. But as we move forward with this property tax relief or so-called property tax relief, the thought comes to mind, what will the Governor do with LB34? I don't know. I haven't heard, haven't seen any information on that. But it's a far cry from getting a total of 40% reduction that he had requested or suggested. So perhaps he will veto LB34, saying you people in the Legislature didn't get the message. 4% or 4.5% or whatever the number is is not sufficient. It doesn't get us the 40%. And I think Senator von Gillern had commented about how much it was going to be compounded. I'm not sure-- I didn't understand the thing he was saying about 20%, 30%, 33%. I was kind of fuzzy in math, but that's OK. I don't understand it, but. The old saying is that if you don't like the way it comes out, just change the figures. So I'm not sure where he drew his conclusions from. Maybe it's modern math. I don't know. But still, the fact remains that--

DeBOER: One minute.

ERDMAN: --we have an opportunity-- and Senator Kauth alluded to that-- we have an opportunity to do more than we're doing, and I think that's what Senator Wayne is trying to bring to our attention. He's saying, hey. Let's not give up. Let's get together. Let's make some movement. Let's see if we can't accomplish something more than we have already put in the Final Reading here today. Thank you.

DeBOER: Thank you, Senator Erdman. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Madam President. I want to take a pause here a little bit. I, I appreciate the discussion that's going-- being happening on the amendment. But something come to my attention on this last week on Friday that I think is, is troubling to me. And it deals with public power. And what public power has done-- we passed a bill in LB1370 last year that restricted nefarious nations from building and, and maintaining an upkeep of equipment within ten miles of military installation from them putting any of those-- any, any equipment whatsoever in there from the time the bill was signed till present or when it went into effect. So let me read a little bit my, my concern here. I want this to be put on the record because, Attorney General, my understanding is, is going to give an opinion on this to the Power Review Board. And I'm very-- I, I guess I would say I'm very disappointed in PPD, LES, MEAD, and NREA. LB1370 in part requires that an energy-generation facility, whether developed by public power or a private developed-- developer being built within a ten-mile radius of a military installation in Nebraska contained no materials, electronics, or other com-- components manufactured by a foreign government or foreign nongovernment person determined to be listed as a foreign adversary against-- pursuant to the definition in federal law, which is in 15 CFR 7.4. It seems very clear that the Legislature, and certainly I and others who worked on this legislation, intended to place the utmost importance on the safety and security of military installations in Nebraska. What I'm hearing is that a couple of the utilities, which I spoke of previously and are now proposing that this prohibition may not apply to replacement, re-- reconstruction, or rebuilding of these facilities. All the developers have to do is to certify to public-- pow-- to the Power Review Board that their facility does not contain foreign-manufactured technology, materials, or components or, or-- this is what they request. That's their negotiation, what they wanted in the, in the amendment-- in the bill-- they certify they are in compliance with the North American Reliability Corporation Critical Infrastructure Pro-- Protector, or CIP. Over the past few years,

there have been growing national security and cybersecurity concerns involving electric generation in other facilities containing technology that was manufactured in China. In March of 2023, the U.S. Senate Energy and Natural Resource Committee held a hearing with members of the Department of Energy and private sector testifying that the unknown amount of Chinese-made grid equipment poses a risk to the energy sector and national security. In December of 2020, the Department of Energy signed an order prohibiting electric utilities who supply critical defense utilities from importing certain equipment from China. The former Secretary of Energy released a statement saying, and I quote, it is imperative we secure the bulk power system against attacks and exploitation by foreign adversaries, end quote. As a Nebraska State Senator, I too am committed to protecting Nebraska in the same way. Last session, you may recall LB1370 contained a prohibition from using technology, materials, or components of public or privately developed energy-generation facilities built within a ten-mile radius-- ten-- of military facilities in the state and required developers to certify the nonuse of the-- their facilities to the Power Review Board. The necessity and intent of this prohibition being out-- ongoing is clear from the testimony in-- at February-- on February 22, 2024 hearing on this prohibition in the form of an amendment to my shell bill, LB120. For instance, in response to Senator Jana Hughes's question, the following was stated. Senator Hughes: It's only for new facilities. Senator Bostelman--

DeBOER: One minute.

BOSTELMAN: --anything that would be planned from here forward. The body has taken the state's security from foreign threats very seriously. Just two years ago, Senators Bors-- Bostar's LB63 prohibited components of this sort in the context of, of communications. This year, in LB1370, the prohibition passed this body with a vote of 4-- 40 to 0, with two members present, not voting. It is extremely important that both public and private and renewable energy facilities recognize that this Legislature intended that the prohibition of technology, components, and materials that pot-- potentially pose a threat should be ongoing throughout the process of building, maintaining, and on-- operating these facilities within ten-mile radius of any military installation in the state. I wanted to be on the record in making that clear for the benefit of both public and private developol-- developers as well as for the residents of the state of Nebraska. I want to repeat again: this am-- the amendment and the language in there was negotiated--

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DeBOER: Time, Senator. Thank you, Senator Bostelman. Senator Brandt, you're recognized.

BRANDT: Question.

DeBOER: There-- 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. Mr. Clerk, please record.

CLERK: 29 ayes, 2 nays [SIC-- 3 nays] to cease debate.

DeBOER: The motion is successful. Senator Wayne, you're recognized to close on your motion.

WAYNE: Thank you, Madam President. Colleagues, this vote is about, are we going to move to taxing wants versus needs? This taxes lottery, taxes charter flights, repair and pool maintenance, dry cleaning, dating services, and lobbyists. That provides also for a local tax. So, like, think about that. Lincoln will have more revenue for all the lobbying, every-- cities, city councils, every city from around wi-- also, when you remove an exemption, have a local tax of \$1.5 million. So right now on the local taxes, they're about \$5 million. So the loss of electricity is not going to hit them like people think. We would also be moving cigarettes from \$0.68 to \$1.20-something, I think \$1.24. We add \$1 to spirits. And vaping would go from 10% to 15%. People say, why do you-- why is this important? It's important because the renter, the person on fixed income are right now not getting any benefits from LB34. We're trying to create some balance. And you can't tell me that energy costs have not gone up, because they have over the last 10 to 15 years while people on fixed income have been relatively the same. It isn't just the 5%, 5.5% from the state. It's also the extra \$1 or \$1.5 at the city level. That's \$0.07 on a need that we are taxing every month. So if I have to pay a little bit more for my Malbec, for my vodka to make sure the person down the street lights don't get shut off-- and you may not think, oh, it's just \$7 on \$100 bill. That's assuming that it's a \$100 bill. That extra \$14 does make a difference if a \$200 bill and you're out a house. If you start adding that up over time, it is significant. If it wasn't significant, then people wouldn't be standing up saying this 3% is significant. And what's interesting is the same people who are saying this LB34 right now is significant will be next year asking for more property tax relief. So either it was significant or it wasn't. We can't have it both ways. This tax that we're trying to eliminate hit, hits all people. We are

shifting it to alcohol, vaping, cigarettes underneath this bill, lottery-- which is gambling-- charter flights, dating services, lobbying, swimming pool cleaning, and dry cleaning. That is a net benefit to many people in my community, many people in your community, many people across the state. I don't believe it's time to go home. And as a small business owner who is a single member of his law firm, being down here is a huge hit. But I signed up for it. I signed up to be down here to deliver on something for Nebraskans. I think we're all trying to do something. But it's the fourth quarter.

DeBOER: One minute.

WAYNE: It's time to call a timeout. Give us the opportunity to run the set play we have to run to score which changes the momentum in the game. And it starts with this vote. If you want to do something for Nebraskans, all of Nebraska, vote green. If you're ready to go up in Troy's bucket and not continue the adventure of Goonies to figure out something bigger and better, then vote red. I would ask for a roll call vote in reverse order.

DeBOER: Thank you, Senator Wayne. There's been a request for a roll call vote. Colleagues, to clarify, the first vote will be the return to Select File. Cler-- Mr. Clerk, please call the roll.

CLERK: Senator Wishart not voting. Senator Wayne voting yes. Senator Walz not voting. Senator von Gillern voting yes. Senator Vargas voting yes. Senator Slama. Senator Sanders voting yes. Senator Riepe voting no. Senator Raybould. Senator Murman voting yes. Senator Moser voting no. Senator Meyer voting no. Senator McKinney. Senator McDonnell voting yes. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan voting yes. Senator Kauth voting yes. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting no. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting yes. Senator Hansen voting no. Senator Halloran voting yes. Senator Fredrickson not voting. Senator Erdman voting yes. Senator Dungan voting no. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting yes. Senator DeBoer not voting. Senator Day not voting. Senator Conrad voting no. Senator Clements voting no. Senator Machaela Cavanaugh voting no. Senator John Cavanaugh voting yes. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar voting yes. Senator Bosn voting yes. Senator Ba-- Senator Blood. Senator Ballard voting yes. Senator Armendariz voting no. Senator Arch voting no.

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Senator Albrecht voting yes. Senator Aguilar voting no. Vote is 19 ayes, 21 nays to return to Select File, Madam President.

DeBOER: The motion is not successful. Mr. Clerk for the next item.

CLERK: Madam President: Senator Machaela Cavanaugh, I have FA97 with a note that you would withdraw.

DeBOER: So ordered.

CLERK: Senator Wayne, I have AM130 with a note that you would withdraw that amendment.

DeBOER: So ordered.

CLERK: In that case, Madam President, Senator Wayne would move to return to Select File for a specific amendment, that being AM141.

DeBOER: Senator Wayne, you're welcome to open on your motion.

WAYNE: Thank you, Madam President. This is a very similar amendment to what you just voted on. But I removed cigarettes for the two people who came up and said they didn't like them. So now the difference in the cost is we are right on the button of what it would cost to remove electricity. The previous amendment, I had a \$15 million cushion by year three. We are right on the button. It is \$60 million, \$62 million, and \$63 million. So we are right on the button of what it would cost. My point is is I'm willing to negotiate and figure out how to do what's best for all Nebraskans. So earlier, I had some media ask me about this email that I intercept. I want to be clear here. It was from the alternative world. There was no email to the Governor from the leadership. It was the matrix. It was a glitch. It was from Zion. If you don't know what that is, you should check out The Matrix. And it was signed Governor Neo. So just to be clear, it was not Governor Jim Pillen who sent this to the leadership. It was just a glitch that we're dealing with the same issue. And he said he was going to veto it because we didn't do our job. So I, I just want to be clear since the media said, could they get a copy of it? And it was not from this Governor. But I, I really greatly appreciate the people of Nebraska listening at home. That was a interesting vote. There were some people who sat on the sideline. I know a couple of my friends are, are out of town in Chicago. I-- there was no way for them to reschedule that, especially when they are the delicate vote for the Nebraska and paperwork is done months in advance for that. But this one does not raise the cigarette tax. I know there's

two no votes on here that hopefully I can swing them over. I won't mention anybody's name, Senator Machaela Cavanaugh. She's been on that cigarette thing from, from day one, so I, I appreciate that. And that's just kind of what I like. I like people who are just going to be honest and transparent about it and keep it moving. And so-- but that's how we negotiate. That's how we figure things out, what's movable and what's not movable. And we haven't done that here. We haven't done that here. We had a huge discussion in my house about tattoos and whether it should be exempt. Huge discussion. We had a huge discussion on hair removal and nails in my, in my house and people I talked to. We haven't had that discussion here. We put up a bill, it's up or down. And this entire process was rushed. I can blame everybody, but at the end of the day, it doesn't matter. We're here. We're here. I started doing some research because when the first plan came out-- or, idea and there was a \$0.02 sales tax increase, everybody went crazy. And I'll be honest, I didn't do my research. I just fell in line with going crazy, saying, no, that's a, that's a nonstarter. Then I started doing research this weekend, going to history of property tax and Nebraska, sales tax around the region. Everywhere. Iowa has a higher sales tax than us. Kansas does. South Dakota does. Colorado doesn't. Their trade-off was marijuana. They lowered it significantly. I recognized I can't win that fight today. We'll be the last state in the union to, to legalize it and they wonder why our taxes-- we don't create as much revenue because everybody else has, has around-- kind of like casinos, right? 80% of Nebraskans live within a half hour of a casino already before we even passed our amendment. Just think about that. So I started doing my research and I'm like, what if we just raise it a quarter? How crazy would that be? It's about \$62, 65 million. Close some exemptions, it bumps up to \$150 million real quick. That's significant dollars. If it's so bad that, all the time that I go to Iowa to visit my family, when I go over there to Council Bluffs because I'm coaching basketball-- if it was so bad, I would consciously think that I cannot stop at Casey's, I cannot stop at QuikTrip, I cannot buy this thing over there because it is a half a cent higher. When I go to Des Moines for tournaments, I can tell you the entire basketball organization does not think that we are not going to buy some things because it is 6% versus 5.5%. I've never had that conversation in the 30 years-- 25 years of coaching basketball when we travel to other states. Hey, let's buy everything here in Nebraska because it's cheaper. And then we're going to transport it with us. I just never had that conversation. So I'm trying to think, who's going to see the difference? A lot of people. Yes, sales tax are regressive. Yeah. But

if you offset that with exemptions that hit the higher income brackets, kind of balances out. But we don't get to have those conversations because we don't want to work. We want to-- we want to adjourn today and go home. You get to go home and go to the supermarket and say, hey. We delivered 3% to 4% new income tax-- or, ta-- property tax break. And for those who get up saying LB1107 front-loading is something we had to do this special session, what would have changed if we did it in January? I guess that's what I'm trying to figure out. If we do it today, what's really going to-- how much significant change is that going to be? Because all the budget cuts we're using to pay for the additional things, those literally could have done-- got, got done by email. In fact, they were done by email. Lee Will just said, we're going to cut-- cut this, cut this, cut this. They could have just saved that and not spent it and you guys could have reappropriated it next year. So what was special about this special session? The tension that you saw on Saturday and the tension that you see on this floor is because there are a lot of us who want to do something special. But we're trying to get in the room to make it happen. And now the room and doors are closed and we can't do anything different. We've seen this fail idea happen so many times down here where it's one way and we get it going and then we find out maybe we should have had other people in the room. Maybe we should have expanded the room. I mean, hell, we could do a Google Doc with a checkbox on-- list all the exemptions you-- is a line in the sand, and we could have just checked them all. That would have been more productive than what we've done right now. Because I have a hard time believing both sides of the aisle are against removing pool and pool-- swimming pool maintenance from the exemption. I just have a hard time believing, except for maybe the pilots who are in here, who would remove the exemption on charter flights. I just have a hard time believing that. I have a hard time believing when it comes to fishing guides-- and I'm one of the most avid fishermen in here-- paying a little tax on that. And guess what? That's going to help rural Nebraska more than it'll help urban. Because there's not a whole lot of fishing guides in Omaha nor Lincoln. Typically, it's going to be your bigger reservoirs in rural Nebraska. Just saying. They'll get also a local tax. I just have a hard time believing we couldn't have a conversation about it and still can't. So here's what I would suggest: pack up. Take a break. Come back after the election. It's real simple. After the election, we come a week after the election so those who are running could take a break. Come back. Three days of bill introduction. Guess what? Go on Thanksgiving

break. Everybody can see everybody's bills. Finish out December strong.

DeBOER: One minute.

WAYNE: Novel idea. Those who lose the election don't give a damn if they vote for something now. Those who win will feel emboldened that they can vote for because they won. Think it's a great idea. Not because I came up with it, because I didn't. Somebody else did. That staff member told me I couldn't use her name on the mic, so I won't. And it wasn't my staff. Thank you, Madam President.

DeBOER: Thank you, Senator Wayne. Senator John Cavanaugh would like to announce a few guests under the balcony: Senator-- or, John and Machaela Cavanaugh's mother and father, John Cavanaugh and Kate Cavanaugh, and Peter Kostmayer. Please stand and be recognized by your Nebraska Legislature. Senator DeKay, you're recognized.

DeKAY: Thank you, Madam President. From the stories I've heard, according to Senator Wayne, there should be at least one more fishing guide out of Omaha. But on a serious note, everyone campaigning from the Governor on down from the class of 2017 until now, we've all heard about reducing taxes or campaigned on tax relief. We talked about it last year. We had LB388 on the floor last session. This special session, we had-- LB1 and LB9 were brought. People opposed each of these bills for various reasons. Some just didn't like them. Some party lines took effect. Some were opposing the Governor. Whatever the reason, they did not succeed. We will be talking about these taxes going forward. We had the opportunity to seriously get something done in the last two years with these three bills. My frustration is that we are waiting till the eleventh hour to pressure the body to do something now when we could have had these conversations during debate and, and did take exemptions serious enough to do something about it then. I do have to say that Senator Erdman, with his tax models over the last eight years, he's been a champion for his tax model. I'm off of that. I am more of a Nebraska safe person. I would like to see taking incremental steps to get to where we want to be on-- at the final day, but-- and to get the tax code that we want to put in place. But we had a chance to do this for the last two, three years. We've talked about it. And now we're waiting till today to make a difference. If we get that difference made, that's great. If we don't, these conversations are going to persist going forward and we're going to deal with it. And I think

we're going to have a positive impact at the end of the day. So thank you, Madam President.

DeBOER: Thank you, Senator DeKay. Senator Ibach, you're recognized.

IBACH: Thank you, Madam President. I stand in support of LB34 and against AM41 [SIC]. I kind of concur with Senator DeKay in that we're kind of waiting till the tenth hour to do something and I feel like we have some real momentum going into next year. If you want to do something really unique-- yesterday morning, we all came in and checked in. And I thought, well, what am I going to do the rest of today? There's always something you can do. But I asked Senator Kauth, what are you doing the rest of today? She said, well, I'm knocking doors. And so I said, can I come with you? And if you want a real unique experience from-- my, my district is very rural. For me to knock doors, sometimes there's several, several miles between those doors. And so I went to Omaha yesterday and knocked on some doors that have a different perspective than I have in rural Nebraska. We had a great time and we had great discussions with folks. And Senator Kauth does a great job engaging and talking about what we're doing in the Legislature right now, what a special session is. And her question is, how do you feel about property taxes? And we had great discussions with folks about what we're proposing in LB34, what it's whittled down to. But it still had support because it was something. And even though-- you know, I-- managing our farm and ranching operation, I really had the perspective that front-loading wasn't going to do me any good because we claim our LB1107 credits every year. Well, Senator von Gillern and I have had great discussions on what the additional income or revenue will do to my LB1107 front-loading this year. Number one, I'm not loaning it to the state for a year. And number two, we will see that relief in December on our statements. So I would encourage any of us to look outside the box. If you're a rural senator, go to an urban district and ask if you can knock doors with one of the senators. I would welcome anybody to come to District 44 if they want to see how many of my rural constituents feel about what we're doing in the Legislature. With that, I do stand in-- and I would also say to Senator Wayne-- we've had some real good, good discussions on this electricity issue. And one of his previous comments was-- today was, Senators, we have an opportunity here to do something. Let's do something. Well, in my opinion, LB34 does not do near enough-- which-- I've talked to the media this week and, and stated that-- but it does something. And-- so I stand in support of LB34. Let's not try the last-ditch itcher-- last-ditch efforts. Let's do what we can and come back next year. And

I'm, I'm really inspired to do a lot more next year. So thank you, Madam President.

DeBOER: Thank you, Senator Ibach. Senator McDonnell, you're recognized.

McDONNELL: Thank you, Madam President. I rise in support of AM141, LB34 as amended or not. Back to the, the discussion with the idea of, of time, where we are today. Some of the side discussions have been, if you-- if, if-- the idea of Senator Wayne and giving someone a dollar back through tax on electricity. It's still a dollar back into their pocket. That's, that's a positive. Now, it's not exactly what we, we came here to do with direct property tax relief, but it's still that dollar back in their pocket. People keep saying that, OK-- and I believe they're, they're sincere and they, they believe this could work is, you regroup next session. Again, we all know what it's like to come in here as a new senator. You regroup. You got for sure 15 new faces, possibly a few more. Who knows? So here they are. They're getting started. They're trying to understand and trying to figure out where they're going to be on some of this-- on these issues. That is not the best time. And, and when I say this-- if you have a special session, you can see what we've done since we've come back from June 25-- or, July 25, where you go-- you come back in January and 90- or 60-day session. I've told citizens this-- I go, we are like kids in school where you say, OK. Here's a book to read and you've got a month to read it. And a lot of us the night before are reading and typing because it's human nature to put things off. Senator Linehan, would you yield to a question?

DeBOER: Senator Linehan, will you yield?

McDONNELL: Yeah. For you.

LINEHAN: Yes.

McDONNELL: In your, in your experience here in the last eight years and your experience in, in Washington, D.C., the idea of having more time, does that, does that always work or does it come down to, hey, a deadline-- a deadline and we have to make a decision to get something done? Can you tell us a little bit about your experience over the eight years and then also in Washington, D.C.?

LINEHAN: Well, in-- I definitely remember in D.C. when I worked staff for Congress, it would run up to-- run up to a break. If it was

Christmas and they were trying to get something done, the leadership would just keep coming in. We were supposed to go home on the 20th, and then it'd be the 21st, and then it's 23rd. And wives are calling and husbands are calling and nobody's happy. And they finally make a deal so they can go home. That is the way it works. I don't know how it works now, but that's how it worked then. Here, I've seen the same thing. You and I were very involved in LB1107. And we got that done at the end. There were complaints this year about-- we got the school choice bill passed at the end. We always do the big things at the end. It's the way Legislatures work. Much like you said, it's like kids cramming for an exam. You do your work when you have to. Thank you.

McDONNELL: Thank you. So I, I don't think it's unusual where we're at. I, I know sometimes it's tiring and frustrating, but we still have the citizens asking us today, do something now. I don't have people saying that, hey. We don't appreciate something. But again, it's, it's not enough. What Senator Wayne's trying to do-- let's say the majority say, OK. Well, we, we oppose Senator Wayne's idea. But what about adding each individual-- now, we got \$6.9 billion of, of sales tax exemptions a year. So approximately 200. Senator Wayne's pulled out a few that I think the majority, if not 40-plus people in here, would agree on on eliminating to put back towards-- if it's not electricity, put back towards property tax relief. Let's have that discussion and get that done to show the citizens that we are going every step possible. We're not leaving anything on the field. We're making sure that we put every precious dollar in their pocket that, that we can--

ARCH: One minute.

McDONNELL: --as we continue this, this special session. Thank you, Mr. President.

ARCH: Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. I really appreciate Senator Erdman handing this sheet out this morning. One thing I did notice, it doesn't have LB775 on here, which I think was in '88 or '89, which should be a-- should be addition. But if you look at number seven: In 1983, the Legislature passed the first sales tax exemptions. LB363 exempted food. LB17 exempted film rentals where there was a charge for admission, water and energy used in raising livestock, custom computer software and training. Legislature also passed LB169, which

gave the authority to the Legislature to set the sales and income tax rates. Prior to 1983, these rates were set by the State Board of Equalization. And I thought, so? I don't remember that from 1983. I ask our Assistant Clerk Brown, who used to set the rates? Prior to 1983, the Board of Equalization consisted of the Governor, Secretary of State, the Auditor, the Treasurer, and the Tax Commissioner. They would decide, not the Legislature. I, I can see why the Legislature took that back-- though, maybe today I wish they hadn't. I know that people don't think LB34 is enough. I don't think it's enough. We brought bigger things. It got whittled down. Then we brought something else, get whittled down even further. But another just more recent history lesson. When we passed LB1107, nobody thought that was enough either because what we thought we passed-- what we actually did pass was, the first year it'd be \$125 million, which was 6%. Kind of close to what we're talking about today. Not quite, but close. And then the next year, it was going to be \$250 million, which would have been about maybe 10%. And then finally, by year five, \$375 billion is 18%. But what happened, the bill was written in such a way that if we had excess revenue over and above the forecast-- well, not above the forecast. I'm sorry-- over and above 3.5%, that money would go to property taxes. So we ended up with \$546 million the second year. That is exactly the same language you would have in LB34. If our revenues are up over 3%, that money will go to property tax relief. So we don't really know sitting here today. We're-- we've got to balance the green sheet-- which, you know, may or may not be off \$1 billion-- to what we're doing here. But we need to get LB34 across the finish line. I am not-- I'm torn between Senator McDonnell and wanting to go home. I, I don't know. I'll make that decision when we get there this afternoon. But this-- three things about this bill-- four things. It does give more relief. So it's going in the right direction. It gives relief to people that aren't claiming it, which is very important. It gets caps so we can stop, slow down. We're not going to stop increases but maybe hopefully slow down increases. And finally, it's just-- it has the potential to provide more if our revenues go up, which I believe they will. So I'm, I'm willing to stay here and-- but I also think, whatever we decide, at the end of today, we need to take pause, whether it's a permanent pause or a recess pause, whatever. We need some time to go home and recoup. Thank you, Mr. President.

ARCH: Senator Hardin, you are recognized to speak.

HARDIN: Thank you, Mr. President. I like Senator Wayne's idea of coming back in November. I think that's a great idea. Clear our

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heads. Shake our heads and have an Etch A Sketch moment. Senator Bostelman, if you would yield to a question. You were speaking to something earlier that warms the cockles of my soul, which is security around military installations. Would you comment a bit more on--

ARCH: Senator Bostelman, will you yield to a question?

BOSTELMAN: Yes, I will.

HARDIN: LB1370, I think, is what you were talking about earlier. Would you mind continuing in that vein?

BOSTELMAN: Well, yes. I would. Specifically, I want to go back to the hearing and part of your testimony at that hearing. And we'll go back-- Senator Hughes asked me: It's only for new facilities, if you will, is what it was she meant. And my reply was, no, it's anything that would be planned from here forward. So Senator Hardin testified at the hearing on this legislation about a multibillion dollar project to replace the Minuteman III nuclear missile system in the Panhandle. Significantly, he, he stated that original estimates are around \$86 billion and most importantly stated that the project involving a new missile system in the Panhandle creates a massive national security issue for the area. He also let us know that ever since the announcement of the projects, there have been a huge increase in the number of renewable projects-- project applications in the area. Stated simply, the United States Air Force has concerns in the fact that about 75% or more of the companies of wind and solar generator projects that come from the same part of the world as a weather balloon from China that was able to float across the United States before finally being shot down in the Atlantic Ocean. It wasn't anything against those facilities. It's just a fact that those facilities are being requested to be built. I believe Sen-- Senator Hardin, was that they do come from China and other nefarious nations. And that's the whole point of what we were talking about, was to make sure none of that material gets back in. I think that was your point as well, to make sure none of that material would be brought in. And I have more information, but if-- that's what I have for right now. Be glad to add to it.

HARDIN: Thank you. And I would yield the rest of my time to Senator Bostelman.

ARCH: Senator Bostelman, 2 minutes, 30.

BOSTELMAN: Thank you. I want to go back and finish what I was talking about. Again, I want to finish the statement I have. This body has taken the state's security from foreign threats very seriously. Just two years ago, Senator Bostar's LB63 prohibited components of this sort in the context of communications. And remember that. That's statewide. That was statewide-- not a specific location, but statewide. This year, in LB1370, the prohibition passed this body with a vote of 40-0, with 2 members present, not voting. You-- majority of that-- a great majority of the body-- 40 said yes to this legislation. It is extremely important that both public and private renewable energy facilities recognize that this Legislature intended that the prohibition of technology, components, and materials that potentially pose a threat should be ongoing throughout the process of building, maintaining, and operating those facilities within ten-mile radius of any military installation that is stated in statute in the state. I want it to be on the record making that very clear for the benefit of both pub-- both the public and private developers as well as for the presence of the state of Nebraska under military officials. Again, I think it's very dis-- disheartening. Senator Brewer and I have tried to deal with public power over the years, and it's-- gets to be very frustrating at times when they tell you one thing and then turn around and, and do something completely different later. Not one, no one--

ARCH: One minute.

BOSTELMAN: --from NPPD, no one from LES, no one from MEAN, no one from NREA came to talk to me about this legislation, about this, this bill, the statutory language, what my intent-- what my intent was, what the committee's intent was, what this body's intent was before they went before the Power Review Board last week. I think that is a great disservice to this body to what we do because now they want to go around what we did and what we state needs to be done, is to make sure-- is to make sure that equipment from the People's Republic of China, including the Hong Kong Special Administrative Region, China; the Republic of Cuba, Cuba; Islamic Republic of Iran, Iran; Democratic People's Republic of, of Korea, North Korea; Russia Federation, Russia; and the Venezuelan po-- politician, Nicolas Maduro-- those are the ones that are--

ARCH: Time, Senator. And you are next in the queue.

BOSTELMAN: Thank you, Mr. Speaker. Those are the ones that are prohibited. And if we're talking about a process that they don't

like, that they have to certify something, well, then we need to bring that to the body next year. And let's, let's, let's fix that. But you need to certify that you are within the CIP, any equipment you have in there, any electronics or others, as far as I'm concerned, anything you put in-- if you put in a new substation, we need to make sure that substation fits within CIP or has none of those-- companies from none of those nations individual involved. If it's a [INAUDIBLE] unit, whatever power plant you put in that that is not in, any transmission lines, any devices on a transmission lines-- because we have them now, they'll tell you where there's an outage, where the break in that transmission line is at. Any of that technology that's out there, we need to make sure that it fits. And this body wants to make sure that it fits within CIP. Now they want to go because of a word and making changes. I think that's very, very telling as to where public power is. And that's something this body needs to take note of for future sessions since I won't be here in those sessions. This bill, this language was negotiated with public power for specific language to keep problematic actors from providing materials within ten miles of a military fil-- facility from the day-- that day forward. Any. Any. So I think I've probably made that very clear. So hopefully the Attorney General's Office is listening. I think the Power Review Board members need to be listening. That is the intent of this body. That is the intent of that statutory language. If public power doesn't like it, then they need to come to this body and ask, what changes-- tell us what changes need to be made. Public power needs to come to, to the, the introducer of the bill and say, hey. We have problems with it. Help us work through this. But they don't. They never do. And I have a problem with that. Last, I want to talk briefly about-- I was on MarketWatch guide just a minute ago. We're talking about-- and I'll shift to electric rates. Two things. Nebraska has the lowest electric rates in the nation-- May 2024 market rate guide just looked online. I've got it online. We are the lowest electric rates in the nation. Second thing I want to talk about is we talked about payfors. I did receive an email from one of my city administrators saying, hey. If you do this, this is going to cost us \$44,000. So this is an E clause. So there's an E clause on this bill, so it takes effect immediately. And we don't have any funds to pay for. So what is that going to mean? My question would be, does that mean the state's going to have to raise taxes in town to recoup the funds that now we're taking away by not-- by exempting electricity? So again, idea I'm not overly opposed to. The payfors, which may or may not cover in a year to three years, we-- are, are yet to be determined. And we know right now that if this E

clause takes effect three days later after the Governor signs it, those-- that tax goes away. So now the tax shifts from your electric bill to a city sales tax. I'm not sure that's what we want to do either. So with that-- that's the information that I have. I really want to get on the mic today. Not to take up any more time than needed on LB120 and LB1317 and what Power Review Board and public power is talking about right now but I think is very critical, critical, as a retired military member, that this is something that we just cannot let happen. Thank you, Mr. President.

ARCH: 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.

ARCH: Senator Brewer, for what purpose do you rise?

BREWER: Roll call vote, regular order.

ARCH: Colleagues, if you would return to your seats. We're on Final. Senator Brewer, as the primary introducer, can choose which to-- regular order or reverse. He has, he ha-- he identified regular order.

BREWER: Well, we'll do a reverse order.

ARCH: Mr. Clerk, please call the roll. The first vote is for cloture. Reverse order.

CLERK: Senator Wishart voting yes. Senator Wayne voting no. Senator Walz voting yes. Senator von Gillern voting yes. Senator Vargas voting yes. 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. Senator McDonnell voting yes. Senator Lowe voting yes. Senator Lippincott voting yes. Senator Linehan voting yes. Senator Kauth voting yes. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt voting no. Senator Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen voting yes. Senator Halloran voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan not voting. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh voting no. Senator John Cavanaugh voting no. Senator Brewer voting

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yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Bosn voting yes. Senator Blood. Senator Ballard voting yes. Senator Armendariz voting yes. Senator Arch voting yes. Senator Albrecht voting yes. Senator Aguilar voting yes. Vote is 39 ayes, 6 nays, Mr. President, to invoke cloture.

ARCH: The motion passes. Next vote is return to Select File. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 15 ayes, 26 nays to return the bill to Select File.

ARCH: The motion to return to Select File was unsuccessful. We'll now proceed to vote on Final Reading. The first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 37 ayes, 6 nays to dispense with the at-large reading.

ARCH: At-large reading is dispensed with. Mr. Clerk.

CLERK: [Read title of LB34]

ARCH: All provisions of law relative to procedure having been complied with, the question is, shall LB34 pass with an emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Bosn, Bostar, Bostelman, Brandt, Brewer, Clements, Conrad, Day, Dover, DeKay, Dorn, Dover, Fredrickson, Hansen, Hardin, Holdcroft, Hughes, Hunt, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Meyer, Moser, Murman, Riepe, Sanders, Slama, Vargas, von Gillern, Walz, Wishart. Voting no: Senators Erdman, Halloran, and Wayne. Not voting: Senators John Cavanaugh, Machaela Cavanaugh, Dungan, Blood, McKinney, and Raybould. Vote is 40 ayes, 3 nays, 3 present, not voting, 3 excused, not voting.

ARCH: LB34 passes with the emergency clause attached. We will now proceed to LB34A.

CLERK: Mr. President, LB34A. First of all, Senator Brewer would move to amend-- return to Select File for an amendment, FA115, that would be to strike the enacting clause.

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ARCH: Senator Brewer, you're recognized to open.

BREWER: Well, I am looking for my LA with FA115. Oh. I will withdraw FA115.

ARCH: Without objection. So ordered.

CLERK: In that case, Mr. President, I have nothing further.

ARCH: Mr. Clerk, please read the bill.

CLERK: [Read LB34A on Final Reading]

ARCH: All provisions of law re-- relative to procedure having been complied with, the question is, shall LB34A pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Bosn, Bostar, Bostelman, Brandt, Brewer, John Cavanaugh, Clements, Conrad, Day, DeBoer, DeKay, Dorn, Dover, Dungan, Fredrickson, Hansen, Hardin, Holdcroft, Hughes, Hunt, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Meyer, Moser, Murman, Riepe, Sanders, Slama, Vargas, von Gillern, Walz, Wishart. Voting no: Senator Erdman. Not voting: Senators Machaela Cavanaugh, Halloran, Wayne, Blood, McKinney, and Raybould. Vote is 42 ayes, 1 nay, 3 present, not voting, 3 excused, not voting.

ARCH: LB34A passes with the emergency clause attached. We will now proceed to LB2e.

CLERK: Mr. President, LB2, Final Reading. First of all, Senator Conrad would move to recommit the bill to the Appropriations Committee.

ARCH: Senator Conrad, you're recognized to open.

CLERK: Senator Conrad, I have a note you'd withdraw that amendment.

CONRAD: That's right.

ARCH: Without objection. So ordered.

CLERK: Senator Clements would move to return the bill to Select File for a specific amendment, that would be FA9. Senator Clements, my understanding you'd withdraw that amendment.

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ARCH: Without objection. So ordered.

CLERK: Senator Clements, I also have FA10, withdraw that as well.

ARCH: Without objection. So ordered.

CLERK: Senator Machaela Cavanaugh, I have FA32 with a note that she would withdraw.

ARCH: Without objection. So ordered.

CLERK: As well as FA42 from Senator Machaela Cavanaugh, FA43 from Senator Machaela Cavanaugh, both withdrawn.

ARCH: Without objection. So ordered.

CLERK: Senator Hunt would move to amend with AM48. I have a note she would withdraw that as well.

ARCH: Without objection. So ordered.

CLERK: In that case, Mr. President, I have nothing further on the bill.

ARCH: Please read the bill. First vote is to dispense with, with reading. All those in favor vote aye; opposed, vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 4 nays to dispense with the at-large reading.

ARCH: The reading is dispensed with. Mr. Clerk.

CLERK: [Read title of LB2]

ARCH: All provisions of law relative to procedure having been complied with, the question is, shall LB2 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Bosn, Bostelman, Brandt, Brewer, Clements, Day, DeKay, Dorn, Dover, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Meyer, Moser, Murman, Riepe, Sanders, Slama, von Gillern. Voting no: Senators Bostar, John Cavanaugh, Machaela Cavanaugh, Conrad, DeBoer, Dungan, Erdman, Fredrickson, Hunt, Vargas, Wayne. Not voting: Senators Walz, Wishart,

Blood, McKinney, and Raybould. Vote is 33 ayes, 11 nays, 2 present, not voting, 3 excused, not voting.

ARCH: LB2e passes with the emergency clause attached. Next bill, Mr. Clerk. We will proceed to LB3.

CLERK: Mr. President, Final Reading, LB3. Senator Conrad would move to recommit the bill to the Appropriations Committee. Senator Conrad, it's my understanding you'd withdraw that motion.

ARCH: Senator Conrad, Senator Wayne has objected to withdraw, so, so you are recognized to open.

CONRAD: Thank you, Mr. President. I'd ask that you vote down this motion as quickly as possible so that we can proceed with final passage of LB3. Thank you.

ARCH: Senator Wayne, you're recognized to speak.

WAYNE: So the reason why I objected is-- thank you, Mr. President. The reason why I objected is, on Final Reading, you, you can't speak unless there's a motion on the board, so-- or a motion. So I, I-- I'm objecting to this motion because I want to talk to people about housing in general. Right now, interest rates are almost 2.5 times higher than they were about six years ago. When the valuations of your home goes up, your insurance goes up because you're a value-- your home value goes up. Electricity bills have gone up over the last 15 years. It is, as Senator Erdman says, a decrease in the increase on property taxes. We are making homes damn near impossible for a first-time homeowner to do something. So what I want to propose in this little thing, this little five minutes I have is-- I was looking at the calendar. And we can take a recess today, come back November 18-- that is a week after the election-- have three days of bill introduction-- that would be-- November 20 would be the third day. And it wouldn't be bill introduction, per se. It would be amendments on current bills because we would continue the same one, have all those drafted so people could see them after the 18th. We would treat it as a bill introduction because we probably have to have some new hearings on them if there's new things. Take a week off because we'll have-- actually, a week and a half because we'll have Thanksgiving the 28th, and we could come back Tuesday the 3rd and figure out if we got any closer than we are today. And if it's not, we adjourn and go home. But at least gives us the opportunity to come up with some amendments, have some conversations. After those amendments are

drafted and looked at carefully, they could actually be read across on bills on amendments to see which ones people have come up with that are legit. And if it doesn't change anything, we're done. But I'm not willing to quit and give up, so I probably will drop a recess motion till November 18th, after-- or, during, depending on after or during discussion of LR2CA, and see what happens from there. I would like to get LR2CA done. I actually have been working with the ag groups over some different languages, and I think I got a pretty good solid constitut-- or, an amendment to the LR2CA that I would like to share once Bill Drafting gets done. It's about the fourth iteration of different language and the concerns that people have brought up. I just feel like we need to do more. And unfortunately-- look, when it comes to distrust in this place, I've probably been burned more than anybody else because I've been the 33rd on too many things. I have senators in this body filing amicus briefs along with the Governor on LB20 for felon voting. Literally. My colleagues are filing an amicus brief just because they didn't like the bill. Not only [INAUDIBLE] they lose in here on a vote, but now we're trying to influence the judicial branch. The Governor who allowed it to go into law didn't veto it but now wants to file an amicus brief to say it's unconstitutional. On LB50, we all saw that song and dance. A issue that was never brought up in negotiations is now before the Supreme Court. Well, it will be before the Supreme Court. I can count-- deferred judgment. That went to the Supreme Court. I have been burned and burned and burned. And if anybody is ready to get out of this body, it is me. But I'm still trying to work. I'm trying to work because I go to Hy-Vee and people talk to me. I go to Bakers and people talk to me. I go to Walmart, I go to Target, I go to the gas station. And I know how this body works. You're going to have 15 new people.

ARCH: One minute.

WAYNE: They're going to been-- spend two years of being told what to do by the lobby and you're not sure what to do. And that second year, guess what? You're back into an election cycle. People are going to be running. So I think after this election, maybe people will have the I-don't-care idea because they lost or be emboldened because they won. But either way, that mentality favors us getting something done. So I don't get to talk during a recess, a motion for a recess, or motion for adjournment, or a motion for sine die. So I'm throwing that out there of why I think it's important to do it because I don't think you understand how much turnover means in this body. People

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pass term limits to get rid of one person. And it's coming back to biting-- it's biting rural more than anywhere else.

ARCH: Time, Senator.

WAYNE: Thank you, Mr. President.

ARCH: Senator McDonnell, you're recognized to speak.

McDONNELL: Thank you, Mr. President. I rise in support of LB3, opposed to the recommit. Having a chance to talk to Senator Wayne under the balcony earlier about the idea of November 18. We have been listening. We have been listening to all the concerns and legitimate concerns of our fellow senators on the floor. There's people that have commitments. There's people that are tired. There's people that are running for reelection. We understand all that. But if you look back on LB1 and LB9 and you start looking at the vote card and how many people were supportive, how many people were totally opposed, how many people were trying to get there, we had a chance there for a moment based on making some changes, which the Revenue Committee worked hard on doing that. We're not as far off of doing something bigger than what we're doing today than we, than we think at times-- I think, again, because of fatigue, frustration. The idea that Senator Wayne's putting out there, it's an opportunity that doesn't risk much. Because of this: we come back on the 18th and we have totally failed. We have totally failed on new ideas, old ideas to get to 33 votes. OK. That's, that's a possibility. The other possibility is we have something that 33-plus people in this room have worked on over the last couple of months coming back on, on November 18th and have an agreement. Now that's-- that, that opportunity is pretty exciting-- not for this group, but for the citizens of Nebraska. But also it's pretty fulfilling for us based on we did not give up. We listened to each other. We took into account trying to learn from some of our mistakes, the idea of, OK. How did we get here on, on July 25, and what did we do prior to that, and what do we do last April on LB388? All those things coming together, I think we're closer than we realize if we have time. And the worst-case scenario is I'm wrong and we're sitting in the same spot we are today. But at least we showed the citizens that we are willing to do the work, which I know all of you are because I see you do it every day. We are willing to listen to each other and them and try to bring something back on the 18th of November that the citizens could say, yes. Thank you. Thank you for working. Thank you for bringing something forward

that is going to help them every day with their lives going forward on true property tax relief. Thank you, Mr. President.

ARCH: Senator Erdman, you are recognized to speak.

ERDMAN: Thank you, Mr. President. I remember very well when we voted on term limits. And then when-- my son was a state senator. On that day when you get sworn in, it's the first day of the Legislature, your family can come on the floor. And I remember visiting with Senator Chambers, and his comment to me was, they did term limits to eliminate me. And he said, by doing that, they've eliminated an opportunity for your son to serve more than eight years. And he said, young people like that that have an understanding of what should be done and how to do it are going to be gone. He was right. I told Senator Halloran, just when you figure out where the bodies are buried, you're termed out. And I say that in regard to the University of Nebraska and their cash funds. I say that to the amount of reserve the Game and Parks has and many other issues that have come about in the last eight years that I've been aware of that I wasn't aware of earlier. And one of the things that probably is the, the-- maybe the thing I might regret more than anything is I didn't spend enough time negotiating, compromising. Because, you see, the Erdman motto is, we may be wrong, but we've seldom been in doubt. That's a problem. It's a problem in some ways. Others, it is a benefit. But there are ideas that have come about in the last eight years that I realize, now looking back, that may have been a situation where we should have made some compromise. But term limits is going to limit all that. And Senator Wayne couldn't emphasize it enough. Those of you going on next year can never imagine how much difference is going to be when we're gone. Not that we're outstanding, it's just that we understand what happens here. And so by the time the new class of '15 or '16 or whatever it is gets up to speed, then the next class is going to be gone. I voted against term limits because I figured if the people in Omaha wanted Ernie Chambers as their senator, they should be able to vote for Ernie Chambers. I still feel that way today. A lot of the things that have happened over the last 20-plus years of term limits is a culmination of not having the institutional knowledge and history to make decisions based on what we've tried before. And as we begin to research what this Legislature used to do-- and Senator McDonnell alluded to the fact on that history that I gave out earlier. Unless you go back and look, you didn't realize or don't understand that the Legislature met every other year until 1975. The state collected all property tax for 100 years and redistributed it. And there are many other things that one discovers when they look at

history. And I believe the reason that you study history is so you don't repeat it. And so for--

ARCH: One minute.

ERDMAN: --57 years, we've been doing the same thing and expect different results. So review history. Look at what we've done. And don't keep doing what we've always done for the last 57 years, because it doesn't work. Thank you.

ARCH: Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. I think Senator Erdman said this-- said everything so eloquently. It's amazing that you probably our first two years wouldn't have had Erdman, Halloran, and Wayne talking and working together. But over time, you get to know people and figure out where they are and you figure out compromise. It sounds like I'm lecturing, but I'm really talking to the Nebraskan people, not necessarily this body. There are a lot of things that I wish I could change and that I missed the opportunity because you all been down here for eight years. One things is termination of parental rights and the lack of rules of evidence. You may say, what does that mean? Well, rules of evidence are passed by us in criminal matters to say we should use the best evidence possible when convicting somebody. That's why you have hearsay and things that aren't allowed because we should use the best evidence possible. That is the theory behind rules of evidence. You steal a piece of Snickers or a candy bar or anything, rules of evidence in your criminal case applies. But when it comes to losing your child in civil-- in juvenile court, rules of evidence don't. You have more procedural safeguards when you steal a piece of candy than you have when you lose your child to the system. I brought that bill once. I should have brought it a lot more. But you could only do so much in eight years. The last 2.5 years was tied up with grants to north and south Omaha and actually the rest of the state. The fact that if you are a stepparent and you want to adopt a child, you can't. That is insane policy. That's just a little bit in my area. Property tax I hear every year, and every year it'll keep coming back. But you're going to have this turn of new people that won't, won't make a difference, I think. So I ask that when this recess motion comes that we give ourselves another chance. As Senator Moser said, hit the reset button and give it one last effort. And if it don't work, it don't work. And if it does, then maybe we could do something. Now some of you will say, well, can't the Legislature call itself back? Well, first of all, there's

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some-- I think that statue is a little constitutional-- maybe some issues. Because nowhere in the constitution does, does it say the Legislature can call itself back for a special session. Second, I tried that with Senator Brewer I think our second or third year-- second year-- on property tax issues. It was property tax. And we couldn't get 30 people to say we want to come back. Secretary of State sends out a letter. You got to send back a certified letter saying you want [INAUDIBLE] underneath the statute. We couldn't get 30. I think we had, like, 24 senators, if I remember right. So I hope we can do better. We get to LR2CA, I'm going to send out an amendment on the floor, see what people think. It's only got, like, a hour left. And we'll still be taxing grandma the same as we do Walmart and Target. That's a tough vote too, politically. Target gets taxed the same as grandma down--

ARCH: One minute.

WAYNE: --the street. And what my amendment will do is it'll add some statutory language around the fact that if the Legislature lowers the tax burden in any of these classes, it can't shift the tax burden to the other class. So that means businesses, you're stuck at 95% of the market value to 100%. Ag, you're stuck at 75%. We can go lower, but we can't shift it to you-- which is ironic because there's court cases that already say that. But people like to read things instead of trusting the case law, so we'll add it. So maybe we can have a honest conversation around that later. But at the end of the day, I think people just want to go home and tax grandma's house no different than Target. Good policy. Thank you, Ms.-- Mr. President.

ARCH: Senator Conrad, you are recognized to speak. Senator Conrad waives close. Senator Conrad, you are welcome to close on your motion. Senator Conrad waives close. Colleagues, the question before the body is the motion to recommit to committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 7 ayes, 38 nays to recommit the bill.

ARCH: The motion is not successful. Mr. Clerk.

CLERK: Mr. President, Final Reading, FA-- Senator Clements, I have FA13 and FA14, both with notes that you would withdraw.

ARCH: So ordered.

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CLERK: Senator Machaela Cavanaugh, I have FA41, FA45, and FA44, all with notes that you would withdraw those.

ARCH: So ordered.

CLERK: In that case, Mr. President, I have nothing further on the bill.

ARCH: The first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 38 ayes, 5 nays to dispense with the at-large reading, Mr. President.

ARCH: The motion is successful. Mr. Clerk, please read the title.

CLERK: [Read title of LB3]

ARCH: All provisions of law relative to procedure having been complied with, the question is, shall LB3 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Bosn, Bostar, Bostelman, Brandt, Brewer, Clements, Day, DeBoer, DeKay, Dorn, Dover, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Meyer, Moser, Murman, Riepe, Sanders, Slama, Vargas, von Gillern, Wishart. Voting no: Senators Cavanaugh, Cavanaugh, Conrad, Dungan, Erdman, Fredrickson, Halloran, Hunt, Wayne. Not voting: Senators Walz, Blood, McKinney, and Raybould. Vote is 36 ayes, 9 nays, 1 present, not voting, 3 excused, not voting, Mr. President.

ARCH: LB3 passes with the emergency clause attached. While the Legislature's in session and capable of transacting business, I propose to sign and do hereby sign LB34, LB34A, LB2, and LB3. Mr. Clerk.

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

ARCH: You've heard the motion. All those in favor say aye. All those opposed, nay. We are recessed.

[RECESS]

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DeBOER: 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, Madam President.

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

CLERK: I do, Madam President. Bills read this morning were presented to the Governor at 11:58. That's all I have at this time.

DeBOER: Thank you, Mr. Clerk. We will proceed to the first item on today's-- on this afternoon's agenda. Mr. Clerk. Mr. Clerk, we'll move to Final Reading. Members, you should return to your seats in preparation for Final Reading.

CLERK: Madam President, legislati-- engross LB4. As it concerns LB4: Senator Conrad, I have FA72 and FA73 both with notes that she would withdraw.

DeBOER: So ordered. Members, this is Final Reading. Please return to your seats. Mr. Clerk. The first bill is LB4.

CLERK: [Read LB4 on Final Reading]

DeBOER: All provisions of law relative to procedure having been complied with, the question is, shall LB4 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Armendariz, Bosn, Bostar, Bostelman, Brandt, Brewer, Cavanaugh, Cavanaugh, Clements, Connor, Day, DeBoer, Dorn, Dover, Dungan, Fredrickson, Hansen, Hardin, Holdcroft, Hughes, Hunt, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Meyer, Moser, Murman, Riepe, Sanders, Vargas, von Giller-- von Gillern, Walz, Wishart. Voting no: Senators Erdman, Halloran, Slama. Not voting: Senators DeKay, Ballard, Blood, McKinney, Raybould, and Wayne. DeKay voting yes. Senator DeKay voting yes. Vote is 41 ayes, 3 nays, 5 excused, not voting, Madam President.

DeBOER: LB4 does pass with the emergency clause attached. Next item, Mr. Clerk.

CLERK: Madam President, priority motion: Senator Lowe would move to adjourn the body sine die.

DeBOER: Speaker Arch, as the only one who can speak to this motion, you are recognized.

ARCH: Members, at the beginning of this session, I think as we started the process here, I indicated that my intention was to schedule the Revenue Committee package bills and the trailing appropriation bills. It was later in the session Senator Linehan informed me that LR2CA was part of that. She considered that part of the Revenue Committee's proposal. And for that, I personally will be voting no on this adjournment at this point. It is-- I do believe we should complete the Select File debate on this measure before considering any further motions. Thank you, Madam President.

DeBOER: Thank you, Speaker Arch. The question for the body is, shall we adjourn sine die? All those in favor--

CLERK: This will take more green votes than red votes.

DeBOER: This will take more green votes than red votes. All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call ro-- vote. Mr. Clerk, please call the roll.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard. Senator Blood. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting yes. Senator Brandt voting no. Senator Brewer voting no. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad not voting. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting no. Senator Dover voting no. Senator Dungan not voting. Senator Erdman voting no. Senator Fredrickson not voting. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting no. Senator McKinney. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting no. Senator Raybould. Senator Riepe voting no. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting no. Senator von Gillern voting yes. Senator Walz not voting. Senator

Wayne voting no. Senator Wishart voting no. Vote is 14 ayes, 25 nays to adjourn sine die, Madam President.

DeBOER: The motion is not successful. Mr. Clerk.

CLERK: Madam President, Select File, LR2CA. Senator-- Senator Jacobson would move to amend the bill with FA175.

DeBOER: Senator Jacobson, you are welcome to open on your motion.

JACOBSON: Thank you, Madam President. I believe we have 56 minutes until cloture. I do intend to run the full 56 minutes with the, with the amendments that I have scheduled. I made it-- expressed it before that I oppose this LR. I oppose it because we're too close to the election to put it on the ballot this year. And furthermore, I believe there's not 40 votes here in the body to pass the, the LR CA. So therefore, if it doesn't reach the 40-vote threshold, it would have to reach 30 votes and then it would be put on the ballot in 2026. We do have the One Hundred Eighth [SIC] Legislative Session coming up next year for the next two years. And at that time, we will be talking about property tax relief, real property tax relief, and actually accomplishing more than what we got done this session by using some of the work that was done this session to set up the framework. We've had a lot of discussion about things that can be used as revenue sources. Senator Wayne brought a lot of ideas on, on Select File and on Final Reading. It's unfortunate that he didn't bring those when we had robust discussion on all of those items on General File when that's when it generally gets-- takes place. But instead, on General File, we really did spend a lot of time just filibustering the bill. I get that. That's part of the process. I didn't like it. I was hoping that we would have had genuine deb-- debate then. But we did have enough debate on the issues, I think, when we came back on Select to understand some of the concerns that people had. I'm absolutely convinced that we'll be able to bring back many of those items that aren't controversial to the body and be able to pass those next year and provide additional funding for property tax relief. So this summer, I think this special session was productive as it reletes-- relates to that piece. As it relates to the specific LR CA, my concern comes because now we're starting to pick winners and losers. OK? This is something that-- what we're looking at. I've not seen any modeling on this. OK? What we're saying is-- I get it. We're going to put this on the ballot so that we can allow the voters to decide if we want to set owner-occupied residential real estate at a different rate than 100%. So what does

that mean? Well, what that means is that we want the Legislature to think about lowering that percentage to a lower number. So now let's go into some of the basics of how this works and where my concerns lie. Remember that property taxes are only assessed by local political subdivisions. So because they are the ones who set their budgets-- which is going to determine how many taxes are being charged to you as a property taxpayer-- the way we get to that number is we take the property tax base and divide it into-- and we calculate that against the property tax ask. And we come up with the mill levy. So the mill levy times the base will produce the taxes that we're trying to generate for the political subdivisions. So if you start lowering the base-- which is what you would do-- if you lower residential values-- to, say, 85%, then you're going to lower the base. And then if you leave the-- where it's at, that politic-- the political subdivisions are going to generate less than what they are asking for in their budget within the caps that we set in place in LB34. So how do they make up that gap? Well, I'll tell you how they do. They shift it to the other classes of real estate. That's just a tax shift. It's done absolutely nothing to lower property taxes. And now we're picking winners and losers. We're going to shift it from one to another. I think what we need to be doing instead is talking about real property tax relief for everyone. And that's what we intend to do next session, is lower pers-- lower property taxes for all taxpayers, not trying to split it between the classes. So that's my fundamental reason for being opposed to this LR CA, is that very piece. I'm going to give you an example. We've also talked a lot in this session about we're doing nothing for renters. Well, I beg to differ to some extent, but I would tell you that if you lower the assessed value for owner-occupied real estate, one of the losers will be those who own rental properties. I'll give you an example. My wife and her two brothers formed an LLC and they purchased a duplex in Wilber. The reason they purchased it is because my mother-in-law lives in Wilber, moved in that duplex after her husband passed away. And after leaving the farm, moved into Wilber, moved into a new duplex. The owner of the duplex passed away, so the children wanted to sell it. There was no place for her to live in Wilber, so the family decided to purchase the duplex and rent, rent her one half and rent the other half to another tenant. Now, for what it's worth, that's Senator Brandt's district. And also for what it's worth, Senator Brandt is my mother-in-law's favorite senator, OK? Now, that could change here because this LR could cause us to have to increase her rent. Just so you know, Senator Brandt. And then you're out. OK? You're out at that point. Just so you know. I just want to point that

out. But again, I think about how we go about setting the rent. Now, yes, we do take into consideration my mother-in-law's rent based upon the fact that raising her rent before Thanksgiving or Christmas is a bad idea. OK. We, we got that. So we're careful about that piece. All right? But we did have to raise her rent-- I, I didn't. I want to make it very clear. That would be my wife and her two brothers. So just-- you know. Mom, it wasn't me that raised the rent. It was your kids. OK. Just so we're clear. But how do we go about setting the rent? Well, here's what we did. We put up 40% of the cash and we borrowed the difference. And we did it in an LLC. How we set the rent was we figured out what's our principal payment, our interest payment, what's our real estate taxes, and what's our insurance costs, and what are our maintenance costs. And we divided that by the two owners-- or, the two tenants. And we set the rent-- monthly rent based upon that. So th--we're getting no return on our 40%, but they're paying enough rent to pay the 60% and our costs. So why are we talking about raising rent? Well, I can tell you why. Because our property taxes went up. Our property taxes went up, our insurance went up. And that combination has caused us to have to raise the rent. Now, have we raised it as much as we could? Well, I can tell you that in Wilber there's not many vacancies in Wilber. In fact, we were concerned whether there was any place for my mother-in-law to live, which was the motivation for buying it to begin with. So those that say that landlords are going to just get all they can get, I'm convinced we could go back and charge another couple hundred bucks a month and we'd get it. But we're not doing that. What we're doing is we're saying we want to be able to get our costs back and we're willing to donate the 40% equity with no return, with that return coming from appreciation in the unit itself. OK? So that's how it gets set. However, since she is a tenant and the neighbor is a tenant and it's owned in an LLC, it's not owner occupied. So therefore, all the owner-occupied properties in the political subdivisions in Wilber--

ARCH: One minute.

JACOBSON: --the school district and so on-- they would see their valuations come down, which means the total value of the base would go down, which means for those political subdivisions to get the same amount of revenue, they would have to raise their mill levy. That would raise the mill levy on our property, which is not getting this good-guy deal, and we'd have to raise the rents accordingly. That's my problem with this LR. That's why I'm not in favor of it. I think

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we need to look at real property tax relief for all taxpayers, not pick winners and losers. Thank you, Mr. President.

ARCH: While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB4. Senator Wayne, you are recognized to speak. Mr.-- oh-- excuse me. Mr. Clerk.

CLERK: Mr. President, Senator Slama would move to amend with FA197.

ARCH: Senator Slama, you're welcome to open.

SLAMA: Thank you, Mr. President. Good afternoon, colleagues. I, I could make a joke about my dream of raising rent on my mother-in-law someday, but since she may be watching and I also need her to babysit Win this weekend, I won't say anything, but wow. I, I'm just not even going to unpack anything of what Jacobson referred to there. When I think about LR2CA, I'm reminded of the common saying, the path to hell is paved with good intentions. And I think there's every good intention in the wor-- intention in the world with LR2CA. I think it's targeted towards a problem that those who support this bill would like to address with genuinely good intentions. I think there's very clearly some unintended consequences that come along with it. We'll work through those later on. But first, I want to just walk everyone through the procedure and where we're at because we are in a really weird wrinkle with vote thresholds and CAs and the elections. So just to touch on what Senator Jacobson referred to: LR2CA needs 40 votes to pass today-- to pass on Final Reading with the special election language. If it fails to get 40 votes on Final Reading but gets 30 votes-- so if it gets between 30 and 39 votes, that special election language is struck. But that's where we fall into what I think is a real problematic procedural black hole in which we don't have any real clear precedent on because with just 30 to 39 votes, the language indicates that this issue should be on the ballot in the next general election-- not the next general election for which it's eligible, just the next general election. If we as a Legislature do not happen to get this on the ballot in this current election, I have serious questions about whether or not we are unconstitutionally binding a future Legislature to our passage of LR2CA and if LR2CA could even go on the 2026 ballot. We don't have any final word. We don't have any case law that we can point to. We have some vague AG's Opinions. But my take is the plain reading of the language associated with the timing of this would indicate that it's in a procedural black hole. LR2CA intends to carve out owner-occupied housing with the intention of separating that from commercial to I would assume

eventually one day lower the valuations on that so we can provide tax relief to those taxpayers. That on its own-- like, as a standalone concept-- I think is an all right idea. But it's the what comes next that I have real questions about. So my own rural district has a high level of owner-occupied housing. We don't have much for commercial, so you've got really just a split of a residential housing, overwhelmingly owner-occupied housing, and ag. Here's the problem: you start lowering valuations on owner-occupied housing, you're going to have a revenue shortfall. Since this is just a tax shift, that's going to fall on your only other taxable land, which, in my district, is ag land. So again, with the best intentions in the world, I think, LR2CA is giving the Legislature a tool on its toolbox to shift taxes. And I'm sure we'll have a very spirited debate on this today. But at the end of the day, like, the money has to come from somewhere. I know that there's an amendment floating around that says that the state will cover the costs of any tax shifts. That procedurally is suspect as well because I think it violates the single-subject rule pretty clearly. And plus, you have no idea what that's going to end up costing in the long term. There's no way to put a fiscal note on that. I know the courts give us a very wide berth when it comes to deciding what single subject-- what works under single subject and what doesn't, but they are pickier when it comes to CAs. And adding the payfor amendment language that's been floated around I think very clearly violates the single-subject rule and would be-- would keep LR2CA from the ballot of whatever election it was eligible for. There's also an issue that we've pointed to during this debate, that commercial hasn't spiked in taxes paid because valuations on commercial-- because unlike ag and personal property-- again, this is due to demand-- hasn't spiked. So you don't see millionaire activists investors coming in and buying up commercial property. That's because the demand's not there. You don't see millionaires coming up and buying office space because so many companies, businesses, they're work from home. Like, the demand's just not there like it is for housing like it is for ag land. And why we've seen the spike in valuations in housing and ag land is market demands and a lot of artificially inflated market demands for millionaires coming in and trying to outbid each other by acre on farmland and buying up houses that they can rent out. Another issue I see with LR2CA carving out owner-occupied residential is the concept that a lot of farms do have their farmsteads. They have their operations held under LLCs. And if you're a farmer who thinks that at the very least you'll be able to get your residence carved out here-- if your house is owned by the LLC, I think it's a real question as to whether or not that would be

considered commercial or residential. Again, like, we're playing in gray areas with LR2CA where I think everybody involved has the best intentions. Like, everybody wants to take on the large corporations in order to assure that the little, old lady can afford her house. We all agree that's an issue. I just don't think LR2CA is the proper mechanism-- mechanism to address that issue. So I think I've pretty well outlined my own concerns about this and have successfully avoided joking about raising rent on my mother-in-law. I love you, Kathy [PHONETIC]. Please watch Win this weekend. And that's all I have to say about that. Thank you, Madam President.

DeBOER: Thank you, Senator Slama. Senator Wayne, you're recognized.

WAYNE: Thank you, Madam President. But first, let me be clear. If my mother-in-law or my mother needed a place to stay, I wouldn't charge them anything. Period. Second, we talk about picking winners and losers. Clearly, the financial institutions have been chosen as a winner because they pay 1.84% of their corporate income. So when Senator Jacobson gets up, talks about winners and losers, going into next year, how about he stand up and pay his fair share as a corporation? See, here's the problem-- here's the problem I want to be clear about. When it comes to property taxes, businesses get to write it off. Grandma doesn't. Grandma pays it and that's what she has to deal with. She doesn't get to write it off like a corporation. But let's be clear. If we're going to have a conversation and we're going to insult people, then let's have a real conversation about financial institutions being the winner when you're talking about picking winners and losers because on average they pay about 1.84% of their corporate income. Think about the big banks that are in your community, you represent not paying their fair share. So let's deal with that this special session. Senator Brandt handed out housing, owner occupied. I would tell you to look at that sheet. Look carefully at that sheet. We're talking about being able to have a tool in the toolbox to give homeowners a different tax. Now, here's the deal. I have an amendment that is up there working because I have literally been working all weekend with the ag groups sharing different ideas. And I have one that I hope Micah, who-- we need to take a, a basket and pass it around for him. We need to definitely give a basket, pass it around. He needs to be able to go out, have some dinner on us, and a couple other things on us because he's worked day and night and the weekends helping us. But what this amendment will do, it's really simple and it should be done in ten minutes. It strikes the word "and proportionate--" the words-- in the first section. It changes the language for Senator Brandt's section.

It clearly puts three classes: owner-occupied residential, nonowner occupied residential, and commercial. But here's the kicker of what everybody's talking about is their problem. What it says in the last section that I'm going to add: And/or before January 1, 2025, if the Legislature reduces valuations of a separation of [INAUDIBLE] class and property for the purposes of taxation from the current valuations-- that means ag, you stay where you are; businesses, you stay at 95%. That's your current valuation-- said ag reduction-- said reduction-- not ag reduction-- said reduction of valuation shall not result in an increased property tax burden of any other class. What that solves is this whole idea that we're going to shift it to commercial. I solved that issue in the constitution. It's not a problem according to the last Supreme Court ruling on what can be on a constitution as far as a broad interpretation, nor does it solve-- nor does it run afoul to the narrow interpretation of one subject matter. We are talking about classifications of property tax. But here's what I'm going to tell people who are running for elections today. Explain to your constituents why SouthPointe, Scheels, Target, is taxed at the same rate when it comes to property tax as Grandma Mary, as Grandma Bohanon [PHONETIC], Grandma Wayne, Grandma Brandt. Why is their home taxed at the same percentage as SouthPointe Mall here in Lincoln? Westroads Mall in Omaha?

DeBOER: One minute.

WAYNE: Oakview Mall in Omaha? Your big commercial industries. Your manufacturing industries. Why are they taxed the same? I'm not saying we have to lower the tax today, but allow the people to decide if we should have an option in this Legislature. So when you get that mailer that says SouthPointe Mall is tax the same as your owner-occupied home, explain that. Because see, what I'm doing with this amendment is saying that if we reduce corporation-- which I don't know why we would-- the Legislature has to pay for it because it can't have any increased tax benef-- costs. If we reduced ag below 75%, state has to pay for it. They don't have to. But you tell me a good policy reason why Grandma Bohanon, my grandmother, on 33rd and Lafayette is--

DeBOER: Time.

WAYNE: --paying the same as Walmart.

DeBOER: Time, Senator.

WAYNE: Thank you, Madam President.

DeBOER: Thank you, Senator Wayne. Senator Linehan, you're recognized.

LINEHAN: We pick winners and losers every day here. That's what we do. We decide what we're going to appropriate money for and what we're not going to appropriate money for. We do it every day. We decide what we're going to tax and what we're not going to tax. We do it every day. I am actually embarrassed that we've come to this point and somehow we left homeowners behind. The page is passing out something right now of what first property tax credit looked like when we got here-- or, some of us got here-- in '18, '19. It was at \$224 million. And you can see it's going up every year. And then finally we get down to 29, 30, the minimum amount from the prior tax year plus 1% increase over last year. And all real property tax across the state is determined by Department of Revenue. It's on a-- it's on a roll going uphill. Then if you turn over, we can see we do the same thing with the second property tax credit, the one that we're trying to get front-loaded-- or, well, we did front-load it this morning. All this money was set aside for property tax cuts, which Treasurer Briese and I worked along with Governor Ricketts and others to get property tax so we could reduce our income taxes from 7.81% for corporate, top individuals, 6.84%, down to 3.99% by the end of 2028. That's what we did. We've done a lot of property tax stuff. We've done a lot of tax cutting. But somehow-- and I'll have to admit, maybe it's because I wasn't listening enough to the realtors because they are the one lobbying group that came in for this. Habitat for Humanity is now also lobbying for this. We left homeowners out. I handed out earlier a sheet that's back and front. It shows what every state does when it comes to residential and ag and commercial in evaluations. There are only two states on here-- two-- that have residential higher than ag. Two. Wyoming residential's at 12, ag's at 10. Missouri residential's at 19, ag's at 12. It-- I can't believe this is even hard. And I understand that maybe we need to address renters and that's what Senator Wayne's doing, and that's fine. But if we-- we as a body, especially my class, here the whole time, all we've done on taxes, but we left out residential? When I knew this was really brought to my attention was during the hearing on LB9, when we had the State Chamber come in and wave around this chart, which I won't clutter your desk with. They said, oh, Colorado and Nebraska are kind of alike when it comes to property taxes. I'm sitting there going, that's not true. Well, they're alike in this sense. Out of all the taxes collected in Colorado, 32.3% come from property taxes. And in Nebraska, it's

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34.2%. But guess what? As Senator Wayne handed out last week, multifamily housing in Colorado-- multifamily housing-- is valued at 6.8% of its total value, minus \$55,000. All other residential property's at 6.95%. Plus you take \$55,000 off. Motels, hotels, 29%. Agriculture, 26%. Commercial, 29%. So don't, don't come in and tell the Revenue Committee we're a lot like Colorado--

DeBOER: One minute.

LINEHAN: --by how much total we take in in property taxes and hide the ball on what actually happens in Colorado. I have-- and I'm happy-- I mean, pleased, whatever-- that we've managed to do so much on taxes. But doing all of that and leaving homeowners at the mercy of the tax collector is not OK. I looked at-- I just went to Lancaster assessor yesterday and looked up the name Smith and found a house-- or, a piece of property that was worth around \$300,000. So I found one \$334,000. In 2019, this home-- which sits on three acres with a barn-- was worth \$220,700. I, I looked at the picture. There really wasn't a picture of a house. It was just kind of a gravel driveway through some trees. I don't, I don't know how we can do this to people and not think we got to take some action.

DeBOER: Time, Senator.

LINEHAN: This person-- thank you.

DeBOER: Thank you, Senator Linehan. Senator Brandt, you're recognized.

BRANDT: Question.

DeBOER: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor say aye-- vote aye; all those opposed vote nay. There's been a request to put 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: 18 ayes, 2 nays to place the house under call.

DeBOER: 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 Lowe, please return to the Chamber. Senator Conrad, please check in. All unexcused

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senators have now returned to the Chamber. The question before the body is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, 12 nays to cease debate.

DeBOER: Debate does cease. Senator Slama, you are recognized to close on FA179.

SLAMA: Thank you, Madam President. And I have a reconsider already filed, so we're going to be stuck on this one for a hot second. And I think it's really important that we take a minute to actually consider procedurally. And I know sometimes I make constitutionality arguments that I-- it could go 50/50 either way. But here I think we're very clearly falling into a black hole where if this gets 30 votes-- I mean, there's been no vote in which it's even gotten within spitting distance of 40 votes to go on this next general election's ballot-- to where if we're in that space of 30 to 39 votes on Final Reading, we're now unconstitutionally binding the One Hundred Ninth Legislature to put something on the ballot for the 2026 elections. Us as the One Hundred Eighth Legislature, I do not believe we can do that. And I think the statutory language saying next general election is very clear, not the next general election for which it's eligible. We can just give CAs-- we can just put CAs eligible for approval by the voters on the ballot for the next general election, not the next general election for which it's eligible. 2024, not 2026. However, without the LBs that were introduced this session passing, we've already missed the deadline for CAs to be put on the ballot for the 2024 cycle. So procedurally, even if you get 30 to 39 votes, I don't even think this is going to be on the '26 ballot because we do not have the authority to bind the One Hundred Ninth Legislature to put something on the 2026 ballot. I mean, if somebody wants to argue that point with me, they can, but it's in black and white. So unless this gets 40 votes, it's not going anywhere. And we can navel-gaze all day about it, but it's not going to move. And, and, I mean, there's a genuine debate about do we carve out owner-occupied housing from commercial-- when we say it's not that difficult, it actually is. Given the special session, given the timing, given the statutory language, given the One Hundred Eighth Legislature's authority to amend the constitution or put proposals to voters, yes, it is actually that complicated. And to simplify it by saying that it isn't or saying that this does nothing, it's not an honest approach to what is actually happening here. If it does nothing, why are we pushing it? So I'm, I'm going to help Senator Jacobson take time. And I think

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I'll yield him the remainder of my closing if he would like it just because I always know he has something to say.

DeBOER: Senator Jacobson, you're yielded 2 minutes, 5 seconds.

JACOBSON: Thank you, Madam Chairman. And thank you, Senator Slama. Well, let's be clear that we all want to provide property tax relief. I think that's very clear. Let's also be clear that when we start talking about grandma's house and we start talking about commercial properties, we're talking apples and oranges. OK? We do a lot of work. This Legislature and this Revenue Committee over the years has passed a number of incentives: the ImagiNE Act, the Advantage Act, all of these acts to provide incentives to bring corporate companies to Nebraska who will create good-paying jobs, pay property taxes, pay income taxes, pay personal property taxes, and grow our state. And now what we want to do is shift more taxes to them and net out some of those incentives because we want to pretend like we're going to give a break--

DeBOER: One minute.

JACOBSON: --to one to four family-- or, residential, owner occupied. This issue needs more discussion, needs more debate. We've got plenty of time to do it. There are not 40 votes in this, in this body to push this to the ballot. Let's work this in the next legislative session in concert with a number of other issues that we're going to talk about in terms of being able to bring true property tax relief to all Nebraskans without taking away the incentives for corporate-- companies to move to Nebraska and create good-paying jobs and pay more taxes and grow our economy. We're missing the boat here. We're not looking at the big picture. We're working off of emotions rather than working on reality. Shifting taxes is not the way to do it among the group.

DeBOER: Time, Senator.

JACOBSON: Thank you, Madam Chairman.

DeBOER: Thank you, Senator Slama and Senator Jacobson. The question is the adoption of FA179. All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote in reverse order. Mr. Clerk, please call the roll.

CLERK: Senator Wishart not voting. Senator Wayne voting no. Senator Walz not voting. Senator von Gillern voting yes. Senator Vargas

voting no. Senator Slama not voting. Senator Sanders not voting. Senator Riepe voting yes. Senator Raybould. Senator Murman not voting. Senator Moser voting yes. Senator Meyer voting yes. Senator McKinney. Senator McDonnell voting no. Senator Lowe voting yes. 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 no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson not voting. Senator Erdman voting no. Senator Dungan voting no. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting yes. Senator DeBoer voting no. Senator Day voting no. Senator Conrad not voting. Senator Clements voting no. Senator Machaela Cavanaugh. Senator John Cavanaugh voting no. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman not voting. Senator Bostar voting no. Senator Bosn not voting. Senator Blood. Senator Ballard.

WAYNE: Point of order.

DeBOER: We will finish the vote and then we'll deal with your issue, Senator Wayne.

CLERK: Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 9 ayes, 27 nays, Madam President to-- on FA179.

DeBOER: The amendment is not successful. I raise the call. Senator Wayne, please approach. Mr. Clerk for a priority motion.

CLERK: Madam President, Senator Slama would move to reconsider the vote just taken on FA179.

DeBOER: Senator Slama, you're welcome to open on your motion.

SLAMA: Thank you, Ms. President. Good afternoon again, colleagues. Again, if this is my last time on the mic and it happens to be on a filibuster, it kind of fits. But I made the motion to reconsider. And I get there have been times when I have pointed to constitutional issues and people have shrugged. So I've had to go, like, get an AG involved and-- like, that's one of those where it's like, I'll go get my manager. So if you don't buy the "we're in a weird procedural gray area where the Legislature can't actually bind the One Hundred Ninth Legislature to put something on the 2026 ballot," don't take my word for it. Take Attorney General Jon Bruning's word for it. So I won't

be able to get through this whole thing before cloture. But Attorney General's Opinion-- and I'll start from the beginning. Attorney General's Opinion, dated February 4, 2010, found that-- this is on page 7 of that Attorney General's Opinion. And I quote: It is our view that the language of Article XVI, Section 1 implicitly mean-- implicitly means that, in important or urgent situations, a 4/5 majority of the Legislature may submit a constitutional amendment to the electors of Nebraska more quickly than under the usual circumstances. Therefore, since the Legislature acts under a, a limited, delegated authority when it proposes constitutional amendments, and that authority must be strictly construed, we believe that Article XI, Section 1 authorizes-- and this is where I think they have a typo because it's actually Article XVI, not Article XI. They just forgot the V-- authorizes 4/5 of the members of the Legislature to submit a constitutional amendment to the people at a special election before the next general election. We do not believe that it authorizes the Legislature to submit such an amendment to the people in the future or after the next general election. On that basis, we conclude that LR1CA and LR5CA are beyond the constitutional authority of the Legislature, and absent such authority, should not be placed on the ballot for the 2010 general election. So the background with this one is-- and it's not quite on point with what we're dealing with here, but I think that language of the Legislature cannot put CAs on the ballot after the next general election is very helpful. This one was aiming to get the 40-vote threshold to put the special election after the next general elec-- election. Bruning outlines that the Legislature's authority to date things to vote by a 4/5 majority to put an urgent issue on the ballot for a special election extends only to placing items on the ballot before the next general election. Now, this is as close as a precedent or an opinion as we can get here, but I think it translates pretty well to this occasion in which the Legislature knows it cannot get to the 4/5 majority to put it on the ballot for this general election. So we're stuck in an area where it will, if it does pass-- which I don't think it has the votes for cloture-- if it gets between 30 to 39 votes on Final Reading, the soonest it could technically come up is the 2026 election. However, we as the One Hundred Eighth Legislature do not have the authority to bind-- and some of you will be here next year as the One Hundred Ninth Legislature. We do not have the authority as the One Hundred Eighth Legislature to bind you to put something on the ballot for the 2026 elections. Now, I'm just going to take a little bit more time and read out this AG's Opinion in full because I could yield my time to Jacobson, but I don't know if he's going to

talk about raising rent on his mother-in-law again. Oh, Senator Jacobson would like time, so I'm going to yield him the remainder of my opening.

DeBOER: Senator Jacobson, you're yielded 5 minutes, 40 seconds.

JACOBSON: Thank you, Madam President. Well, I'd like-- and thank you, Senator Slama, for yielding time. I really appreciate that. Well, I want to talk about a couple other issues that go along with this as we start looking at dealing with LR2CA and some of the-- what I think are problems that complicate this. I've heard a lot of people say that they would really like to see us charge a different rate of property taxes for out-of-state landowners. Well, the problem with that is the U.S. Constitution, which has a commerce clause that does not allow us to charge different rates. So if you're an out-of-state landowner of any type of real estate, you pay property taxes just like in-state landowners do. So-- and they also qualify for the LB1107 credits, which were in place before but will be going away now that we passed LB34. So if there's a way to deal with the people that have the concern there, we can do that without changing the constitution. We have homestead exemptions that we can do today. We can provide credits to certain property taxes if we so choose. We don't need a constitutional amendment to do that. There are a number of things we can do within this body today if we choose to provide targeted property tax relief. Again, we do that today with the homestead exemption. And I would tell you that, that I am very much in favor and have been on board-- brought a bill last year, cosponsored Senator Day's bill last year, this last session, that would have provided property tax relief to disabled veterans. I don't believe it's right that you must be 100% disabled to get a property tax credit as a disabled veteran. There are many veterans out there that are 90% disabled. They've got to qualify through another avenue. I don't think that's right. So I would like to see some targeted property tax relief there. But what we're doing is we're opening up-- if we do something here with one to four family or we do, do something with owner occupied, then it doe-- there are no income caps. OK? So what we're doing is we're just saying, if you happen to be owner occupied and you have a multimillion dollar home in Lincoln or Omaha or out state, and regardless of your income, we're going to give you a property tax break. But the disabled veterans, well, you know, you're going to have to fair, fair for yourself. Thank you for your service to our country. Thank you for putting your life on the line. Thank you for coming back with a permanent disability for us. But we're not going to give you a break. That's a concern for me. As

Senator Slama very well laid out, when you look at this process, we're not going to get this on the ballot this year, nor should we. So if we're not going to get on the ballot this year, let's, let's work through this over the next two years to figure out what-- if we need a constitutional amendment and, if we do, what it should look like. Senator Wayne's trying to bring an amendment which would just allow more special interests to get their way to be able to bring more votes to this. That's not how we deal with our constitution. We don't make constitutional changes in the eleventh hour of the eleventh hour of a special session. We bring it back in the light of day and we look at those changes and we debate those changes and we bring reasonable changes if they make sense. But we're messing with the constitution here. We're messing with the constitution. This isn't just simple legislation. We're wanting to change the constitution, and we need to think twice about that. As I continue to look at some of the things that are out there today-- Senator Lowe mentioned this in some de-- debate a while back. And this was also pointed out by John Cederberg, who does a lot of work in looking at tax policy. John Cedarberg's probably the most renowned tax expert in Nebraska, and accounting expert. I like to refer to him as the accountant's accountant.

DeBOER: One minute.

JACOBSON: One minute. All right. Thank you. The accountant's accountant. And he, of course, noted that the problem that Nebraska has from a tax policy standpoint is we're about a million people short. Add a million people to our population, it works. So how do we go about growing a million people to this state? How do we do that? I don't think you do it by putting more roadblocks up for businesses to locate here or to expand here. I think that's not the way to look at it. People talk a lot about ag. Senator Slama appropriately hit on this. When we look at ag-- right now, ag is in a position to where they're getting 75% of the-- of valuation. I would tell you that's still way too high in relationship to the income-producing power of ag real estate. And if you look today--

DeBOER: Time, Senator.

JACOBSON: Thank you, Madam, Madam President.

DeBOER: Thank you, Senator Jacobson. Senator Slama, you're recognized.

SLAMA: Thank you, Madam President. We're at cloture at 2:12 on this. So there's probably one person up in the queue after me unless we get to cloture with a minute left, which I think would be a merciful end to this session. But something that's been a common thread on everything we've discussed, especially when we're trying to peer pressure others into doing what we want them to do, is, like, encouraging them to take the hard votes and, like, teasing them when they say they're hiding from taking the hard votes. And I've heard that with LR2CA a few times today, in the last few days, in the last week, and I want to debunk that one real quick. So this bill is either a really hard vote or, as proponents have alternatively argued, it does nothing. So if it does nothing, why is it really a hard vote? And that's because when you unpack what is meant to be this really hard vote and you unpack the toolbox and you better understand the Pandora's box that can happen if you put LR2CA on the ballot, whether it's '24 or '26-- and again, I'm going to hop back into that AG's Opinion because, at the end of the day, this is all going to be for naught. It's not going to get on the ballot in '26. It doesn't have the support to get on the ballot in '24. And I think it's pretty clear-cut that right now we're just spinning our wheels because this bill has never had 40 votes. And I, I will continue beating the drum on this because it is important that if we're getting up and we're discussing the policy, we're going, oh, LR2CA could shift property taxes from residential to ag, or, how dare people not step up and try to solve the problems-- like, cooler heads have to prevail. As you stand up here and go, no, actually-- it doesn't matter what your policy disagreements are. It doesn't matter what you think about this special session. It doesn't matter if you don't think that this special session hasn't gone far enough so we need to do something. We actually can't do this. And I'd encourage you: get out your statute books, get out your constitution-- like, check my work. And if we want to have a debate on this, we absolutely can. But at the end of the day, we cannot bind the next Legislature to put something on the ballot in 2026. Why I'm helping out Senator Jacobson isn't because we're buddy-buddies. We fight, like, 99% of the time. It is hilarious. It's like me interacting with Walter Matthau. It's fabulous. And then he talks about raising rent on his mother-in-law-- and I don't even want to touch that anymore. But it's because you have to respect the integrity of the institution. This special session has violated so many tenants of what makes the Legislature an independent, functioning branch of government, coequal branch of government out of the other three. We had the call for special session come out less than 24 hours beforehand. So the list

of the things that we could even cover in this special session didn't come out until a day beforehand. We're called into an unprecedented special session to cover the backside of a Governor whose own proposal failed in the last Legislature. So he dragged us back to a special session to say, fix taxes. And then put out a plan and then walked back his plan and then gave us a new plan. And then somehow in the lead up to the special session, there was less plan. The failure of this bill and anybody's perceived failure of what this special session should have looked like, what the outcome should have been-- should have been doesn't fall on anybody in this Legislature. This was designed to fail and fail miserably for Nebraskans. This falls at the feet of the executive branch. A special session was never intended--

DeBOER: One minute.

SLAMA: Thank you, Madam President-- was never intended to handle an issue such broad-- so broad as reform taxes. It was never intended to do that. And no matter what, as a rural senator, I was coming into this special session knowing we would need to play defense. Because in a normal session, you can deal on urban senators and making sure that everybody wins in a package. We did that with LB1107 with the combination of the credits and the tax relief. Urban and rural both ven-- benefited. Special session, this was never going to happen. And now we're staring down the barrel of LR2CA, which actually can't go on the ballot in 2026. But we're considering passing it anyway just so we can, I don't know, look like we've done something. So unless this puts 40 votes on the board-- and I will be the first to apologize if it does get 40 votes-- this is all for naught. Thank you, Madam President.

DeBOER: Thank you, Senator Slama. Senator Erdman, you're recognized.

ERDMAN: Question.

DeBOER: The question has been called. Do I see five hands? I do. The question is, shall, shall debate cease? Sorry. Excuse me. Senator Slama, you are welcome to close on your motion to reconsider-- no.

SLAMA: --close. No?

DeBOER: Sorry. First, we have to vote. So the question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. For clarification, this is a-- whether or not to dis-- to cease

debate. All those in favor of ceasing debate vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 22 ayes, 13 nays to cease debate, Madam President.

DeBOER: Debate does not cease. Mr. Clerk, you have a motion on your desk?

CLERK: I do, Madam President. Senator Brandt would move to invoke cloture pursuant to Rule 7, Section 10.

DeBOER: Senator Brandt, for what purpose do you rise?

BRANDT: I move cloture. Call of the house.

DeBOER: 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: 31 ayes, 8 nays to place the house under call.

DeBOER: 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, Senator Bosn, please check in. Senator Vargas. All unexcused senators are in the Chamber. There's been a request for a roll call vote. Mr. Clerk, please call the roll.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting no. Senator Arch not voting. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood. Senator Bosn voting yes. Senator Bostar voting yes. Senator Bostelman voting no. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh. Senator Clements voting no. Senator Conrad voting no. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan. Senator Erdman voting yes. Senator Fredrickson not voting. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting yes. Senator McKinney. 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 voting no. Senator Wayne voting yes. Senator Wishart voting yes. Vote is 26 ayes, 16 nays to invoke cloture, Madam President.

DeBOER: Cloture is not invoked. Mr. Clerk. I raise the call.

CLERK: Madam President, some items. First of all, bills read this morning were presented to the Governor. Additionally, agency reports electronically filed with the Legislature can be found on Nebraska Legislature's website. And report of registered lobbyists for August 19, 2024 will be found in the Journal. Priority motion: Senator Wayne would move to adjourn the body until November 18 at 10:00 a.m.

DeBOER: The question is adjourn the body until November 18. There's been a request for a roll call vote. Mr. Clerk, please call the roll. Senator Wayne, was that regular or reverse order? Reverse order, Mr. Clerk.

CLERK: Senator Wishart voting no. Senator Wayne voting yes. Senator Walz voting no. 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. Senator McDonnell voting yes. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan voting yes. Senator Kauth voting yes. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting no. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting yes. Senator Hansen voting yes. Senator Halloran voting yes. Senator Fredrickson voting no. Senator Erdman voting yes. Senator Dungan. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting no. Senator DeBoer voting no. Senator Day voting no. Senator Conrad voting no. Senator Clements voting no. Senator Machaela Cavanaugh. Senator John Cavanaugh voting no. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Bosn voting no. Senator Blood. Senator Ballard voting yes. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 14 ayes, 30 nays on the motion to-- Senator Bosn voting yes. Vote is 15 ayes, 29 nays on the motion to adjourn, Madam President.

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate August 20, 2024

Rough Draft

DeBOER: The motion is not successful. Senator Fredrickson for a motion.

FREDRICKSON: Madam President, I move that the Journal for the seventeenth day as prepared by the Clerk of the Legislature be approved.

DeBOER: Colleagues, you've heard the motion. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 1 nay on approval of the Journal.

DeBOER: The motion is successful. Mr. Clerk.

CLERK: Madam President, a priority motion: Senator Dorn would move to adjourn the One Hundred Eighth Legislature, First Special Session, sine die.

DeBOER: There's been a request for a roll call vote in reverse order. Mr. Clerk, please call the roll.

CLERK: Senator Wishart voting yes. Senator Wayne voting no. Senator Walz voting yes. Senator von Gillern voting yes. Senator Vargas voting yes. Senator Slama voting yes. Senator Sanders voting yes. Senator Riepe voting no. Senator Raybould. Senator Murman voting yes. Senator Moser voting yes. Senator Meyer voting yes. Senator McKinney. Senator McDonnell voting no. Senator Lowe voting yes. Senator Lippincott voting yes. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt voting yes. Senator Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan. Senator Dover voting no. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting yes. Senator Bostar voting no. Senator Bloo-- Bosn voting no. Senator Blood. Senator Ballard voting no. Senator Armendariz voting yes. Senator Arch voting yes. Senator Albrecht voting yes. Senator Aguilar voting yes. Vote is 29 ayes, 15 nays to adjourn sine die.

DeBOER: The motion is successful. We are adjourned sine die.