

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate July 26, 2024

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

AGUILAR: Good morning, colleagues. Please assume an attitude of prayer. Thank you, Heavenly Father, for giving us this opportunity to join together with our fellow colleagues. I ask for your guidance as we thoughtfully and respectfully navigate the issues before us. In the coming days, we ask for your wisdom. Everyone in this room wants to do best to serve the people that they represent. Please help us to move forward with integrity and compassion, understanding that all of the citizens of the great state of Nebraska have different needs. But if we are willing to work together, we might be able to find common ground. Lord, grant us the ability to listen with our hearts and not just our ears, so that the decisions we make can be made with the very best intentions. We ask this in your name, the name of your son, Jesus. Amen.

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

LOWE: Please join me in the Pledge of Allegiance. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KELLY: I call to order the second day of the One Hundred Eighth Legislature, First Special Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

ASSISTANT CLERK: I have no corrections for the Journal.

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

ASSISTANT CLERK: Thank you, Mr. President. Yes. I have a series of communications from the Governor regarding appointments to the Nebraska Information Technology Commission, the Commission on Industrial Relations, and appointments to the Nebraska Game and Parks Commission. I also have a series of amendments and motions to LB1, LB2, and LB3 by Senator Machaela Cavanaugh. And finally, Mr.

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President, an announcement that the Revenue-- the Reference Committee will meet at 10:30 in room 2102.

KELLY: Thank you, Mr. Clerk. Senator Aguilar, you're recognized for an announcement.

AGUILAR: Thank you, Mr. President. The Revisor of Statutes Office has advised my office that a large number of bill requests have not yet been three-parted for introduction prior to tomorrow's bill introduction deadline. Members are advised that if you have a bill drafting request that has not yet been three-parted, and you wish to introduce it, you should request a three-part from the bill drafters by 5 p.m. today in order to allow sufficient time for printing of your request.

KELLY: Thank you, Senator Aguilar. Senator Clements, you're recognized for a message.

CLEMENTS: Thank you, Mr. President. I have an announcement. I have a new grandson by the name of Theodore James Mayo, born day before yesterday. My, my daughter Sarah and her husband Adam live here in Lincoln. They have two daughters, and they were looking for a son, and that's what they have. And mother and baby are doing very well. We got to see them last night. And I thank you very much. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Mr. Clerk, new bills please.

ASSISTANT CLERK: Mr. President, LB21, introduced by Senator Kauth. A bill for an act relating to the Constitution of Nebraska; to amend section 49-202.01, Revised Statutes of Nebraska; to change requirements relating to proposals for constitutional amendments submitted by the Legislature; to repeal the original section; and to declare an emergency. LB22, introduced by Senator John Cavanaugh. A bill for an act relating to revenue and taxation; to amend Sections 77-3509 .01, 77-3509.03, 77-3510, 77-3514, and 77-3516, Revised Statutes of Nebraska; Sections 77-3512, and 77-3513, Revised Statutes Supplement, 2023; Sections 77-3501, 77-3506.03, 77-3511, 77-3521, and 77-3529, Revised-- Reissue Revised Statutes of Nebraska, as amended by Laws 2024, LB126, Sections 2, 4, 5, 7, and 10, respectively; Sections 77-3517, and 77-3523, Revised Statutes Cumulative Supplement, 2022, as amended by Laws of 2024, LB126, Sections 6 and 9; and Sections 77-3522, and 77-4212, Revised Statutes Supplement, 2023, as amended by Laws of 2024, LB126, Sections 8 and 11; to state findings and declarations; to create a homestead exemption; to harmonize

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provisions; to provide an operative date; and to repeal the original sections. LB23, introduced by Senator Clements. A bill for an act relating to funds; to amend Section 84-612, Revised Statutes Supplement 2023, as amended by Laws of 2024, LB600, Section 9, and Laws 2024, LB1413, Section 58; to repeal-- to eliminate obsolete provisions; to harmonize provisions; to repeal the original sections; and to declare an emergency. LB24, introduced by Senator Clements. A bill for an act relating to appropriations; to amend Laws 2023, LB814, Section 13; to change appropriations; to repeal the original section; and declare an emergency. LB25, introduced by Senator McKinney. A bill for an act relating to criminal justice; to amend section 29-2208, Revised Statutes Cumulative Supplement, 2022, and Section 83-1, 135, Revised Statutes Supplement 2023, as amended by Laws of 2024, LB631, Section 44; to adopt the Prison Population Reduction and Property Tax Relief Act; to provide for early discharge from parole and recommendations for commutation; to provide duties for the Department of Correctional Services, the Board of Parole, the Division of Parole Services, the Board of Pardons, and the Reentry Continuity Advisory Board; to harmonize provisions; and to repeal the original section. LB26, introduced by Senator Blood. A bill for an act relating to revenue and taxation; to amend Section 77-2701, Revised Statutes Supplement, 2023, as amended by Laws of 2024, LB937, Section 67, Laws of 2024, LB1023, Section 8, and Laws of 2024, LB1317, Section 80; and Section 77-2701.04, Revised Statutes Supplement 2023, as amended by Laws 2024, LB937, Section 68, and Laws 2024, LB1317, Section 82; to define terms; to provide for a retail delivery fee; to harmonize provisions; to provide an operative date; and to repeal the original sections. LB27, introduced by Senator Blood. A bill for an act relating to revenue and taxation; to amend Section 77-2715.07, Revised Statutes Supplement, 2023, as amended by Laws 2024, LB937, Section 74, Laws 2024, LB1023, Section 9, Laws 2024, LB1344, Section 9, and Laws 2024, LB1402, Section 2; to adopt the Property Tax Circuit Breaker Act; to harmonize provisions; and to repeal the original section. LB28, introduced by Senator Bostar. A bill for an act relating to revenue and taxation; to amend Section 77-3446, Revised Statutes Cumulative Supplement, 2024 [SIC, 2022]; to change provisions relating to the base limitation; and to repeal the original section. That's all that I have, Mr. President.

KELLY: Mr. Clerk, for a motion.

CLERK: Mr. President, Senator Wayne would move to adjourn sine die.

KELLY: There's been a request to place the house under call. Senators, please return to your desk and record your presence. The question is,

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shall the house go under call? All those in favor vote aye, all those opposed vote nay. Record, Mr. Clerk.

CLERK: 22 ayes, 3 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, Senators, please record your-- return to your desk and record your presence. The house is under call. All unauthorized personnel, please leave the floor. The house is under call. Senators DeBoer, McDonnell, Hughes, please return to the Chamber and record your presence. The house is under call. Senators McDonnell and Hughes, please return to the Chamber and record your presence. The house is under call. All the unexcused members are now present. Mr. Speaker. Mr. Speaker, you're recognized to speak.

ARCH: Thank you, Mr. President. I obviously rise in opposition to the motion to adjourn sine die, and I want to share some of my thoughts of-- I guess, try to frame where we are today and what this session is all about, why I oppose this-- why I oppose this particular motion. To begin with, I think, really historical perspective, not quite back to the creation of the world, but to the creation of the state of Nebraska. I read an article that was extremely interesting to me. When the-- when the-- when Nebraska was a territory and it was-- and it was trying to decide should it become a state, there was vigorous debate. And the debate was, it's awfully nice to have the federal government paying our costs. If we become a state, it's going to be up to us to pay our cost, to pay our expenses. And they knew that the only way to tax was a property tax. So the debate that we are having today is certainly not new. It started when the state was formed. And the question was, we are going to have to pay property taxes and they are going to be too high. The burden is going to be too great. So this is not a new-- a new subject for us. Multiple sessions in previous years, we know that we've had LB388. LB388 was introduced two years ago, and we have been debating that as a property tax, which did not pass. Recently, of course, valuation, our, our notices were all sent out by our counties as to what's happened to valuations. That was certainly notice that we have a major issue. Governor's speech at sine die, the letter from the Governor in late June indicating that July 25, hold the date, and the proclamation, of course. I guess the point is that we have had ample time. This is not a new subject. We've had ample time to work. If there are, from what I've heard and seen in media reports, if there are 80, 90 bills sitting upstairs, that may be-- may be dropped in this session, obviously, a lot of you have given a lot of thought to this issue, which is good. So now we find ourselves here in special session, called by the Governor in compliance with rules and regulations, understanding that, again, looking back at the

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history of proclamations, short calls are not unusual. I think-- I think I would say that, like many of you there, there are-- there, there would have been a desire to have that proclamation earlier, but nonetheless, it was done within rules and regulations. I view the challenge that we face today very similar to what happens every two years when the-- when the Governor presents a proposed budget. So the proposed budget comes to the Appropriations Committee, the Appropriations Committee begins a line-by-line analysis, and very rarely do we pass the Governor's budget as, as proposed, line by line. Changes, changes on the floor, changes in committee, all of these things happen as we discuss a proposal that comes from the Governor. The issue is now in our hands. I mean, we can-- we can look at the Governor and say, well, you know, the Governor has a plan and we need to take this back. We don't need to take it back. It's sitting in this room. This is ours now to do, only we can pass legislation. The Governor cannot pass legislation. So it is now our work that we have to do. Citizens are watching. I don't know about you, but I know in my district there is a lot of interest with what's happening here in this session. Citizens are watching, and well they should. Now we have the hard work to do. Only we can address this issue that's forcing people out of their homes, preventing others from buying a first home, forcing increases in rent, and all the other negative impact on everyone in the state. One of the legitimate questions that has been raised is whether or not we have enough time to address the complex, complex issue in special session. Again, I would say it's not our first swing at this issue. It's not our first thought of, of, we really ought to address something about property taxes. We have been-- we have been at that. And we took a swing at it a couple years ago. Large dollars applied to property tax relief, so it's not our first time. To those that would say, well, we ought to just-- we ought to just delay this to January, I guess I would say that it's not going to get easier in January. Actually, I think it's going to get harder in January, because we're going to have at least 15 new senators in this room. So all of the experience and all of the content knowledge that, that the senators that are terming out would leave, is, is going to leave us needing to educate and bring up to speed 15 new senators on this issue. I don't think it gets easier in January. Depending upon the number of bills introduced, we're going to have extended committee hearing time. So next week, at least three days, maybe the entire week, is going to be dedicated to committee hearings, which means there's a lot of time and a lot of opportunity if we all apply ourselves to not only listening to those committee hearings, reviewing the-- reviewing the bills that have been introduced, and, and socializing with one another, what is the best direction for this

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issue? I don't-- I know, I know that we have had-- we've made an attempt over the summer to communicate with one another on this issue and other issues. It's very difficult when we're not in the room together, getting that time, hey, you want to meet for coffee? One senator. But when we can get in a room like this in a special session, and we can have and spend that quality time with each other in, in dedicated discussion of a single issue, I think that we can accomplish much. The work of the Revenue Committee in particular under Senator Linehan's very able and experienced leadership, as well as the Appropriations Committee under Senator Clements' leadership, is going to be critical to the process. But we all have to follow these hearings. We all have to be engaged. So I return to an earlier comment. The citizens are watching. We have a duty to perform. This is our duty. We have been elected. We are the only ones who can address this issue. The citizens sit and suffer. They can't address the issue other than elect us to come to this room to do that. So our job now is to engage our focused energy on this one issue and craft legislation to the best of our ability to successfully provide relief to our citizens. Other Legislatures have made numerous attempts and have failed because the issues are complex and it requires tremendous political will to succeed. Political will. It's going to take that. This is a difficult issue. We have an opportunity to do what others have failed to accomplish. With the citizens watching, watching, I would only ask that we apply ourselves to addressing these issues. Use the relationships that we have developed with each other over the last two years, four years, six years, whatever it might be, to form a consensus. The ball is now in our court. It's in this room. We have a duty to perform. Let us do that duty to the best of our abilities. Please vote no on the motion to adjourn sine die, and let's begin our work that only we can do as the legislative branch of government. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Members, the question before the body is the motion to adjourn sine die. It requires a majority of those voting. There's been a request for a roll call vote, reverse order. Mr. Clerk.

CLERK: Senator Wishart. Senator Wayne voting yes. Senator Walz. Senator von Gillern voting no. Senator Vargas voting no. Senator Slama voting no. Senator Sanders. Senator Riepe voting no. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting no. Senator Hughes voting no. Senator Holdcroft

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voting no. Senator Hardin. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting no. Senator Erdman. Senator Dungan voting no. Senator Dover. Senator Dorn. Senator DeKay voting no. Senator DeBoer voting no. Senator Day voting no. Senator Conrad voting no. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman. Senator Bostar voting no. Senator Bosn voting no. Senator Blood voting no. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 4 ayes, 34 nays, Mr. President, on the motion to adjourn sine die.

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

CLERK: Mr. President, notice that the Reference Committee will meet for referencing in room 2102 now. Referencing 2102, room, room 2102 now for referencing. Additionally, Mr. President, new bills.

ASSISTANT CLERK: LB29, introduced by Senator Day. A bill for an act relating to aircraft; to amend section 3-104, 3-106, and 3-159, Reissue Revised Statutes of Nebraska; to provide for the sale of certain state owned aircraft; to prohibit the purchase, lease, rental, ownership, providing of maintenance for, or contribution to the maintenance of any aircraft that is or will be used by the Governor or the Governor's staff; to repeal the original sections; and to declare an emergency. LB30, introduced by Senator Day. A bill for an act relating to revenue and taxation; to amend section 77-3506, Revised Statutes Supplement, 2023. To change provisions relating to homestead exemptions for certain disabled veterans and surviving spouses as prescribed; and repeal the original section. That's all I have at this time, Mr. President.

KELLY: Mr. Clerk, for items.

CLERK: Thank you, Mr. President. First of all, an approved reference report concerning LB1 through LB20, as well as LR1CA through LR5CA, and a series of appointments to the Nebraska Natural Resources Commission. Additionally, notice of committee hearings from the Natural Resources Committee concerning those gubernatorial appointments. New bills, Mr. President. LB31, introduced by Senator Conrad. It's a bill for an act relating to taxation; to provide for an excise tax on individual incomes as prescribed; and to create the Tax Equity Cash Fund. LB32, introduced by Senator Brandt. It's a bill for an act relating to the Nebraska Racetrack Gaming Act; to amend Section 9-1103, Revised Statute Supplement, 2023; to redefine terms relating

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to sports wagering under the Nebraska Racetrack Gaming Act; and to repeal the original section. LB33, introduced by Senator Brandt. It's a bill for an act relating to the Nebraska Property Tax Incentive Act; to amend section 77-6703, Revised Statutes Supplement, 2023; to change provisions related to tax credits for school district taxes paid; and repeal the original section. LB34, introduced by Senator Brewer. It's a bill for an act relating to revenue and taxation; to amend section 77-1301, Revised Statutes Cumulative Supplement, 2022; to change the method of assessment of real property as prescribed; and repeal the original section. LB35, introduced by Senator Brewer. It's a bill for an act relating to revenue and taxation; to amend section 77-6203, Revised Statutes Cumulative Supplement, 2022; to adjust the nameplate capacity tax for inflation as prescribed; and to repeal the original section. That's all I have this-- excuse me. Mr.-- excuse me, Mr. President. I have one more item. New LRCA, LRCA6, introduced by Senator Kauth. It's a constitutional amendment to impose a limit on ad valorem taxes for real property; provide a new method of valuing real property for tax purposes; provide certain exemptions; and eliminates conflicting constitutional provisions. That's all I have at this time.

KELLY: Members, this is last call for bill introductions. Mr. Clerk.

CLERK: Thank you, Mr. President. A motion pertaining to the previously read reference report from Senator Linehan to rerefer LB1 from the Government Committee to the Revenue Committee. Additionally, motions to be printed, recommit motions from Senator Cavanaugh, Conrad, and Senator-- excuse me, those are the only two, Senators Cavanaugh-- Machaela Cavanaugh and Senator Conrad. Additionally, name adds. Excuse me, a notice of hearing from the Revenue Committee for Monday. New name adds: Senator Hunt to LB20, Senator Walz to LB9, and Senator Wishart to LB13 and LR3CA. Notice that the Executive Board will meet upon adjournment in room 2102, Executive Board 2102 upon adjournment. Finally, Mr. President, Speaker Arch would move to adjourn the body until Monday, July 29, 2024 at 10:00 a.m.

KELLY: Speaker Arch, you're recognized.

ARCH: Thank you, Mis-- thank you, Mr. President. Yes, you heard it correctly. It's Monday. Thank you. I-- when we headed into this special session, they call it special for a reason. It is-- we have to maintain our flexibility as, as, as we do our work here. One of the issues we have right now is that Bill Drafters, they're struggling to get everything done, and if we held-- if we held our session tomorrow for dropping of bills, we may be missing bills that need to get into the-- into the queue, so we're going to give them the opportunity to

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work over the weekend, 24 hours a day, to, to, to meet our requirements. And by the way, Marcia, I know you're listening, thank you very much for your dedication to this. To you and your staff, thank you very much. We don't make things easy. So, so Monday, what is going to happen-- so we're not meeting tomorrow. Monday, what's going to happen is we will-- we'll check in at 9:00. It will be an opportunity for the third day to drop bills. And that will be the end of the-- that will be the end of that opportunity. However, you just heard, Senator Linehan has Revenue Committee hearings scheduled for Monday. And so she will begin hearings in, in Revenue Committee on Monday. So we, we will-- we will come together at 9:00. We will probably hold the session open. We won't close, we won't close for a period of time while these bills come and are presented, at which time we'll close, but that doesn't prevent Senator Linehan and the Revenue Committee from starting their hearings. So they'll start their hearings in the morning, and, and we will begin. So what I anticipate next week looking like is, honestly, it's probably going to be a week of hearings. We will be checking in at 9:00. And so we are in session, we will be adjourning soon thereafter because there won't be any other business. We will be having a week of hearings. So some of the committee chairs are going to be looking at we've got gubernatorial appointments that will have some hearings. We will have, obviously, other committees will be referenced bills. So on Monday as well, the Referencing Committee will meet, and they will pick up today's bills that have been dropped, and those will be-- those will be referenced on Monday. So, I-- it just requires a lot of flexibility on the part of committees, chairs, all the members, Clerk, all the staff, and I just appreciate that. So again, we will not be meeting tomorrow, and I know that's a major disappointment. Everybody wants to be here Saturday. We will be coming together on Monday at 9:00. So if you have any other questions, come see me, talk to Laurie in my office, but we will adjourn until 9:00. Thank you, Mr. Clerk.

KELLY: Thank you, Speaker Arch. Members, you've heard the motion to adjourn until 9:00 a.m. on Monday. All those in favor say aye. Those opposed say nay. The Legislature is adjourned.