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Transcriber's Office

Floor Debate  
February 20, 2014

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[LB56 LB60 LB143 LB191 LB249 LB383 LB444 LB474 LB526 LB559 LB560 LB565  
LB588 LB654 LB661A LB661 LB690 LB699 LB701 LB720 LB749 LB755 LB768 LB776  
LB844 LB853 LB854 LB855 LB861 LB863 LB867 LB883 LB901 LB916 LB920 LB926  
LB941 LB942 LB943 LB946 LB961 LB965 LB972 LB981 LB983 LB983A LB986 LB987  
LB996 LB998 LB999 LB1001 LB1012 LB1014 LB1028 LB1032 LB1039 LB1052  
LB1058 LB1059 LB1061 LB1074 LB1087 LB1092 LB1114 LB1115 LR187 LR421CA  
LR423CA LR446 LR447]

SENATOR COASH PRESIDING

SENATOR COASH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twenty-ninth day of the One Hundred Third Legislature, Second Session. Our chaplain for today is Chaplain Jim Haack of the Beautiful Savior Lutheran Church in La Vista, a guest of Senator Smith. Please rise.

CHAPLAIN HAACK: (Prayer offered.)

SENATOR COASH: Thank you. I call to order the twenty-ninth day of the One Hundred Third Legislature, Second Session. Senators, please record your presence. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

SENATOR COASH: Thank you. Are there any messages, reports, or announcements? Do you have any corrections for the Journal, Mr. Clerk.

CLERK: I do, Mr. President. Thank you. (Read corrections re Nebraska Commission on Problem Gambling reappointment.) That's all that I have, Mr. President. (Legislative Journal page 577.)

SENATOR COASH: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda.

CLERK: Mr. President, with your permission right before that, your Committee on the Executive Board has reported LB720, LB996 to General File. LB883 and LB926 are reported to General File by the Banking Committee. And Natural Resources Committee reports LB1115 to General File. Those all signed by the respective committee chairs. I have notice of hearings from the Judiciary Committee and the Health and Human Services Committee. Confirmation report from the Banking, Commerce and Insurance Committee. A communication from the Governor to the Clerk. (Read re LB56 and LB588.) Priority bill designations: Senator Kintner, LB1032; Senator Krist, LB474; the Agriculture Committee, LB768 and LB941; Health Committee, LB854 (Health Committee, LB853); Senator Bolz, LB690. (Legislative Journal pages 577-582.) [LB720

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LB996 LB883 LB926 LB1115 LB56 LB588 LB1032 LB474 LB768 LB941 LB853 LB854  
LB690]

Mr. President, returning to today's agenda. The first item: Natural Resources Committee reports on the appointment of Richard Bell to the Game and Parks Commission. (Legislative Journal page 538.)

SENATOR COASH: Thank you, Mr. Clerk. Senator Carlson, you're recognized to open on the confirmation report.

SENATOR CARLSON: Thank you, Mr. President, members of the Legislature. The Natural Resources Committee met and made a unanimous vote for Richard Bell. And he's got a good background. He will be a good addition on that committee, and I would ask for your support. Thank you.

SENATOR COASH: Thank you, Senator Carlson. Members, you've heard the opening to the Natural Resources confirmation report. The floor is now open for discussion. Seeing no members wishing to speak, Senator Carlson, you're recognized to close. Senator Carlson waives closing. The question for the body is, shall the confirmation report from the Natural Resources Committee be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 582-583.) 32 ayes, 0 nays, Mr. President, on the adoption of the confirmation report.

SENATOR COASH: The confirmation report is adopted. Next item, Mr. Clerk.

CLERK: Mr. President, the first report from Health and Human Services involves the appointment of Donald Harmon to the Board of Emergency Medical Services. (Legislative Journal page 557.)

SENATOR COASH: Senator Campbell, you're recognized to open on the confirmation report.

SENATOR CAMPBELL: Thank you, Mr. President and colleagues of the Legislature. Today, we bring forward the name of Donald Harmon who is a physician assistant and works for the Beatrice hospital. Mr. Harmon has an extensive educational background attending the University of Kansas, the University of Iowa College of Medicine, and the University of Nebraska-Lincoln on which he holds a master's degree. Mr. Harmon is an excellent person to bring forward to serve on the Board of Emergency Medical Services and has been active in his community serving on the school board for the city of Beatrice. We encourage your positive vote on this appointment. Thank you, Mr. President.

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SENATOR COASH: Thank you, Senator Campbell. Members, you've heard the opening to the confirmation report. The floor is now open. Seeing no members wishing to speak, Senator Campbell, you're recognized to close on the report. Senator Campbell waives closing. The question for the body is, shall the confirmation report from the Health and Human Services Committee be adopted? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 583-584.) 32 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SENATOR COASH: Confirmation report is adopted. Next report, Mr. Clerk.

CLERK: Mr. President, Health and Human Services reports on the appointment of Becky Rieken to the Commission for the Blind and Visually Impaired. (Legislative Journal page 557.)

SENATOR COASH: Senator Campbell, you're recognized to open on the confirmation report.

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, we bring forward the name of Becky Rieken. Becky is from Kearney and she is working on a master's degree to be an instructor of the visually impaired. Her appointment to the Commission for the Blind and Visually Impaired would bring a very unique perspective to this body. She has a child who has been blind and has worked with college students across the state as they work through their college education. She is without question a very unique and engaging woman who can bring a great perspective to this commission. And with that, we would ask your approval of her appointment. Thank you, Mr. President.

SENATOR COASH: Thank you, Senator Campbell. Members, you've heard the opening on the confirmation report. The floor is now open. Seeing no members wishing to speak, Senator Campbell, you're recognized to close. Senator Campbell waives closing. The question for the body is, shall the confirmation report be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 584.) 29 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SENATOR COASH: Confirmation report is adopted. Next report, Mr. Clerk.

CLERK: Mr. President, Senator Campbell, as Chair of Health and Human Services, reports on three appointments to the Nebraska Child Abuse Prevention Fund Board. (Legislative Journal page 557.)

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SENATOR COASH: Senator Campbell, you're recognized to open on the three appointments.

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, our first candidate, and I should say that all of these received a unanimous vote from the committee for their approval, is Trisha Crandall, and Trisha is from Burwell. And one of the true joys of speaking with gubernatorial appointees is finding these very talented Nebraskans all across the state. Ms. Crandall is truly one of those unsung heroes in the Burwell community. She has volunteered and started almost every major human service project that you can think of. She currently serves as a multicounty director for the children's council and is a great believer that education is the key to child abuse prevention. And we would encourage her approval. Our second candidate is Lisa Knoche. Dr. Knoche is from Lincoln. She also brings a unique perspective in that she is the research associate professor and assistant director of research at UNL. And her background for the Child Abuse Prevention Commission is also a unique perspective as she has done extensive research. Could I have a gavel, Mr. President? She has done extensive research on child abuse prevention and particularly has worked on early childhood education and the economic benefits of it. Dr. Knoche is certainly very well qualified to serve. Our last appointee is Brandon Verzal, and he brings the perspective of a parent. Their child was a victim of shaken baby syndrome at the hands of a childcare provider in Texas. They moved to Lincoln in order to take advantage of the rehabilitation at Madonna, and their story is so uplifting because their daughter now is doing extremely well. All three of these candidates would be very well...would serve us very well on the commission and I urge your approval. Thank you, Mr. President.

SENATOR COASH: Thank you, Senator Campbell. Members, you're heard the opening to the confirmation report. Senator Sullivan, you are recognized.

SENATOR SULLIVAN: Thank you, Mr. President, and I just wanted to speak in strong support of the appointment of Ms. Trisha Crandall from Burwell to this commission. She is my constituent in Garfield County, but I also know her personally. And I echo what Senator Campbell said about finding these great talents and committed individuals in rural Nebraska. And Trisha has worked tirelessly in this area. She's an articulate woman and it's so nice to bring the perspective rural communities to the table in this effort. So again I am in strong support of her confirmation. Thank you.

SENATOR COASH: Thank you, Senator Sullivan. Seeing no other members wishing to speak, Senator Campbell, you're recognized to close. Senator Campbell waives closing. The question for the body is, shall the confirmation report from the Health and Human Services Committee be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk.

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CLERK: (Record vote, Legislative Journal pages 584-585.) 31 ayes, 0 nays, Mr. President, on the adoption of the confirmation report.

SENATOR COASH: Confirmation report is adopted. Next confirmation, Mr. Clerk.

CLERK: Mr. President, Health and Human Services reports on an appointment to the State Board of Health. (Legislative Journal page 557.)

SENATOR COASH: Senator Campbell, you're recognized to open on your confirmation report.

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, our last appointment report to you is on Dr. Jeromy Warner who is a psychologist with Mary Lanning Hospital in Hastings. Dr. Warner has served on the Board of Health and brings again a great background as a psychologist to the Board of Health. I would like to note that he has also served on the brain injury board and is working toward being a board-certified neuropsychologist, and we learned as a committee that that is a very rare distinction on his certification. We enjoyed very much our conversation with Dr. Warner and his outlook and thoughts with regard to the State Board of Health, and would encourage your approval of his appointment. Thank you, Mr. President.

SENATOR COASH: Thank you, Senator Campbell. Members, you've heard the opening to the confirmation report. Seeing no members wishing to speak, Senator Campbell, you're recognized to close. Senator Campbell waives closing. The question for the body is, shall the confirmation report from the Health and Human Services Committee be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 585-586.) 31 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SENATOR COASH: The confirmation report is adopted. Do you have items, Mr. Clerk?

CLERK: I do, Mr. President. Priority bill designations: Business and Labor has selected LB961 as...and LB560 as the committee priority bills; Senator Lathrop, LB1074; Senator Wallman, LB1001; LB943 has been selected by Senator Nordquist; Urban Affairs, LB1012 and LB1014; Senator Mello as Chair of Appropriations, LB1114. Mr. President, new resolutions: Senator Wallman offers LR446 and LR447. Both those will be laid over at this time. I have Reference report referring, first of all, LR444 to the Executive Board for purposes of conducting a public hearing. And I also have a Reference report with respect to a gubernatorial appointee. That's all that I have, Mr. President. Thank you. (Legislative Journal pages 586-587.) [LB961 LB560 LB1074 LB1001 LB943 LB1012 LB1014 LB1114 LR446 LR447]

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SENATOR COASH: Thank you, Mr. Clerk. We will now proceed to the next item on the agenda, General File.

CLERK: Mr. President, LB191, a bill originally introduced by Senator Nordquist, relates to revenue and taxation. It adopts the Nebraska Job Creation and Mainstreet Revitalization Act. The bill has been discussed on February 13 and again on February 18. Committee amendments have been adopted, as has an amendment to the committee amendments by Senator Nordquist. When the Legislature left the issue, pending was Senator Nordquist's AM1935, and pending to that was Senator Schumacher's AM1971. (Legislative Journal page 558.) [LB191]

SENATOR COASH: Thank you, Mr. Clerk. Senator Nordquist, would you give us a brief update on LB191 and the pending amendment? [LB191]

SENATOR NORDQUIST: I'd be happy to. Thank you, Mr. President and members. LB191 again is the Nebraska Job Creation and Mainstreet Revitalization Act. It would provide a tax credit for renovating historically significant properties for preserving, renovating those properties. With the committee amendment that was adopted, it would create a 20 percent tax credit on expenditures up to \$5 million so the credit therefore on a per project basis would be capped at \$1 million. We have had ongoing discussion, Senator Schumacher, Senator Harr, and myself, and have come to a broad agreement that will allow us, hopefully, to move LB191 today and adopt amendments on Select File. The broad parameters would include shortening it from a five-year sunset to a four-year sunset, putting a cap of \$15 million per year. We don't anticipate it to come near that. The fiscal note shows that the projected utilization will be less than that, but it does create a fail-safe safety net should it...should the program really take a lot of...get a lot of steam behind it. We are going to work on addressing the transferability question and a number of the technical issues that Senator Schumacher has raised and we are...we will address as many of those as we possibly can. And we will start as soon as we move the bill preparing an amendment for Select File. I appreciate your support of the bill. [LB191]

SENATOR COASH: Thank you, Senator Nordquist. Senator Schumacher, would you give us a brief update on your amendment to the amendment? [LB191]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. Senator Nordquist has summarized a tentative thing that we hope we'll be able to put together between now and Select File. Basically, he articulated it correctly. There's a cap which addressed the concerns that I had about something being unlimited. Limitation of transferability at about 50 percent, I think it is, of the credits if they transfer and don't use them themselves. Some guidelines on exactly what these things can be used for and then a whole bunch of technical things and defects in the actual language and

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definitions that need to be worked on and cleared up. But I think that the Unicameral has worked here and we have got a agreement that is, hopefully, very viable. Thank you, Mr. President. [LB191]

SENATOR COASH: Thank you, Senator Schumacher. Members, you've heard the opening to LB191, the pending amendment, and the amendment to the amendment. The floor is now open for discussion. Senator Hansen, you're recognized. [LB191]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. I think I just kicked the bucket, but I recovered. Last year when we heard LB191 in the Revenue Committee, we studied it, voted whether to vote it in or out, come to the floor or not. I voted against it along with Senator Schumacher. Well, since then, since we didn't talk about it last year, I talked to the people at home, the people in Sutherland, people in North Platte. We've identified some buildings that it would really help. And we have one building in a town that was a federal building, had the court on the top floor until they built the new federal building in North Platte, and then that building became the community college. And since then, the ceilings have all been lowered, it has been modernized. It had florescent lights in it. It basically ruined the ceiling or made it in a lot of disrepair anyway, the ceiling of a beautiful old building. And now it's been bought privately and it's becoming the Prairie Arts Center, and it's a...with the basement, they started in the basement, they got the heating and cooling in there. They have different art projects going on in the basement, and now they're moving to the main floor and they've got another floor above that. Great old building and they need some help. The name of the bill in the bill title, it says it's the Nebraska Job Creation and Mainstreet Revitalization Act. Well, there's no job creation in North Platte without this bill because it's all volunteer work and they've done a great job and thank goodness we have great volunteers out west. We have another facility in North Platte named the Pawnee Hotel. It was a great old place where winter dances were held with the Crystal Ballroom. And since then it's been turned into a...it was sold and a provider came in there and took care of mentally...nondeveloped folks that really needed a place to live. Since then it's been condemned by HHS. Even though it was condemned by HHS for someone to live in, the building has not been condemned. So it's sitting in a downtown area that really needs a way to redevelop that great old building. We need infrastructure in our downtown area. The city is willing to put in the water, sewer, and streets. But if the business owners along the street aren't able to revitalize those, our downtown is going to continue to get into disrepair. I voted against this bill last year. I've been listening to Senator Schumacher and his arguments. I'm not buying into them only because I've talked to the people in my legislative district. Several of the towns have small main streets, would like some help, and it's not a unique situation to any town. But I will vote for LB191 and probably the Nordquist amendment, but I won't vote for what Senator Schumacher is trying to do, and I certainly won't help with a filibuster if that's what this has turned into be. Thank you, Mr. President. [LB191]

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SENATOR COASH: Thank you, Senator Hansen. Mr. Clerk, you have an item. [LB191]

CLERK: Well, Mr. President, just for the members' sake, Senator Schumacher, I understand you want to withdraw the amendment currently pending, AM1971. Senator Nordquist, I now understand, Senator, you wish to withdraw AM1935. [LB191]

SENATOR NORDQUIST: That is correct. [LB191]

CLERK: Mr. President, Senator Schumacher, and withdraw FA200 as well. [LB191]

SENATOR SCHUMACHER: Yes. [LB191]

CLERK: Mr. President, I have nothing further pending on the bill at this time. [LB191]

SENATOR COASH: Return to discussion on LB191. Senator Johnson, you're recognized. [LB191]

SENATOR JOHNSON: Thank you, Mr. President. I truly appreciate the work that Senator Nordquist and Senator Schumacher are working on. Hopefully we can move this forward. I just have a few comments I guess, and it kind of follows up what Senator Hansen just said in his area. As you know, I was involved with the Nebraska Community Improvement Program and visited many communities, small communities, that had projects that they had completed. But they also said here's projects that we haven't done. We just need a little help. And also I'm part of the Main Street program, supportive of that, and serve on that board. And through that organization, I received information on some of the projects that could fall under this bill, assuming it moves forward. I'm not going to go through the list because it's relatively long, but what I see in this, we've talked a lot about the \$5 million deal and what's going to happen to that. There will be one or two, most likely, that could come up and maybe should come up. But for the majority, what I...I'm just going to read the totals here. The largest one on my list is a million two. There's one for \$200,000. There's one for \$90,000, \$110,000. One that...a couple of them that are with unknown value, but looking at it it's probably under a quarter of a million for sure. In my district, I'm familiar with the David City project and what that will do to downtown. Osceola is not in my district but I attended their meeting and I know the opera house that they're talking about and it sits in downtown. Schuyler is looking at the same thing. So all of these small communities, it's not limited to small communities, but that's where we're probably going to see the smaller projects that need some help. And I just believe that we're moving forward in the right direction and, again, I appreciate Senator Schumacher and Senator Nordquist working on this. It's my priority bill and I will support it as it stands right now. Thank you. [LB191]

SENATOR COASH: Thank you, Senator Johnson, Senator Kintner, you're recognized. [LB191]

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SENATOR KINTNER: Well, thank you, Mr. President. I want to thank Senator Nordquist for bringing this bill. I want to thank Senator Johnson for prioritizing it. And I had to look at it. I looked at it and I tried to look at what it was doing and I went to talk to Senator Nordquist's staff and I talked to Senator Nordquist. How...you know, what's the cost? How big is the cost? You know, he said, he explained it to me. But then I started to research. What are other states doing? It seems like most every state has something like this, and I got to looking, well, where does ours fall? Ours falls right kind of in the middle of what other states are doing. And I don't see any states moving to amend it or change it or take it off the books. I would say we're probably a little late to get to the party here, but better late than never. And I got to tell you, I've got a couple of great cities in my district. You have everybody in Nebraska City. It's a thriving main street. Boy, this would really be great down there. If you look at Plattsmouth and if you haven't spent time in Plattsmouth, I'd encourage you to go there. It's a great place to spend the day. Beautiful main street and something like this can only make it better. And then I look at these small little towns where they're boarded up like Union. Boy, maybe this could really be something where somebody who's got a little entrepreneurial spirit could take the ball and run with it with just a little nudge. And I think this bill is actually a little nudge. So I am in full support of this bill. I thank Senator Nordquist again and I encourage my fellow senators to support it. Thank you, Mr. President. [LB191]

SENATOR COASH: Thank you, Senator Kintner. Senator Hadley, you are recognized. [LB191]

SENATOR HADLEY: Mr. President, members of the body, I just want to stand for just a couple of minutes and just remind the body that we're going to be seeing a lot of different tax bills this session. And it's a little bit like a kid at Christmas who wants a lot of presents. But then the family gets down to figuring out what they can afford. And my only point is, is that I'm certainly going to support this. I will support it at the Select File area. But when it gets to the Final Reading, we're going to array all of the bills that have fiscal notes and appropriations on them and we're going to have to decide what we can afford. So I just want everybody to know that we're going to have to be making some tough choices as we go on at the end of this, which we've done every year. Every year we have to figure out what we have on the table and what we can afford to do. So that's my only point, Mr. President. Thank you. [LB191]

SENATOR COASH: Thank you, Senator Hadley. Seeing no other members wishing to speak, Senator Nordquist, you're recognized to close on the advancement of LB191. [LB191]

SENATOR NORDQUIST: Thank you, Mr. President, and thank you, members. Thank you, Senator Kintner, for mentioning the communities in your district. I know that can benefit. I know, certainly, Plattsmouth with having to rebuild some critical historic

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buildings downtown now after a fire could really benefit from this. Senator Hansen has shared his stories of the towns that could benefit from this. Senator Johnson has as well. This really is a bill that I think can help border to border in our state. And I just again want to thank Senator Harr and Senator Schumacher. You know, I think it's just a good model in the Legislature that a lot good can be done off the mike rather than sometimes fighting these battles out on the floor. I think we've come to a reasonable agreement and we'll have a final amendment ready on Select File. Thank you. [LB191]

SENATOR COASH: Thank you, Senator Nordquist. Members, you've heard the closing to LB191. The question is, shall LB191 advance? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB191]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB191. [LB191]

SENATOR COASH: LB191 does advance. Next item, Mr. Clerk. [LB191]

CLERK: LB755 is a bill by Senator Gloor. (Read title.) Introduced on January 9, referred to Banking, advanced to General File. I have no amendments pending to the bill at this time, Mr. President. [LB755]

SENATOR COASH: Thank you, Mr. Clerk. Senator Gloor, you're recognized to open on LB755. Senator Gloor, you're recognized to open on LB755. [LB755]

SENATOR GLOOR: Thank you, Mr. President. Good morning, members. LB755 is an important bill I introduced on behalf of the Director of Insurance. LB755 is one of the two priority bills of the Banking, Commerce and Insurance Committee this year. If enacted, LB755 would modernize Nebraska's insurance statutes to update provisions and adopt new standards for setting reserves for life insurance products. These standards follow what is called principle-based reserving, PBRs. We know that insurance is regulated primarily at the state level. But what we have wrong...got to love dry air in Nebraska, but we would be wrong to imagine insurance officials working in isolation with each state to create distinct insurance codes. Like so much of our insurance law, this bill is the product of work at the National Association of Insurance Commissioners, the NAIC, which is the U.S. standard setting in regulatory support organization created and governed by the directors and commissioners of insurance departments from the 50 states. That would, of course, include our Director of Insurance, the District of Columbia, and it also includes the five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, coordinate their regulatory oversight of the insurance industry. The NAIC works through what they call letter committees, and those committees assign charges down through various working groups and task forces. So when an issue of any area of insurance is identified as needing study, development, or enhancement, the work typically begins at the task force or working group level which then allows regulators, industry, trade associations,

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consumer advocates, and others to participate. Frankly, it's not too dissimilar from our own study resolutions that we run through the Legislature for all the same purposes--a good level of involvement in transparency. Then the work moves up as it develops to be reviewed through the parent committee, and then ultimately to the executive and plenary committees in which each director or commissioner has a vote on the final product. Through this process, there are a number of times in which comments are heard from the participant, various participants, and changes are made. What I'm trying to make clear here, members, is that there is a very extensive and demanding vetting process for anything of this scope that's brought to Legislatures. I believe that's called a Rubio. The principle-based reserving approach to setting reserves has been understudy and development at the NAIC for approximately ten years. Not only state insurance regulators and their actuaries, but the actuaries in the insurance industry and actuaries with the American Academy of Actuaries have been involved in the development of these changes leading to the model legislation we have in LB755 before us today. So the purpose of this legislation is to effect a change in the reserving methodology from a formulaic, I would say one-size-fits-all approach, which can lead to life insurance policies that are not as appropriately reserved as they ought to be to reserving methodology which will allow insurers to better take into account the type of product, specific experience of the product, and other factors in their assumptions. This will right size the reserves of those insurers while preserving the longstanding principle of statutorily requiring conservative reserve levels for life insurance, and this bill is about life insurance. The new model standard valuation law as contained in this bill would incorporate any IC valuation manuals with detailed information and requirements for life insurers to follow. The new standards would apply to Nebraska domestic life insurers doing business across the country. And I would like to make a key point here. Only new business issued on or after the operative date of the valuation manual would be subject to principle-based reserving. Already in force business, again, life insurance, already in force business would continue to be reserved under the formulaic methodologies and assumptions. The Nebraska insurance industry is heavily involved in life insurance. Nebraska's attractiveness as an insurance domicile is based in large measure on the Nebraska Legislature's historic proactive nature in adopting up-to-date regulatory standards. Adoption of these standards on a national basis will allow insurers access to more accurately priced and reserved life insurance products. Nebraska's quick adoption of the revised NAIC model standard valuation law would help encourage other states to take the same step and, thereby, hopefully facilitate more reasonable life insurance rates for Nebraska's insureds who purchase from nondomestic as well as domestic life insurers. Principle-based reserving is not a new concept. The property casualty insurance industry and the health insurance industry have been utilizing principle-based reserving for years. In addition, principle-based reserving is already in place for life insurers in a number of other countries, including Australia, Canada, and the United Kingdom. Currently, seven states have enacted principle-based reserving legislation. In 2014, 16 states--including ours--have committed to introducing principle-based reserving legislation, and eight of those states--including Nebraska--have obviously

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already introduced those bills. The Director of Insurance told our committee during the hearing that he believes that the proposal would require increased actuarial resources to be devoted to the Department of Insurance which is estimated at two additional actuary FTEs and a 50 percent increase in the amount of actuarial resources for the department's contracts. However, under all circumstances, these costs are paid by insurers in the form of billing for specific examination services that they get and are required to get. In summary, LB755's enactment of principle-based reserving would benefit consumer's life insurance and regulators. Consumers would benefit from having the price of the products more closely aligned with the risks being assumed by the company. Life insurers would benefit by being able to more accurately reserve for risks and by gaining the flexibility to develop new products and new product features. Regulators would benefit from the enhanced solvency oversight that principle-based reserving provides. I would ask that LB755 be advanced. Thank you, members, and thank you, Mr. President. [LB755]

SENATOR COASH: Thank you, Senator Gloor. Members, you've heard the opening to LB755. The floor is now open for discussion. Seeing no members wishing to speak, Senator Gloor, you're recognized to close on the advancement of LB755. Senator Gloor waives closing. The question for the body is, shall LB755 advance? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB755]

CLERK: 29 ayes, 0 nays, Mr. President, on the advancement of LB755. [LB755]

SENATOR COASH: LB755 does advance. (Visitors introduced.) Next item, Mr. Clerk. [LB755]

CLERK: Mr. President, If I might, announcement. Judiciary will hold an Executive Session at 10:00 in Room 2022.

LB749, General File, offered initially by Senator Burke Harr. (Read title.) The bill was introduced on January 9 of this year, Mr. President, referred to the Banking, Commerce and Insurance Committee, advanced to General File. At this point, I have no amendments pending to the bill, Mr. President. [LB749]

SENATOR COASH: Thank you, Mr. Clerk. Senator Burke Harr, you're recognized to open on LB749. [LB749]

SENATOR HARR: Thank you, Mr. President, members of the body. LB749 would revise and update the Nebraska Model Business Corporation Act and will repeal Nebraska's current Business Corporation Act. LB749 came from a legislative resolution, LR187, which was an interim study last summer where we worked with legal counsel of the Banking, Commerce and Insurance Department (sic) to evaluate the current...to

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evaluate the model business code. I want to say, Mr. Marienau did the yeoman's work on this. I am indebted to him for all the hard work he did on this. Every year, he studies and looks at what recommendations come out of the Model Business Act from the ABA, he keeps track of that. And this bill is a result of his hard work. The first Model Business Corporation Act issued by the American Bar Association, or the ABA, was promulgated in 1950. The ABA committee promulgated a complete revision in 1984 and has been constantly updating it since that time with a substantive and stylistic changes throughout. In 1995, Nebraska enacted the Business Corporation Act based on what was the updated ABA model as it existed in 1994. Nebraska has only adopted very few of the ABA committee's subsequent updates in the past two decades. Thirty-one jurisdictions have adopted the ABA model act as their general corporation statute. It is beneficial for business to operate in states in which the corporation's laws are consistent with the corporation laws of other jurisdictions or states. One major advantage for Nebraska in adopting the updated ABA model act is that when there are relatively few jurisdictions...judicial interpretations of business corporation statutes by Nebraska courts, the judicial decisions of other states which have also adopted the ABA model act can be referred to as guidance in making business and judicial decisions. LB749 would amend the various sections outside the current business corporations in order to harmonize provisions and internal references. The subject area for the bill are as follows: general provisions would be the first; and corporations would be Sections 19 through 25; purposes and powers, Section 26 to 29; name of corporations would be Sections 30 to 32; officer and agents, 33 to 36; then you'd have shareholder distribution; shares and distributions; shareholders and directors and officers. I could go through the whole litany. I'll save that. LB749 provides an operative date of January 1, 2016. We understand there is a lot to comprehend. This is a 300-plus page bill with these changes. And the operative date will provide ample time for all parties to get up to speed. Our legislative resolution, by the way, I want to go back, I left this out, included suggestions from the Nebraska Secretary of State, the Nebraska State Bar Association, and other interested parties. And I want to thank them for their hard work on this as well. LB749 was voted out of committee 8 to 0 with no opposition. It does have the support of the Secretary of State, the Nebraska Bar Association, and the Nebraska Uniform Law Commissioners. I want to thank the Banking, Commerce and Insurance Committee for making this a committee priority, and I would ask that you please advance LB749 to Select. And I will be happy to answer any questions you may have. [LB749 LR187]

SENATOR COASH: Thank you, Senator Harr. Members, you've heard the opening to LB749. The floor is now open for discussion. Seeing no members wishing to speak, Senator Harr, you are recognized to close on the advancement of LB749. [LB749]

SENATOR HARR: Thank you. The fact that there are no comments I think again is the testament to the hard work of Mr. Marienau and also to Chairman Gloor of that committee. And I want to thank them again for their hard work and for prioritizing this. And with that, again, I would ask you to advance LB749. [LB749]

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SENATOR COASH: Thank you, Senator Harr. Members, you've heard the closing to LB749. The question for the body is, shall LB749 advance? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB749]

CLERK: 30 ayes, 0 nays, Mr. President, on the motion to advance LB749. [LB749]

SENATOR COASH: LB749 does advance. Next item, Mr. Clerk. [LB749]

CLERK: Mr. President, LB983, a bill originally introduced by Senator Dubas. (Read title.) Introduced on January 17, referred to Transportation, Telecommunications Committee, advanced to General File. There are committee amendments pending, Mr. President. (AM1820, Legislative Journal page 527.) [LB983]

SENATOR COASH: Thank you, Mr. Clerk. Senator Dubas, you're recognized to open on LB983. [LB983]

SENATOR DUBAS: Thank you very much, Mr. President, and good morning, colleagues. LB983 originally came to me from the Department of Motor Vehicles who worked with our Department of Roads and the State Patrol to ensure compliance with new federal requirements. Because of the interstate nature of our nation's roads, the feds do play a large role in setting guidelines for safety, especially with our commercial drivers. The latest federal highway funding authorization bill was called MAP-21 or Moving Ahead for Progress in the 21st Century. In Nebraska, we receive about \$274 million annually from the federal government to pave our roads and keep them safe. If LB983 does not pass, we will be out of compliance with MAP-21 and other rules and regs which risk us losing 5 percent of our funding on the first year of noncompliance and 10 percent or \$27.4 million in subsequent years of noncompliance. As originally drafted and as it remains in the committee amendment, which I will be speaking to shortly, LB983 deals with the testing and issuance of commercial driver's license. It harmonizes Nebraska statutes with federal language to ensure a seamless set of rules nationwide. Failing to pass this bill not only affects federal funding, it also affects the ability of commercial driver's licenses to remain valid outside of Nebraska. So that's LB983. The following amendment will talk about several other bills that we have rolled into LB983, all bills that will bring us and keep us in compliance with federal regulations and prevent us from losing federal highway funding. [LB983]

SENATOR COASH: Thank you, Senator Dubas. As the Clerk has stated, there is an amendment from the committee. Senator Dubas, you're recognized to open on the committee amendment. Senator Dubas, you're recognized to open on the committee amendment. [LB983]

SENATOR DUBAS: AM1820, the committee amendment, will include provisions of

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LB249 and LB981. So to save time for the body and since all of these combined bills amend DMV statutes, mostly rules of the road, all three bills contained in the amendment were requested by the DMV and, again, failure to pass any one bill results in that same 15...5 to 10 percent penalty for noncompliance. LB249 affects drivers of semitrucks and other large vehicles hauling agricultural products and supplies. The changes reduce regulations on farmers, their family members, and employees by removing the requirement these drivers have a commercial driver's license or a CDL. It further exempts farmers from federal testing, maintenance and repair, and hours of service requirements. The bill also relaxes certain hauling between farms and distribution centers during planting and harvesting season. The committee did expand our definition of planting and harvesting season to be year-round instead of what currently is in statute of February 15 to December 15 for ease of enforcement, continuity, and realizing that in Nebraska we do farm some type of product year-round. The changes made in LB249 again are required under MAP-21. The committee amendment also adds in LB981 which concerns the use of mobile phones by commercial drivers, drivers of 9 to 15 passenger vans, and school bus drivers. As required by federal law, these drivers are banned from texting and talking on a phone while driving with exceptions for hand-free devices, one-push calls, and emergency situations. So, again, everything that is in LB983 and the underlying amendment are all bills that were brought to the committee from the DMV. These are all requirements for us to remain in compliance with MAP-21 and keep our federal funding dollars intact. We are towards the end of our so-called grace period as far as getting these bills enacted. So it's imperative that we pass this bill and the underlying amendment this session. Thank you. [LB983 LB249 LB981]

SENATOR COASH: Thank you, Senator Dubas. Members, you've heard the opening to LB983 and the committee amendments. The floor is now open. Senator Schumacher, you are recognized. [LB983]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. Just briefly I rise in support of AM1820. I had a constituent early this year pose a problem where he's a farmer, he doesn't have his CDL yet. He found a truck, semitruck tractor on a sale. It was a good deal. He bought it. And then he went through all kinds of contortions getting it home because he couldn't drive it home and he had a choice of either sneaking it home or hiring somebody. Fortunately, he hired somebody to drive it home for him. But this particular federal adjustment would fix his problem and it also keeps us in compliance, as Senator Dubas said. Thank you. [LB983]

SENATOR COASH: Thank you, Senator Schumacher. Senator Wallman, you are recognized. [LB983]

SENATOR WALLMAN: Thank you, Mr. President. Would Senator Dubas yield to a question? [LB983]

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SENATOR COASH: Senator Dubas, will you yield? [LB983]

SENATOR DUBAS: Yes, I will. [LB983]

SENATOR WALLMAN: Thank you, Senator. Now does this also coincide then with Iowa and Kansas laws about farming on the border? [LB983]

SENATOR DUBAS: Would you repeat the last part of your question? [LB983]

SENATOR WALLMAN: With the CDL, does that transcends states as well? [LB983]

SENATOR DUBAS: Yes, yes, yes. [LB983]

SENATOR WALLMAN: Thank you. Thank you, Mr. President. [LB983]

SENATOR COASH: Thank you, Senator Wallman. Senator Johnson, you are recognized. [LB983]

SENATOR JOHNSON: I have a couple of questions if Senator Dubas would yield. [LB983]

SENATOR COASH: Senator Dubas? [LB983]

SENATOR DUBAS: Yes. [LB983]

SENATOR JOHNSON: This is more of a clarification. I'll use two examples. One of them is I was confronted by a constituent that has two semis. It's a father-and-son operation and he got a letter, 32-page long application that he had to go to a school to be a dispatcher. Is that included in this...is this erased then or do you know anything how that might be affected? [LB983]

SENATOR DUBAS: That he had to go to school to be a dispatcher? [LB983]

SENATOR JOHNSON: Yes. He had to learn to be a dispatcher because he owned more than one semi. [LB983]

SENATOR DUBAS: As far as what is contained in this bill, there's nothing that deals with dispatching to my knowledge. So I would need some more information as far as why he received such a letter and under what statutes or requirements that is. So I'd be happy to look into that a little bit further. [LB983]

SENATOR JOHNSON: Okay. Well, I'll still vote for the bill even if it's not there. The one

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that I am curious about, it talks about ag commodities. Is one of those commodities livestock manure that's being hauled from a feedlot out to the field? I think there's a discrepancy there. [LB983]

SENATOR DUBAS: I don't believe commodities takes into consideration the hauling of manure. [LB983]

SENATOR JOHNSON: Because the federal has changed theirs and the state hadn't. [LB983]

SENATOR DUBAS: Yeah, I think it's commodity specifically relates to the live animals or to actual grain or something that is produced on the farm. So the inclusion of the waste product, I don't believe falls under that. [LB983]

SENATOR JOHNSON: Okay. [LB983]

SENATOR DUBAS: Again, we'd have to get some clarification for you on that. [LB983]

SENATOR JOHNSON: Okay. Thank you. Thank you. [LB983]

SENATOR COASH: Thank you, Senator Johnson. Senator Bloomfield, you are recognized. [LB983]

SENATOR BLOOMFIELD: Thank you, Mr. President. Good morning, colleagues. I know we're trying to get back in line with federal government with this bill and I will probably hold my nose and vote for it. But there are things coming down the road with CDL licenses the body should be aware of that are going to be mandated by the federal government that will in my doctor's opinion and in my opinion probably take a third to a half of the truck drivers off the road. They're going to go to body mass index. If you are over a certain percentage of BMI, you will have to pay for sleep apnea test. Those run about \$5,000. Most drivers will not pay that. They can't pay that. The effect of this going forward will be, as I say, a major reduction in the number of drivers and I don't know where we're going to get people to replace them. But as far as I know right now, this bill does not go there. I fear the next time we do this to update to federal standards they probably will. It's just a bit of a warning to be on alert for what's coming down the road. Thank you. [LB983]

SENATOR COASH: Thank you, Senator Bloomfield. Seeing no other members wishing to speak, Senator Dubas, you're recognized to close on the committee amendment. Senator Dubas waives closing. The question for the body is, shall the committee amendment be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB983]

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CLERK: 25 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB983]

SENATOR COASH: The committee amendment is adopted. We return to discussion on LB983. Seeing no other members wishing to speak, Senator Dubas, you are recognized to close on the advancement of LB983. Senator Dubas waives closing. The question for the body is, shall LB983 advance? All those in favor vote aye; all those oppose vote nay. Record, Mr. Clerk. [LB983]

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB983. [LB983]

SENATOR COASH: LB983 does advance. Items, Mr. Clerk. [LB983]

CLERK: Thank you, Mr. President. New A bill. LB983A by Senator Dubas. (Read LB983A by title for the first time.) Priority bill designations: Senator Carlson has selected LB699 as one of the committee priorities of Natural Resources; Senator McGill has selected LB901; Senator Hadley, LB867; Senator Watermeier, LB916; Senator Schumacher, LR423CA; and Senator Coash, LB920. That's all that I have, Mr. President. (Legislative Journal page 588.) [LB983A LB699 LB901 LB867 LB916 LR423CA LB920]

SENATOR COASH: Thank you, Mr. Clerk. We will now proceed to the next item on the agenda.

CLERK: Mr. President, LB661 was a bill originally introduced by Senator Krist. (Read title.) Introduced on January 8 of this year, referred to the Government, Military and Veterans Affairs Committee. The bill was advanced to General File. There are committee amendments, Mr. President. (AM1778, Legislative Journal page 517.) [LB661]

SENATOR COASH: Thank you, Mr. Clerk. Senator Krist, you're recognized to open on LB661. [LB661]

SENATOR KRIST: Thank you, Mr. President. Good morning, colleagues, and good morning, Nebraska. As indicated in the committee statement, LB661 advanced from the Government, Military and Veterans Affairs Committee. There were no opponent testimony offered during the committee hearing last month. My thanks to the Government, Military and Veterans Affairs Committee for designating this as a committee priority this year. LB661 is the product of collaboration between the Nebraska Secretary of State's Office and the Department of Motor Vehicles or DMV to establish an on-line voter registration process and improve paperless method of transmitting voter applications completed at DMV offices...at DMV offices to appropriate county election officials. Let me go off the script here for just a second and tell you that

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the Secretary of State spent his own interim study all over this state discussing what he referred to is his 2014 voter integrity project to eliminate the possibilities of fraud in the voting process, to make it easier for people to vote, to register on-line. And to do that, the collaboration is necessary between the Department of Motor Vehicles and the database that we have and the Secretary of State's Office which currently is against the law. The statute...this bill changes statutes to allow that to happen. Allowing potential voters to register using a secure on-line system is something that is quickly gathering...gaining popularity across the country. Currently 13 states have some form of on-line voter registration. Advantages to adopting an on-line registration process include: reduced clerical or typo errors since at least one level of data entry is eliminated, and eliminating the need to re-key application information, therefore, reducing staff time necessary to produce the applications. Currently, the Secretary of State's Web site offers a registration application that can be completed on-line. However, it must be printed, signed, and delivered or mailed to an appropriate county election official. Under LB661, an applicant who has a DMV-issued driver's license or state ID could use the proposed on-line system to eliminate printing and signing the form. Very important point. Could. It does not require anyone to go into the DMV office and get an ID or a driver's license. It enables them if they do to actually do something on-line. As I indicated earlier, there are some advantages to allowing the electronic transmission to DMV. First, one of the data entry level is eliminated which reduces the number of typos. Second, the delivery time to the county election is also reduced. Instead, transmission will be almost instantaneous. Lastly, the changes proposed in LB661 will eliminate the last paper-based record that is still created through the DMV licensing process. There is a third component of LB661 that is a benefit to the voter registration system in Nebraska. The bill allows the DMV to provide the Secretary of State's Office with the last four digits of the applicant's Social Security number. And this is important because those numbers are among the tools used by the Secretary of State to crosscheck voter information, including verifying out of state deaths and comparing against the Social Security master death file database. Currently, only 20 percent of the voters have included those numbers on their voter registration record, and law prevents the DMV from providing Social Security information except to specific entities such as law enforcement. LB661 would add the Secretary of State's Office to that list of the allowed entities for voter registration purposes. The Secretary's Office would be subject to the same restrictions observed by other entities and have...that have access to those numbers. Ultimately, having access to the last four of Social Security numbers will lead to improved voter registration lists and maintenance of that list. What makes this proposal relatively unique compared to other states is that it combines the concept of on-line registration with the electronic transmission of DMV applications. This combination makes sense considering that many of the changes that would need to be made through the DMV and then to the voter registration database are one and the same. Since LB661 was introduced, I've heard from some national organizations and have confirmed making the necessary changes at the same time is a much better approach than trying to address on-line registration and an electronic transmission

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separately. Of course, these changes won't be accomplished overnight. Under LB661, the on-line registration portion will be operational on or before July of 2015, and the electronic transmission function on or before January 2016. I recognize that there are some items to address, including a committee amendment recommended by the DMV prior to the advancement of LB661, and I would encourage your support on both LB661 and the committee amendment. I agreed to carry this bill and proud to do so for the Secretary of State. I believe that Secretary Gale has gone over and above to make sure that we've answered the questions that need to be asked and answered prior to combining the forces with the DMV and the Secretary of State's Office, and I encourage your support for both the bill and the amendment. Thank you, Mr. President. [LB661]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: Thank you, Senator Krist. Members, you've heard the opening on LB661. As the Clerk stated, there are amendments from the Government, Military and Veterans Affairs Committee. Senator Avery, you're recognized to open on the amendments. [LB661]

SENATOR AVERY: Thank you, Mr. President. Good morning, colleagues. AM1778 is a committee amendment that is technical in nature and was adopted at the specific request of the Department of Motor Vehicles. The amendment clarifies how and when the Department of Motor Vehicles will electronically transmit voter registration application materials to the election commissioners and county clerks. With the amendment, the current system of delivering voter registration application materials to the election commissioner or county clerk will be used until the implementation date designated by the Director of Motor Vehicles. That implementation date will be on or before January 1, 2016. The current system is a paper-based system where DMV officials transmit paper voter registration application materials to county election officials. After the new process is implemented, the voter registration application materials which will be transmitted electronically to the election commissioners and county clerks. It will be transmitted no later than ten days after receipt. Each voter registration application electronically submitted will include information provided by the applicant that includes whether the applicant is a citizen, whether the applicant is of sufficient age, the applicant's address, date of birth, party affiliation, or an indication the applicant is not affiliated with a party, the applicant's motor vehicle operator's license number, previous registration location, and the applicant's signature. This information is what is necessary to be included on a voter registration application. The committee amendment also eliminates references to county treasurers and license examiners from the Department of Motor Vehicles as persons who process voter registration application materials. According to the Department of Motor Vehicles, county treasurers and license examiners no longer issue motor vehicle operator's license or state identification cards and, therefore, no longer handle voter registration application materials either. The bill was advanced from the committee with the committee amendment on a 6-1 vote with

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one member being absent. There were no opponents at the public hearing. Six persons voted in favor of the bill and the Department of Motor Vehicles testified in a neutral capacity. I would just add that the department has been very cooperative with us in developing this legislation. They think that it works well with their electronic capabilities. And I urge that you adopt AM1778 to LB661. Thank you, Mr. President. [LB661]

SENATOR GLOOR: Thank you, Senator Avery. Members, you've heard the opening on LB661 and AM1778. Are there senators wishing to be recognized? Senator Scheer, you're recognized. [LB661]

SENATOR SCHEER: Thank you, Mr. President. Very quickly, I don't want to take a lot of people's time up this morning, but I do think this is a great utilization of technology and it also is a public service to all of our constituents, and as well it's easier bookkeeping. You now go on-line and register to vote in the appropriate spot. If you've moved, it now makes sure that we don't have a person, for example, my...maybe registered to vote in Madison County under Jim Scheer, and if I move to Lancaster County and when I register there, I would register as James Scheer. And so are we sure that the two are the same; are they not. This way when you do it on-line, you're using your driver's license number; they are sure they don't have a duplicate registered to vote in two different locations. Much easier for the state to keep track of. It's much easier for our constituents of the state. And I think it is a move in the right direction for ease of those that are moving because of a mobile society. So thank you, Mr. President. [LB661]

SENATOR GLOOR: Thank you, Senator Scheer. Senator Cook, you are recognized. [LB661]

SENATOR COOK: Thank you, Mr. President, and good morning, colleagues. I also rise in support of the bill LB661 and the underlying amendment for the simple reason that it does what we all hope that our voting laws will do, which would be to increase access to the polls and ideally increase participation in elections across the state. With that, I would yield the rest of my time back to the Chair. Thank you. [LB661]

SENATOR GLOOR: Thank you, Senator Cook. Senator Crawford, you are recognized. [LB661]

SENATOR CRAWFORD: Thank you, Mr. President. I do just also rise in support of LB661 and the amendments and I just want to thank Senator Krist and the Secretary of State for all of their hard work on this and thank the Government Committee and Senator Avery for his work also in ironing out all of the details. This is a very important advance for our state and I just thank them for their work, making this possible. There is all kinds of evidence that improving access to registration improves voter turnout, and I think this is a very exciting bill for our state to improve access for our citizens to register

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and to vote. Thank you. [LB661]

SENATOR GLOOR: Thank you, Senator Crawford. The Chair recognizes Senator Kintner. [LB661]

SENATOR KINTNER: Thank you, Mr. President. I would like to ask Senator Krist a question if he would yield. [LB661]

SENATOR GLOOR: Senator Krist, would you yield? [LB661]

SENATOR KRIST: Yes. [LB661]

SENATOR KINTNER: Senator, was the main purpose of this to make it...to increase the access or, as Senator Scheer talked about, to make it more uniform in terms of how their name appears, should they move, that kind of stuff? [LB661]

SENATOR KRIST: Actually, Senator, the Secretary of State has always wanted to do an on-line process, and the advantage of bringing the database from DMV to an on-line database and sharing with the Secretary of State's Office makes the registration process more accessible across the state. As you are well aware, there are parts of the state that drive 40 miles to an election commissioner's office while they can get on-line and do this that way. The other part of it that is dramatic is we believe the estimates over a \$2 million savings in terms of just paperwork shuffle between the DMV and Secretary of State's Office. And I think that's a conservative number. We're only talking about the actual postage and those things, not maybe the value of the human being behind the paper shuffle itself. So it was dual purpose, accessibility, cost-savings, and obviously we can do that with the technology that currently exists. [LB661]

SENATOR KINTNER: If a person doesn't have a driver's license, they can still print one out and mail it in or bring it in themselves? [LB661]

SENATOR KRIST: Yes, sir. None of that has changed. They can do that the old-fashioned way, if you will. I hate to call it that, but they can do it the old-fashioned way or they can go to the election commissioner's office and do it just the way they do it now. [LB661]

SENATOR KINTNER: Thank you, Senator Krist. I wanted to thank Senator Krist for bringing this bill. I really think this moves the entire process forward. I think it's a win-win-win, win for the voters, win for the state, and win for the people at the county level who are taking care of these records. So once again, Senator Krist, thank you very much for this bill. Thank you, Mr. President. [LB661]

SENATOR GLOOR: Thank you, Senator Kintner. Are there other senators wishing to

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speak on AM1778? Seeing none, Senator Avery, you're recognized to close on the committee amendments. [LB661]

SENATOR AVERY: Thank you, Mr. President. And I appreciate the comments that were just expressed by the previous speakers. This amendment is technical. It was adopted by the committee at the request of the Department of Motor Vehicles. This is necessary in order to make this process work. I would just say that there will be cost savings to counties if we adopt this, and the cost savings are significant. We don't know exactly how much, but it will be significant. This also moves Nebraska into the twenty-first century in terms of the use of technology to help with voter registration. Most states are already doing this. And I would say, too, that the Government Committee has been working on legislation like this for about eight years, and we couldn't have gotten where we are without the Secretary of State and without the Department of Motor Vehicles cooperation. This will be a tremendous convenience to the voters and I hope that you will agree and vote green on this amendment. Thank you. [LB661]

SENATOR GLOOR: Thank you, Senator Krist (sic). Members, you've heard the closing on the committee amendments to LB661. The question before us is, shall those committee amendments to LB661 be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB661]

CLERK: 30 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB661]

SENATOR GLOOR: The committee amendments are adopted. Mr. Clerk for a motion. [LB661]

CLERK: Mr. President, Senator Murante would move to indefinitely postpone LB661. Senator Krist, as principal introducer, you have the option to lay the bill over at this time, Senator. Senator, I'm sorry, what did you say, excuse me? [LB661]

SENATOR KRIST: I would not like to lay it over, no. [LB661]

SENATOR GLOOR: Senator Murante, you're recognized to open on your motion to indefinitely postpone. [LB661]

SENATOR MURANTE: Thank you, Mr. President and members of the Legislature. As you may have noted in the committee statement, I voted against LB661 in committee. I did it for a number of reasons. And as I've articulated to Senator Krist, very few of those have to do with the merits of LB661. What Senator Krist proposes to do with LB661 is to create a voter registration Web site such that people can go on-line and register to vote. He's identified what I...what he perceives to be a problem carried on behalf of the Secretary of State and this is a solution. My concern with LB661 is I don't really have

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any problem with the creation of a voter registration Web site. I do not feel that there is any significant challenge or burden to any person registering to vote, according to testimony in the Government Committee. About 85 percent of Nebraska electors, people who are eligible to vote have registered to vote already, so, clearly, there is not an enormous impediment to getting that done. But I'd like to contrast a little bit how easy we make it to register to vote and how difficult we make it to sign a petition initiative in the Nebraska Legislature. And what I find staggering is that Senator Schumacher introduced a piece of legislation which called for a Web site managed by the Secretary of State's Office in which the citizens of Nebraska could go on-line and sign a petition if that's what they saw fit. And that legislation was opposed vehemently. And the obstacles to signing a petition in this state are so staggering and the voter registration process is so easy that I found the support of LB661 and the opposition to Senator Schumacher's bill perplexing. And so I filed this motion to have a little bit of a discussion today. And I've already informed Senator Krist I have no interest in slowing the progress of his bill or stopping it; I will slow it, I suppose, for a floor speech or two. But any person right now can go on-line, download a form and fill it out, register to vote and they're registered. You can't do that on a petition initiative process. How it works in the petition initiative process, which I would remind you, our state constitution states is the first right reserved of the people. You have to be lucky enough to stumble upon someone who is registered with the state of Nebraska as a circulator on a given petition and if you don't happen to stumble upon that person, you can't sign a petition, that's the law. And then we put in additional hurdles of who can and who cannot circulate the petitions and how they can and how they cannot get paid. Imagine if we did that for voter registration, that there were a handful of people roaming the streets of the state of Nebraska hoping to sign people up to register to vote. And if you didn't happen to stumble across one of these people, you just couldn't register. You couldn't fill out a form and send it in. You couldn't do any sort of act of volition to do it yourself. If I introduced a bill to do that, I'd be laughed out of the Legislature; if I introduced a bill to do that with voter registration, I'd be laughed out of the Legislature. But that's what we've done with the petition initiative process. And I'll emphasize again, the people of Nebraska voted to say that there is a first right reserved to the people and that first right is the petition initiative process. And right now it takes 115,000 signatures just to get a proposal on the ballot. What we've heard in the Government Committee is it will take at least a million dollars to get something on the ballot. So the first right reserved to the people is not reserved to the people at all with the laws that we passed in this state. It's reserved if you're a casino in Vegas, you can get something on the ballot; if you're a billionaire who wants to invest your money, you can get something on the ballot. But if you're just an average citizen, there is nothing you can do...you cannot go door to door and collect 115,000 signatures. It is a horrible process. It is a process that I wish could be reformed, but unfortunately every time issues are brought before the Legislature to make the first right reserved to the people actually accessible to the people, those bills are opposed. And instead we focus on voter registration which is not...and note, it's not an impediment to any person in the state of Nebraska, anyone who wants to register to vote can do so.

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So I think there are modest reforms. I'd like to see the signature threshold lowered. And we'll have a public hearing in the Government Committee on Friday about my constitutional amendment to lower those signature thresholds. And I think that's an important step in the process. But how about if we think the voter registration Web site is such a brilliant idea, how about if we say, okay, let's do it for petitions too. If it is such a great idea for voter registrations, why not for petition initiatives? And why can't we say that every opportunity that we provide for a Nebraskan to sign a petition, that same opportunity...excuse me, any opportunity and any availability that we give to the people of Nebraska to register to vote they have that same availability when it comes to signing a petition. These are simple concepts. And the only thing that we are talking about right now is the method by which we put issues on the ballot and the people of Nebraska at that time have an opportunity to go vote, to make that decision, because we only have one house in the state of Nebraska and the people are the second house and they made abundantly clear when they abolished the statehouse of representatives that they were the second house and that they would retain a first right and reserve a first right and that would be the petition initiative process. And in my view, we should spend far more time focused on how to make that right more available to the average person instead of billionaires and casinos and spend far less time talking about what little things we can do to worry about that last 15 percent of people who have chosen not to register to vote for whatever reason. And I thank Senator Krist for introducing LB661 as I mentioned to him, I don't have...this, in a lot of ways, I have introduced a lot of bills which in my view are an attempt to reform the election act, to modernize it. LB661 does that. And I'll be pulling my motion. I see Senator Schumacher with his light on so I won't pull it just yet. But I would encourage everyone to think about that. And there may come a point yet this session where some of the modest reforms that I've talked about...and if I haven't made it abundantly clear, I'm also quite passionate about them as well, that we'll have up or down votes on these ideas yet this legislative session because it's not right. And there is a case pending before the Nebraska Supreme Court in which the impediments that this Legislature...the mountains that we have put between the average citizen of Nebraska and their petition initiative process, those are being challenged as unconstitutional and I have a pretty good feeling that those impediments that we have put in their place are going to be thrown out by the court this year. And I hope we take that to heart. And I hope that we can have just modest...I'm not asking for wholesale reform; I'm not asking for what some states have, a litany of hundreds of initiative petitions on a ballot in a general election. But right now we're at none. We're coming up on ten years in which the people of Nebraska have been unable to even put something on the ballot to be voted upon. And that's something I think that we need to work on. Thank you, Mr. President. [LB661]

SENATOR COASH PRESIDING

SENATOR COASH: Thank you, Senator Murante. Senator Krist, you are recognized for a five-minute response to the motion to IPP. [LB661]

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SENATOR KRIST: Thank you, Mr. President. And good morning, colleagues and Nebraska again. I appreciate the passion and the conviction of Senator Murante in bringing this IPP motion forward. Obviously, I'm opposed to it, but I don't have to be because the senator is going to pull after we have a discussion. I would be very brief in my response in just that I believe in my heart that this is the first step to getting on-line petition happening in the state of Nebraska. Senator Bob Giese, when I was first here in the Government Committee, tried hard to do this on-line registration. We were not technically capable of doing it at that point. This is only happening because the Secretary of State and now the technical capabilities in the Department of Motor Vehicles and their capabilities are able to do what we're doing. So I would say that there are some reasons why this is a first step. It is a best first step, in my opinion. And again, thank you, Senator Murante, for the discussion. [LB661]

SENATOR COASH: Thank you, Senator Krist. Senator Schumacher, you are recognized. [LB661]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I rise in support of LB661 because I agree with Senator Krist that it is an important first step in modernizing our election process. And I also thank Senator Murante for raising for discussion the petition issue. The petition issue in this state dates back to the early 1900s, even predates the abolishment of the house. When the people said that the people have the right, they are endowed with the power of the Legislature when they act through the petition process, the first right they reserved. That right has been trashed. It's been trashed by a series of things and I'll just outline a few of them so that maybe when Senator Murante's bill comes up in Government Committee it gets a little bit of attention so that you understand what has happened. It was a pretty simple process back before the mid-1900s. You got about 50,000-60,000 signatures to get something on the ballot. You could pay a circulator to circulate a ballot. You could bring the ballot back...not the ballot, the petition back to you. You could review the signatures, make sure that he wasn't cheating; and most times if he was cheating somewhere along the line, they got caught very quick. And you could for a reasonable amount of money, probably on the order of a dollar...a dollar and a half a signature, in other words, less than \$100,000 get an idea on the ballot and out in the public for consideration. Some really bad things happened, part of which may be due to trickery in the Legislature. One of which, they put a thing on the ballot that said that the signatures were to be based on the number of registered voters, formerly it said on the number of electors. Since we have about 50 percent voting record, registered voters about double the size of electors. And so that sounded like a modernization thing on the...just take out an old word called "elector" and replace it with something called "registered voters" and no one had any idea what they were doing, I think, unless they were really shrewd and really sharp, that they were doubling the number of signatures needed. That amendment passed. The Supreme Court said, oh no, dummies, registered voters not the same as an elector and

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you just doubled the amount of signatures taking the amount of signatures up to 110,000 that Senator Murante did. They also, the Legislature, put on the ballot something that sounded very innocent and innocuous to the voters and that was that there should not be two subjects in a petition. Obviously, it wouldn't be fair to put tax cuts, property tax cuts along with helmet law repeal on the same petition. Legislature said, let's keep it a single issue. Well, court cases have now risen saying, wait a minute, if you do something like that, if you, let's say, you're going to impose an Internet sales tax and you're going to use the money for education, is that one or two issues? And so many initiative petitions have been crippled by the fact that we don't know what is one or two issues. Now, there was some very successful petitions, some that passed, some that did not pass, that happened. And back in 2006, I believe it was, there was a petition brought by the people to limit taxation. The property tax holders were...payers were already getting rambunctious then trying to be heard. And what happened? Organizations of governments cropped up, hired a bunch of people to act as blockers and harass... [LB661]

SENATOR COASH: One minute. [LB661]

SENATOR SCHUMACHER: ...the petition circulators on the street claiming they had a right and they did have a right to do it, but making the petition process even more difficult. And then those same organizations afraid of tax reform and afraid of the people squawking about taxes and trying to do something that the Legislature wouldn't, came before the Legislature and said, you know what we need to do? We need to strike out, pay by the signature. We need to require badges, we need to do all kinds of things to try to saddle this down. And since that was successful in passing the Legislature, we have killed the petition process. Now what's bad about that? What's bad about it is, it's the only way you can change the constitution or get something through this body if there are 17 people here opposed to it is the petition process and it's dead. That process is a mechanism for us to wake each other...for the people to wake us up, that they want something done. Right now there's several issues, one of which I'm very familiar with and it has almost 60 percent public support. [LB661]

SENATOR COASH: Time, Senator. You may continue on your next time. [LB661]

SENATOR SCHUMACHER: Thank you, Mr. President. Has 60 percent public support. And what? We can't even get the issue before the public, can't even get it out of committee here. The system is broken. We need to listen to the people. And the petition process is the mechanism that we have for doing that whether it's on taxes; whether it's on healthcare; whether it's on gambling; the people need to have an avenue to make their voice known and also to control 17 votes in this Legislature who may be obstructing what the people want done. So I think that this is a good first step. It will test the technology as to whether or not there's any of the evil cheating that could be done somehow to get something through. We know that's not coming from the people; that's

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coming from the special interest. And return to the right...the right of the people to the petition process which--I'm here next year--I look forward to reintroducing the electronic petition bill and, hopefully, we'll have a bit of track record and our computers working and, hopefully, the computers will work better than Obama's did. Thank you, Mr. President. [LB661]

SENATOR COASH: Thank you, Senator Schumacher. Seeing no other lights, Senator Murante, you're recognized to close on your motion. [LB661]

SENATOR MURANTE: Thank you, Mr. President, members, good morning. I'd like to thank Senator Schumacher for his comments. I think we would all agree that there is no one who is more familiar with the petition initiative process than Senator Schumacher. I sincerely hope that the sentiments expressed by Senator Schumacher and Senator Krist in their belief that LB661 is a step in the right direction is true. We have heard how in the past, opposition to on-line voter registration was largely based on the belief that we did not have the technological capabilities to do it. And I think what history has demonstrated is whether or not we have the technological capability to do something is whether we actually want to do it or not. And if we want to, then we have the capabilities to do it; and if we don't, then we don't. And very little of it is based on merit or fact. But I hope that's not the case going forward. That's, in my view, how we have, in some cases, the level of testimony we get in the Government, Military, and Veterans Affairs Committee, but I think among the membership of this Legislature if there is a broad sentiment that that we are safe and secure in having on-line voter registration, then I genuinely hope that LB661 is a step in the right direction. And if it is a step in the right direction, that I would like to see it passed and accordingly I will withdraw my motion to indefinitely postpone. [LB661]

SENATOR COASH: Motion to indefinitely postpone is withdrawn. We return to discussion on the advancement of LB661. Seeing no other members wishing to speak, Senator Krist, you are recognized to close on the advancement of LB661. [LB661]

SENATOR KRIST: Thank you, Mr. President. Thank you, Senator Murante and Senator Schumacher, for your passion and for the conversation. I think it is appropriate to bring the conversation to the public and to remind ourselves where we are in terms of the representation of this great state. I do think that LB661 is the first step moving this state forward in its election process and I publicly at this point want to thank the Secretary of State for the honor of being able to carry this piece of legislation. I believe that it comes from an incredible amount of work from the Secretary's Office and from his staff, well thought out, and it was a great interim study for his office that has, obviously, bore fruit. I would ask for a green vote on LB661. And if Senator Bob Giese is listening, we finally got it done. To Senator Avery's point, it's taken eight years, but it's here, so vote green on LB661. Thank you. [LB661]

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SENATOR COASH: Thank you, Senator Krist. Members, you've heard the closing to LB661. The question for the body is, shall LB661 advance? All those in favor vote aye; all those opposed, vote nay. Have all voted who wish? Record, Mr. Clerk. [LB661]

CLERK: 35 ayes, 0 nays, Mr. President, on the advancement of LB661. [LB661]

SENATOR COASH: LB661 does advance. Speaker Adams for an announcement. [LB661]

SPEAKER ADAMS: Thank you, Mr. President. Members, as you can see we have worked through the agenda a bit more quickly than what I had anticipated. But to allow the appropriate amount of time for committee, as well as individual senators' priority designations, we will stand at ease until our regular adjournment time.

SENATOR COASH: Thank you, Speaker Adams. Next item, Mr. Clerk.

CLERK: Mr. President. LB661A is by Senator Krist. (Read title.) [LB661A]

SENATOR COASH: Senator Krist, you're recognized to open on LB661A. [LB661A]

SENATOR KRIST: LB661A transfers money from both Cash and General Funds to DMV and to the Secretary of State's Office to enable this process. And I think you'll see it's a meager investment in a maximum push forward in this process. And I ask for your advancement of LB661A. [LB661A]

SENATOR COASH: Thank you, Senator Krist. Members, you've heard the opening to LB661A. The floor is now open for debate. Seeing no members wishing to speak, Senator Krist, you're recognized to close. Senator Krist waives closing. The question before the body is, shall LB661A advance? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB661A]

CLERK: 30 ayes, 0 nays, on the advancement of LB661A. [LB661A]

SENATOR COASH: LB661A does advance. Items, Mr. Clerk. [LB661A]

CLERK: Mr. President, thank you. Agriculture Committee, Chaired by Senator Schilz, reports LB768 to General File; LB60 and LB654 indefinitely postponed. Priority bill designations: Senator Seiler has selected LB999; Senator Ken Haar, LB965; Senator Howard, LB526; Senator Dubas, LBI092; Senator Dubas as Chair of Transportation, LB776; Senator Nelson, LB565; Senator Mello, LB559; General Affairs, LB863; Revenue Committee, LB986 and LB987; Senator Janssen, LB383; Senator Karpisek, LB998; Senator Ashford, LB1028, as the second Judiciary bill; Senator Murante, LB946. In addition to those items, Mr. President, the Education Committee, Chaired by Senator

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Sullivan, reports LB143 as indefinitely postponed; LB1059 as indefinitely postponed; LB1061 indefinitely postponed; as with LR421CA indefinitely postponed. That's all that I have at this time, Mr. President. (Legislative Journal pages 589-590.) [LB768 LB60 LB654 LB999 LB965 LB526 LB1092 LB776 LB565 LB559 LB863 LB986 LB987 LB383 LB998 LB1028 LB946 LB143 LB1059 LB1061 LR421CA]

SENATOR COASH: Thank you, Mr. Clerk. The Legislature will stand at ease.

EASE

SENATOR COASH: Mr. Clerk, you have items?

CLERK: I do, Mr. President. General Affairs Committee, Chaired by Senator Karpisek, reports LB1052 to General File; LB444 to General File with amendments, and LB855 to General File with amendments, and LB861 to General File with amendments. Transportation, chaired by Senator Dubas: LB1039 to General File and LB701 to General File with amendments. Mr. President, name adds: Senator Larson would like to add his name to LB1058. (Legislative Journal pages 590-597.) [LB1052 LB444 LB855 LB861 LB1039 LB701 LB1058]

SENATOR COASH: With no objections, so ordered. [LB1058]

CLERK: And Senator Murante would like to withdraw his name from LB1058. (Legislative Journal page 597.) [LB1058]

SENATOR COASH: No objections. So ordered. [LB1058]

CLERK: Thank you, Mr. President. Other name adds: Senator Gloor to LB942; Senator Pirsch to LB1032. (Legislative Journal page 597.) [LB942 LB1032]

SENATOR COASH: No objections. So ordered. [LB942 LB1032]

CLERK: Priority bills, Mr. President: Senator Pirsch, LB1087; Senator Larson, LB1058; Senator Lautenbaugh, LB972; Senator Schilz, LB942; and Natural Resources, their second, is LB844. (Legislative Journal page 598.) [LB1087 LB1058 LB972 LB942 LB844]

Mr. President, I have a priority motion, Speaker Adams would move to adjourn the body until Friday, February 21, at 9:00 a.m.

SENATOR COASH: Members, you've heard the motion. All those in favor say aye. Those opposed say nay. We are adjourned.