

EIGHTY-FOURTH DAY - MAY 28, 2013**LEGISLATIVE JOURNAL****ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION****EIGHTY-FOURTH DAY**

Legislative Chamber, Lincoln, Nebraska
Tuesday, May 28, 2013

PRAYER

The prayer was offered by Senator Bolz.

ROLL CALL

Pursuant to adjournment, the Legislature met at 10:00 a.m., Senator Carlson presiding.

The roll was called and all members were present except Senators Ashford, Christensen, Karpisek, Price, Schilz, and Sullivan who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the eighty-third day was approved.

REFERENCE COMMITTEE REPORT

2013 Resolutions calling for an Interim Study

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| LR111 | Interim study to explore the possibility of replicating the Delancey Street Foundation in Nebraska, which is considered one of the nation's leading self-help residential education centers for ex-convicts and former substance abusers | Judiciary |
| LR143 | Interim study to examine children's day health services | Health and Human Services |
| LR165 | Interim study to examine issues surrounding tax settlements | Revenue |

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| LR166 | Interim study to examine issues surrounding the creation of revolving funds to finance energy conservation measures in Nebraska K-12 school districts | Education |
| LR167 | Interim study to examine issues surrounding personal identifying information collected by state and local governments and private businesses | Government, Military and Veterans Affairs |
| LR170 | Interim study to examine the liability insurance mandate contained in the Child Care Licensing Act | Health and Human Services |
| LR175 | Interim study to examine the craft brewery industry in Nebraska to develop potential tax policy and statutory law to encourage growth of the industry | General Affairs |
| LR181 | Interim study to examine issues under the jurisdiction of the Education Committee | Education |
| LR182 | Interim study to examine alternatives for the financing and delivery of public early childhood, elementary, and secondary education in Nebraska | Education |
| LR183 | Interim study to examine Nebraska's drainage statutes as they apply to drainage by neighboring landowners under section 31-201 and other related statutes | Natural Resources |
| LR184 | Interim study to examine the costs and benefits associated with lowering the age of majority to eighteen years of age | Judiciary |
| LR186 | Interim study to examine issues relating to enactment of a tax-credit scholarship program as contemplated by LB14, 2013 | Revenue |
| LR187 | Interim study to determine whether Nebraska's business entity statutes should be updated | Banking, Commerce and Insurance |
| LR188 | Interim study to examine issues relating to the implementation of the federal Patient Protection and Affordable Care Act as it pertains to Nebraska | Banking, Commerce and Insurance |

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| LR189 | Interim study to examine certain statutes to harmonize language, policies, and practices regarding the different classifications of cities and villages | Urban Affairs |
| LR190 | Interim study to examine the 2012 versions of the International Residential Code, the International Building Code, and the International Energy Conservation Code to determine whether Nebraska should update the current state building code | Urban Affairs |
| LR191 | Interim study to examine all state retirement plans administered by the Public Employees Retirement Board | Nebraska Retirement Systems |
| LR192 | Interim study to examine conducting elections by mail | Government, Military and Veterans Affairs |
| LR193 | Interim study to examine the role of political parties in the election process | Government, Military and Veterans Affairs |
| LR194 | Interim study to examine issues under the jurisdiction of the Government, Military and Veterans Affairs Committee | Government, Military and Veterans Affairs |
| LR198 | Interim study to examine the public employees retirement systems administered by the Public Employees Retirement Board | Nebraska Retirement Systems |
| LR199 | Interim study to acquire additional information, including financial requirements, regarding the state's efforts to establish a statewide virtual/digital educational system | Appropriations |
| LR201 | Interim study to examine policy options available to the State of Nebraska to support military installations, military families, and veterans and their families | Government, Military and Veterans Affairs |
| LR202 | Interim study to examine the issue of election day registration | Government, Military and Veterans Affairs |
| LR205 | Interim study to examine the mission and financing options as authorized by current law of the Game and Parks Commission | Natural Resources |
| LR206 | Interim study to examine the school breakfast program | Education |

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| LR207 | Interim study to examine the impact of the possession, sale, trade, and distribution of shark fins in the State of Nebraska | Judiciary |
| LR208 | Interim study to examine security in the public schools | Education |
| LR209 | Interim study to examine the contracts between the Dept. of Health and Human Services and provider agencies for foster care services | Health and Human Services |
| LR211 | Interim study to examine and define the need for increased access to, and the costs of, quality expanded learning opportunities for K-12 children, focusing on at-risk children | Education |
| LR212 | Interim study to examine an allowance or aid component within the state aid formula for recognizing the costs of schools districts that encourage teachers to improve their skills and knowledge in order to increase student achievement | Education |
| LR213 | Interim study to examine the college savings plans administered under the Nebraska educational savings plan trust and ways to increase plan participation | Nebraska Retirement Systems |
| LR214 | Interim study to examine Nebraska's statutes, rules, and regulations relating to the permitting process for small surface water storage reservoirs | Natural Resources |
| LR215 | Interim study to examine issues relating to enforcement and servicing of real estate loans secured by a mortgage, trust deed, or other security instrument | Banking, Commerce and Insurance |
| LR216 | Interim study to examine the provisions of the Nebraska Capital Expansion Act | Banking, Commerce and Insurance |
| LR218 | Interim study to examine fetal alcohol spectrum disorders | Health and Human Services |
| LR219 | Interim study to examine issues relating to student financial aid programs | Education |
| LR221 | Interim study to examine the different aspects of the state's wellness program | Appropriations |

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| LR222 | Interim study to gather information and make recommendations necessary for the Legislature to craft a comprehensive early learning strategy for the State of Nebraska | Health and Human Services |
| LR223 | Interim study to examine issues surrounding open data policies | Government, Military and Veterans Affairs |
| LR224 | Interim study to examine the programs, incentives, and processes, used in other states to stimulate renewable energy projects of less than twenty megawatts that can be added without major additional transmission improvements | Natural Resources |
| LR226 | Interim study to examine concerns surrounding the operation of the Papio-Missouri River Natural Resources District | Natural Resources |
| LR227 | Interim study to examine issues surrounding midwifery credentialing and safety measures | Health and Human Services |
| LR228 | Interim study to examine the process by which military spouses and veterans obtain occupational licenses | Health and Human Services |
| LR232 | Interim study to examine the process of applying for and attaining health care professional licensing when the applicant has a license, education, or credentialing from states and schools outside of Nebraska | Health and Human Services |
| LR233 | Interim study to review federal and state laws on the practice of businesses such as gas stations, hotels, or other businesses, placing holds on credit cards for more than the amount of the purchase | Banking, Commerce and Insurance |
| LR234 | Interim study to examine ways to assist in the development of budget, revenue, and fiscal note projections through comprehensive and targeted economic or demographic evaluations that are conducted in order to enhance policy decision making to ensure a balanced state budget | Appropriations |
| LR235 | Interim study to examine the adoption process under the current safe haven law | Judiciary |

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| LR236 | Interim study to explore methods by which to prevent increases in motor vehicle injuries and fatalities as a result of the increase in the aging population forecasts | Transportation and Telecommunications |
| LR237 | Interim study to assess the extent to which Nebraska has implemented key provisions of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 | Health and Human Services |
| LR238 | Interim study to examine the Access Nebraska system, as well as the separation of the economic assistance programs from the medicaid program | Health and Human Services |
| LR239 | Interim study to examine the Supplemental Nutrition Assistance Program (SNAP) | Health and Human Services |
| LR240 | Interim study to examine the need for amending the Nebraska Wage Payment and Collection Act relating to payment of paid time off benefits when leaving employment | Business and Labor |
| LR241 | Interim study to examine the financial impact of, and financing options for, medicaid expansion under the Patient Protection and Affordable Care Act for medical assistance for newly eligible individuals | Health and Human Services |
| LR242 | Interim study to examine the methods of encouraging transition from adult education to postsecondary education for adults | Education |
| LR243 | Interim study to examine the future of emergency medical services in Nebraska | Health and Human Services |
| LR244 | Interim study to examine issues surrounding the Nebraska Public Safety Communication System | Appropriations |
| LR245 | Interim study to examine issues relating to recycling | Natural Resources |
| LR246 | Interim study to conduct a comparison of the school employees and Class V school employees retirement plans | Nebraska Retirement Systems |

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| LR247 | Interim study to examine purchase of service credits in public retirement plans | Nebraska Retirement Systems |
| LR248 | Interim study to examine service requirements in the School Employees Retirement Act | Nebraska Retirement Systems |
| LR250 | Interim study to examine the State of Nebraska's self-insured workers' compensation plan administered by the Dept. of Administrative Services | Business and Labor |
| LR251 | Interim study to examine court fees earmarked to generate revenue for the Nebraska Judges Retirement System | Judiciary |
| LR252 | Interim study to examine how amendments to the Local Option Municipal Economic Development Act affect existing economic development plans adopted under the act | Urban Affairs |
| LR253 | Interim study to assess the impact of Nebraska changing to a home rule state in matters of local concern | Urban Affairs |
| LR254 | Interim study to examine the concept of regulating commingled acres relating to surface water and ground water | Natural Resources |
| LR255 | Interim study to examine the concept of moving surface water-only irrigated acres to ground water acres to help compliance with compacts, agreements, and decrees | Natural Resources |
| LR256 | Interim study to reexamine the consolidation of the Dept. of Health and Human Services that occurred in 1996 with the enactment of LB1044 | Health and Human Services |
| LR257 | Interim study to examine the early childhood learning and development system across the state to determine how to make the current system more effective | Health and Human Services |
| LR258 | Interim study to examine whether alcohol licensee employees should be certified in how to apply pertinent portions of the Nebr. Liquor Control Act | General Affairs |

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| LR259 | Interim study to examine providing for the utilization of Temporary Assistance for Needy Families (TANF) reserve funds to provide for afterschool programming for children in families that qualify for assistance | Health and Human Services |
| LR260 | Interim study to examine existing barriers to the delivery of health care services through telehealth technologies in Nebraska | Health and Human Services |
| LR261 | Interim study to examine barriers to permanent placements for Nebraska children who have been placed out of the home and are wards of the state | Health and Human Services |
| LR262 | Interim study to examine the high rate of placement of Nebraska's Native American children involved in the foster care system | Health and Human Services |
| LR263 | Interim study to examine the economic impact of the film, television, and commercial industry in Nebraska | Revenue |
| LR264 | Interim study to examine the education data system | Education |
| LR265 | Interim study to examine insurance coverage of amino acid-based elemental formulas | Banking, Commerce and Insurance |
| LR266 | Interim study to identify ways in which Nebraska may support and increase venture capital investment in the state | Revenue |
| LR267 | Interim study to review the One-Call Notification System Act | Transportation and Telecommunications |
| LR268 | Interim study to examine issues surrounding new residential and commercial development and school district boundaries in our state's urban areas | Urban Affairs |
| LR269 | Interim study to examine the property tax base structure and compare this structure to those of other states | Revenue |
| LR270 | Interim study to examine identification or creation of methods of keeping elderly Nebraskans safe in their homes where they can receive high quality care and support | Health and Human Services |

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| LR271 | Interim study to examine issues, benefits, and costs associated with expanding the brand inspection area to include the entire State of Nebraska | Agriculture |
| LR272 | Interim study to examine issues related to the use of paraeducators to improve and promote student achievement in public elementary schools | Education |
| LR273 | Interim study to identify budgeting strategies to support the array of services needed for Nebraska's aging population in a fiscally responsible manner | Appropriations |
| LR274 | Interim study to maximize opportunities to leverage the new opportunity to build a medicaid management information system that meets the needs of Nebraska | Appropriations |
| LR275 | Interim study to examine issues relating to the behavioral and mental health needs of children in educational settings | Health and Human Services |
| LR276 | Interim study to examine the communications rate structure for persons receiving calls from incarcerated individuals in county and local correctional facilities | Transportation and Telecommunications |
| LR277 | Interim study to review the current costs associated with correctional and detention facilities in Nebraska | Judiciary |
| LR278 | Interim study to review matters under the jurisdiction of the Judiciary Committee | Judiciary |
| LR279 | Interim study to examine the use of social impact bonds to develop programming for juveniles and adults reentering the community after involvement with the juvenile justice system or the criminal justice system | Judiciary |
| LR280 | Interim study to examine retail license provisions within the Nebr. Liquor Control Act regarding whether licensees should be permitted to bottle draft beer to be sold for consumption off the premises | General Affairs |

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| LR281 | Interim study to examine the nature of and relationship between catering liquor licenses and special designated liquor licenses within the Nebr. Liquor Control Act | General Affairs |
| LR282 | Interim study to examine issues regarding the parity in Nebraska School Activities Association activities between private and public high schools | Education |
| LR283 | Interim study to examine issues under the jurisdiction of the General Affairs Committee | General Affairs |
| LR284 | Interim study to review issues relating to child custody proceedings and parenting time determinations as they pertain to families of divorce | Judiciary |
| LR285 | Interim study to examine career education program in Nebraska's public schools | Education |
| LR286 | Interim study to review state law regarding child abuse and neglect in instances when a pregnant woman engages in an activity that causes harm to the fetus | Judiciary |
| LR287 | Interim study to examine the requirement that counties pay court filing fees and costs when filing criminal charges and civil proceedings in the county, district, and juvenile court | Judiciary |
| LR288 | Interim study to examine the role and value of animal health professionals and other volunteers in assisting law enforcement in carrying out duties under the Livestock Animal Welfare Act | Agriculture |
| LR289 | Interim study to examine the feasibility of utilizing fence viewer panels as arbitrators or fact finders in resolving division fence disputes | Agriculture |
| LR290 | Interim study to examine the feasibility of designating counties adjacent to the mandatory brand inspection area designated by 54-1109 as brand inspection service areas | Agriculture |

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| LR291 | Interim study to examine the means by which to coordinate activities by state livestock animal health authorities with the activities of local livestock cruelty and neglect authorities | Agriculture |
| LR292 | Interim study to examine the levy authority of rural and suburban fire protection districts | Revenue |
| LR293 | Interim study to examine the prevalence of game processing services performed for compensation by persons not licensed as a food establishment under the Nebraska Pure Food Act | Agriculture |
| LR294 | Interim study to examine a program which would maximize private health insurance so as to cover as many Nebraskans as possible and be implemented to qualify for federal approval and matching funds | Banking, Commerce and Insurance |
| LR295 | Interim study to examine the disparity in income between men and women in the State of Nebraska | Business and Labor |
| LR296 | Interim study to examine the effectiveness of career academies in Nebraska high schools and the feasibility of expanding career academies to more schools in the state | Education |
| LR297 | Interim study to examine the effectiveness of telehealth technology used for behavioral health services in Nebraska | Health and Human Services |
| LR298 | Interim study to examine issues surrounding the efficiency of state programs | Appropriations |
| LR299 | Interim study to examine the possibility of the State of Nebraska operating and managing all activities associated with motor vehicle licensing and registration for all counties | Transportation and Telecommunications |
| LR300 | Interim study to examine the treatment and services for people dually diagnosed with intellectual or developmental disabilities, mental illness, or behavioral health problems | Health and Human Services |

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| LR302 | Interim study to examine the generation of energy in Nebraska through the use of renewable energy sources and to provide a comparison with other states | Natural Resources |
| LR303 | Interim study to examine issues relating to brain injuries | Health and Human Services |
| LR304 | Interim study to identify the differences between statutes governing Class V school districts and other school districts | Education |
| LR305 | Interim study to examine the governance and efficiency of the State Board of Education | Government, Military and Veterans Affairs |
| LR306 | Interim study to examine a practice known as "banning the box," which requires prospective employees to disclose their criminal backgrounds on initial job applications before prospective employees have an interview | Business and Labor |
| LR307 | Interim study to examine the committee and caucus structure of the Legislature | Executive Board |
| LR309 | Interim study to examine issues relating to improving the protection of sensitive commercial crops from losses due to the damaging effects of phenoxy herbicide drift | Agriculture |
| LR312 | Interim study to examine issues relating to the child protective services system within the Dept. of Health and Human Services | Health and Human Services |
| LR313 | Interim study to examine comprehensive models of response and treatment for victims of human trafficking | Judiciary |
| LR314 | Interim study to examine the use of parent education available within the public schools | Education |
| LR315 | Interim study to examine the development of a new type of corporate entity known as the benefit corporation | Banking, Commerce and Insurance |
| LR316 | Interim study to examine unfair insurance trade practices | Banking, Commerce and Insurance |

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| LR317 | Interim study to examine how forced overtime on a regular basis as a regular work practice affects Nebraskans working in meatpacking, poultry, food processing, and other factory work | Business and Labor |
| LR318 | Interim study to examine issues relating to mass transit authorities | Urban Affairs |
| LR319 | Interim study to examine issues relating to Omaha's federally mandated combined sewer overflow project | Natural Resources |
| LR320 | Interim study to examine statutes and procedures relating to the eminent domain laws for oil pipelines and the authority of local governments to regulate oil pipelines | Judiciary |
| LR321 | Interim study to examine statutes and procedures relating to the State of Nebraska's financial responsibility for oil pipelines | Natural Resources |
| LR322 | Interim study to examine options for stabilization and growth in state funding for schools | Education |
| LR323 | Interim study to examine statutes and policies relating to increasing renewable energy development in Nebraska | Natural Resources |
| LR324 | Interim study to examine and evaluate the statutory requirements on Nebraska's public power districts | Natural Resources |
| LR325 | Interim study to examine the effectiveness of the school budget limitation and certification of school budget authority included in the state aid formula | Education |
| LR326 | Interim study to examine and evaluate net metering in Nebraska | Natural Resources |
| LR327 | Interim study to examine issues relating to providing storm shelters or safe rooms for residents of mobile home parks | Health and Human Services |
| LR328 | Interim study to examine methods to better protect elderly and other vulnerable Nebraskans from financial exploitation | Judiciary |

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| LR329 | Interim study to examine ways the state could use tax policy to encourage more small business start-ups especially for businesses utilizing technology and innovation | Revenue |
| LR330 | Interim study to examine ways Nebraska can ensure a future workforce well-skilled in science, technology, engineering, and math education | Education |
| LR331 | Interim study to examine stronger penalties for offenders convicted of the crime of sexual assault of a child as well as related deterrents and victim remedies | Judiciary |
| LR332 | Interim study to examine ways the state may reduce property taxes | Revenue |
| LR333 | Interim study to examine ways the state may reduce income tax rates | Revenue |
| LR334 | Interim study to identify and eliminate waste and fraud in government spending | Judiciary |
| LR335 | Interim study to examine whether more fair and appropriate methods of agricultural land valuation can be implemented | Revenue |
| LR336 | Interim study to investigate methods to reduce gang violence | Judiciary |
| LR337 | Interim study to investigate methods to attract investment capital into Nebraska to create more jobs and businesses | Business and Labor |
| LR338 | Interim study to examine issues relating to the regulation of abortion clinics | Judiciary |
| LR339 | Interim study to examine methods to increase the export of Nebraska agricultural commodities and other Nebraska products | Agriculture |
| LR340 | Interim study to identify the value of property taxes eliminated by all tax-increment financing and other Nebraska business tax incentive programs | Revenue |
| LR341 | Interim study to examine the powers and duties of the Nebraska Emergency Management Agency | Government, Military and Veterans Affairs |

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| LR342 | Interim study to evaluate whether any types of agricultural land are being overvalued relative to their income potential | Revenue |
| LR343 | Interim study to examine the policy to supplement federal universal service support mechanisms and ensure all Nebraskans have comparable accessibility to telecommunications at affordable prices | Transportation and Telecommunications |
| LR344 | Interim study to provide an examination of the availability and adequacy of retirement savings of Nebraska private sector workers | Nebraska Retirement Systems |
| LR345 | Interim study to examine whether the Nebr. Ground Water Management and Protection Act should be amended relating to designating or determining the appropriation status of river basins | Natural Resources |

(Signed) John Wightman, Chairperson
Executive Board

MESSAGES FROM THE GOVERNOR

May 25, 2013

Patrick J. O'Donnell
Clerk of the Legislature
State Capitol, Room 2018
Lincoln, NE 68509

Dear Mr. O'Donnell:

Engrossed Legislative Bills 196e, 197e, 200e, and 536e were received in my office on May 20, 2013.

Engrossed Legislative Bills 242 and 265e were received in my office on May 21, 2013.

These bills were signed and delivered to the Secretary of State on May 25, 2013.

Sincerely,
(Signed) Dave Heineman
Governor

May 25, 2013

Mr. President, Mr. Speaker, and
Members of the Legislature
State Capitol
Lincoln, NE 68509

Dear Mr. President and Members of the Legislature:

Engrossed Legislative Bills 6e and 6Ae were received in my office on May 21, 2013. These bills were signed and delivered to the Secretary of State on May 25, 2013.

LB 6e creates the independent Commission on Problem Gambling which will administer the Gambling Assistance Program and associated funding. Under current law, the Department of Health and Human Services administers the Gambling Assistance Program but will discontinue the program effective June 30, 2013. Under LB 6e, it is anticipated that the newly created Commission will begin administering the Gambling Assistance Program beginning July 1, 2013.

I will appoint the members of the new Commission by July 1st as required by the law. However, I felt it was important to make a public record of the transition issues that have been shared with the law's introducer. It will take time for the Commission to organize itself, hire staff, and enter into contracts in accordance with state laws. As a result, there may be a delay in the Commission's ability to fully manage its duties and responsibilities. The Department of Revenue will provide the office space and equipment as required by LB 6e and the Department of Health and Human Services will diligently cooperate with the transition of the program. The success of the transition will depend on the ability of the new independent Commission to implement and operationalize the Gamblers Assistance Program.

Sincerely,
(Signed) Dave Heineman
Governor

May 25, 2013

Mr. President, Mr. Speaker, and
Members of the Legislature
State Capitol
Lincoln, NE 68509

Dear Mr. President and Members of the Legislature:

With this letter, I am returning LB 195 with my signature and with line-item reductions. My vetoes of appropriations in LB 195 total \$40.2 million in General, federal, and cash funds over the next two years.

It is evident from the mainline budget bills presented to me for the 2013-2015 biennium that you share my priority for education. I appreciate your final funding decisions regarding K-12 education, special education, early childhood education and higher education, especially the tuition freeze for students attending the University of Nebraska and our State colleges for the next two years. We share a commitment to enact a biennial budget without need for a tax increase and to rebuild our cash reserve for tax relief and tax reform in the next legislative session. I also appreciate the funding necessary for a new Central Nebraska Veterans Home.

I have made some line-item reductions to temper your decisions to 1) reinstate previous budget reductions; 2) replace one-time funds or depleted federal funding with ongoing state general fund support; 3) provide special or oversized increases to certain programs and employees; or 4) initiate new programs. We should not lessen the fiscal discipline we have demonstrated to Nebraska taxpayers over the past several years.

I have vetoed \$2,840,000 cash funds and \$25,560,000 federal funds for FY 2013-14 for the replacement of the state's Medicaid Management Information System (MMIS). The Department of Health and Human Services simply does not have resources at its disposal to implement the federal requirements of the Affordable Care Act (ACA), provide better support services for ACCESSNebraska and pursue the replacement of the state's MMIS system concurrently. I have not vetoed FY 2014-15 funding for the project. My veto represents a delay of one year in the MMIS replacement project to allow the agency to devote needed attention to the ACA implementation and ACCESSNebraska. The veto does not eliminate the project from the biennial budget.

I have vetoed the \$2,000,000, which is a 70% increase, added to the Department of Roads for mass transit aid in FY 2013-14 and FY 2014-15. This \$4,000,000 should be used for road construction, a higher priority use of gas tax dollars.

I have vetoed \$102,683 General Funds and \$46,125 Salary Limit in FY 2013-14 and \$82,998 General Funds and \$47,256 Salary Limit in FY 2014-15 provided to the Public Service Commission for the state Railroad Track Inspection Program. The state does not need to supplement railroad inspections being conducted by the Federal Railroad Administration and railroad companies.

I have vetoed \$30,000 General Funds in FY 2013-14 and \$15,000 General Funds in FY 2014-15 from the Legislative Council that has been appropriated to re-establish Nebraska as an annual dues paying member of the Midwest Interstate Passenger Rail Compact. This expenditure is no more justified than when it was eliminated in 2010. It is difficult to justify the allocation of state resources for this purpose when there are many other worthy priorities.

I have vetoed \$200,000 General Funds in both FY 2013-14 and FY 2014-15 provided to the Supreme Court for the Court Appointed Special Advocate (CASA) aid program. This aid program was established in the current budget with cash funds. The amounts for FY 2013-14 and FY 2014-15 reflect a shift in funding for this program from cash fund sources to General Funds. The Supreme Court did not request General Funds to continue this program. There are other priority funding needs to address for juvenile services in this budget.

I have vetoed \$125,000 General Funds, along with \$109,000 of new Salary Limit in FY 2013-14 and \$250,000 General Funds, along with \$218,000 of new Salary Limit in FY 2014-15, provided to the Supreme Court, for an extra salary increase for County Court employees, beyond the annual salary increase included in the budget for other state employees. The Supreme Court did not submit a budget request for this special salary increase for County Court employees and it was not part of my budget recommendations.

I have vetoed a total of \$182,001 General Funds, along with \$182,001 of new Salary Limit in FY 2013-14 and \$187,000 General Funds, along with \$187,000 of new Salary Limit in FY 2014-15 provided to the Supreme Court for reclassification of probation officer positions, which will provide an extra salary increase in addition to the annual wage increase provided for other state employees. Funding for the extra salary increases that will result from this reclassification of probation officers was not included in my budget recommendations.

I have vetoed \$144,669 General Funds in FY 2013-14 and \$144,669 General Funds in FY 2014-15 from the Auditor of Public Accounts to restore that budget to my original General Fund recommendation.

I have vetoed \$32,000 General Funds and \$20,000 Salary Limit in both FY 2013-14 and FY 2014-15 provided to the State Auditor for extra salary increases above the amount provided for other state employees. The need and justification for this special consideration above that of other state employees is not apparent.

I have vetoed \$225,000 General Funds for Learning Community Aid for both FY 2013-14 and FY 2014-15, which will reduce state aid to my original recommendation. The Learning Community Coordinating Council receives approximately \$1,300,000 in total state aid annually and, on average, maintains nearly half of this amount in annual reserve. This veto will reduce the current level of over-funding while still affording for a more reasonable annual cash reserve.

I have vetoed \$150,000 General Funds for FY 2013-14 and \$150,000 General Funds for FY 2014-15 to finance the addition of a Dental Health Director in the Department of Health and Human Services. The Department

of Health and Human Services is actively pursuing grant funding for this position through the Health Resources and Services Administration (HRSA) and the Center for Disease Control (CDC). Announcement of grant awards from both organizations is expected by end of August 2013. Success in obtaining grant funding for the position will eliminate the need for General Fund support. Financing the position with state funds can be revisited next year if the agency is not successful in obtaining grant funding.

I have vetoed the increase of \$50,000 General Funds for FY 2013-14 and \$50,000 General Funds for FY 2014-15 earmarked for each of the state's six Federally Qualified Health Centers (FQHC's). The overall annual \$300,000 increase represents a nearly 17% increase in FQHC funding from FY 2012-13 and is designated solely for dental services. Each FQHC is encouraged to set priorities for the expenditure of funds received from the \$1,800,000 currently earmarked for the FQHC's. The FQHC's should be allowed to prioritize services for the clients each center serves and are encouraged to allocate funding received from the state accordingly.

I have vetoed \$250,000 cash fund appropriations for FY 2013-14 and FY 2014-15 from the Department of Health and Human Services, \$1,250,000 cash fund appropriations for FY 2013-14 and FY 2014-15 from the Department of Economic Development, and \$500,000 cash fund appropriations for FY 2013-14 and FY 2014-15 from the Commission on Public Advocacy made possible by direct transfers from the state Securities Act Cash Fund to special cash fund accounts in these three state agencies. LB 199 transfers \$4,000,000 from the Securities Act Cash Fund to other cash funds and LB 195 earmarks their use for purposes proposed in LB 286: \$500,000 for additional homeless shelter assistance, \$2,500,000 additional affordable housing assistance, and \$1,000,000 additional state aid for legal aid services.

The Securities Act Cash Fund is used to finance the administration and enforcement costs of the Securities Act of Nebraska and to provide miscellaneous receipts to the General Fund to support all requests and legislation requiring appropriations from the General Fund. I do not support these special transfers and earmarks of monies from the Securities Act Cash Fund contained in LB 199 and LB 195. My vetoes will reserve this \$4,000,000 for budget stabilization and further tax relief considerations.

I have reduced the General Funds appropriation to the Coordinating Commission for Postsecondary Education by \$70,034 for each of FY 2013-14 and FY 2014-15. I have also reduced the Salary Limit by \$38,500 for each of FY 2013-14 and FY 2014-15. This removes the funding and Salary Limit for a data analyst position. Funding for this position was previously eliminated as a result of budget reductions. Restoration of this expense is not necessary at this time as no significant additional duties are being added to the Commission's responsibilities.

I have line-item vetoed the extra earmarked \$100,000 General Funds appropriation to the University of Nebraska for FY 2013-14 to conduct research related to the rate of recidivism of persons convicted of driving under the influence. LB 114 (2013) proposed to directly appropriate \$228,706 General Funds for this research without creating a duty for the University to provide this research. The University of Nebraska participated in the Judiciary Committee's LR 249 (2011) study with no additional appropriation at that time. The University has sufficient state aid appropriations to continue this research.

I have vetoed \$48,580 General Funds and \$16,193 federal funds for FY 2013-14 and \$47,830 General Funds and \$15,944 federal funds for FY 2014-15 for increased staffing at the Foster Care Review Office. Ongoing efforts to reduce the number of children in out-of-home foster care will reduce the need for additional staff in the Foster Care Review Office.

I have vetoed \$45,440 cash funds and \$30,635 Salary Limit in FY 2013-14 and FY 2014-15 from the Public Employees Retirement Board for an additional retirement specialist. Efficient use of the Board's current eighteen retirement specialists will meet the needs of plan members.

I have vetoed \$150,000 cash funds and \$133,500 Salary Limit in FY 2013-14 and FY 2014-15 from the Nebraska Tourism Commission for three additional staff positions. LB 1053 (2012 Session Laws) created the Nebraska Tourism Commission as a separate agency effective July 1, 2012. The Legislature and the Governor were advised by proponents of LB 1053 that creating the Nebraska Tourism Commission and operating it as a separate agency would require only twelve positions. My veto recognizes that promise.

I have reduced the Securities Act Cash Fund transfers to the General Fund by \$3,794,502 in FY 2013-14 and \$4,027,590 in FY 2014-15 in amounts that match my veto of appropriations from the General Fund. This \$7,822,092 will remain in reserve for tax relief and tax reform in the next legislative session. My veto of appropriations and transfers does not impact the level of funds available for your final consideration of legislation during this 2013 legislative session.

I urge you to sustain my line-item reductions and veto of these transfers to continue to demonstrate our commitment to spending restraint and for further tax relief for Nebraska citizens in the 2014 legislative session.

Thank you.

Sincerely,
(Signed) Dave Heineman
Governor

Attachment

May 25, 2013

Mr. President, Mr. Speaker, and
Members of the Legislature
State Capitol
Lincoln, NE 68509

Dear Mr. President and Members of the Legislature:

With this letter, I am returning LB 198 with my signature and with line-item reductions. My vetoes of General Fund appropriations in LB 198 total \$4.2 million over the next two years and eliminate commitments of future Nebraska Legislatures to appropriate an additional \$12.5 million to complete the funding for projects initiated in LB 198.

I have vetoed \$294,000 General Funds in FY 2013-14 and \$250,000 General Funds in FY 2014-15 from the Capitol Commission for funding of capital improvements. After my veto the Commission will have new appropriations of \$294,000 General Funds in FY 2013-14 and \$250,000 General Funds in FY 2014-15 for ongoing capital improvement projects in the Capitol Building. In addition, it is estimated that the Commission will carryover an estimated \$240,000 of unobligated appropriations on June 30, 2013, to be used for improvements in FY 2013-14 and FY 2014-15. This \$784,000 is adequate to address the priority projects of the Commission for the upcoming biennium. I have not reduced the specific earmarks in LB 198 for conservation and restoration of Capitol space occupied by the Legislature.

I have vetoed \$1,477,000 General Funds for each year of FY 2013-14 and FY 2014-15 for the University of Nebraska Medical Center College of Nursing – Lincoln Campus. This \$2,954,000 appropriation for the University and the commitment of future Nebraska Legislatures to provide the remaining \$11,794,300 to complete this building project was considered and deemed the lessor priority and not funded when the University brought an early request and received an early allocation during the 2012 legislative session of \$65.0 million in state Cash Reserve Funds and \$60.9 million in General Funds for capital projects that will be undertaken by the University with state support in the 2013-2015 biennium. Savings recognized on current projects should be returned to the taxpayer and not used to rationalize an additional capital project requiring even greater appropriations than was saved.

I have vetoed \$113,535 General Funds in FY 2013-14, \$596,059 General Funds in FY 2014-15, and \$709,593 General Funds in future commitments for renovation of the Nebraska History Museum. These amounts exceed the appropriation needed to fund the Nebraska State Historical Society's estimated project costs for necessary building repairs. After my veto, the \$4,580,813 General Funds and \$2,000,000 committed to this project by the 309 Task Force for Building Renewal will be sufficient to address issues of

deferred maintenance, failures in the original building systems, and fire code and ADA code compliance.

I urge you to sustain these reductions to LB 198.

Sincerely,
(Signed) Dave Heineman
Governor

Attachment

May 25, 2013

Mr. President, Mr. Speaker, and
Members of the Legislature
State Capitol
Lincoln, NE 68509

Dear Mr. President and Members of the Legislature:

With this letter, I am returning LB 199 with my signature and with line-item reductions.

I vetoed the transfer of \$4,000,000 from the Securities Act Cash Fund to the Homeless Shelter Assistance Trust Fund, the Affordable Housing Trust Fund, and the Legal Aid and Services Fund that are made in LB 199 to enable appropriation of \$4,000,000 in LB 195 for purposes originally proposed in LB 286.

The Securities Act Cash Fund is used to finance the administration and enforcement costs of the Securities Act of Nebraska and to provide miscellaneous receipts to the General Fund to support all requests and legislation requiring appropriations from the General Fund. I do not support these special transfers and earmarks of monies from the Securities Act Cash Fund contained in LB 199 and LB 195. My vetoes will reserve this \$4,000,000 for budget stabilization and further tax relief considerations.

I hope you share my concern regarding these special transfers and I urge you to sustain these reductions in LB 199 along with their accompanying appropriations I vetoed in LB 195.

Sincerely,
(Signed) Dave Heineman
Governor

Attachment

EXPLANATION OF VOTES

Had I been present, I would have voted "aye" on final passage of LBs 66, 140, 341, 410e, 497, 563e, and 623.

(Signed) Galen Hadley

RESOLUTIONS

LEGISLATIVE RESOLUTION 356. Introduced by Hadley, 37.

WHEREAS, Berri Balka passed away in Lincoln, Nebraska, on May 19, 2013; and

WHEREAS, Berri was currently serving as a legislative aide to State Senator Galen Hadley, and prior to that directed the Department of Revenue as Tax Commissioner under Governor Ben Nelson from 1991-99. He also served as deputy director and director of the Department of Insurance under Governor Jim Exon from 1975-78; and

WHEREAS, born and raised on a farm and ranch near Lisco, Nebraska, Berri attended Garden County High School and participated in Cornhusker Boys' State. He graduated with a B.A. in mathematics and economics from the University of Wyoming, and then served as an officer in the United States Army; and

WHEREAS, after completing his military service, Berri received a J.D. degree from the University of Nebraska College of Law and practiced real estate, commercial, and insurance law in the state before entering government service; and

WHEREAS, in addition to his Nebraska law practice experience, Berri was engaged in marketing and insurance consulting, and was also involved in finance and insurance activities in Nevada. Prior to serving as Tax Commissioner, he worked for the insurance division of an international corporation in Arizona, later directing its United Kingdom insurance operations in London, England; and

WHEREAS, Berri served as Tax Commissioner during the launch of the Nebraska Lottery, creation of the Tax Equalization and Review Commission (TERC), and implementation of the Tax Equity and Educational Opportunities Support Act (TEEOSA); and

WHEREAS, Berri is survived by his wife, Judy, two daughters, and two grandsons.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature extends its sympathy to the family, friends, and state colleagues of Berri Balka and recognizes him for his many years of dedicated service to the State of Nebraska.

2. That a copy of this resolution be sent to Judy Balka and her family.

Laid over.

LEGISLATIVE RESOLUTION 357. Introduced by Davis, 43.

WHEREAS, Abigail McFee, daughter of Rienna Young and a senior at Chadron High School, was named a National Merit Finalist; and

WHEREAS, during her high school career, Abigail participated in mock trial and speech activities and was a member of the National Honor Society; and

WHEREAS, Abigail's honors and achievements include earning an Omaha World-Herald Academic Team Award, a Marine Corps Scholastic Excellence Award, a Clark University Presidential Scholarship, a Hampshire College Bell Ringer Scholarship, a First National Bank of Chadron Scholarship, a Jack Kent Cooke Foundation College Scholarship, and University of Puget Sound Catharine Gold Christ and Trustees Scholarships; and

WHEREAS, Abigail was one of three students selected from a graduating class of only 57 to be recognized by the National Merit Scholarship Corporation, and Abigail will enroll in the fall of 2013 as a freshman at Tufts University.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Abigail McFee for the exemplary achievement of being selected as a 2013 National Merit Finalist.

2. That a copy of this resolution be sent to Abigail McFee and her mother and to the staff and administration of Chadron High School.

Laid over.

SELECT FILE

LEGISLATIVE BILL 34. ER108, found on page 1541, was adopted.

Senator Chambers withdrew his amendment, AM1410, found on page 1382 and considered on page 1486.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 545. ER96, found on page 1258, was adopted.

Advanced to Enrollment and Review for Engrossment.

GENERAL FILE

LEGISLATIVE BILL 224. Title read. Considered.

Committee AM711, found on page 807, was offered.

Senator Krist offered his amendment, AM1439, found on page 1527, to the committee amendment.

Senator Krist withdrew his amendment.

The committee amendment was adopted with 31 ayes, 2 nays, 6 present and not voting, and 10 excused and not voting.

Advanced to Enrollment and Review Initial with 32 ayes, 1 nay, 6 present and not voting, and 10 excused and not voting.

LEGISLATIVE BILL 348. Title read. Considered.

Committee AM642, found on page 756, was offered.

Senator McCoy withdrew his amendment, AM1248, found on page 1558.

Senator Chambers offered the following motion:

MO89

Bracket until June 5, 2013.

Pending.

COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 255. Placed on Select File with amendment.
ER112

- 1 1. On page 1, strike beginning with "27-804" in line 1
- 2 through line 17 and insert "28-801, 28-801.01, 28-804, 28-830, and
- 3 28-831, Reissue Revised Statutes of Nebraska, and sections 28-707,
- 4 28-802, 28-1354, 43-248, 43-250, and 81-1430, Revised Statutes
- 5 Cumulative Supplement, 2012; to change provisions relating to child
- 6 abuse; to change provisions and penalties relating to prostitution,
- 7 solicitation of prostitution, pandering, and keeping a place of
- 8 prostitution; to provide an affirmative defense to prosecution for
- 9 prostitution for certain trafficking victims; to provide immunity
- 10 from prosecution for prostitution for persons under eighteen
- 11 years of age; to define and redefine terms and change penalty
- 12 provisions relating to human trafficking offenses; to provide
- 13 for temporary custody and disposition of juveniles committing
- 14 prostitution; to provide duties for the human trafficking task
- 15 force; to eliminate obsolete provisions; to harmonize provisions;
- 16 to provide an operative date; to provide severability; to repeal
- 17 the original sections; and to outright repeal section 28-832,
- 18 Reissue Revised Statutes of Nebraska."
- 19 2. On page 2, strike lines 1 through 4.

LEGISLATIVE BILL 90. Placed on Select File.

(Signed) John Murante, Chairperson

EXPLANATION OF VOTES

Had I been present, I would have voted "aye" on final passage of LBs 66, 140, 341, 410e, 497, 563e, and 623.

(Signed) Rick Kolowski

RESOLUTION

LEGISLATIVE RESOLUTION 358. Introduced by Smith, 14.

WHEREAS, the Papillion-La Vista boys track and field team ranked second overall in all-class gold team scoring at the 2013 Boys State Track and Field Championships; and

WHEREAS, team member Kenzo Cotton ranked first in all-class gold breaking the state record in the 100-meter dash and first in all-class gold in the 200-meter dash; and

WHEREAS, team member Nicholas Bartels ranked first in all-class gold in the 110-meter hurdles and first in all-class gold in the 300-meter hurdles; and

WHEREAS, team members Kenzo Cotton, Nicholas Bartels, Jalen Allison, and Lucas Hostetler ranked first in all-class gold breaking the state record in the 400-meter relay; and

WHEREAS, the Legislature recognizes the academic, athletic, and artistic achievements of the youth of our state.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates the Papillion-La Vista boys track and field team members for their outstanding accomplishments in the 2013 Class A Boys State Track and Field Championships.

2. That a copy of this resolution be sent to the Papillion-La Vista boys track and field team and Coach Joe Pilakowski.

Laid over.

AMENDMENTS - Print in Journal

Senator Schumacher filed the following amendment to LB613:
AM1522

- 1 1. Strike the original sections and all amendments
- 2 thereto and insert the following new sections:
- 3 Section 1. Section 50-406, Reissue Revised Statutes of
- 4 Nebraska, is amended to read:
- 5 50-406 In the discharge of any duty ~~herein imposed the~~
- 6 ~~council, or any committee thereof, shall have authority to by~~
- 7 the Legislative Council, by statute, or by a resolution of the
- 8 Legislature, the council, any committee thereof, and any standing
- 9 or special committee created by statute or resolution of the

10 Legislature may hold public hearings and may administer oaths,
 11 issue subpoenas when the committee has received prior approval
 12 by a majority vote of the Executive Board of the Legislative
 13 Council to issue subpoenas in connection with the specific inquiry
 14 or investigation in question, upon approval of a majority of
 15 the council or committee, compel the attendance of witnesses,
 16 and the production of any papers, books, accounts, documents,
 17 and testimony, and to cause the depositions of witnesses either
 18 residing within or without the state to be taken in the manner
 19 prescribed by law for taking depositions in civil actions in the
 20 district court. The council or the committee may require any state
 21 agency, political subdivision, or person to provide information
 22 relevant to the committee's work, and the state agency, political
 23 subdivision, or person shall provide the information requested
 1 within thirty days after the request except as provided for in
 2 a subpoena. The statute or resolution creating a committee may
 3 prescribe limitations on the authority granted by this section.
 4 Litigation to compel or quash compliance with authority
 5 exercised pursuant to this section shall be advanced on the court
 6 docket and heard and decided by the court as quickly as possible.
 7 Either party may appeal to the Court of Appeals within ten days
 8 after a decision is rendered.

9 The district court of Lancaster County has jurisdiction
 10 over all litigation arising under this section. In all
 11 such litigation the executive board shall provide for legal
 12 representation for the council or committee.

13 Sec. 2. Original section 50-406, Reissue Revised Statutes
 14 of Nebraska, is repealed.

15 Sec. 3. Since an emergency exists, this act takes effect
 16 when passed and approved according to law.

Senator Schilz filed the following amendment to LB104:
 AM1494 is available in the Bill Room.

UNANIMOUS CONSENT - Add Cointroducer

Senator Price asked unanimous consent to add his name as cointroducer to
 LB224. No objections. So ordered.

VISITORS

Visitors to the Chamber were Senator Bolz's stepfather and mother, Lyle
 and Pam Eisenhauer from Sterling, and grandparents, Bob and Barb Fey
 from Palmyra; 66 fifth-grade students and teachers from Swanson
 Elementary, Omaha; Senator Johnson's daughter, son-in-law, granddaughter,
 and grandsons, Val, Tom, Lila, Hayden, and Nolan, from Grant; and 41
 fourth-grade students and teachers from Rockbrook Elementary, Omaha.

RECESS

At 11:59 a.m., on a motion by Senator Murante, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:30 p.m., Speaker Adams presiding.

ROLL CALL

The roll was called and all members were present except Senators Ashford, K. Haar, Janssen, Larson, Lautenbaugh, Price, Schilz, and Watermeier who were excused until they arrive.

AMENDMENT - Print in Journal

Senator McGill filed the following amendment to LB255: AM1536 is available in the Bill Room.

RESOLUTIONS

Pursuant to Rule 4, Sec. 5(b), LRs 203, 204, 217, 220, 225, 229, 230, 231, 249, 301, 308, 310, 311, and 346 were adopted.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LRs 203, 204, 217, 220, 225, 229, 230, 231, 249, 301, 308, 310, 311, and 346.

MOTION - Override Line-Item Vetoes on LB195

The Appropriations Committee offered the following motion to LB195: MO92

To override the Governor's line-item vetoes contained in the following sections:

1. Section 18 Supreme Court, Program 52 Operations Court Appointed Special Advocate aid and additional salary increases to County Court employees.
2. Section 47 Department of Education, Program 158 Education Aid, for Learning Community Aid.
3. Section 93 Department of Health and Human Services, Program 33 Administration for only the general fund appropriations for the addition of a Dental Health Director.
4. Section 102 Department of Health and Human Services, Program 347 Public Assistance, for cash fund appropriations for the Homeless Shelter Assistance Trust Fund.

5. Section 110 Department of Health and Human Services Program 502 Public Health Aid for general fund aid for the Federally Qualified Health Centers.
6. Sections 119 and 120, Department of Roads, Program 305 Assistance to Local Transit Authorities for mass transit aid.
7. Section 167 Coordinating Commission for Postsecondary Education, Program 640 Postsecondary Education Coordination for a data analyst position.
8. Section 222 Department of Economic Development, Program 601 Community and Rural Development for the cash fund appropriation to the Affordable Housing Trust Fund.
9. Section 258 Commission on Public Advocacy, Program 426 Legal Services Aid, from the Legal Aid and Services Fund.
10. Section 266 Fund Transfers, in FY2013-14 of \$3,794,502 vetoed of the transfer from the Securities Act Cash Fund to the General Fund, and in FY2014-15, \$4,027,590 vetoed of the transfer from the Securities Act Cash Fund to the General Fund.

SENATOR KRIST PRESIDING

Pending.

COMMITTEE REPORT

Transportation and Telecommunications

LEGISLATIVE BILL 249. Placed on General File.

(Signed) Annette Dubas, Chairperson

COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 224. Placed on Select File with amendment.
ER113

- 1 1. Strike the original sections and all amendments
- 2 thereto and insert the following new sections:
- 3 Section 1. Section 73-101.01, Reissue Revised Statutes of
- 4 Nebraska, is amended to read:
- 5 73-101.01 (1) When a public contract is to be awarded to
- 6 the lowest responsible bidder, a resident bidder shall be allowed
- 7 a preference over a nonresident bidder from a state which gives or
- 8 requires a preference to bidders from that state. The preference
- 9 shall be equal to the preference given or required by the state of
- 10 the nonresident bidder.
- 11 ~~Resident bidder as used in (2) When a public contract is~~
- 12 ~~to be awarded to the lowest responsible bidder, a resident disabled~~
- 13 ~~veteran shall be allowed a preference over any other resident or~~
- 14 ~~nonresident bidder if all other factors are equal.~~
- 15 (3) For purposes of sections 73-101.01 and 73-101.02

16 (a) Resident bidder means ~~shall mean~~ any person,
 17 partnership, foreign or domestic limited liability company,
 18 association, or foreign or domestic corporation authorized to
 19 engage in business in the State of Nebraska and which has met
 20 the residency requirement of the state of the nonresident bidder
 21 necessary for receiving the benefit of that state's preference
 22 law on the date when any bid for a public contract is first

23 advertised or announced or has had a bona fide establishment for
 1 doing business within this state for the length of time established
 2 by the state of the nonresident bidder necessary for receiving the
 3 benefit of that state's preference law on the date when any bid for
 4 a public contract is first advertised or announced; and-

5 (b) Resident disabled veteran means an individual (i)
 6 who resides in the State of Nebraska, who served in the United
 7 States Armed Forces, including any reserve component or the
 8 National Guard, who was discharged or otherwise separated with
 9 a characterization of honorable or general (under honorable
 10 conditions), and who possesses a disability rating letter issued
 11 by the United States Department of Veterans Affairs establishing a
 12 service-connected disability or a disability determination from the
 13 United States Department of Defense and (ii) who owns and controls
 14 a business (A) not less than fifty-one percent of which is owned
 15 by one or more individuals described in subdivision (i) of this
 16 subdivision or, in the case of a publicly owned business, not less
 17 than fifty-one percent of the stock of which is owned by one or
 18 more individuals described in subdivision (i) of this subdivision
 19 and (B) the management and daily business operations of which are
 20 controlled by one or more individuals described in subdivision (i)
 21 of this subdivision.

22 (4) Any contract entered into without compliance with
 23 sections 73-101.01 and 73-101.02 shall be null and void.

24 Sec. 2. Original section 73-101.01, Reissue Revised
 25 Statutes of Nebraska, is repealed.

(Signed) John Murante, Chairperson

COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 34. Placed on Final Reading.

LEGISLATIVE BILL 545. Placed on Final Reading.

(Signed) John Murante, Chairperson

AMENDMENTS - Print in Journal

Senator Chambers filed the following amendment to LB298:
 FA139

Strike the enacting clause.

Senator Chambers filed the following amendment to LB308:
FA140
Strike the enacting clause.

Senator Chambers filed the following amendment to LB326:
FA141
Strike the enacting clause.

Senator Chambers filed the following amendment to LB331:
FA142
Strike the enacting clause.

Senator Chambers filed the following amendment to LB368:
FA143
Strike the enacting clause.

Senator Chambers filed the following amendment to LB368A:
FA144
Strike the enacting clause.

Senator Chambers filed the following amendment to LB429:
FA145
Strike the enacting clause.

Senator Chambers filed the following amendment to LB429A:
FA146
Strike the enacting clause.

Senator Chambers filed the following amendment to LB479:
FA147
Strike the enacting clause.

Senator Chambers filed the following amendment to LB561:
FA148
Strike the enacting clause.

COMMITTEE REPORT

Transportation and Telecommunications

The Transportation and Telecommunications Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointments(s) be confirmed by the Legislature and suggests a record vote.

William Ashburn - Motor Vehicle Industry Licensing Board

Aye: 7 Brasch, Dubas, Hadley, McCoy, Price, Smith, Watermeier. Nay: 0.
Absent: 1 Janssen. Present and not voting: 0.

(Signed) Annette Dubas, Chairperson

MOTION - Override Line-Item Vetoes on LB195

The Appropriations Committee renewed their motion, MO92, found in this day's Journal, to override the Governor's line-item vetoes contained in the following sections of LB195:

1. Section 18 Supreme Court, Program 52 Operations Court Appointed Special Advocate aid and additional salary increases to County Court employees.
2. Section 47 Department of Education, Program 158 Education Aid, for Learning Community Aid.
3. Section 93 Department of Health and Human Services, Program 33 Administration for only the general fund appropriations for the addition of a Dental Health Director.
4. Section 102 Department of Health and Human Services, Program 347 Public Assistance, for cash fund appropriations for the Homeless Shelter Assistance Trust Fund.
5. Section 110 Department of Health and Human Services Program 502 Public Health Aid for general fund aid for the Federally Qualified Health Centers.
6. Sections 119 and 120, Department of Roads, Program 305 Assistance to Local Transit Authorities for mass transit aid.
7. Section 167 Coordinating Commission for Postsecondary Education, Program 640 Postsecondary Education Coordination for a data analyst position.
8. Section 222 Department of Economic Development, Program 601 Community and Rural Development for the cash fund appropriation to the Affordable Housing Trust Fund.
9. Section 258 Commission on Public Advocacy, Program 426 Legal Services Aid, from the Legal Aid and Services Fund.
10. Section 266 Fund Transfers, in FY2013-14 of \$3,794,502 vetoed of the transfer from the Securities Act Cash Fund to the General Fund, and in FY2014-15, \$4,027,590 vetoed of the transfer from the Securities Act Cash Fund to the General Fund.

Senator Mello moved for a call of the house. The motion prevailed with 32 ayes, 0 nays, and 17 not voting.

Whereupon the President stated: "The question shall be, 'Shall those portions of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 32:

| | | | | |
|----------|----------|----------|-------------|----------|
| Adams | Conrad | Harms | Lautenbaugh | Seiler |
| Ashford | Cook | Harr, B. | McGill | Sullivan |
| Avery | Crawford | Howard | Mello | Wallman |
| Bolz | Dubas | Karpisek | Nelson | Wightman |
| Campbell | Gloor | Kolowski | Nordquist | |
| Carlson | Haar, K. | Krist | Scheer | |
| Chambers | Hadley | Lathrop | Schumacher | |

Voting in the negative, 5:

| | | | | |
|------------|--------|--------|-------|------------|
| Bloomfield | Brasch | Hansen | McCoy | Watermeier |
|------------|--------|--------|-------|------------|

Present and not voting, 11:

| | | | |
|-------------|---------|---------|--------|
| Christensen | Johnson | Murante | Schilz |
| Coash | Kintner | Pirsch | Smith |
| Davis | Larson | Price | |

Excused and not voting, 1:

Janssen

Having received a constitutional three-fifths majority voting in the affirmative, those portions of the bill passed notwithstanding the line-item objections of the Governor.

The Chair declared the call raised.

MOTION - Override Line-Item Veto on LB195

Senator Chambers offered the following motion to LB195:
MO93

Override the Governor's line-item veto contained in Section 34 - Auditor of Public Accounts, Program 506 State Agency and County Post Audits.

Senator Chambers moved for a call of the house. The motion prevailed with 38 ayes, 0 nays, and 11 not voting.

Senator Chambers requested a roll call vote on the motion to override the Governor's line-item veto.

Whereupon the President stated: "The question shall be, 'Shall that portion of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 24:

| | | | | |
|-------------|----------|----------|----------|------------|
| Adams | Coash | Gloor | Kolowski | Schumacher |
| Bloomfield | Cook | Haar, K. | Krist | Sullivan |
| Campbell | Crawford | Harr, B. | Lathrop | Wallman |
| Chambers | Davis | Howard | McGill | Watermeier |
| Christensen | Dubas | Karpisek | Pirsch | |

Voting in the negative, 16:

| | | | |
|---------|---------|---------|--------|
| Ashford | Hansen | Larson | Scheer |
| Avery | Harms | McCoy | Schilz |
| Brasch | Johnson | Murante | Seiler |
| Carlson | Kintner | Nelson | Smith |

Present and not voting, 8:

| | | | |
|--------|-------------|-----------|----------|
| Bolz | Hadley | Mello | Price |
| Conrad | Lautenbaugh | Nordquist | Wightman |

Excused and not voting, 1:

Janssen

Having failed to receive a constitutional three-fifths majority voting in the affirmative, that portion of the bill failed to pass notwithstanding the line-item objections of the Governor.

The Chair declared the call raised.

MOTION - Override Line-Item Veto on LB195

Senator Dubas offered the following motion to LB195:
MO95

Override the Governor's line-item veto contained in Section 56 - Program 54 - Enforcement of Standards - Common Carriers.

Senator Dubas moved for a call of the house. The motion prevailed with 38 ayes, 0 nays, and 11 not voting.

Senator Dubas requested a roll call vote, in reverse order, on the motion to override the Governor's line-item veto.

Whereupon the President stated: "The question shall be, 'Shall that portion of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 18:

| | | | | |
|----------|----------|----------|----------|----------|
| Campbell | Davis | Harr, B. | Kolowski | Sullivan |
| Chambers | Dubas | Howard | Krist | Wallman |
| Cook | Haar, K. | Johnson | Lathrop | |
| Crawford | Hansen | Karpisek | McGill | |

Voting in the negative, 25:

| | | | | |
|------------|-------------|-------------|---------|------------|
| Adams | Carlson | Harms | Murante | Schilz |
| Ashford | Christensen | Kintner | Nelson | Schumacher |
| Avery | Coash | Larson | Pirsch | Seiler |
| Bloomfield | Gloor | Lautenbaugh | Price | Smith |
| Brasch | Hadley | McCoy | Scheer | Watermeier |

Present and not voting, 5:

| | | | | |
|------|--------|-------|-----------|----------|
| Bolz | Conrad | Mello | Nordquist | Wightman |
|------|--------|-------|-----------|----------|

Excused and not voting, 1:

Janssen

Having failed to receive a constitutional three-fifths majority voting in the affirmative, that portion of the bill failed to pass notwithstanding the line-item objections of the Governor.

The Chair declared the call raised.

MOTION - Override Line-Item Veto on LB195

Senator Dubas offered the following motion to LB195:

MO96

Override the Governor's line-item veto contained in Section 15, Program 501 - Intergovernmental Cooperation for dues to the Midwest Interstate Passenger Rail Compact.

SENATOR GLOOR PRESIDING

Senator Dubas moved for a call of the house. The motion prevailed with 29 ayes, 0 nays, and 20 not voting.

Senator Dubas requested a roll call vote on the motion to override the Governor's line-item veto.

Whereupon the President stated: "The question shall be, 'Shall that portion of the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 13:

| | | | | |
|----------|----------|----------|---------|---------|
| Chambers | Dubas | Howard | Lathrop | Wallman |
| Cook | Haar, K. | Karpisek | Price | |
| Crawford | Harr, B. | Kolowski | Smith | |

Voting in the negative, 29:

| | | | | |
|------------|-------------|-------------|---------|------------|
| Adams | Christensen | Harms | McCoy | Schumacher |
| Ashford | Coash | Johnson | Murante | Seiler |
| Avery | Davis | Kintner | Nelson | Sullivan |
| Bloomfield | Gloor | Krist | Pirsch | Watermeier |
| Brasch | Hadley | Larson | Scheer | Wightman |
| Carlson | Hansen | Lautenbaugh | Schilz | |

Present and not voting, 6:

| | | |
|----------|--------|-----------|
| Bolz | Conrad | Mello |
| Campbell | McGill | Nordquist |

Excused and not voting, 1:

Janssen

Having failed to receive a constitutional three-fifths majority voting in the affirmative, that portion of the bill failed to pass notwithstanding the line-item objections of the Governor.

The Chair declared the call raised.

MOTION - Override Line-Item Vetoes on LB195

Senator Krist offered the following motion to LB195:
MO97

Override the Governor's line-item veto contained in Sections 19, 21, and 22, the Supreme Court, Program 67 Probation Services, Program 420 State Specialized Court Operations, and Program 435 Probation Community Corrections, General Funds and Salary Limit, for the veto of the increase in funding for Probation Officer Reclassification.

Senator Krist withdrew his motion to override the Governor's line-item vetoes.

MOTION - Override Line-Item Vetoes on LB198

The Appropriations Committee offered the following motion to LB198:
MO90

Becomes law notwithstanding the line-item vetoes of the Governor.

Senator Mello moved for a call of the house. The motion prevailed with 27 ayes, 0 nays, and 22 not voting.

Whereupon the President stated: "The question shall be, 'Shall the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 34:

| | | | | |
|----------|----------|----------|-----------|------------|
| Adams | Coash | Hadley | Kolowski | Scheer |
| Ashford | Conrad | Hansen | Krist | Schumacher |
| Avery | Cook | Harms | Lathrop | Seiler |
| Bolz | Crawford | Harr, B. | McGill | Sullivan |
| Campbell | Dubas | Howard | Mello | Wallman |
| Carlson | Gloor | Johnson | Nelson | Wightman |
| Chambers | Haar, K. | Karpisek | Nordquist | |

Voting in the negative, 5:

| | | | | |
|------------|--------|-------------|-------|--------|
| Bloomfield | Larson | Lautenbaugh | McCoy | Pirsch |
|------------|--------|-------------|-------|--------|

Present and not voting, 9:

| | | | | |
|-------------|---------|---------|--------|------------|
| Brasch | Davis | Murante | Schilz | Watermeier |
| Christensen | Kintner | Price | Smith | |

Excused and not voting, 1:

Janssen

Having received a constitutional three-fifths majority voting in the affirmative, the bill passed notwithstanding the line-item objections of the Governor.

The Chair declared the call raised.

MOTION - Override Line-Item Vetoes on LB199

The Appropriations Committee offered the following motion to LB199:
MO91

Becomes law notwithstanding the line-item vetoes of the Governor.

Whereupon the President stated: "The question shall be, 'Shall the bill pass notwithstanding the line-item objections of the Governor?' "

Voting in the affirmative, 36:

| | | | | |
|----------|----------|----------|------------|----------|
| Adams | Cook | Harms | Lathrop | Seiler |
| Ashford | Crawford | Harr, B. | McGill | Sullivan |
| Avery | Davis | Howard | Mello | Wallman |
| Bolz | Dubas | Johnson | Murante | Wightman |
| Campbell | Gloor | Karpisek | Nelson | |
| Carlson | Haar, K. | Kolowski | Nordquist | |
| Coash | Hadley | Krist | Scheer | |
| Conrad | Hansen | Larson | Schumacher | |

Voting in the negative, 3:

| | | |
|------------|-------|--------|
| Bloomfield | McCoy | Pirsch |
|------------|-------|--------|

Present and not voting, 8:

| | | | |
|----------|-------------|--------|------------|
| Brasch | Christensen | Price | Smith |
| Chambers | Kintner | Schilz | Watermeier |

Excused and not voting, 2:

| | |
|---------|-------------|
| Janssen | Lautenbaugh |
|---------|-------------|

Having received a constitutional three-fifths majority voting in the affirmative, the bill passed notwithstanding the line-item objections of the Governor.

APPROPRIATIONS COMMITTEE REPORT ON LB 194

Pursuant to Rule 6, Section 14, the Appropriations Committee has examined the Governor's line-item vetoes contained in LB 194. The Appropriations Committee makes no recommendation on the vetoes contained in LB 194.

(Signed) Heath Mello, Chair
Appropriations Committee

MOTION - Override Line-Item Veto on LB194

Senator Carlson offered the following motion to LB194:

MO98

Becomes law notwithstanding the line-item veto of the Governor.

SENATOR COASH PRESIDING

Senator Carlson withdrew his motion to become law notwithstanding the line-item veto of the Governor.

COMMITTEE REPORTS

General Affairs

The General Affairs Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointments(s) be confirmed by the Legislature and suggests a record vote.

Kristopher Covi - State Racing Commission

Aye: 8 Bloomfield, Coash, Johnson, Karpisek, Krist, Lautenbaugh, Murante, Schilz. Nay: 0. Absent: 0. Present and not voting: 0.

The General Affairs Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointments(s) be confirmed by the Legislature and suggests a record vote.

Robert Batt - Nebraska Liquor Control Commission

Aye: 7 Coash, Johnson, Karpisek, Krist, Lautenbaugh, Murante, Schilz. Nay: 0. Absent: 0. Present and not voting: 1 Bloomfield.

(Signed) Russ Karpisek, Chairperson

RESOLUTION

LEGISLATIVE RESOLUTION 359. Introduced by McCoy, 39.

WHEREAS, Kali Smith of Bellevue, Nebraska, has assisted with the promotion and passage of LB 298 (2013), which has come to be known as Tyler's Law; and

WHEREAS, Tyler's Law would close a legal loophole to outlaw the use of chemically engineered and synthetic designer drugs; and

WHEREAS, Kali and her family have also started the Tyler J. Smith Purple Project to educate students about the dangers of using such synthetic substances; and

WHEREAS, Kali's efforts will be instrumental in preventing other young people like Kali's son, Tyler, from losing their lives to these dangerous drugs.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature thanks Kali Smith and her family for their support of Tyler's Law and for raising awareness in the schools and online about the dangers of teen drug use by launching the Tyler J. Smith Purple Project.

2. That a copy of this resolution be sent to Kali Smith and her family.

Laid over.

AMENDMENT - Print in Journal

Senator Schumacher filed the following amendment to LB574:
AM1198

1 1. Insert the following new sections:
2 Section 1. Section 2-259, Reissue Revised Statutes of
3 Nebraska, is amended to read:
4 2-259 Pursuant to a request by a county agricultural
5 society, the county board of any county may levy an additional
6 levy of three and five-tenths cents on each one hundred dollars
7 of taxable valuation, or any part thereof, for the purpose of
8 acquiring an interest in real property to comprise a portion
9 or all of the county fairgrounds, ~~or~~ for the purpose of
10 capital construction on and renovation, repair, improvement,
11 and maintenance of the county fairgrounds, over and above the
12 operational tax levy authorized in section 2-257, or for the
13 purpose of purchasing equipment. Such levy shall not exceed the
14 amount actually required for such acquisition or work and shall be
15 subject to section 77-3443.

16 Sec. 2. Section 2-264, Reissue Revised Statutes of
17 Nebraska, is amended to read:
18 2-264 ~~A county agricultural society may exchange its real~~
19 ~~estate and improvements for other real estate or to sell its~~
20 ~~real estate for the purpose of acquiring other real estate for~~
21 ~~fairgrounds, and may make, execute, deliver, and accept all proper~~
22 ~~or necessary conveyances in and about such exchange, sale, or~~
23 ~~purchase, and the right of the county in the original grounds and~~
1 ~~improvements as provided for in section 2-263 shall extend to the~~
2 ~~real estate derived from exchange or purchase.~~

3 A county agricultural society may exchange its real
4 estate and improvements for other real estate and improvements or
5 may lease or sell its real estate and improvements and may make,
6 execute, deliver, and accept all proper or necessary conveyances
7 relating to such exchange, lease, sale, or purchase. The right of
8 the county to real estate and improvements as provided in section
9 2-263 shall extend to real estate, improvements, or proceeds
10 derived from any exchange, sale, or purchase of real estate or
11 improvements acquired with the additional tax levy provided in
12 section 2-259.

13 A county agricultural society may purchase real estate
14 and improve the same. The payment of the purchase price may be
15 secured by mortgage or deed of trust.

16 2. Renumber the remaining sections and correct the
17 repealer accordingly.

ADJOURNMENT

At 5:52 p.m., on a motion by Senator Larson, the Legislature adjourned until
9:00 a.m., Wednesday, May 29, 2013.

Patrick J. O'Donnell
Clerk of the Legislature