

Transcript Prepared By the Clerk of the Legislature
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Floor Debate
March 24, 2014

[LB130 LB132 LB191 LB251 LB276 LB345 LB364 LB392 LB459 LB464 LB558 LB559
LB560 LB560A LB583 LB660 LB671 LB679 LB683 LB687 LB687A LB690 LB692
LB693 LB697 LB698 LB699 LB700 LB701 LB702 LB712 LB714 LB728 LB735 LB736
LB737 LB739 LB740 LB745 LB749 LB750 LB751 LB751A LB753 LB755 LB757 LB758
LB765 LB766 LB774 LB776 LB777 LB780 LB781 LB792 LB798 LB800 LB802 LB803
LB806 LB814 LB814A LB816 LB828 LB836 LB844 LB851 LB853 LB854 LB859 LB863
LB867A LB867 LB876 LB884 LB905 LB906 LB907 LB908 LB916 LB930 LB937 LB941
LB941A LB946 LB949 LB964 LB967 LB974 LB983 LB983A LB986A LB987 LB987A
LB989 LB997 LB998 LB1001 LB1008 LB1012 LB1014 LB1016A LB1016 LB1039
LB1044 LB1050 LB1067 LB1072 LB1089 LB1098 LB1103 LB1114 LB1114A LB1115
LR41CA LR514 LR515 LR516 LR517 LR518 LR519 LR520 LR521 LR522 LR523
LR524 LR525 LR526]

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-eighth day of the One Hundred Third Legislature, Second Session. Our chaplain for today is Pastor Wayne Vogel from the McCook Church of Christ in McCook, Nebraska, Senator Christensen's district. Please rise.

PASTOR VOGEL: (Prayer offered.)

SPEAKER ADAMS: I call to order the forty-eighth day of the One Hundred Third Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

SPEAKER ADAMS: Are there any corrections for the Journal?

CLERK: I have no corrections.

SPEAKER ADAMS: Messages or reports?

CLERK: Enrollment and Review reports LB464, LB560, LB560A, LB814, LB814A, LB867, LB987, LB1001, all reported correctly engrossed. Hearing notice from the Health and Human Services Committee regarding conferees. Series of confirmation reports from Health and Human Services, and a report from the Judiciary Committee. And, Mr. President, amendments to be printed: Senator Coash, an amendment to LB908; and Senator Hadley to LB867A. That's all that I had, Mr. President. (Legislative Journal pages 1007-1011.) [LB464 LB560 LB560A LB814 LB814A LB867 LB987 LB1001 LB908 LB867A]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: Thank you, Mr. Clerk. Mr. Clerk, we're going to move to Final Reading. Members, you should return to your seats in preparation for Final Reading. Mr. Clerk, the first bill is LB905 and we need to, first of all, dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB905]

CLERK: 40 ayes, 4 nays, Mr. President, to dispense with the at-large reading. [LB905]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB905]

CLERK: (Read title of LB905.) [LB905]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB905 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Please record, Mr. Clerk. [LB905]

CLERK: (Record vote read, Legislative Journal page 1012.) 40 ayes, 8 nays, 1 excused and not voting, Mr. President. [LB905]

SPEAKER ADAMS: LB905 passes with the emergency clause attached. We'll now proceed to LB906. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB905 LB906]

CLERK: 38 ayes, 3 nays, Mr. President, to dispense with the at-large reading. [LB906]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, would you read the bill by its title. [LB906]

CLERK: (Read title of LB906.) [LB906]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB906 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB906]

CLERK: (Record vote read, Legislative Journal pages 1013-1014.) 41 ayes, 7 nays, 1 excused and not voting, Mr. President. [LB906]

SPEAKER ADAMS: LB906 passes with the emergency clause attached. We'll now proceed to LB130. [LB906 LB130]

CLERK: (Read LB130 on Final Reading.) [LB130]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB130 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB130]

CLERK: (Record vote read, Legislative Journal page 1014.) 44 ayes, 4 nays, 1 excused and not voting, Mr. President. [LB130]

SPEAKER ADAMS: LB130 passes. We'll now proceed to LB949. [LB130 LB949]

CLERK: (Read LB949 on Final Reading.) [LB949]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB949 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB949]

CLERK: (Record vote read, Legislative Journal page 1015.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB949]

SPEAKER ADAMS: LB949 passes with the emergency clause attached. We'll now proceed to LB671. [LB949 LB671]

CLERK: Mr. President, with respect to LB671, Senator Lautenbaugh has pending a motion to return the bill to consider FA271. (Legislative Journal page 975.) [LB671]

SPEAKER ADAMS: Senator Lautenbaugh, can you briefly give us a summary of the amendment, please? [LB671]

SENATOR LAUTENBAUGH: Yes. Very simply put, Mr. Speaker and members of the body, this amendment is part of a motion to return this to Select File and strike the (laugh) I think I referred to it in the written version as the enabling clause. What I had meant to write was the enacting clause. And so thank you, people up front, who are on the spot and on the ball and caught that. And other amendments followed. In my time here we've not had what I would call filibusters on Final Reading and I have an amendment coming up that is faced with one, and I believe that to be going by the wayside, meaning the filibuster is going by the wayside, and I think that's a principle worth protecting. And I don't think we should have filibusters on Final Reading. And I've not seen them. No one else has seen them. I don't want one on my amendment. I don't think there will be now. And I will withdraw my amendment on this bill or my motion on this bill as well in the spirit of preserving that tradition. [LB671]

SPEAKER ADAMS: So ordered. Thank you, Senator Lautenbaugh. Mr. Clerk. [LB671]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

CLERK: Mr. President, Senator McCoy would move to return the bill for purposes of considering AM2534. (Legislative Journal page 976.) [LB671]

SPEAKER ADAMS: Senator McCoy, you're recognized. [LB671]

SENATOR McCOY: Thank you, Mr. President and members. I don't like LB671. I talked a lot about that at the end of last week. My amendment would exchange the word "mountain lions" and insert the word "cougars," because, as many of us know, there are a number of different names for these predators than just mountain lions, catamounts, cougars, panthers. There's a number of names depending on what area of the country that you live in. What may presage conversation tomorrow, but on this one, this issue, Senator Lautenbaugh and I are on the same page. Tomorrow morning we most certainly won't be because I don't know what he's speaking of when he says he doesn't think there's going to be lengthy discussion on LR41CA, because I have no intention of a compromise, none. So not sure who he might have talked to over the weekend, but he and I didn't come to such a compromise or a discussion. But that issue will be before us tomorrow. Today we have LB671 on Final Reading. I don't like this bill. I think this amendment would create some discussion more on what we're doing. Maybe there's the stomach for that and maybe there isn't. I don't know where the votes are on this bill, but I know what my vote is going to be, and that will be to go red on a bill that I think does two things. One, it opens the door for the Humane Society of the United States to come in and say we're going to go after a hunting season on any particular species here in Nebraska. I think it's a very slippery slope for us to be heading down as a Legislature. And two, I think it's a real threat to agriculture. I know what my e-mail and phone calls look like. I imagine it's not a whole lot different from yours. I know the people that I talk to across the state, they don't like this bill at all. As hunters and fishermen, as farmers and ranchers, there's a lot more at stake here than a hunting season on mountain lions or cougars or any other name you want to put to them. I'm going to withdraw this amendment and this bill is going to go to a vote, but not because there's some sort of prearranged signal about there not being lengthy discussion or filibuster or anything you want to call it on Final Reading. If you open up the annals of this wonderful institution we call the Unicameral, it's been done a number of times, and Senator Chambers has participated in that. We're going to have a long discussion on LR41CA tomorrow and there is no connection, in my mind, between LB671 today and that constitutional amendment tomorrow. With that, Mr. President, I would ask to withdraw AM2534. [LB671 LR41CA]

SPEAKER ADAMS: So ordered. Thank you, Senator McCoy. Mr. Clerk. [LB671]

CLERK: Senator Larson, I understand you wish to withdraw AM2533. [LB671]

SENATOR LARSON: Yes. [LB671]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: So ordered. Mr. Clerk. [LB671]

CLERK: (Read LB671 on Final Reading.) [LB671]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB671 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB671]

CLERK: (Record vote read, Legislative Journal page 1016.) 28 ayes, 13 nays, 7 present and not voting, 1 excused and not voting, Mr. President. [LB671]

SPEAKER ADAMS: The bill does not pass with the emergency clause attached. The next vote will be, shall the bill pass with the emergency clause stricken? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB671]

CLERK: (Record vote read, Legislative Journal pages 1016-1017.) 28 ayes, 13 nays, 7 present and not voting, 1 excused and not voting, Mr. President. [LB671]

SPEAKER ADAMS: The bill passes with the emergency clause stricken. We'll now proceed to LB699. [LB671 LB699]

CLERK: Mr. President, Senator Lathrop would move to return LB699 to Select File for specific amendment AM2566. (Legislative Journal page 998.) [LB699]

SPEAKER ADAMS: Senator Lathrop, you're recognized. [LB699]

SENATOR LATHROP: Oh, forgive me. I had a moment there where I forgot that I put an amendment on this. This was a bill that we heard in the Judiciary Committee. It is an amendment which is the result of a bill we heard in Judiciary Committee. I had asked it to be put on or requested that it be put on to the consent calendar and it didn't make it. It is almost a Revisor's bill and it does this. There is a federal statute that deals with certain guns, a certain type of gun, I believe it's a long, longer type gun, and a federal statute made the law in Nebraska unenforceable. In other words, it's preempted by federal law and all we're doing is taking a measure off the books that is no longer necessary because it's been preempted by federal law. And I'd encourage your vote to bring it back to Select File for purposes of that amendment. [LB699]

SPEAKER ADAMS: Thank you, Senator Lathrop. Senator Larson, you're recognized. [LB699]

SENATOR LARSON: Thank you, Mr. President. I rise in support of this motion. This actually came to me. Senator Lathrop had said Revisor bill. I know that he introduced it on behalf of the NRA, is my understanding, and that this actually is beneficial. So I rise

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

in support of the motion to return to Select File and to adopt AM2566. Thank you.
[LB699]

SPEAKER ADAMS: Thank you, Senator Larson. Floor is now open for debate. There are no lights on. Senator Lathrop, you can close on the motion to return. [LB699]

SENATOR LATHROP: Only to say I apologize. This caught me off guard. I am trying to look up my amendment so I can give you a better explanation when we get this back to Select. And I appreciate your support of the motion. [LB699]

SPEAKER ADAMS: Thank you, Senator Lathrop. Members, the motion before the body is the question of returning to Select File. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB699]

CLERK: 40 ayes, 2 nays, Mr. President, on the motion to return the bill. [LB699]

SPEAKER ADAMS: The bill is returned. [LB699]

CLERK: Senator Lathrop would offer AM2566. [LB699]

SPEAKER ADAMS: Senator Lathrop, you are open...you are recognized to open on your amendment. [LB699]

SENATOR LATHROP: Thank you. This is LB...or was LB392. It is a very simple change to the Nebraska statutes to account for language in our law dealing with guns that has been preempted as a result of federal legislation and is superfluous sitting on the books, and I would encourage your support of AM2566. Thank you. [LB699 LB392]

SPEAKER ADAMS: Thank you, Senator Lathrop. Senator Larson, you're recognized.
[LB699]

SENATOR LARSON: Again, members, I'd encourage you to vote for AM2566. The feds have, as Senator Lathrop, allowed this statute to happen, and actually it's my understanding that it's important for us to stricken it so that if the feds were ever to try to take this out of statute on the federal level there would be interstate commerce clause issues dealing with this. So again, I support this and...as does gun owners across the state and America. Thank you. [LB699]

SPEAKER ADAMS: Thank you, Senator Larson. Senator Pirsch, you're recognized.
[LB699]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I wonder if Senator Lathrop might yield... [LB699]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: Senator Lathrop, would you yield? [LB699]

SENATOR PIRSCH: ...to a quick question. [LB699]

SENATOR LATHROP: Yes, I will. [LB699]

SENATOR PIRSCH: And I...I guess I'm trying to wrap my arms around what the substantive redaction in language would...is it adding language or subtracting language? [LB699]

SENATOR LATHROP: It would repeal Section 28-1211 of the Nebraska Revised Statutes. [LB699]

SENATOR PIRSCH: And in so repealing them, what is in that? What's the language that's being deleted, the offending language, in your opinion, that needs to be eliminated? [LB699]

SENATOR LATHROP: This is on the...it's 28-1211. I'll go to that section and then I can read it for you, Senator Pirsch. [LB699]

SENATOR PIRSCH: Okay. Very good. Well, I'll...I'm not sure if you're prepared at this point. It's just this is on Final Reading and so I'm trying to get my arms around the change in...I wonder if Senator Larson might yield to a question then. [LB699]

SPEAKER ADAMS: Senator Larson, would you yield? [LB699]

SENATOR LARSON: Yes. [LB699]

SENATOR PIRSCH: Could you explain (inaudible). Thank you. Senator Larson, could you explain what language is then being deleted then from...by this amendment? [LB699]

SENATOR LARSON: You know, it's not my amendment, Senator Pirsch. So I just understand that the concept is this is, as Senator Lathrop said, this is duplicate language from what the feds have already instituted. I don't know the exact language, but it actually helps strengthen, as I've been explained to, this actually helps strengthen the interstate commerce clause and the ability to carry firearms across state lines. If the feds would ever try to remove that language, there would be constitutionality issues. So this is actually very important, as I said, to firearm owners across the nation. [LB699]

SENATOR PIRSCH: So with respect...you're referring to the federal constitution? [LB699]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR LARSON: AM2566 is striking language that's in the Nebraska statutes that has been put into federal statutes, is my understanding. And by us striking the language out of the state statutes, if the feds were to ever try to strike the language that is currently in the federal statutes, then it would create a constitutionality issue with interstate commerce, is what I understand. I may be wrong and Senator Lathrop may be able to clear that up for me. But if I...that's what's been explained to me. [LB699]

SENATOR PIRSCH: Well, good. I appreciate that. It's just that this change, you know, is on Final Reading and I think that we should have a, you know, a pretty good understanding of which language we're striking and the rationale and the effects of that. And so I will...I'll just ask maybe if Senator Lathrop can explain just exactly what language is being changed and the rationale for that. With that, thank you. [LB699]

SPEAKER ADAMS: Thank you, Senator Pirsch. Senator Lautenbaugh, you're recognized. [LB699]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I didn't have lengthy comments prepared on this topic because I didn't really see it coming either. And sometimes we all just need a break to consult our notes, maybe read a particularly thick volume and get ourselves prepared to have our thoughts in order and say what we want to say. And once we have that, we'll give the guy stuck at the microphone a signal that we're ready to proceed. So I would like to, I guess, talk a little bit about the importance of the Second Amendment in my mind, and I did have...it's kind of funny. When I first got here and in my first couple years here, I garnered the endorsement of the NRA and I was appointed, so I had to run right away for the balance of my term. Then I had to run right away again two years later. So it was like almost being in Congress without the better paycheck. I just was always running, it seemed like. And I got these glowing endorsements from the NRA. And I ill-advisedly told some friends, you know, it's funny, I've got these glowing endorsements; I've never fired a firearm before. It had just never come up in my life. I live in the city, always have. So there were people who decided that just couldn't stand. I couldn't talk the talk without walking the walk, even though I never ran around and said I was, you know, always out there hunting. And so anyway, I was taken to a place in Omaha. It was called the Bullet Hole and there was one guy who used to be on the State Board of Education, his name began with a Q, and one guy who's running for Governor whose name begins with an R, and one had a very standard issue rifle and the other had some sort of Belgian assault weapon that was this huge monstrosity of a thing. And they took me out there and took me shooting. And I did just fine with the rifle. It was amazing. I just, just you, dead on. Of course, the conditions were ideal. You know, we were indoors and there were no distractions. Had the big things on my ears, the earmuffs and whatnot. They're not called earmuffs, I recognize. But then when it was time to shoot the Belgian assault rifle, I did rather poorly. I mean it had a tremendous kick to it and I was about two inches low,

Floor Debate
March 24, 2014

which of course I blamed on the sights. Obviously, it wasn't me; it was the sights. But the owner said it was just fine and that it obviously was the fact that I was just new. So I told that story to someone else and he said, well, I've got pistols; pistols are maybe more your game; we should go shooting pistols. So he took me back to the Bullet Hole and I took my oldest son, Spencer, with me and we went shooting pistols, and I did much better, about the same as with the rifle but much better than with the Belgian assault weapon. And that today is still the sum total of my experience with shooting. I understand why people enjoy it. I enjoyed it. I've never been much of a hunter. Well, I've never been a hunter at all, to be clear. To say I'm not much of a hunter would be overstating the case. I am not a hunter. I don't have the patience to fish really either. Those of you who know me probably can't even imagine that. Although that does remind me of another story. [LB699]

SPEAKER ADAMS: One minute. [LB699]

SENATOR LAUTENBAUGH: Oh, it's much longer than that, Mr. Speaker, but I probably don't have to tell it, it would appear. Okay, let the session...another ten days left, give or take, I'm sure there will be time. But so in any event, I do rise in support of this amendment. I think it's important that sometimes we do have concepts that we have to take care of even if they don't warrant a priority, but they're not going to make a consent calendar item, but if there's a vehicle to attach them to and the sponsor of the underlying bill is amendable, why not do it, although sometimes in my day I've tried to attach things when the sponsor was not amenable, but that's a whole nother tactic and whole nother topic or a whole nother wasting of time floor speech. Thank you, Mr. President. [LB699]

SPEAKER ADAMS: Thank you, Senator Lautenbaugh. Senator Lathrop, you're recognized. [LB699]

SENATOR LATHROP: Thank you, Mr. President and colleagues. I want to apologize for not being prepared for this. I remember filing the amendment and the bill was so simple I didn't expect questions. That's fair that I've gotten them. And it is a bit confusing and so I want to read my introduction of LB392 just because I've been asked these questions by Senator Pirsch, who wants to better understand this. LB38 was passed and signed into law, which included language that became state statute 28-1211. That statute, and I'll read it real quick, because when I read the statute and then when I read something for you out of the Alcohol, Tobacco, Firearms, some of the information you'll see why this needs or is an appropriate section of the statute to repeal. The statute being repealed states that the state of Nebraska herewith permits its residents not otherwise precluded by any applicable laws to purchase, sell firearm accessories in Nebraska and in states contiguous to Nebraska. This authorization is enacted to implement for this state the permissive firearm sales delivery provisions of Section 922(b), (3)(A) of Public Law 90-618 of the Ninetieth Congress, Second Session. In the

Floor Debate
March 24, 2014

event the presently enacted federal restrictions on the purchase of rifles, shotguns, ammunition, reloading components, or firearm accessories are repealed by the United States Congress or set aside by courts of competent jurisdiction, this section shall in no way be interpreted to prohibit or restrict the purchase of shotguns, rifles, ammunition, reloading components, or firearm accessories by residents of Nebraska otherwise competent to purchase same in contiguous states. That's what we're repealing and here's why we're repealing it. This comes out of the Alcohol, Tobacco, and Firearms. On-line they have this sort of an update to the people, and they wrote this so that your federal government, contiguous states, the contiguous states provision of the Gun Control Act enacted in 1968 allowed nonlicensed purchasers to acquire long guns from federal firearms licensees located in a contiguous...a state contiguous to this state which the purchaser resided in if the purchaser's state of residence permitted such sale and the sale fully complied with legal conditions of the sale in both such contiguous states. This provision of the Gun Control Act was amended in 1986 to allow the licensed firearm...federal firearm dealers to sell or dispose of long guns to residents of another state, not just contiguous states, provided the transferee meets in person with a federal firearms licensee to accomplish a transfer and, two, the sale, delivery, and receipt fully comply with the legal conditions of sale in the buyer's and the seller's states. A number of states patterned their laws after the original provision of the Gun Control Act that allows nonresidents to purchase long guns from the federal firearm licensee only in contiguous states. Many of those states have not revised the laws to reflect the 1986 amendments to the Gun Control Act that allow over-the-counter sales of long guns to residents of any state, as outlined above. This has caused confusion among federal firearm licensees who often read such contiguous state laws as prohibiting sales to residents of noncontiguous states. I may be putting you to sleep. I'm not talking about how I'm reading. The point is that they passed a federal statute that made the condition of our state statute take effect and now we can repeal that statute because they're no longer required to limit their sales to those who live in contiguous states. So it's a Revisor bill in some respects, and I'd be happy to answer questions if anybody has any. And I just read that. I've told you everything I know about this. But what we're doing here is repealing a section that's no longer necessary... [LB699 LB392]

SPEAKER ADAMS: One minute. [LB699]

SENATOR LATHROP: ...because the federal law has changed. And with that, if there's no one else in the queue, that can serve as my close. And I would encourage your support of AM2566. [LB699]

SPEAKER ADAMS: Senator Lathrop, there is one more speaker in the queue at this point. Senator Kintner, you're recognized. [LB699]

SENATOR KINTNER: Thank you, Mr. President. I just want to say thank you to Senator Lathrop for spotting this and being able to move quickly and attach this amendment. I

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

want to thank...oh, yeah, Senator Larson. (Laugh) I want to thank Senator Larson for allowing it. It's so hard to even make small adjustments when it involves firearms that when you can do that and make it better for everyone who has a firearm, and correct some flaws in the law, we need to step up and do that. And I thank both Senator Lathrop and Larson again for making it happen, and I encourage everyone to vote for this. Thank you, Mr. President. [LB699]

SPEAKER ADAMS: Thank you, Senator Kintner. There are no other lights on, Senator Lathrop. Senator Lathrop waives closing on the amendment. The amendment before the body is AM2566. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB699]

CLERK: 44 ayes, 0 nays, Mr. President, on adoption of the Select File amendment. [LB699]

SPEAKER ADAMS: The amendment is adopted. Senator Murante for a motion. [LB699]

SENATOR MURANTE: Mr. President, I move to advance LB699 to E&R for engrossing. [LB699]

SPEAKER ADAMS: Members, you have heard the motion to advance. All those in favor indicate with aye. Opposed? It is advanced. Next bill, Mr. Clerk. [LB699]

CLERK: (Read LB740 on Final Reading.) [LB740]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB740 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB740]

CLERK: (Record vote read, Legislative Journal pages 1017-1018.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB740]

SPEAKER ADAMS: LB740 passes. Mr. Clerk, we'll now go to LB749 and the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB740 LB749]

CLERK: 40 ayes, 4 nays, Mr. President, to dispense with the at-large reading. [LB749]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB749]

CLERK: (Read title of LB749.) [LB749]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB749 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB749]

CLERK: (Record vote read, Legislative Journal page 1019.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB749]

SPEAKER ADAMS: LB749 passes. We'll now proceed to LB755. Mr. Clerk, the first vote will be to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB749 LB755]

CLERK: 39 ayes, 4 nays, Mr. President, to dispense with the at-large reading. [LB755]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB755]

CLERK: (Read title of LB755.) [LB755]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB755 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB755]

CLERK: (Record vote read, Legislative Journal page 1020.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB755]

SPEAKER ADAMS: LB755 passes. (Visitors introduced.) Mr. Clerk, we'll now proceed to LB776. [LB755 LB776]

CLERK: (Read LB776 on Final Reading.) [LB776]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB776 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB776]

CLERK: (Record vote read, Legislative Journal page 1021.) 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB776]

SPEAKER ADAMS: LB776 passes with the emergency clause attached. We'll now proceed to LB844. [LB776 LB844]

CLERK: (Read LB844 on Final Reading.) [LB844]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

with, the question is, shall LB844 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB844]

CLERK: (Record vote read, Legislative Journal page 1022.) 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB844]

SPEAKER ADAMS: LB844 passes. We'll now proceed to LB983. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB844 LB983]

CLERK: 39 ayes, 3 nays, Mr. President, to dispense with the at-large reading. [LB983]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB983]

CLERK: (Read title of LB983.) [LB983]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB983 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB983]

CLERK: (Record vote read, Legislative Journal page 1023.) 42 ayes, 0 nays, 5 present and not voting, 2 excused and not voting, Mr. President. [LB983]

SPEAKER ADAMS: LB983 passes with the emergency clause attached. We'll now proceed to LB983A. [LB983 LB983A]

CLERK: (Read LB983A on Final Reading.) [LB983A]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB983A pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB983A]

CLERK: (Record vote read, Legislative Journal page 1024.) 44 ayes, 0 nays, 3 present and not voting, 2 excused and not voting, Mr. President. [LB983A]

SPEAKER ADAMS: LB983A passes with the emergency clause attached. We'll now proceed to LB1016. [LB983A LB1016]

CLERK: (Read LB1016 on Final Reading.) [LB1016]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB1016 pass with the emergency clause attached? All those

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB1016]

CLERK: (Record vote read, Legislative Journal page 1025.) 34 ayes, 5 nays, 8 present and not voting, 2 excused and not voting, Mr. President. [LB1016]

SPEAKER ADAMS: LB1016 passes with the emergency clause attached. We'll now proceed to LB1016A. [LB1016 LB1016A]

CLERK: (Read LB1016A on Final Reading.) [LB1016A]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB1016A pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB1016A]

CLERK: (Record vote read, Legislative Journal pages 1025-1026.) 35 ayes, 0 nays, 12 present and not voting, 2 excused and not voting, Mr. President. [LB1016A]

SPEAKER ADAMS: LB1016A passes with the emergency clause attached. We'll now proceed to LB132. [LB1016A LB132]

CLERK: (Read LB132 on Final Reading.) [LB132]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB132 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB132]

CLERK: (Record vote read, Legislative Journal pages 1026-1027.) 40 ayes, 1 nay, 6 present and not voting, 2 excused and not voting, Mr. President. [LB132]

SPEAKER ADAMS: LB132 passes. We'll now proceed to LB692. [LB132 LB692]

CLERK: (Read LB692 on Final Reading.) [LB692]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB692 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB692]

CLERK: (Record vote read, Legislative Journal page 1027.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB692]

SPEAKER ADAMS: LB692 passes. We'll now proceed to LB728. [LB692 LB728]

CLERK: (Read LB728 on Final Reading.) [LB728]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB728 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB728]

CLERK: (Record vote read, Legislative Journal page 1028.) 44 ayes, 0 nays, 3 present and not voting, 2 excused and not voting, Mr. President. [LB728]

SPEAKER ADAMS: LB728 passes with the emergency clause attached. We'll now proceed to LB854. [LB728 LB854]

CLERK: (Read LB854 on Final Reading.) [LB854]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB854 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB854]

CLERK: (Record vote read, Legislative Journal page 1029.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB854]

SPEAKER ADAMS: LB854 passes. We'll now proceed to LB884. And, Mr. Clerk, the first vote will be to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB854 LB884]

CLERK: 40 ayes, 2 nays, Mr. President, to dispense with the at-large reading. [LB884]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB884]

CLERK: (Read title of LB884.) [LB884]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB884 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB884]

CLERK: (Record vote read, Legislative Journal page 1030.) 44 ayes, 0 nays, 3 present and not voting, 2 excused and not voting, Mr. President. [LB884]

SPEAKER ADAMS: LB884 passes. We'll now proceed to LB941. [LB884 LB941]

CLERK: (Read LB941 on Final Reading.) [LB941]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

with, the question is, shall LB941 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB941]

CLERK: (Record vote read, Legislative Journal pages 1030-1031.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB941]

SPEAKER ADAMS: LB941 passes. We'll now proceed to LB941A. [LB941 LB941A]

CLERK: (Read LB941A on Final Reading.) [LB941A]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB941A pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB941A]

CLERK: (Record vote read, Legislative Journal pages 1031-1032.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB941A]

SPEAKER ADAMS: LB941A passes. We'll now proceed to LB974. [LB941A LB974]

CLERK: Mr. President, Senator Avery would move to return LB974 to Select File so as to consider AM2590. (Legislative Journal pages 1032-1036.) [LB974]

SPEAKER ADAMS: Senator Avery, you are recognized on your motion to return. [LB974]

SENATOR AVERY: Thank you, Mr. President. I'm asking to return LB974 to Select File for a specific amendment that was brought to me by the Department of Administrative Services. This bill was LB745. It is very technical in nature. It cleans up some language that DAS thought needed to be done this session. I believe this was requested as a consent calendar item and did not make it. So I would urge you to offer me the opportunity to get this back on Select File for this amendment. Thank you, Mr. President. [LB974 LB745]

SPEAKER ADAMS: Thank you, Senator Avery. The floor is now open for discussion on the motion to return. Senator Mello, you're recognized. [LB974]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Senator Avery approached me in regards to looking for a vehicle for LB745 that was brought to him by the Department of Administrative Services. It is a cleanup bill that addresses a number of issues within the department. He informed me that it was voted out unanimously and it was not put on the consent calendar. And so since LB974 does address a couple of areas in the Department of Administrative Services in respects to preaudits of state agencies, as well as some fiscal reporting that they will do with the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

Legislative Fiscal Analyst, I don't see a problem trying to attach AM2590 to the underlying bill. Thank you, Mr. President. [LB974 LB745]

SPEAKER ADAMS: Thank you, Senator Mello. Is there anyone else wishing to speak? If not, Senator Avery, you're recognized to close on your motion. Senator Avery waives closing. The motion before the body is the return of LB974. All in favor say...indicate aye; all those opposed, nay. Record, Mr. Clerk. [LB974]

CLERK: 42 ayes, 0 nays, Mr. President, on the motion to return the bill. [LB974]

SPEAKER ADAMS: The motion is successful. [LB974]

CLERK: Senator Avery would offer AM2590. [LB974]

SPEAKER ADAMS: Senator Avery, you are recognized to open on AM2590. [LB974]

SENATOR AVERY: Thank you, Mr. President. I want to thank Senator Mello for allowing me to do this. This amendment contains technical changes to statutes relating to the Department of Administrative Services. I'll quickly go through them. First, the date when agencies are required to submit to the Governor a report of his proposed building renewal projects is changed to September 15 of each even-numbered year. Currently, the reports are due on the 15th of December of each year. This change harmonizes the date for requesting allocations of Task Force for Building Renewal funds with the current law of providing for submission of biennial budget requests on September 15. This seemed to make sense. Secondly, there is a change to the process for issuing lost warrants. With the amendment, an officer authorized to issue warrants has the authority to issue a replacement warrant. The current language requires a duplicate warrant numbered the same as the original with the words "duplicate" printed in red ink. The current system does not allow for issuing a duplicate warrant with the same number, so this change makes it consistent with the current process of issuing replacement warrants. Next, the term "state-owned vehicles" is changed to "state-owned passenger cars" in Section 81-1018 requiring that vehicles purchased, leased, or rented be of the intermediate, compact, or subcompact class. In 2012, I'm sure you will all remember this, in 2012 the term "passenger cars" was changed to "state-owned vehicles" in a bill from the Government Committee to allow the state to rent passenger vehicles. In Section 81-1018, the use of the term "state-owned vehicles" eliminated the ability to have pickup trucks and vans in the Transportation Services Bureau fleet. This amendment changes the term back to "passenger cars," thereby eliminating the issue inadvertently caused by the 2012 bill. Finally, the Materiel Division is allowed to purchase service contracts without going through the competitive bidding process if the price for the service has been established by the federal General Services Administration or competitively bid by a group of states. These contracts will still be required to complete our recently passed proof-of-need analysis if they are over \$15

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

million. As you recall that the Legislature passed in 2012 LB858 that requires service contracts over \$15 million to complete a proof-of-need analysis. I felt it was important for large contracts, even if they are competitively bid by GSA or a group of states, to go through the proof-of-need analysis. So that is retained. LB745 was advanced from the committee on an 8-0 vote. There were no opponents at the hearing and there were two proponents. I ask that you approve this amendment, technical in nature, to LB974. [LB974 LB745]

SPEAKER ADAMS: Thank you, Senator Avery. The floor is now open for debate on AM2590. Senator Avery, there are no lights on. You're recognized to close. Senator Avery waives his closing. Question before the body is the adoption of AM2590. All those in favor indicate with aye; all those opposed, nay. Record, Mr. Clerk. [LB974]

CLERK: 45 ayes, 0 nays, Mr. President, on the adoption of the Select File amendment. [LB974]

SPEAKER ADAMS: The amendment is adopted. Senator Murante for a motion. [LB974]

SENATOR MURANTE: Mr. President, I move to advance LB974 to E&R for engrossing. [LB974]

SPEAKER ADAMS: Members, you've heard the motion to advance. All those in favor indicate by saying aye. Opposed? It does advance. Mr. Clerk, we'll move to LB1014. [LB974 LB1014]

CLERK: (Read LB1014 on Final Reading.) [LB1014]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB1014 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB1014]

CLERK: (Record vote read, Legislative Journal pages 1036-1037.) 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB1014]

SPEAKER ADAMS: LB1014 passes. Mr. Clerk, are there items? [LB1014]

CLERK: There are, Mr. President. LB671 has been reported as correctly enrolled. Resolutions: Senator Larson offers LR514, LR515, LR516; those will be laid over. Senator Ken Haar, LR517 and LR518; those will be referred to the Executive Board. Amendments to be printed: Senator Mello to LB800, LB851, and LB863. (Legislative Journal pages 1037-1044.) [LB671 LR514 LR515 LR516 LR517 LR518 LB800 LB851 LB863]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB905, LB906, LB130, LB949, LB671, LB740, LB749, LB755, LB776, LB844, LB983, LB983A, LB1016, LB1016A, LB132, LB692, LB728, LB854, LB884, LB941, LB941A, and LB1014. Any motions, Mr. Clerk? [LB905 LB906 LB130 LB949 LB671 LB740 LB749 LB755 LB776 LB844 LB983 LB983A LB1016 LB1016A LB132 LB692 LB728 LB854 LB884 LB941 LB941A LB1014]

CLERK: Mr. President, I do, if I may. Senator Mello would like to add his name to LB697. (Legislative Journal page 1045.) [LB697]

Senator Carlson would move to recess the body until 1:30 p.m.

SPEAKER ADAMS: Members, you have heard the motion to recess. All those in favor indicate with aye. Opposed? We are in recess.

RECESS

SENATOR COASH PRESIDING

SENATOR COASH: Good afternoon, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Mr. Clerk, please record.

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

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

CLERK: I do. Bills read on Final Reading this morning were presented to the Governor at 12:00. (Re LB905, LB906, LB130, LB949, LB671, LB740, LB749, LB755, LB776, LB844, LB983, LB983A, LB1016, LB1016A, LB132, LB692, LB728, LB854, LB884, LB941, LB941A, and LB1014.) Enrollment and Review reports LB998 and LB800, LB1067, LB1115 to Select File. Enrollment and Review also reports the following bills correctly engrossed: LB251, LB660, LB751, LB751A, LB836, LB853, LB863, LB946, LB967, LB986A, LB987A, LB1012, LB1103, LB1114, LB1114A, all reported correctly engrossed. Hearing notice from Banking, Commerce and Insurance. Confirmation report from Government. Senator Scheer offers LR519; Senator Davis, LR520: study resolutions. That's all that I have, Mr. President. (Legislative Journal pages 1045-1049.) [LB905 LB906 LB130 LB949 LB671 LB740 LB749 LB755 LB776 LB844 LB983 LB983A LB1016 LB1016A LB132 LB692 LB728 LB854 LB884 LB941 LB941A LB1014 LB998 LB800 LB1067 LB1115 LB251 LB660 LB751 LB751A LB836 LB853 LB863 LB946 LB967 LB986A LB987A LB1012 LB1103 LB1114 LB1114A LR519 LR520]

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

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

agenda.

CLERK: LB364, a bill by Senator Avery. (Read title.) Introduced on January 18, referred to the Government Committee, advanced to General File. There are committee amendments. (AM1360, Legislative Journal page 1343, First Session, 2013.) [LB364]

SENATOR COASH: Thank you, Mr. Clerk. Senator Avery, you're recognized to open on LB364. [LB364]

SENATOR AVERY: Thank you, Mr. President. I am bringing to you a bill at the request of the city of Lincoln. In May of 2013 voters in the city of Lincoln decided to change the city's charter to allow the city to prohibit the mayor, members of the city council, and city department directors from entering into contracts with the city. This was, of course, designed to avoid conflicts of interest. The city of Lincoln is concerned that state law does not allow a city to prohibit city employees from entering into contracts with the city and asked that state law be clarified. I introduced this bill to provide that clarification. LB364 allows a government body to prohibit contracts over a specific dollar amount in which the public official or public employee of such body may have an interest. In other words, this bill is "permissive": it gives political subdivisions the opportunity to limit contracts between itself and its public employees; it is not mandatory that the political subdivision do this. Currently in law, public officials and employees may enter into contracts with their governing body if the contract is valued at less than \$2,000; if the contract is awarded through an open and public process, a public employee or official may have a contract valued over \$2,000. This bill would allow a governing body to set a stricter standard for the body's employees and officials when entering into contracts with the body. But, again, it is not mandatory that the body do this. This bill passed the Government Committee, I believe, unanimously--well, of course it did, we're on consent--unanimously. And I do have an amendment that I'll be happy to take up in a minute. Thank you. [LB364]

SENATOR COASH: Thank you, Senator Avery. As the Clerk has stated, there is an amendment from the Government Committee. Senator Avery, you're recognized to open on the committee amendment. [LB364]

SENATOR AVERY: Thank you, Mr. President. The committee amendment limits the scope of the original bill. With the amendment, only metropolitan, primary, and first-class cities may prohibit contracts over a specific dollar amount when a public official or public employee of that city may have an interest. The committee believed allowing a city to restrict contracts between itself and its public employees was more appropriate for larger communities since the larger communities have more options regarding with whom they contract. Smaller communities may only have one vendor in their community and would be unduly restricted by this. The committee advanced the bill with the amendment on a vote of 8-0, and there was no opposition to the bill during

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

the public hearing. So I urge you to vote yes on AM1360 and then also yes on LB364. Thank you, Mr. President. [LB364]

SENATOR COASH: Thank you, Senator Avery. Members, you've heard the opening to LB364 and the committee amendment. Floor is now open for discussion. Seeing no members wishing to speak, Senator Avery, you're recognized to close on the amendment. Senator Avery waives closing. Question before the body is, shall AM1360 be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB364]

CLERK: 33 ayes, 0 nays on adoption of committee amendments. [LB364]

SENATOR COASH: Committee amendments are adopted. We turn to discussion on LB364. Seeing no members wishing to speak, Senator Avery, you're recognized to close on the advancement. Senator Avery waives closing. Question before the body is, shall LB364 advance? All those in favor vote aye; those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB364]

CLERK: 35 ayes, 0 nays on the advancement of LB364. [LB364]

SENATOR COASH: LB364 does advance. Next item, Mr. Clerk. [LB364]

CLERK: LB679, a bill introduced by Senator Mello. (Read title.) Introduced on January 8, referred to Urban Affairs, advanced to General File. I have no amendments to the bill, Mr. President. [LB679]

SENATOR COASH: Thank you, Mr. Clerk. Senator Mello, you're recognized to open on LB679. [LB679]

SENATOR MELLO: Thank you, Mr. President. Members of the Legislature, currently Nebraska statutes that govern the required legal notices for zoning and redevelopment projects by municipalities provide that a neighborhood association can opt in to receiving notices about changes that affect the area of concern for that neighborhood association. While these statutes have provided a helpful tool to notify citizens of impending zoning changes and redevelopment projects, they were written at a time when the Internet was not widely utilized and the preferred method of giving legal notice was through certified mail. As e-mail has grown in popularity, Nebraskans have come to expect that a growing number of government services would be available on-line. Yet, at the same time, our planning statutes continue to require that planning notices be sent by mail, and in some cases by certified mail, which means that the recipient must either be home when the notice arrives or pick up the notice from the post office at a later date. LB679, which was brought to me by neighborhood association leaders in south Omaha, would amend the two sections of statute that provide for notices to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

neighborhood associations, to allow for greater flexibility in the manner of notice provided. Under the bill, each neighborhood association receiving planning notices would have the option to select a preferred method of notice, either through e-mail or regular, certified, or registered mail. Neighborhood associations would still have to opt in to receive notices, and those individuals who prefer to receive notices in the mail could continue to do so. Allowing planning notices to be provided via e-mail, even in these limited circumstances, should help city planning departments reduce postage costs, as well as making the process more convenient for neighborhood associations that receive multiple notices each month. LB679 received no opposition testimony at the public hearing and was advanced by the Urban Affairs Committee on a 6-0 vote, with 1 member absent. I'd urge the body to adopt LB679 to Select File. Thank you, Mr. President. [LB679]

SENATOR COASH: Thank you, Senator Mello. Members, you've heard the opening to LB679. Seeing no members wishing to speak, Senator Mello is recognized to close. Senator Mello waives closing. Question before the body is, shall LB679 advance? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB679]

CLERK: 36 ayes, 0 nays, Mr. President, on the advancement of LB679. [LB679]

SENATOR COASH: LB679 does advance. The next item, Mr. Clerk. [LB679]

CLERK: LB802, by Urban Affairs Committee. (Read title.) Introduced on January 10, referred to Urban Affairs, advanced to General File. I have no amendments to the bill. [LB802]

SENATOR COASH: Thank you, Mr. Clerk. Senator McGill, you're recognized to open on LB802. [LB802]

SENATOR MCGILL: Thank you, Mr. President. Members of the body, LB802 is a bill that represents the Urban Affairs Committee's continuing effort to clean up the code-adoption statutes. The bill eliminates language that allowed cities of the first and second class, villages, and counties to adopt future amendments to adopted codes by reference. So there was a Supreme Court ruling back in 1994...we've dealt with it already in terms of how the Legislature cannot just say that future codes are compliant...or must be used within the state without bringing it to a vote here in the Legislature. So there was both a Supreme Court ruling and an Attorney General's Opinion in 2010 that reemphasized that the Legislature may not adopt the language of statutes, regulations, or other materials from another governmental entity or organization to be promulgated in the future since that would constitute an improper delegation of the Legislature's authority to the entity in question. And because the Legislature is not allowed to delegate this authority, cities and other political

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

subdivisions may not, which is why you are considering this bill here today. With that, I ask for your support. [LB802]

SENATOR COASH: Thank you, Senator McGill. Members, you've heard the opening to LB802. The floor is now open for discussion. Seeing no members wishing to speak, Senator McGill is recognized to close. She waives closing. The question before the body is, shall LB802 advance? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB802]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB802. [LB802]

SENATOR COASH: LB802 does advance. The next item, Mr. Clerk. [LB802]

CLERK: LB803 is a bill introduced by the Urban Affairs Committee and signed by its members. (Read title.) Introduced on January 10, referred to Urban Affairs, advanced to General File. I have no amendments to the bill, Mr. President. [LB803]

SENATOR COASH: Thank you, Mr. Clerk. Senator McGill, you're recognized to open on LB803. [LB803]

SENATOR MCGILL: Thank you, Mr. President. LB803 is a bill to clarify a mayor's veto authority in cities of the first and second classes. Currently, mayors in these classifications of cities have veto authority, but the language in statute is unclear and contradictory. The statute for cities of the second class was adopted in 1879 and, for cities of the first class, 1901; and neither statute has been updated or amended since that time. This bill is needed to establish a clear procedure for a veto, and the language before you is similar to the Governor's veto authority language and makes the veto authority the same in both classes of city. Under LB803, a mayor can veto a measure at the meeting when it is passed or within seven days after that meeting. A veto after the meeting must be in writing and delivered to the city clerk. The clerk will notify the city council in writing. And the current provisions authorizing the council to override the veto by a two-thirds vote are not changed. Under current law, a mayor in a city of the first class may veto an ordinance, order, bylaw, resolution, contract, or claim; a mayor in a city of the second class can only veto ordinances. LB803 makes this veto authority consistent in both classes of city by extending the veto authority in cities of the second class to the other measures in addition to the ordinances, mirroring the authority of mayors in first-class cities. Thank you, and I ask for your support. [LB803]

SENATOR COASH: Thank you, Senator McGill. Members, you've heard the opening to LB803. Seeing no members wishing to speak, Senator McGill, you're recognized to close. She waives closing. Question before the body is, shall LB803 advance? All those in favor vote aye; those opposed, nay. Record, Mr. Clerk. [LB803]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

CLERK: 30 ayes, 0 nays on the advancement of LB803. [LB803]

SENATOR COASH: LB803 does advance. Next item, Mr. Clerk. [LB803]

CLERK: LB687, Senator Christensen. (Read title.) Introduced on January 8, referred to the Banking, Commerce and Insurance Committee, the bill was advanced to General File. I have no amendments to the bill. [LB687]

SENATOR COASH: Thank you, Mr. Clerk. Senator Christensen, you're recognized to open on LB687. [LB687]

SENATOR CHRISTENSEN: Thank you, Mr. President and colleagues. LB687 was brought to me by the Real Estate Commission. LB687 is a simple bill that would change the sequence of steps required to obtain a real estate salesperson or broker's license. The bill would require the submission of an application for a license to precede the fingerprints-based criminal background check. This step was necessitated by the FBI's new emphasis that applicants receive a written notice of rights pertaining to background checks and the State Patrol changed process with regard to the custody of cards and collection of their fee. LB687 provides that an application for a broker's and salesperson's license shall expire one year after it's received by the commission. Finally, the bill would require that upon passing the examination for a broker's or salesperson's license, the applicant must complete all the requirements for the issuance of a license. Thank you for considering LB687, and I encourage your vote to advance to Select File. [LB687]

SENATOR COASH: Thank you, Senator Christensen. Members, you've heard the opening to LB687. The floor is now open for discussion. Seeing no members wishing to speak, Senator Christensen is recognized to close. He waives closing. The question before the body is, shall LB687 advance? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB687]

CLERK: 33 ayes, 0 nays, Mr. President, on the advancement of LB687. [LB687]

SENATOR COASH: LB687 does advance. Next item, Mr. Clerk. [LB687]

CLERK: LB687A, by Senator Christensen. (Read title.) [LB687A]

SENATOR COASH: Senator Christensen, you're recognized to open on LB687A. [LB687A]

SENATOR CHRISTENSEN: Thank you, Mr. President. Basically, all this does is change how the money flows. It has no cost to the state or anything else. It just rearranges the money in the order that it runs through in the process. Thank you. [LB687A]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR COASH: Thank you, Senator Christensen. Members, you've heard the opening to LB687A. The floor is now open for discussion. Senator Watermeier, you are recognized. Senator Watermeier waives. Seeing no other members wishing to speak, Senator Christensen is recognized to close. He waives closing. Question before the body is, shall LB687A advance? All those in favor vote aye; those opposed, nay. Record, Mr. Clerk. [LB687A]

CLERK: 29 ayes, 0 nays, Mr. President, on the advancement of LB687A. [LB687A]

SENATOR COASH: LB687A does advance. Next item, Mr. Clerk. [LB687A]

CLERK: Senator Gloor offers LB712. (Read title.) Introduced on January 8; referred to the Banking, Commerce and Insurance Committee; advanced to General File. I have no amendments to the bill at this time, Mr. President. [LB712]

SENATOR COASH: Thank you, Mr. Clerk. Senator Gloor, you're recognized to open on LB712. [LB712]

SENATOR GLOOR: Thank you, Mr. President. LB712 has been brought to us by the director of Banking and Finance. And he brings this same bill to us, in a similar form, every year. The Department of Banking is the chartering authority for our state-chartered financial institutions. When it comes to our most commonly recognized depository financial institutions, we have what is called the "dual chartering system"; that means having both state and federal banks, savings and loan associations, and credit unions. Both the Department of Banking and Finance and the Legislature have long done what they can to preserve a strong and vibrant legal and regulatory environment for our state-chartered financial institutions. Our public policy has included the principle that our state-chartered financial institutions should not find themselves at a disadvantageous position in relationship to their federal counterparts. Accordingly, the Legislature annually--the Legislature every year--passes the so-called "wild card" bills at the urging of our Banking Department. These bills provide that state-chartered institutions shall have all the rights, powers, privileges, benefits, and immunities which may be exercised by their federal counterparts doing business in Nebraska as of January 1 of this current year. Why do we do this every year? And that's necessitated by our state constitution. As some of you are aware, the separation of powers clause in our constitution provides that the powers of our government are divided into its three branches. And the courts say that the clause prohibits one branch from encroaching on the duties and prerogatives of the other branches, or from improperly delegating away its own duties and prerogatives. The courts further say that the power of the Legislature to make laws requires judgment and discretion, and that power cannot be delegated to the executive branch or to an outside authority such as the United States Congress. The Nebraska Legislature may lawfully adopt by reference an existing law or regulation

Floor Debate
March 24, 2014

of another jurisdiction, including the United States; but an adoption by reference can only be of an existing federal law or regulation, not a federal law or regulation to be adopted in the future. That's why the January 1 date is put in the "wild card" laws each and every year and why that date is changed each and every year. It's as if the Legislature takes a snapshot of relevant federal financial institution laws of the most recent January 1 and then incorporates that federal law by reference within state law for purposes of the regulation of our state-chartered financial institutions. The bill has three sections: one deals with banks; one deals with savings and loan associations; and the other with credit unions. The savings and loan association "wild card" has been around since 1971; the credit union "wild card" has been around since 1977; the bank "wild card" has been around since 1999. The passage of LB712 will help keep our state-chartered financial institutions competitive with their federal counterparts. And as a result, as I do every year that I've presented this, or the Chair of the Banking Committee does, I would urge advancement of LB712. Thank you. [LB712]

SENATOR COASH: Thank you, Senator Gloor. Members, you've heard the opening to LB712. Floor is now open for discussion. (Visitors introduced.) Seeing no members wishing to speak, Senator Gloor is recognized to close. Senator Gloor waives closing. The question before the body is, shall LB712 advance? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB712]

CLERK: 33 ayes, 0 nays on the advancement of LB712. [LB712]

SENATOR COASH: LB712 does advance. Next item, Mr. Clerk. [LB712]

CLERK: LB714, by Senator Gloor. (Read title.) Introduced on January 8; referred to Banking, Commerce and Insurance; advanced to General File. I have no amendments to the bill, Mr. President. [LB714]

SENATOR COASH: Thank you, Mr. Clerk. Senator Gloor, you're recognized to open on LB714. [LB714]

SENATOR GLOOR: Thank you, Mr. President. LB714 is very much a housekeeping bill. It would simply outright repeal two obsolete sections of current statute. Sections 8-155 and 8-156 can be found in the Nebraska Banking Act; they say that a bank customer has one year to notify the bank that the bank has charged to the account of the customer a forged, altered, or raised check. That's a long-established rule, and this section dates back to 1919. But the subject matter of these two sections is now fully addressed in Article 4 of the Uniform Commercial Code. Section 4-406 of the Uniform Commercial Code has the one-year rule. Interesting comment here, to wrap up, in Nebraska the Uniform Commercial Code was enacted in 1963, became operative in 1965. In the 1963 bill, sections being replaced by the code were outright repealed. However, Sections 8-155 and 8-156 were overlooked in that process, have been largely

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

ignored for 50 years until it finally caught up with them on LB714. I'd urge the advancement of LB714 so that these obsolete sections can be outright repealed. Thank you, Mr. President. [LB714]

SENATOR COASH: Thank you, Senator Gloor. Members, you've heard the opening to LB714. The floor is now open. Seeing no members wishing to speak, Senator Gloor is recognized to close. He waives closing. The question before the body is, shall LB714 advance? All those in favor vote aye; those opposed, nay. Record, Mr. Clerk. [LB714]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB714. [LB714]

SENATOR COASH: LB714 does advance. The next item, Mr. Clerk. [LB714]

CLERK: LB739, by Senator Hadley. (Read title.) Introduced on January 9, referred to Revenue, advanced to General File. I have no amendments to the bill, Mr. President. [LB739]

SENATOR COASH: Thank you, Mr. Clerk. Senator Hadley, you're recognized to open on LB739. [LB739]

SENATOR HADLEY: Mr. President, members of the body, as I'm sure you all know, our Nebraska income tax laws are basically linked to the federal laws, to an extent. And, of course, anytime...every year we have to update the date so that we have the appropriate federal laws. And if you look on page 2, line 10, the current date is "March 8, 2013," which is struck, and the words put in is, "the effective date of this act." So, basically, all we're doing is updating the Nebraska tax laws to link them to the federal tax laws. With that, I would ask for your green vote. [LB739]

SENATOR COASH: Thank you, Senator Hadley. Members, you've heard the opening to LB739. Seeing no members wishing to speak, Senator Hadley, you're recognized to close. Senator Hadley waives closing. Question before the body is, shall LB739 advance? All those in favor vote aye; those opposed, nay. Record, Mr. Clerk. [LB739]

CLERK: 34 ayes, 0 nays on the advancement of LB739. [LB739]

SENATOR COASH: LB739 does advance. Next item, Mr. Clerk. [LB739]

CLERK: LB757, by Senator Smith. (Read title.) Introduced on January 9, referred to the Transportation Committee, advanced to General File. At this time I have no amendments, Mr. President. [LB757]

SENATOR COASH: Thank you, Mr. Clerk. Senator Smith, you're recognized to open on LB757. [LB757]

Floor Debate
March 24, 2014

SENATOR SMITH: Thank you, Mr. President; and good afternoon, colleagues. I introduced LB757 on behalf of the Nebraska Department of Roads. A public hearing on the bill was held on January 21 in front of the Transportation and Telecommunications Committee. There was no opposition testimony. And it advanced from committee with seven members in favor and one absent and not voting. LB757 does three things. First, it relaxes mailbox location requirements; secondly, it makes the adoption of certain rules and regulations permissive; and finally, it deletes an obsolete section of the statute. First, the bill allows the placement of mailboxes within the shoulder line on highways in which the serviced shoulder area is wide enough for a vehicle to be off the highway when delivering or collecting mail. Under the current law, mailboxes must be located 1 foot outside the shoulder line of a highway. This requirement was written in 1961, when highways were more narrow. Today's highways are built with wider paved shoulders, thus providing enough room for vehicles to safely leave the highway driving lane. Older highways with 6-foot-wide shoulders would still comply with the older provisions, but those mailboxes could be relocated once those highways are updated. The second component of this law makes it permissive for the Department of Roads to promulgate rules and regulations with respect to the use of wayside areas. In 1983 Section 81-710 was amended to require the department to adopt rules and regulations for the management of wayside areas; however, this action was never performed. There are currently only six state wayside areas which the department has managed under the authority of that same section of law. Without this change, the Department of Roads would be in violation of the Administrative Procedure Act, which requires the promulgation of rules within one year of enabling legislation. And then finally, in the 1960s, the Nebraska Board of Public Roads Classifications and Standards was charged with adopting regulations for a county road numbering system. This statute is obsolete, as the county numbering system is now part of the nationwide E-911 system. LB757 would repeal this section entirely. This portion of the bill is simply to clean up our statutes. That is all that LB757 does. It relaxes mailbox placement; it makes adoption of wayside management rules and regulations permissive; and it eliminates obsolete language. I urge you to vote in favor of advancing LB757. Thank you, Mr. President. [LB757]

SENATOR COASH: Thank you, Senator Smith. The floor is now open for discussion. Seeing no members wishing to speak, Senator Smith, you're recognized to close. Senator Smith waives closing. The question before the body is, shall LB757 advance? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB757]

CLERK: 32 ayes, 0 nays on the advancement of the bill. [LB757]

SENATOR COASH: LB757 does advance. Next item, Mr. Clerk. [LB757]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

CLERK: LB758, by Senator Smith. (Read title.) Introduced on January 9, referred to Transportation, advanced to General File. I have no amendments to the bill at this time, Mr. President. [LB758]

SENATOR COASH: Thank you, Mr. Clerk. Senator Smith, you are recognized to open on LB758. [LB758]

SENATOR SMITH: Thank you, Mr. President. And thank you, colleagues, for that last vote. LB758 is also a very simple bill that was brought to me by the Department of Motor Vehicles. It, too, had a public hearing on January 21 in front of the Transportation and Telecommunications Committee. There was no opposition to the bill, and it advanced on a vote of seven in favor and one person absent and not voting. LB758 would allow for photocopies of trailer registrations to be carried on a trailer, as opposed to the original certificate, which is the current law. For example, in the case of semitrucks, the truck cab and the trailer are often separated, and the certificate may be in the cab and not on the trailer. However, proof of registration must be available, should it be requested by law enforcement. In order to be in compliance with registration laws, trucking companies often have to order replacement certificates from the DMV. Though a replacement original isn't costly, only about \$1, it's an unnecessary expense and unnecessary use of time for the DMV to make and mail the copies. This bill does apply to all types of trailers, those used in landscaping, contracting, and farming. Without this change, those professionals who use trailers would be in violation of the law if the original certificate is not present at the time of moving or parking the trailer. That, again, is all this bill does. It makes it more convenient for professionals that utilize trailers in their trade. And I ask that you move LB758 to Select File. Thank you. [LB758]

SENATOR COASH: Thank you, Senator Smith. Members, you've heard the opening to LB758. The floor is now open. Seeing no members wishing to speak, Senator Smith is recognized to close. He waives closing. The question before the body is, shall LB758 advance? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB758]

CLERK: 30 ayes, 0 nays on the advancement of LB758. [LB758]

SENATOR COASH: LB758 does advance. Next item, Mr. Clerk. [LB758]

CLERK: LB777, by Senator Hadley. (Read title.) Introduced on January 10, referred to the Transportation Committee, advanced to General File. I do have committee amendments, Mr. President. (AM1645, Legislative Journal page 396.) [LB777]

SENATOR COASH: Thank you, Mr. Clerk. Senator Hadley, you're recognized to open on LB777. [LB777]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR HADLEY: Mr. President, members of the body, I introduced LB777 at the behest of the Department of Motor Vehicles. LB777 is intended to modernize and update Department of Motor Vehicles statutes to harmonize provisions with respect to change in law and current practices related to the issuance of driver's licenses and identification cards. The bills makes the following changes. First, it removes all references to the term "duplicate license" from the DMV statutes. The statutory limit on the number of duplicates that a driver may request was removed a few years ago; and with the digital licensing system, there is little difference between a "replacement" and a "duplicate." The "duplicate" category is no longer needed; the person just gets a replacement license. It also eliminates an exception that allows a small number of Nebraska citizens who are living outside of Nebraska for long periods, not including active-duty military or military dependents, to renew his or her driver's licenses without an image. Statutes require all others, including military members and dependents, to have an image recorded once every ten years. This change makes the image requirements the same for all Nebraskan citizens wherever they may be living. Lastly, it removes outdated language in statutes, such as implementation dates that have passed and references to taking photographs, a process that is no longer used for issuance of driver's licenses and identification cards. The reissuance system now captures the digital images for licenses and identification cards. Thank you, Mr. President. [LB777]

SENATOR COASH: Thank you, Senator Hadley. As the Clerk has stated, there is an amendment from the Transportation Committee. Senator Dubas, as Chair of the committee, you're recognized to open on the committee amendment. [LB777]

SENATOR DUBAS: Thank you, Mr. President. And all this committee amendment does...it's a technical amendment. As Senator Hadley said, we are striking "duplicate" and inserting "replacement"; that was missed in a certain section, and so this amendment is just catching that. So it's just replacing "duplicate" with "replacement." Appreciate the body's support on this amendment. [LB777]

SENATOR COASH: Thank you, Senator Dubas. Members, you've heard the opening to LB777 and the committee amendment. Floor is now open for discussion. Seeing no members wishing to speak, Senator Dubas is recognized to close. She waives closing. The question before the body is, shall the committee amendment be adopted? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB777]

CLERK: 32 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB777]

SENATOR COASH: Committee amendments are adopted. We return to discussion on LB777. Seeing no members wishing to speak, Senator Hadley is recognized to close. He waives closing. The question before the body is, shall LB777 advance? All those in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

favor vote aye; those opposed, nay. Record, Mr. Clerk. [LB777]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB777. [LB777]

SENATOR COASH: LB777 advances. Next item, Mr. Clerk. [LB777]

CLERK: LB766, by Senator Bloomfield. (Read title.) Introduced on January 9, referred to the Government Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB766]

SENATOR COASH: Thank you, Mr. Clerk. Senator Bloomfield, you're recognized to open on LB766. [LB766]

SENATOR BLOOMFIELD: Thank you, Mr. President. Good afternoon, colleagues. LB766 is a bill that I introduced at the request of Major General Bohac. It's a very simple cleanup bill dealing with the tuition assistance program for the National Guard. Currently, the Adjutant General is allowed to extend the entitlement period for a National Guard member if they're deployed on federal or state active-duty status. LB766 will clarify that the member will still be subject to all remaining conditions of the tuition assistance program during the extended period. LB766 also removes outdated language. Please vote green on this. Thank you, Mr. President. [LB766]

SENATOR COASH: Thank you, Senator Bloomfield. Members, you've heard the opening to LB766. The floor is now open for discussion. Seeing no members wishing to speak, Senator Bloomfield, you're recognized to close. He waives closing. The question before the body is, shall LB766 advance? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB766]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB766. [LB766]

SENATOR COASH: LB766 does advance. Items, Mr. Clerk? [LB766]

CLERK: Thank you, Mr. President. Senator Bolz has an amendment to LB690. Senator Nordquist offers LR521; Senator Watermeier, LR522; Senator Dubas, LR523. Those will be referred to the Executive Board. (Legislative Journal pages 1050-1053.) [LB690 LR521 LR522 LR523]

Mr. President, next bill, LB806, a bill by Senator Avery. (Read title.) Introduced on January 10, referred to the Government Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB806]

SENATOR COASH: Thank you, Mr. Clerk. Senator Avery, you're recognized to open on LB806. [LB806]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR AVERY: Thank you, Mr. President. The Military Department asked me to introduce this bill on their behalf, and I am happy to do so. The bill is technical in nature and involves the staff of the Adjutant General, so it's mostly understandable by people who understand the ways and means of the military. LB806 eliminates the position of chief of staff of the Military Department and adds the option of the Adjutant General appointing a civilian deputy director. Apparently this is a practice that is undertaken in a number of states and we think might be useful here. If the Adjutant General appoints a civilian deputy director, the Adjutant General may, when the AG is absent, delegate the authority to perform the military duties to any active officer of the Nebraska National Guard who holds the minimum grade of colonel. If both the AG and the deputy AG...or the civilian deputy director are absent, the military duties may be delegated to any active officer of the Nebraska National Guard who holds a minimum rank of colonel. The state duties may be delegated to any member of the AG's appointed executive staff. Finally, the bill provides that the deputy AG is not required to take leave or a reduction in salary when performing his or her federal duties, except when called to active duty of the United States in support of missions authorized by the President of the United States or the Secretary of Defense. These are, of course, technical in nature and are important to the smooth functioning of the AG's office. The bill advanced on a 7-0 vote, with 1 member absent. I urge your adoption of LB806. Thank you, Mr. President. [LB806]

SENATOR COASH: Thank you, Senator Avery. Members, you've heard the opening to LB806. The floor is now open for discussion. Senator Krist, you are recognized. [LB806]

SENATOR KRIST: Thank you, Mr. President; good afternoon, members; and good afternoon, Nebraska. This is an extremely smart way of doing business. There are many, many active-duty units around the country who have adopted the practice of having a civilian deputy in place of the group...operations group and/or the command staff itself. It does one huge thing: in a world of constant turmoil and turnover, it provides the continuity that is required. And I will wholeheartedly support LB806 and the Adjutant General's move in this direction. [LB806]

SENATOR COASH: Thank you, Senator Krist. Members, seeing no one else wishing to speak, Senator Avery, you're recognized to close on LB806. Senator Avery waives closing. The question before the body is, shall LB806 advance? All those in favor vote aye; opposed, nay. Record, Mr. Clerk. [LB806]

CLERK: 37 ayes, 0 nays, Mr. President, on the advancement of LB806. [LB806]

SENATOR COASH: LB806 does advance. The next item, Mr. Clerk. [LB806]

CLERK: LB859, by Senator Krist. (Read title.) Introduced on January 13, referred to the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

Health Committee, advanced to General File. I have no amendments to the bill at this time, Mr. President. [LB859]

SENATOR COASH: Thank you, Mr. Clerk. Senator Krist, you're recognized to open on LB859. [LB859]

SENATOR KRIST: Thank you, Mr. President. And again good afternoon, members and Nebraska. As indicated in the committee statement, LB859 advanced from the Health and Human Services Committee unanimously; there were no opponents or neutral testimony. And I thank Speaker Adams for his putting this on the consent calendar. Last year LB459 was passed, and it required each general acute hospital, intermediate care facility, nursing facility, and skilled-nursing facility to offer on-site--offer--on-site vaccinations for diphtheria, tetanus, and pertussis to all residents and to all inpatients prior to discharge. Since that bill was passed there have been a national shortage of vaccines, and facilities were unable to provide the required immunizations. This bill, LB859, clarifies existing statutes by stating that they may offer the immunizations...that offer is not required when there are contraindications or nationwide shortages of vaccines. It seems counterintuitive, but it is now in statute if you vote green. Thank you, Mr. President. [LB859 LB459]

SENATOR COASH: Thank you, Senator Krist. Members, you've heard the opening to LB859. The floor is now open for discussion. Seeing no members wishing to speak, Senator Krist, you're recognized to close. Senator Krist waives closing. The question before the body is, shall LB859 advance? All those in favor vote aye; those opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB859]

CLERK: 37 ayes, 0 nays on the advancement of LB859, Mr. President. [LB859]

SENATOR COASH: LB859 does advance. Next item, Mr. Clerk. [LB859]

CLERK: LB781, by Senator Harms. (Read title.) Introduced on January 10, referred to the Education Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB781]

SENATOR COASH: Thank you, Mr. Clerk. Senator Wightman, you are recognized to open on LB781. [LB781]

SENATOR WIGHTMAN: Thank you, Mr. President. Good afternoon, members of the body. LB781 is a simple bill; it makes one change in the auditing dates for the community colleges. This change can be found on page 3 of the legislation. We simply strike "October" and insert "November" 15 of each year. This merely creates some additional time in order to accommodate the new audit adjustments for community colleges recommended by the Governmental Accounting Standards Board. The board's

Floor Debate
March 24, 2014

recommendation has forced the colleges to make a total revision of internal fund accounting financial statements. Those items revised include, but are not limited to, a management discussion and analysis of the college's financial performance; cash flow statements, calculation estimates, and allocations related to property taxes; college use of facility corporations for debt service and reporting them as a blended community unit; foundations for the colleges and reporting them as a component unit; segment reporting; the assessment of fraud risk; and the preparation of financial audit statements that were once completed in August, which now require 30 to 45 days' additional time. The audit due dates to the state remain unchanged from the pre-Governmental Accounting Standards Board implementation date on October 15, 2003, which is three and a half months after the fiscal year ends. The October 15 date is one of the earliest due dates required of all the political subdivisions. Furthermore, changing the date to November 15 has been discussed with various state offices to ensure that revising the date would not negatively impact them. Those offices include the State Auditor, Department of Administrative Services budget office, and Coordinating Commission for Postsecondary Education. I'd like to add that all six community colleges support the change in LB781. This is, again, a simple bill, being done because of the new GASB recommendations. GASB is widely respected; every legitimate accounting firm follows its guidelines and recommendations. And this bill will just give the colleges the appropriate time to complete the audit with the new GASB adjustments. LB781 has no fiscal impact and no opposition. I urge the Chamber to vote in favor of this legislation, and I ask that we advance it from General File to Select File. Thank you. [LB781]

SENATOR COASH: Thank you, Senator Wightman. Members, you've heard the opening to LB781. The floor is now open for discussion. Seeing no members wishing to speak, Senator Wightman, you're recognized to close. Senator Wightman waives closing. The question before the body is, shall LB781 advance? All those in favor vote aye; opposed, nay. Record, Mr. Clerk. [LB781]

CLERK: 35 ayes, 0 nays on the advancement of the bill, Mr. President. [LB781]

SENATOR COASH: LB781 does advance. Next item, Mr. Clerk. [LB781]

CLERK: LB753, by Senator Gloor. (Read title.) Introduced on January 9; referred to the Banking, Commerce and Insurance Committee; advanced to General File. I have no amendments to the bill. [LB753]

SENATOR COASH: Thank you, Mr. Clerk. Senator Gloor, you're recognized to open on LB753. [LB753]

SENATOR GLOOR: Thank you, Mr. President. LB753 comes to us from the Secretary of State. The bill would amend the Nebraska Uniform Limited Liability Company Act with regard to agents for service of process. LLCs are required to designate and continually

Floor Debate
March 24, 2014

maintain in this state an agent for service of process. This information is to be included in a domestic LLC's certificate of organization or in a foreign LLC's certificate of authority. This information then is to be included in an LLC's biennial report. Our current LLC act provides that a domestic or foreign LLC may change the address of its agent for service of process by delivering to the Secretary of State, for filing, a statement of change. In other words, the LLC is the one that makes the contact for change of service of process. What's recommended in this bill...we're bringing for you in this bill is that an agent for service of process, if it changes its address...often the most efficient thing for that agent is to simply go ahead and change its address in the records of the Secretary of State for all its clients. The problem is that our LLC act does not have any provision to allow that to happen. However, our corporation acts do have such provisions. So all the bill does is provide that an agent for service of process may change its address for an LLC by notifying the LLC and delivering to the Secretary of State, for filing, a record to be called "a statement of change of address for an agent for service of process." The LLC act provides for a general \$10 fee for filing with the Secretary of State. In keeping with that fee structure, the bill would provide for that same \$10 filing fee for filing a statement of change of address for an agent for service of process for each LLC for which the agent is designated. The bill advanced from the Banking, Commerce and Insurance Committee on an 8-0 vote; as Senator Avery said, "of course it did." I would urge advancement of LB753. Thank you. [LB753]

SENATOR COASH: Thank you, Senator Gloor. Members, you've heard the opening to LB753. The floor is now open for discussion. Seeing no members wishing to speak, Senator Gloor is recognized to close. He waives closing. The question before the body is, shall LB753 advance? All those in favor vote aye; opposed, nay. Record, Mr. Clerk. [LB753]

CLERK: 39 ayes, 0 nays on the advancement of the bill. [LB753]

SENATOR COASH: LB753 does advance. Next item, Mr. Clerk. [LB753]

CLERK: LB774 is a bill by Senator Pirsch. (Read title.) Introduced on January 10, referred to the Banking Committee, advanced to General File. I have no amendments to the bill at this time, Mr. President. [LB774]

SENATOR COASH: Senator Pirsch, you're recognized to open on LB774. [LB774]

SENATOR PIRSCH: Thank you, Mr. President and members of the body. LB774 is to provide a mechanism for filing a corrected or amended biennial or annual report with the Secretary of State's Office. This bill is brought at the request of the Secretary of State's Office. It came out of committee--Banking, Commerce and Insurance Committee--on an 8-0 vote. There are no opponents. Currently, corporations are allowed to file amended or corrected biennial reports. The bill would allow joint public agencies, limited liability

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

companies, nonprofit corporations, limited cooperative associations, and limited liability partnerships to amend or correct their reports. The information included in each report varies depending on the type of entity submitting the report. However, this bill would allow the entities mentioned above to update basic entity information, such as principal place of business, or correct errors discovered after the biennial reporting period by delivering an amended or corrected report to the Secretary of State for filing. I would urge your green vote of support. Thank you. [LB774]

SENATOR COASH: Thank you, Senator Pirsch. Members, you've heard the opening to LB774. The floor is now open for discussion. Seeing no members wishing to speak, Senator Pirsch, you are recognized to close. Senator Pirsch waives closing. The question before the body is, shall LB774 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB774]

CLERK: 37 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB774]

SENATOR COASH: LB774 does advance. Next item, Mr. Clerk. [LB774]

CLERK: LB698, a bill introduced by Senator Larson. (Read title.) Introduced on January 8, referred to Transportation, advanced to General File. I have no amendments to the bill at this time, Mr. President. [LB698]

SENATOR COASH: Thank you, Mr. Clerk. Senator Larson, you're recognized to open on LB698. [LB698]

SENATOR LARSON: Thank you, Mr. President. And, members, I'll be quick. LB698 makes a change to the statute that allows landowners to apply for permits to mow and hay-harvest the rights of way along state highways. Right now, landowners can only apply for these permits every other year unless haying was allowed the year prior because of drought or other declarations. This bill would change the statute to allow for landowners to apply for a permit every year regardless of the conditions the year prior. Thank you, Mr. President. [LB698]

SENATOR COASH: Thank you, Senator Larson. Members, you've heard the opening to LB698. The floor is now open for discussion. Seeing no members wishing to speak, Senator Larson, you're recognized to close. Senator Larson waives closing. The question before the body is, shall LB698 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB698]

CLERK: 37 ayes, 0 nays on the advancement of the bill. [LB698]

SENATOR COASH: LB698 does advance. The next item, Mr. Clerk. [LB698]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

CLERK: LB736, by Senator Dubas. (Read title.) The bill was introduced on January 9, referred to Transportation, advanced to General File. There are committee amendments, Mr. President. (AM1811, Legislative Journal page 459.) [LB736]

SENATOR COASH: Thank you, Mr. Clerk. Senator Dubas, you're recognized to open on LB736. [LB736]

SENATOR DUBAS: Thank you very much, Mr. President and colleagues. LB736 is a simple bill to modernize a well-worn statute. Under the current statute, excavators are relieved of liability for damage to utility lines if they first make a phone call to the one-call center's 1-800 number. That language needs to be updated to conform with current practices. Nebraska one-call has been utilizing an Internet-based "locate" request system for ten years in addition to the 1-800 number. So this bill will allow an update of our statutes to more of a technology-neutral language to recognize any "locate" requests submitted regardless of how the request is made. [LB736]

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. [LB736]

SENATOR DUBAS: This committee amendment just further clarifies submitting a "locate" request using a method provided by the center. So, again, it just kind of opens it up a little bit more, allowing the one-call center...as technology changes, as new opportunities present itself for communication, they will be able to put those into place. So, again, it just provides technology-neutral methods to allow for innovations in the future. Thank you. [LB736]

SENATOR COASH: Thank you, Senator Dubas. Members, you've heard the opening to LB736 and the committee amendments. The floor is now open for discussion. Seeing no members wishing to speak, Senator Dubas, you're recognized to close on the committee amendment. She waives closing. The question before the body is, shall the committee amendments be adopted? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB736]

CLERK: 34 ayes, 0 nays on adoption of committee amendments. [LB736]

SENATOR COASH: Committee amendments are adopted. We return to discussion on LB736. Seeing no members wishing to speak, Senator Dubas is recognized to close. She waives closing. The question before the body is, shall LB736 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB736]

CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of LB736. [LB736]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR COASH: LB736 does advance. Next item, Mr. Clerk. [LB736]

CLERK: LB702 is by Senator Johnson. (Read title.) Introduced on January 8, referred to Urban Affairs, advanced to General File. I do have committee amendments, Mr. President. (AM1738, Legislative Journal page 468.) [LB702]

SENATOR COASH: Thank you, Mr. Clerk. Senator Johnson, you're recognized to open on LB702. [LB702]

SENATOR JOHNSON: Thank you, Mr. President. LB702 was introduced to clarify and standardize the procedure for a village to change to a city of the second class, other than by population change. Under current law, the citizens of a village may vote to retain the village form of government even though it would become a city of the second class by population increase. However, there is no procedure in the statutes if the citizens of such a village later decide to become a city of the second class. For information purposes, 800 is the level that a village becomes a second-class city. Currently there are 18 villages that have voted not to change based on population change. Ten of those villages now have reached above 800 and would be eligible or be interested maybe in this new legislation. LB702 establishes a procedure for the citizens to vote on changing the municipal classification from a village to a city of the second class. The bill also standardizes the procedure for voting to change municipal classifications. Thank you, Mr. Chairman. [LB702]

SENATOR COASH: Thank you, Senator Johnson. As the Clerk has stated, there is an amendment from the Urban Affairs Committee. Senator McGill, you're recognized to open on the committee amendment. [LB702]

SENATOR MCGILL: Good morning, Mr. President...or afternoon. This amendment is only to correct a typo in the bill. On page 5, line 15, it says, "city of the second class," where it should instead read, "village." So please vote yes on the amendment and the bill. [LB702]

SENATOR COASH: Thank you, Senator McGill. Members, you've heard the opening to LB702 and the committee amendment. The floor is now open for discussion. Seeing no members wishing to speak, Senator McGill, you're recognized to close on the committee amendment. Senator McGill waives closing. The question before the body is, shall the committee amendment be adopted? All those in favor vote aye; opposed, nay. Record, Mr. Clerk. [LB702]

CLERK: 37 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB702]

SENATOR COASH: Committee amendments are adopted. We return to discussion on

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

LB702. Senator Johnson...there is no one wishing to speak. Senator Johnson is recognized to close. He waives closing. The question before the body is, shall LB702 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB702]

CLERK: 33 ayes, 0 nays, Mr. President, on the advancement of LB702. [LB702]

SENATOR COASH: LB702 does advance. The next item, Mr. Clerk. [LB702]

CLERK: LB697 was a bill introduced by Senator Larson. (Read title.) Introduced on January 8, referred to the Revenue Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB697]

SENATOR COASH: Thank you, Mr. Clerk. Senator Larson, you're recognized to open on LB697. [LB697]

SENATOR LARSON: Thank you, Mr. President. LB697 would require a county treasurer from each county to forward the Department of Revenue its list of real property subject to sale due to delinquent property taxes on that property. The Property Tax Administrator for the department would then publish a compiled list to the department's Web site. The information sent by the county treasurers would be what the treasurers are required to publish now, including the amount of all delinquent taxes against each item and a description of the property. Thank you, Mr. President. [LB697]

SENATOR COASH: Thank you, Senator Larson. Members, you've heard the opening to LB697. The floor is now open for discussion. Seeing no members wishing to speak, Senator Larson, you're recognized to close. Senator Larson waives closing. The question before the body is, shall LB697 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB697]

CLERK: 37 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB697]

SENATOR COASH: LB697 is advanced. Next item, Mr. Clerk. [LB697]

CLERK: LB683 is a bill by Senator Scheer. (Read title.) Introduced on January 8, referred to Natural Resources, advanced to General File. I have no amendments to the bill, Mr. President. [LB683]

SENATOR COASH: Thank you, Mr. Clerk. Senator Scheer, you're recognized to open on LB683. [LB683]

SENATOR SCHEER: Thank you, Mr. President. I bring forward LB683. It is a technical bill; it has to do with storm water management and the federal funding that is provided

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

to communities within the state of Nebraska. Those funds are based on a population census, from the last census available. Currently they are still using the 2000 census. And it simply changes it, allowing them to use the 2010 census. I'd encourage your support of LB683. Thank you. [LB683]

SENATOR COASH: Thank you, Senator Scheer. Members, you've heard the opening to LB683. Seeing no members wishing to speak, Senator Scheer is recognized to close. He waives closing. The question before the body is, shall LB683 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB683]

CLERK: 35 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB683]

SENATOR COASH: LB683 does advance. Next item, Mr. Clerk. [LB683]

CLERK: LB798, by Senator Christensen. (Read title.) Introduced on January 10, referred to the Natural Resources Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB798]

SENATOR COASH: Thank you, Mr. Clerk. Senator Christensen, you're recognized to open on LB798. [LB798]

SENATOR CHRISTENSEN: Thank you, Mr. President and colleagues. LB798 works with the state law that provides the fiscal year of a power district--created under Chapter 70, Article 6 (sic)--coincide with the calendar year. LB798 proposes to make an exception to the fiscal year requirement. LB798 would allow a power district, whose only wholesale customer is a city or village, to use the same fiscal year as its city or village. This would allow a city that operates its own electrical system through a power district to have just one fiscal year for all its operations. The city of Imperial established a power district to purchase wholesale electricity for the city of Imperial municipal electric department. The city of Imperial electrical department is the only customer of the power district. The city has had to have one fiscal year for the purchasing power district and one for the rest of its operations. LB798 is intended to allow Imperial and other cities in a similar situation to have one fiscal year for all its functions. Thank you for considering LB798. I would encourage your vote to advance it to Select File. [LB798]

SENATOR COASH: Thank you, Senator Christensen. Members, you've heard the opening to LB798. The floor is now open. Seeing no one wishing to speak, Senator Christensen is recognized to close. He waives closing. The question before the body is, shall LB798 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB798]

CLERK: 39 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB798]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR COASH: LB798 does advance. Next item, Mr. Clerk. [LB798]

CLERK: Mr. President, if I may, a couple of items: Senator Burke Harr would like to print an amendment to LB998; and a new resolution, LR524. That will actually be laid over at this time. (Legislative Journal pages 1054-1057.) [LB998 LR524]

Mr. President, the next bill on consent calendar: LB989; it's a bill by Senator Schumacher. (Read title.) Introduced on January 21 of this year, referred to the Executive Board, the bill was advanced to General File. I have no committee amendments. I do have an amendment to the bill, Mr. President. [LB989]

SENATOR COASH: Thank you, Mr. Clerk. Senator Schumacher, you're recognized to open on LB989. [LB989]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. Currently the Department of Revenue is required to prepare a tax expenditure report which describes the basic provisions of Nebraska tax law and the actual or estimated revenue loss caused by the various exemptions, deductions, exclusions, deferrals, credits, and preferential rates. What it is not required to do is break down an analysis, item by item, of those exemptions so that the Revenue Committee in the Legislature has an idea of how, particularly, each item is costing the system. It also does not do an analysis of what revenue loss we might have to services. What this bill does is it takes the list of exemptions to sales and use tax, and it breaks it into four groups and examines one group each of four successive years, so that in the term of a one...term of the Legislature all of the sales and use tax expenditures are brought to the attention of the Legislature with the amount that they cost. It is an informational measure designed to brief the Legislature and the Revenue Committee on the cost of the exemptions and to integrate that into the report that's already done. In addition to that, Senator Mello has an amendment that brings into the sphere of such analysis of cost of lost revenue certain items of nonbusiness sales tax. This is to assist the Legislature in analyzing its tax policy with reference to exemptions and also to familiarize new senators with the various exemptions we have and whether or not they are proper to retain. I'd ask your support for LB989. Thank you. [LB989]

SENATOR COASH: Thank you, Senator Schumacher. Mr. Clerk, you have an amendment. [LB989]

ASSISTANT CLERK: Mr. President, Senator Mello would offer AM2029. (Legislative Journal page 612.) [LB989]

SENATOR COASH: Senator Mello, you're recognized to open on your amendment. [LB989]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. As Senator Schumacher mentioned in his opening, AM2029 incorporates language that was originally missed in the drafting of the original bill when Senator Schumacher and myself worked on it. It essentially incorporates services that we got reported on during the Tax Modernization Committee, that currently are not being tracked, so to speak. They're not exempted right now, but they're not being tracked. And it was an ongoing conversation the Tax Mod Committee had in regard to identifying the loss of sales tax from these services. So it simply incorporates these services to Senator Schumacher's underlying bill, which changes the Tax Expenditure Reporting Act to have more annual reports to the Revenue Committee and to the Legislature as it relates to tax expenditures. With that, I urge the body to adopt AM2029. Thank you, Mr. President. [LB989]

SENATOR COASH: Thank you, Senator Mello. Members, you've heard the opening to LB989 and AM2029. The floor is now open for discussion. Seeing no members wishing to speak, Senator Mello is recognized to close. He waives closing. The question before the body is, shall AM2029 be adopted? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB989]

ASSISTANT CLERK: 35 ayes, 0 nays on the adoption of the amendment. [LB989]

SENATOR COASH: AM2029 is adopted. Seeing no other members wishing to speak, Senator Schumacher, you're recognized to close. Senator Schumacher waives closing. The question before the body is, shall LB989 advance? All those in favor vote aye; opposed, nay. Have all voted who wish? Record, Mr. Clerk. [LB989]

ASSISTANT CLERK: 34 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB989]

SENATOR COASH: LB989 does advance. Next item, Mr. Clerk. [LB989]

ASSISTANT CLERK: Mr. President, LB792, introduced by Senator Sullivan. (Read title.) The bill was read for the first time on January 10, referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File without committee amendments. [LB792]

SENATOR COASH: Thank you, Mr. Clerk. Senator Sullivan, you're recognized to open on LB792. [LB792]

SENATOR SULLIVAN: Thank you, Mr. President and members. LB792 eliminates an antiquated reporting requirement for county treasurers. Section 79-1034 requires county treasurers to send a semiannual statement to the State Treasurer that shows the amount of money collected on behalf of school districts from all sources and the

Floor Debate
March 24, 2014

amounts paid out. The State Treasurer does not use or need this report. Some treasurers report that the State Treasurer asked them to quit sending it in the mid-1990s. State Treasurer Stenberg submitted a letter of support for LB792. The State Auditor has no problems with eliminating the report. The funds show up in the semiannual financial report which is published in local papers and in the audit report at fiscal year end. In the interest of streamlining government, county treasurers have asked to eliminate this statute. This bill does not affect the collection or distribution of school funds by counties. Separate sections of statute set out those procedures. LB792 is simply intended to eliminate a reporting requirement that is no longer necessary. Thank you for your time and interest, and I encourage you to advance LB792 to Select File. [LB792]

SENATOR KRIST PRESIDING

SENATOR KRIST: You've heard the opening. No one looks like they're wishing to speak. Senator Sullivan, you're recognized to close. Senator Sullivan waives closing. The question is the advancement of LB792. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB792]

ASSISTANT CLERK: 33 ayes, 0 nays on the motion to advance LB792, Mr. President. [LB792]

SENATOR KRIST: LB792 advances. Next item. [LB792]

ASSISTANT CLERK: LB816, introduced by Senator Murante. (Read title.) Bill was read for the first time on January 10, referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with no committee amendments. [LB816]

SENATOR KRIST: Senator Murante, you're recognized. [LB816]

SENATOR MURANTE: Thank you, Mr. President, members. Good afternoon. LB816 adds an additional method for consumers to show proof of automobile insurance when licensing their vehicles or providing proof of insurance to law enforcement officers. There are already 29 states that have passed similar legislation and it is pending in a number of other states. LB816 makes it clear that the decision to show electronic proof is the choice of the policyholder. Those who choose to continue to use the paper card, as it is used now, may continue to do so. Policyholders who choose to use an electronic form of proof assume the liability for any damage to the electronic device. And finally, LB816 makes it clear that the use of electronic proof of insurance does not constitute consent for law enforcement to access other data on the electronic device. I encourage your support of LB816. Thank you, Mr. President. [LB816]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR KRIST: Seeing no one wishing to speak, Senator Murante, you're recognized to close. Senator Murante waives closing. You've heard the opening on LB816. The question is the advancement. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB816]

ASSISTANT CLERK: 33 ayes, 0 nays on the advancement of LB816, Mr. President. [LB816]

SENATOR KRIST: LB816 advances. Next item. [LB816]

ASSISTANT CLERK: LB750, introduced by Senator Burke Harr. (Read title.) Bill was read for the first time on January 9, referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments. (AM1859, Legislative Journal page 532.) [LB750]

SENATOR KRIST: Senator Harr, you're recognized. [LB750]

SENATOR HARR: Thank you, Mr. President, members of the body. I introduced LB750 on behalf of the Secretary of State. This bill addresses how the Secretary of State's Office terminates financing statements related to statutory agricultural liens. Between 1979 and 2003, lienholders filed approximately 3,900 agricultural liens that are still in the index in a lien against the borrower today. Two thousand three, we amended the way we handle agricultural liens and those filed after two thousand three automatically terminate after five years unless renewed. The only way to remove these prior agricultural financial or financing statements from the record or index is to file a termination statement. Many of the lienholders for these liens have gone out of business or cannot be located. Therefore, the liens cannot be terminated. This has created a problem for the debtors listed because the lien appears on the debtor's registration or master lien list that is used to purchase agricultural products today. LB750 addresses this issue by requiring the filing of a continuation statement for those older liens in order for them to remain active. These liens would be treated similarly to a UCC Article 9 rules which allow them to lapse off the record after five years, unless continued. In this bill we speak of financing statements in a broad, nontechnical sense, to include the variously described documents, such as verified statements, notices of lien, lien notification statements, or simply affidavits that were used to file these statutory agricultural liens prior to July 1, 2001. I ask that you advance LB750 to Select File, and I'll be happy to answer any questions. Thank you. [LB750]

SENATOR KRIST: Thank you, Senator Harr. Seeing no one wishing to speak, Senator Harr, you're recognized to close. Senator Harr waives closing. The question is the advancement of...oh, I'm sorry. My apologies. Senator Gloor, you're recognized. [LB750]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR GLOOR: Thank you, Mr. President. Committee amendments would add one thing and one thing only to the bill. They would specifically require the Secretary of State to notify, by first-class mail, the holders of liens subject to Senator Harr's bill that such lien will lose its perfection unless a continuation statement is filed, as provided by the bill. I'd urge adoption of this relatively simple committee amendment. Thank you. [LB750]

SENATOR KRIST: Again, my apologies. Thank you, Senator Gloor. Seeing no one wishing to speak, Senator Gloor, you're recognized to close on the amendment. Senator Gloor waives closing. The question is the adoption of AM1859 to LB750. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB750]

ASSISTANT CLERK: 28 ayes, 0 nays on the adoption of committee amendments. [LB750]

SENATOR KRIST: Committee amendments are adopted. Seeing no one wishing to speak, Senator Harr waives closing. The question is the advancement of LB750 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB750]

ASSISTANT CLERK: 30 ayes, 0 nays on the advancement of the bill, Mr. President. [LB750]

SENATOR KRIST: Bill advances. Next item. [LB750]

ASSISTANT CLERK: LB876, introduced by Senator Howard. (Read title.) Bill was read for the first time on January 14 of this year, referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments attached. (AM1893, Legislative Journal page 532.) [LB876]

SENATOR KRIST: Senator Howard. [LB876]

SENATOR HOWARD: Thank you, Mr. President, members of the body. Today I bring you LB876, a bill to prohibit homeowner's insurance policies from including pollution provisions that deny coverage for injury or damage resulting from carbon monoxide or other gases produced by or released from a heating unit or ventilation system. I know this is consent calendar so I'll try to keep it brief, but I would like to tell you the story behind this bill. A pastor and his wife were residing in a house owned by the church in Clay Center, Nebraska. And one morning when his wife didn't report to work at the local public library, a neighbor called the police. And when the police arrived, they discovered the pastor was dead and his wife was unconscious. Both had been poisoned by carbon monoxide that was released into their home through a leak in the heating system. The pastor's widow, Mrs. Green, with the support of the church, filed a claim with the church's insurer to recover damages. The insurer declined coverage and refused to pay

Floor Debate
March 24, 2014

because the policy contained a pollution exclusion. The insurance company argued that carbon monoxide was considered pollution and, therefore, excluded from coverage, although when most Nebraskans think of pollution what comes to mind are pollutants generated externally by a third party, such as industrial pollution. This bill prohibits pollution provisions that exclude gases from a heating unit or a ventilation system within the home. There were no opposition testifiers to this bill, however, neutral testifiers raised concerns that the green copy of the bill could be more clear. The committee amendment addresses those concerns. The bill was voted out unanimously from the Banking, Commerce and Insurance Committee. There is no fiscal impact. Thank you for your time and attention to LB876. [LB876]

SENATOR KRIST: Thank you, Senator Howard. Senator Gloor, as the Chair of Banking, Commerce and Insurance, you're recognized to open on the committee amendments. [LB876]

SENATOR GLOOR: Thank you, Mr. President. The committee amendments to LB876 become the bill. And as Senator Howard said, they were worked out with the insurance industry through her diligent efforts. The committee adopted them without objection and advanced the bill, as was said, unanimously. Committee amendments would provide that if a policy contains an exclusion for loss arising out of the discharge, dispersal, release of pollutants, then the exclusion must contain an exception for bodily injury sustained within a building, caused by smoke, fumes, vapor, or soot from a heating or ventilation system. This would broaden the scope of the bill slightly because the green copy would apply only in the case of carbon monoxide or other gases. Committee amendments would clarify that the bill would apply to a homeowner's or home...excuse me, a homeowner's or owner's policy, a landlord's policy, or a tenant's policy. I'd urge the adoption of the committee amendments and that we advance the bill. Thank you. [LB876]

SENATOR KRIST: Thank you, Senator Gloor. Those wishing to speak: Senator Davis. Senator Davis, you're recognized. [LB876]

SENATOR DAVIS: This will just be brief, Mr. Speaker, but I want to just rise in strong support of this and say that this happened on my very ranch. And Senator Howard's bill is a very, very good bill. I could give you more information if anybody wants to know about it, but it happened in my mother's home, so I'm very interested in an issue like this. Thank you. [LB876]

SENATOR KRIST: Thank you, Senator Davis. Seeing no one else wishing to speak, Senator Gloor, you're recognized to close. Senator Gloor waives closing. The question is the adoption of AM1893 to LB876. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB876]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

ASSISTANT CLERK: 33 ayes, 0 nays on the adoption of committee amendments. [LB876]

SENATOR KRIST: Committee amendments are adopted. Seeing no one wishing to speak, Senator Howard waives closing. The question is the advancement of LB876 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB876]

ASSISTANT CLERK: 30 ayes, 0 nays on the motion to advance the bill. [LB876]

SENATOR KRIST: The bill advances. Next item. [LB876]

ASSISTANT CLERK: LB1039 introduced by Senator Dubas. (Read title.) Bill was read for the first time on January 22; referred to the Transportation, Telecommunications Committee; was placed on General File with no committee amendments. [LB1039]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Dubas, you're recognized. [LB1039]

SENATOR DUBAS: Thank you, Mr. President. At the beginning of last year's legislative session, I was approached by a commercial trucking firm with an issue that they thought needed some legislative remedy. And since it was too late at that time to introduce a bill, we spent the interim looking into their concern, working with implement dealers, carrier enforcement, and the Department of Roads to find a solution. And I believe that's what LB1039 is. Currently, farm equipment dealers are given an exemption relating to size, weight, and load for hauling equipment to and from their businesses when they're repairing and taking care of that type of equipment. But due to the loss or the consolidation of dealerships, it's requiring equipment to be hauled greater distances for repairs and other work, and so some dealers are beginning to use commercial haulers instead of their own trucks to pick up and deliver this equipment. These commercial haulers cannot claim the same exemptions for size, weight, and load so, therefore, they're having to go through more permitting and expenses to complete the job. This bill will allow haulers to act as an agent of the dealership. It will require a statement signed by that dealer stating the hauler is acting as a representative of the farm equipment dealer. It shall be dated and good for a period of 90 days. The information contained in the letter will include the name of the farm equipment dealer, name of the commercial hauler, and that the dealer authorizes the hauler to act as their representative for purposes of complying with width, height, and length limitations. The farm equipment dealers will not be required to provide insurance coverage for these commercial haulers. So this, again, will just allow commercial haulers to act as agents for farm equipment dealers in order to facilitate moving equipment back and forth, mainly for repairs and those types of things. Appreciate the body's support on LB1039. [LB1039]

SENATOR KRIST: Thank you, Senator Dubas. Senator Bloomfield, you're recognized. [LB1039]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR BLOOMFIELD: Thank you, Mr. President. Would Senator Dubas yield to a question? [LB1039]

SENATOR KRIST: Senator Dubas, will you yield? [LB1039]

SENATOR DUBAS: Yes, I will. [LB1039]

SENATOR BLOOMFIELD: Thank you, Senator Dubas. You stated that the truck operator didn't have to get insurance from the dealer. Is the dealer subject to any liability at all if that truckdriver makes a mistake? [LB1039]

SENATOR DUBAS: No. The commercial hauler is liable for their own insurance, providing their own insurance. The equipment dealers would not be liable. [LB1039]

SENATOR BLOOMFIELD: Okay. Thank you. [LB1039]

SENATOR KRIST: Thank you, Senator Dubas and Senator Bloomfield. Seeing no one wishing to speak, Senator Dubas waives closing. The question is the advancement of LB1039 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB1039]

ASSISTANT CLERK: 33 ayes, 0 nays on the advancement of the bill, Mr. President. [LB1039]

SENATOR KRIST: The bill advances. Next item. [LB1039]

ASSISTANT CLERK: LB701, introduced by Senator Dubas. (Read title.) Bill was read for the first time on January 8, was referred to the Transportation, Telecommunications Committee. That committee placed the bill on General File with committee amendments. (AM1905, Legislative Journal page 597.) [LB701]

SENATOR KRIST: Senator Dubas, you're recognized. [LB701]

SENATOR DUBAS: Thank you, Mr. President and colleagues. LB701 provides a means for insurance companies which cannot obtain a title to a vehicle that has been declared a total loss. When they're not able to obtain this title, they are basically stuck with a vehicle that they can't sell or dispose of. In some cases, companies have been sending such vehicles out of state, like to Kansas for example, where they do have laws similar to LB701. The bill merely gives insurance companies a legal alternative to obtaining a salvage title. In order to obtain a salvage title, the insurance company must file an application with the Department of Motor Vehicles and submit an affidavit to the department that they have been unable to obtain the original title, along with evidence of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

the total loss settlement. Also, the company must wait 30 days to ensure the title is not given prematurely. I will have an amendment following that will further clarify this. This is not something that happens on a real regular basis, but it is an issue that is presenting some problems for insurance companies. Thank you. [LB701]

SENATOR KRIST: Thank you, Senator Dubas. As the Clerk stated, there are committee amendments. Senator Dubas, you're recognized. [LB701]

SENATOR DUBAS: Thank you, Mr. President. This is committee amendment AM1905. I am going to ask that the body vote no on this committee amendment. I have another amendment coming afterwards that again will put some parameters and some requirements for what insurance companies need to do first before they are able to obtain this salvage title. We want to make sure that the consumers are protected here and insurance companies aren't able to obtain these titles without going through proper channels. So I'm asking for a red vote on the committee amendment. Then I have another amendment following that will take the committee amendment just a step farther. [LB701]

SENATOR KRIST: Thank you, Senator Dubas. Reminder: Senator Dubas is asking for a red vote. All those in favor, yea; all those opposed, nay. Please record, Mr. Clerk. [LB701]

ASSISTANT CLERK: 2 ayes, 28 nays on the adoption of the committee amendments, Mr. President. [LB701]

SENATOR KRIST: The committee amendments are not adopted. Mr. Clerk for an amendment. [LB701]

ASSISTANT CLERK: Senator Dubas would move to amend with AM2322. (Legislative Journal page 993.) [LB701]

SENATOR KRIST: Senator Dubas. [LB701]

SENATOR DUBAS: Thank you very much, Mr. President. And thank you for the "no" vote on the committee amendment. What this amendment does is, again, further clarifies what insurance companies are required to do before they can apply to the Department of Motor Vehicles. They must show proof of having...making two written attempts to secure the original title before they can put in an application to secure this duplicate salvage title. So again, we're just wanting to make sure that the consumer is given every option, opportunity to present that title before the insurance company takes the route of obtaining a duplicate salvage title. I think this...we looked at what quite a few other states around us have done or are in the process of doing, and this seems to be in line of what's going on with other states. And again, I think this gives some extra

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

consumer protection. They're also able to contact these consumers orally, you know, by phone perhaps, but they have to follow up with written attempts to obtain that title. Appreciate the body's support on AM2322. [LB701]

SENATOR KRIST: You've heard the closing on AM2322. The question is the adoption of the amendment. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB701]

ASSISTANT CLERK: 33 ayes, 0 nays on the adoption of Senator Dubas' amendment. [LB701]

SENATOR KRIST: The amendment is adopted. Seeing no one wishing to speak, Senator Dubas waives closing. The question is the advancement of LB701 to E&R Initial. Those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB701]

ASSISTANT CLERK: 33 ayes, 0 nays on the advancement of the bill, Mr. President. [LB701]

SENATOR KRIST: Bill advances. Next item. [LB701]

ASSISTANT CLERK: LB765, introduced by Senator Conrad. (Read title.) Bill was read for the first time on January 9 of this year, referred to the Business and Labor Committee. That committee placed the bill on General File with committee amendments. (AM1759, Legislative Journal page 602.) [LB765]

SENATOR KRIST: Senator Conrad, you're recognized. [LB765]

SENATOR CONRAD: Thank you, Mr. President. Good afternoon, colleagues. Friends, I introduced LB765 after being contacted by a constituent whose son was working at a national chain restaurant and his wages were being paid by a debit card. The son was incurring a number of fees every time he accessed the wages that he had earned. This issue has presented itself in numerous states as large employers, like McDonald's, Burger King, Walmart, and others are finding that paying by debit card is a less-expensive business practice. However, in other states oftentimes the employee has an option of choosing how they would like to be paid. In Nebraska, the employer determines how wages will be paid, so that's one reason why this bill is critical to ensure that employees are able to access the pay that they have earned. Otherwise, the practice may be a form of wage theft and our law needs to be changed to guarantee that employees can access all of their wages without penalties. We had a great hearing on this at the committee level: no opponents, no fiscal impact, and the full support of a diverse set of interests, including the Nebraska AFL-CIO, the Nebraska Chamber of Commerce, Nebraska Appleseed, and letters of support from NAPE/AFSCME, and the American Payroll Association. This is definitely an issue that I've learned a lot about

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

after that constituent contact, and it seems that Nebraska has a real opportunity to move forward to codify some existing practices and to ensure that consumer protection is present as well. Thank you, Mr. President. [LB765]

SENATOR KRIST: Thank you, Senator Conrad. As the Clerk stated, there are committee amendments. Senator Lathrop, you're recognized, as the Chair of the Business and Labor Committee. [LB765]

SENATOR LATHROP: Thank you, Mr. President and colleagues. AM1759 addresses a technical concern from the Payroll Association. LB765 requires employers to comply with the federal Electronic Fund Transfer Act. The Payroll Association correctly notes that only one section of the federal act applies to employers; the other portions pertain to financial institutions. Accordingly, AM1759 references the specific section of the act that applies to employers. This section provides that an employer cannot require an employee to establish an account for receipt of electronic fund transfers with a particular financial institution as a condition of employment. This means that an employer cannot dictate that an employee's wages be transferred to a payroll card with a particular financial institution. The employee can either agree with the employer's choice of financial institution, choose another institution, or choose another form of payroll payment. And I ask for your support of AM1759 and LB765. Thank you. [LB765]

SENATOR KRIST: Seeing no one wishing to speak, Senator Lathrop, you're recognized. And Senator Lathrop waives closing. The question is the adoption of AM1759 to LB765. Those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB765]

ASSISTANT CLERK: 31 ayes, 0 nays on adoption of committee amendments. [LB765]

SENATOR KRIST: Amendment is adopted. Seeing no one wishing to speak, Senator Conrad waives closing. Question is the advancement of LB765 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB765]

ASSISTANT CLERK: 29 ayes, 0 nays on the motion to advance the bill. [LB765]

SENATOR KRIST: The bill advances. Next item. [LB765]

ASSISTANT CLERK: Mr. President, LB780, introduced by Senator Wightman. (Read title.) Bill was read for the first time on January 10, referred to the Judiciary Committee. That committee placed the bill on General File with no committee amendments. [LB780]

SENATOR KRIST: Senator Wightman, you're recognized. [LB780]

SENATOR WIGHTMAN: Thank you, Mr. President, members of the body. LB780 is

Floor Debate
March 24, 2014

intended to simplify and reduce the cost of filing documents related to the death of a joint tenant or the death of the holder of a life estate. Last year I brought to you LB345 to make fine-tuning changes to the transfer on death law, which included a provision to address administrative issues, as requested by the Nebraska Association of County Officials. The register of deeds requested that two documents be filed to assist them to connect death certificates with: number one, transfer on death deeds at the death of the transferor; number two, transfer as a result of the death of a joint tenant; number three, transfers upon the death of the holder of a life estate. The death certificates are generally filed many years after the deed creating these transfers occurred, and it was believed that the filing of these documents would facilitate the recording process. As with any law which may seem like a good idea at the time, the truth is in the implementation. Due to the complexity of one of the required forms, called a Real Estate Transfer form or a Form 521, which most of you will never have heard of except for register of deeds, and its possible legal implications, an attorney is often hired to fill out the form. In practice, the information required on the Form 521 is extensive, unnecessary, and does not expedite the process for two types of real estate filings. They are the transfers as the result of the death of a joint tenant and transfers upon the death of a holder of a life estate. The filing of a Real Estate Transfer form on Form 521 should be eliminated except for when a death certificate is filed in conjunction with the transfer on death deed. LB780 also provides that a person who files a death certificate unrelated to a transfer on death deed does not need to file the specific cover sheet prescribed under the current law. NACO and I believe every county register of deeds supported this bill. LB780 will simplify the filing process, reduce paperwork, and save the public money. I would ask you to advance LB780. Thank you, Mr. President. [LB780 LB345]

SENATOR KRIST: Seeing no one wishing to speak, Senator Wightman, you're recognized to close on your bill. Senator Wightman waives closing. The question is the advancement of LB780 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB780]

ASSISTANT CLERK: 31 ayes, 0 nays on the advancement of the bill, Mr. President. [LB780]

SENATOR KRIST: Bill advances. Next item. [LB780]

ASSISTANT CLERK: Mr. President, LB693, introduced by Senator Seiler. (Read title.) Bill was read for the first time on January 8 of this year, referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments attached. (AM1782, Legislative Journal page 629.) [LB693]

SENATOR KRIST: Senator Seiler, you're recognized. [LB693]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR SEILER: Mr. President, members of the Unicameral, I bring this bill on my own. It is a bill that was in my practice. Basically, you have a house and personal property of \$50,000. The personal property was increased two years ago from \$30,000 to \$50,000. Legislature forgot to raise the real estate from \$30,000 to \$50,000, and that's what this bill does. It's a simple affidavit that's filed with the real estate and that way it can be conveyed and not have to go through a full probate. I ask that you vote green on this bill, and I'm also in support of the amendment that you will hear from the Chairman of the committee. [LB693]

SENATOR KRIST: Thank you, Senator Seiler. As the Clerk stated, there are committee amendments. Senator Ashford, as the Chair, you're recognized to open. [LB693]

SENATOR ASHFORD: Thank you, Mr. President. This committee amendment simply amends the methodology for calculation of the value of real property by using the value of the property as shown on the assessment rolls for the year in which the decedent died, less real estate taxes and interest thereon, if any is due at the time of the death of the decedent. That would be the extent of the committee amendment. [LB693]

SENATOR KRIST: Senator Nelson, you're recognized. [LB693]

SENATOR NELSON: Thank you, Mr. President, members of the body. I stand in support of both the amendment and LB693. I had the unfortunate experience of having to file a probate because a house is worth \$40,000 and \$30,000 was the limitation. So I appreciate Senator Seiler bringing this bill. It's a little more realistic with values and the exemptions and the fact that you ought to be able to deduct out the real estate tax and any lien. It better reflects our situation today. Thank you very much, Mr. President. [LB693]

SENATOR KRIST: Thank you, Senator Nelson. Seeing no one else wishing to speak, Senator Ashford waives closing. Question is the adoption of AM1782. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB693]

ASSISTANT CLERK: 29 ayes, 0 nays on the adoption of committee amendments. [LB693]

SENATOR KRIST: Amendments are adopted. Seeing no one else wishing to speak, Senator Seiler, you're recognized to close. Senator Seiler waives closing. Question is the advancement of LB693 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB693]

ASSISTANT CLERK: 28 ayes, 0 nays on the advancement of the bill, Mr. President. [LB693]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR KRIST: The bill advances. Next item. [LB693]

ASSISTANT CLERK: LB828, introduced by Senator Seiler. (Read title.) Bill was read for the first time on January 13, referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments. (AM1722, Legislative Journal page 641.) [LB828]

SENATOR KRIST: Senator Seiler, you're recognized. [LB828]

SENATOR SEILER: Thanks, Mr. President, members of the Unicameral. I bring this bill on behalf of the Nebraska Criminal Defense Attorneys Association and to a large degree the prosecutors have also chimed in on this. The reason for the bill is that about half of our county courts, our district courts are allowing written waivers at this time, and the other half say, well, there's no statutory authority. What this bill will do will allow a defense counsel to meet with his client, go over his charges with him, have him sign a waiver and a plea of not guilty, and deliver it to the court. Right now he has to take his client to the court. They have to schedule a hearing. The prosecutor has to agree and to be there, and defense counsel has to be present in the courtroom. This would save the county a considerable amount of money and court time by having this waiver of the preliminary hearing and plea. Therefore, I ask for your green light and I'd also recommend the bill that the Judiciary Committee has attached. [LB828]

SENATOR KRIST: Thank you, Senator Seiler. As the Clerk stated, there are committee amendments. Senator Ashford, you're recognized. [LB828]

SENATOR ASHFORD: Thank you, Mr. President. And the AM1722 simply provides that the form include a provision ensuring that the defendant has been advised of his or her rights prior to signing the form that Senator Seiler has described. Thank you. [LB828]

SENATOR KRIST: Thank you, Senator Ashford. Seeing no one wishing to speak, Senator Ashford waives closing. The question is the adoption of AM1722 to LB828. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB828]

ASSISTANT CLERK: 31 ayes, 0 nays on the adoption of committee amendments. [LB828]

SENATOR KRIST: Amendments are adopted. Seeing no one wishing to speak, Senator Seiler, you're recognized to close on your bill. [LB828]

SENATOR SEILER: Just thank you very much for your vote and I believe both the prosecutor and defendants will be very pleased with this bill. Thank you very much. [LB828]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR KRIST: Thank you, Senator Seiler. The question is the advancement of LB828 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB828]

ASSISTANT CLERK: 31 ayes, 0 nays on the advancement of the bill, Mr. President. [LB828]

SENATOR KRIST: Bill is advanced. Next item. [LB828]

ASSISTANT CLERK: LB937, introduced by Senator Karpisek. (Read title.) Bill was read for the first time on January 16, referred to the Government Committee. That committee placed the bill on General File with no committee amendments. [LB937]

SENATOR KRIST: Senator Karpisek, you're recognized. [LB937]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. LB937 deals with county supervisors. In counties who have a county supervisor system, there are always seven county supervisors. And by statute, two-thirds of them would be a quorum, would constitute a quorum. With this bill, it would change it to be a majority. Why I'm doing this is the two-thirds...before, four of the supervisors can meet together without enacting open meeting laws, open meeting rules, so those four could meet together and do whatever they...come up with whatever they wanted, come to the county board meeting, vote as a block and pass anything. This bill will make a quorum be a majority. So if those four get together now, they will fall into the open meetings rules and they cannot do that without having a public notice and all sorts of other things that our open meetings do. Three of them could still get together, but obviously when they come to vote to a county board meeting and there's seven, their three votes can't carry the day. I think that this is just a transparency issue so four people can't get together without the public knowing and having a block of votes and passing whatever they think is good. I'd be glad to answer any questions. Thank you, Mr. President. [LB937]

SENATOR KRIST: Thank you, Senator Karpisek. Senator Larson, you're recognized. [LB937]

SENATOR LARSON: Thank you, Mr. President. Will Senator Karpisek yield? [LB937]

SENATOR KRIST: Senator Karpisek, will you yield? [LB937]

SENATOR KARPISEK: Yes, I will. [LB937]

SENATOR LARSON: Senator Karpisek, I heard your opening and I understand why you're doing it. I have a small concern. By changing it to a majority, I have a number of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

counties that only have three board members. So if they were to... [LB937]

SENATOR KARPISEK: Those are not supervisor counties though. [LB937]

SENATOR LARSON: Okay. The commissioners, not...so you're saying supervisors. [LB937]

SENATOR KARPISEK: Yes. Correct. And counties who have commissioner laws, then they already have a majority rule. This only deals with supervisors. [LB937]

SENATOR LARSON: Sounds good. Thank you. [LB937]

SENATOR KARPISEK: Thank you, Senator Larson. [LB937]

SENATOR KRIST: Seeing no one else wishing to speak, Senator Karpisek waives closing. The question is the advancement of LB937 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB937]

ASSISTANT CLERK: 28 ayes, 0 nays on the advancement of the bill. [LB937]

SENATOR KRIST: Bill advances. Next item. [LB937]

ASSISTANT CLERK: LB735, introduced by Senator Bolz. (Read title.) Bill was read for the first time on January 9 of this year, referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments. (AM2081, Legislative Journal page 657.) [LB735]

SENATOR KRIST: Senator Bolz, you're recognized. [LB735]

SENATOR BOLZ: Thank you, Mr. President. LB735 aligns Nebraska statutes with standard industry practice regarding insurance refunds upon death. This summer a constituent contacted me shortly after the death of a loved one. Her mother-in-law had passed away after a long convalescence. My constituent had her mother-in-law's affairs in order and began the sad work of moving belongings and closing banking accounts and other tasks. It was a modest estate. Among those tasks was seeking a refund for the balance of her mother-in-law's insurance payment. She thought that the payment might help with funeral expenses or paying final bills. When she sought the refund, she received a letter saying that a refund was not due. The insurance company's policy was not to send the money unless a written request was received. Even then, they are not required at this time to return the money. My constituent did ultimately receive a refund that amounted to \$256, a small but helpful amount for this modest family. The simple policy change in LB735 is this: To ensure that the...in the event of the death of a loved one who has an individual sickness, an accident, or Medicare supplement policy, the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

insurance should provide...insurer should provide a prorated refund when it is requested. I have reached out to the insurance companies in the state and to date have not heard any opposition to implementing this change. Twenty-seven other states have similar policies. It is considered standard industry practice, and it was advanced out of committee 8 to 0. I appreciate your support on LB735. [LB735]

SENATOR KRIST: Thank you, Senator Bolz. As the Clerk stated, there's committee amendments. Senator Gloor, you're recognized. [LB735]

SENATOR GLOOR: Thank you, Mr. President. The committee amendments to LB735 would address two matters which the committee members thought would make this otherwise worthy bill an even better bill. First, the committee amendments would clarify that a party that makes a claim for unearned premium must be legally entitled to claim the refund. Second, the committee amendments would specify that a request for refund of unearned premium must be made within one year after the insured's death. I'd urge the adoption of the committee amendments and advancement of the bill. [LB735]

SENATOR KRIST: Thank you, Senator Gloor. Seeing no one else wishing to speak, Senator Gloor, you're recognized to close. Senator Gloor waives closing. The question is the adoption of AM2081 to LB735. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB735]

ASSISTANT CLERK: 28 ayes, 0 nays on the adoption of committee amendments. [LB735]

SENATOR KRIST: Committee amendments are adopted. Seeing no one else wishing to speak, Senator Bolz, you're recognized. Senator Bolz waives closing. Question is the adoption or, I'm sorry, the advancement of LB735 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB735]

ASSISTANT CLERK: 29 ayes, 0 nays on the advancement of the bill, Mr. President. [LB735]

SENATOR KRIST: Bill advances. Next item. [LB735]

ASSISTANT CLERK: LB1050 is introduced by Senator Campbell. (Read title.) Bill was read for the first time on January 22, referred to the Health and Human Services Committee. That committee placed the bill on General File with committee amendments. (AM1827, Legislative Journal page 658.) [LB1050]

SENATOR KRIST: Good afternoon, Senator Campbell. You're recognized. [LB1050]

SENATOR CAMPBELL: Thank you, Mr. President. LB1050 requires that all childcare

Floor Debate
March 24, 2014

facilities that must be licensed be given a health and safety inspection before the license is issued. In almost every case where licensing is required, the inspection is done before the license is issued. However, those facilities in the category "family child care home I" are licensed before they are inspected. Every year, most of those facilities pass the inspection, but each year there are some that cannot pass because of serious problems, such as no running water, no hot water, no second exit, roach and rodent infestations, fire hazards, and unlocked firearms. One such facility was actually a condemned home. Facilities with these kinds of problems would never pass an inspection. Currently, if an inspection shows minor problems, the department works with the provider or applicant to fix them. But egregious health and safety threats that cannot be fixed easily mean that the department must go through a license revocation process. Simply requiring the inspection before licensing would help providers. It would help them comply and know what they needed to do before they started that business. It would save the department having to conduct revocation process and it would assure the public that children who are in licensed care are in healthy, safe environments. A "family child care I" is a provider who cares in his or her residence for four to eight children. Caring for fewer than four children does not require licensing. My understanding is that allowing the "child care home I" facilities to self-certify began in the late '70s when there were large numbers of families needing childcare. In 1995, there were 4,000 applications, but since that peak the number of applications per year is now between 140 to 250. About 5 percent have their licenses revoked annually because of unsafe sanitary conditions. Inspection requirements for other provider categories are in rules and regs. These for "child care home I," however, remain in statute. LB1050 would remove the statutory provisions that allow licensing before inspection. Parents who are looking for childcare probably think that a licensed facility is a safe facility. LB1050 will protect children and assure families that all licensed facilities meet basic health and safety needs, and I would encourage a green vote on LB1050. Thank you, Mr. President. [LB1050]

SENATOR KRIST: Thank you, Senator Campbell. As the Clerk stated, there are committee amendments. Senator Campbell, you're recognized again. [LB1050]

SENATOR CAMPBELL: Thank you, Mr. President. The committee amendment, colleagues, is fairly simple. It removes language that "family child care home I" inspections may occur within 60 days of an amendment to a license. The committee amendment requires the inspection to occur when there is a change of ownership or location. So we're trying to make sure that the language is in harmony between the amendment and the underlying bill. Thank you, Mr. President. [LB1050]

SENATOR KRIST: Thank you, Senator Campbell. Seeing no one wishing to speak, Senator Campbell, you're recognized to close. Senator Campbell waives closing. The question is the adoption of AM1827 to LB1050. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB1050]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

ASSISTANT CLERK: 27 ayes, 0 nays on the adoption of committee amendments.
[LB1050]

SENATOR KRIST: Committee amendment is adopted. Seeing no one wishing to speak, Senator Campbell, you're recognized to close. Senator Campbell waives closing. The question is the advancement of LB1050 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB1050]

ASSISTANT CLERK: 29 ayes, 0 nays on the advancement of the bill, Mr. President.
[LB1050]

SENATOR KRIST: LB1050 advances. Next item. [LB1050]

ASSISTANT CLERK: LB1072, by Senator Lathrop. (Read title.) Bill was read for the first time on January 22. It was referred to the Health and Human Services Committee. That committee placed the bill on General File with committee amendments. (AM1955, Legislative Journal page 660.) [LB1072]

SENATOR KRIST: Senator Lathrop, you're recognized. [LB1072]

SENATOR LATHROP: Thank you, Mr. President, colleagues. During the past two sessions I introduced legislation which would have created a prescription drug monitoring program, or a PDMP, in Nebraska. PDMP is a statewide electronic database that allows healthcare providers to report all prescriptions for controlled substances. The point of a PDMP is to curtail such things as doctor shopping and prescription forgery and to also provide doctors with important information needed to address prescription drug abuse by their patients. For example, while meeting with a patient at an emergency room, a doctor would assess the...access the PDMP to see if the patient has been provided several prescriptions for pain medication in the last few days. Having this information would allow the doctor to make a more informed decision regarding the health of the patient and the prescription of additional pain medication. Instead of using a stand-alone database like most states, Nebraska is currently utilizing the Nebraska Health Information Initiative, or NeHII for short. This is the result of a bill passed by Senator Gwen Howard that simply required the Department of Health and Human Services, in collaboration with NeHII, to establish a PDMP. Since that time, not much has happened between NeHII and the department due to the language in the law restricting the use of state funds to establish a PDMP. And as you'll hear in a few moments from Senator Campbell, the Health Committee has an amendment that will strike the contents of LB1072 and instead amend the law that was passed in 2010. Over the past two years, we've come much closer to drafting a law that all the parties involved in the PDMP can accept. However, we're not quite there yet. And as a result, I support the committee amendment and anticipate there will be a continued discussion

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

on this during the interim, which will result in a bill in 2015. And with that, I would encourage your support of LB1072. [LB1072]

SENATOR KRIST: Thank you, Senator Lathrop. As the Clerk stated, there are committee amendments. Senator Campbell, you're recognized. [LB1072]

SENATOR CAMPBELL: The committee amendment, oh, thank you, Mr. President. The committee amendment becomes the bill. First, the committee amendment clarifies that the department may use state funds and accept grants, gifts, or other funds to implement or operate the technology required for the prescription drug monitoring system. Then the amendment creates the Prescription Drug Monitoring Program Fund. DHHS shall administer the fund and the State Investment Officer shall invest any money in the fund available for investment pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Colleagues, if you are following the amendment, the remainder of the amendment will be altered by subsequent amendment from Senator Lathrop, which we wholeheartedly support. Thank you, Mr. President. [LB1072]

SENATOR KRIST: Thank you, Senator Campbell. Mr. Clerk for amendment. [LB1072]

ASSISTANT CLERK: Mr. President, first of all, Senator Lathrop, I have AM2288 with a note you wish to withdraw that one. [LB1072]

SENATOR KRIST: Withdrawn. [LB1072]

ASSISTANT CLERK: In that case, Senator Lathrop would offer AM2559 to the committee amendments. (Legislative Journal page 997.) [LB1072]

SENATOR KRIST: Senator Lathrop. [LB1072]

SENATOR LATHROP: Thank you, Mr. President and colleagues. AM2559 makes two changes to the committee amendment. First, it strikes Section 4, which is the task force. By doing so, the fiscal impact of this bill goes away. I also anticipate these same groups will still work together after the session and we do not need this requirement in state law. Secondly, the second change is that it strikes the new language on page 1, lines 20 through 22. This addresses a concern raised by the Nebraska Pharmacists Association and some others. And with that, I would ask for your support of this amendment, the committee amendment, and LB1072. Thank you, Mr. President. [LB1072]

SENATOR KRIST: Thank you, Senator Lathrop. Seeing no one else in the queue, Senator Lathrop waives closing. The question is the adoption of AM2559 to the committee amendment, AM1955. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB1072]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of Senator Lathrop's amendment to committee amendments. [LB1072]

SENATOR KRIST: The amendment is adopted. Seeing no one in the queue, Senator Campbell, you're recognized to close on the committee amendment. Senator Campbell waived closing. The question is the adoption of AM1955 to LB1072. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB1072]

ASSISTANT CLERK: 32 ayes, 0 nays on the adoption of committee amendments as amended. [LB1072]

SENATOR KRIST: Committee amendments are adopted. Seeing no one else in the queue, Senator Lathrop waives closing. Question before the body is the advancement of LB1072 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB1072]

ASSISTANT CLERK: 29 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB1072]

SENATOR KRIST: The bill advances. Next item. [LB1072]

ASSISTANT CLERK: LB930 is introduced by Senator Watermeier. (Read title.) Bill was read for the first time on January 15, referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with committee amendments. (AM2039, Legislative Journal page 670.) [LB930]

SENATOR KRIST: Senator Watermeier, you're recognized. [LB930]

SENATOR WATERMEIER: Thank you, Mr. President. Good afternoon, colleagues. LB930 amends the One-Call Notification System Act to additional safety protections. It would require that a representative of an operator be present anytime excavation will occur within 25 feet of a natural gas transmission line transporting natural gas through large-diameter pipelines at high pressures, unless otherwise agreed to in writing by the operator and the excavator. As introduced, other utility operators could have deemed their infrastructure as critical, also triggering the requirement for a representative of an operator to be present during excavation with 25 feet. However, the committee amendments strike the language pertaining to other utility operators and instead clarify that they can continue to do what they are currently doing by voluntarily having a representative during an excavation. The committee amendments also insert language allowing the excavation to proceed if a representative of the operator fails to be present at the site when the work is scheduled to begin if reasonable precautions are taken. Finally, the bill provides that the same penalties that attach to other violations of the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

one-call statutes would apply here, that being strict liability, original bill, and civil penalty amendments. I would also note that the state of Iowa considered a similar provision in its legislative session. The legislation has been approved by both the houses and is awaiting the governor's signature. No one testified against LB930 at the public hearing, and LB930 was advanced to General File on an 8 to 0 vote. I have found that when one-call statutes are amended, it creates a great deal of interest. However, I believe we have worked with all the interested parties and everyone is on board with the bill as amended by the committee amendments. And I urge your favorable vote on this advancement of LB930. Thank you, Mr. President. [LB930]

SENATOR KRIST: Thank you, Senator Watermeier. Senator Dubas, you're recognized for the committee amendments. [LB930]

SENATOR DUBAS: Thank you, Mr. President. And Senator Watermeier did a great job of explaining the amendment because essentially the amendment becomes the bill. And there was some consternation about the use of the term "critical facility" and what exactly does "critical facility" mean. So by striking that but still allowing these facilities to voluntarily be at these sites took away some of those concerns. So I believe, as I said, Senator Watermeier defined what was in the amendment and I think it's a good amendment and a good bill. And appreciate your support on AM2039. [LB930]

SENATOR KRIST: Thank you, Senator Dubas. Seeing no one else in the queue, Senator Dubas waives closing. The question is the adoption of AM2039 to LB930. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB930]

ASSISTANT CLERK: 34 ayes, 0 nays on adoption of committee amendments, Mr. President. [LB930]

SENATOR KRIST: Committee amendments are adopted. Seeing no one else in the queue, Senator Watermeier waives closing. The question is the advancement of LB930 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB930]

ASSISTANT CLERK: 30 ayes, 0 nays on the advancement of the bill, Mr. President. [LB930]

SENATOR KRIST: LB930 advances. Next item. Items for the record? [LB930]

ASSISTANT CLERK: Thank you, Mr. President. Amendments to be printed: Senator Nordquist to LB191; Senator Ashford to LB907. That's all I have at this time. (Legislative Journal page 1060.) [LB191 LB907]

SENATOR KRIST: Thank you, Mr. Clerk. Next item.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

ASSISTANT CLERK: Mr. President, LB737 is a bill introduced by Senator Dubas. (Read title.) Bill was read for the first time on January 9, referred to the Government Committee. That committee placed the bill on General File with committee amendments. (AM2078, Legislative Journal page 714.) [LB737]

SENATOR KRIST: Thank you. Senator Dubas, you're recognized. [LB737]

SENATOR DUBAS: Thank you, Mr. President and colleagues. I'm very pleased to bring to you LB737. Last year I met with a constituent. She visited with me about the requirements to serve as a county veterans service officer. After her marriage to a Nebraska native, they returned to his home community. She is a veteran and she is interested in the possibility of becoming a veterans service officer. Unfortunately, there is a residency requirement of five years before anyone can be considered for that position. When she brought this to my attention, I assumed that there was probably some reason for that requirement and began making inquiries and was not able to determine any reasons, nor could I find any other states who had this stringent of a requirement. Our six bordering states simply require that the person be a resident. NCSL found only five states with a VSO residency requirement. The National Association of County Veterans Service Officers suggested that residency requirements are not the norm across states. This is a very important position in our counties and we need to be able to attract the best and most qualified candidates. I believe a person who has served our country, has an understanding of veterans' issues and the programs that are available, and a desire to serve in that capacity should be able to serve. The fact that they haven't lived in Nebraska for five years seems to be an unreasonable obstacle. We know many of our veterans meet their spouses through the course of their service. We are happy when they return home and want to welcome their families as well. We speak often about not retaining our existing work force but doing whatever we can to recruit new people to live in Nebraska. I believe this residency requirement creates an unnecessary barrier to allowing an otherwise qualified and competent person to step into this position. I encourage the body's support for LB737 and I know there is a committee amendment that I stand in support of as well. [LB737]

SENATOR KRIST: Thank you, Senator Dubas. As the Clerk stated, there are committee amendments from the Government, Military and Veterans Affairs. Senator Avery, you are recognized. [LB737]

SENATOR AVERY: Thank you, Mr. President. The committee amendment, AM2078, merely changes the residency requirement for county veterans service officers from five years to one year. Under the green copy, it would...the residency requirement would be eliminated altogether. The one-year residency requirement may be waived, however, if there is no applicant. That occurs from time to time in smaller areas where you don't have people who are interested in this position and have lived there for one year or more. The committee felt it was important to have a county veterans service officer be a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

resident for at least one year but wanted to give the county the option of waiving that requirement should no veteran in the county meet the residency requirement. The members of the county veterans service committee and the personnel of the county veterans service office also will have a residency requirement of one year. The bill was advanced on a vote of 8-0. Thank you, Mr. President. [LB737]

SENATOR KRIST: Thank you, Senator Avery. Seeing no one in the queue, Senator Avery, you're recognized to close. Senator Avery waives closing. The question is the adoption of AM2078. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB737]

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of committee amendments. [LB737]

SENATOR KRIST: Amendments are adopted. Seeing no one in the queue, Senator Dubas waives her closing. The question is the advancement of LB737 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB737]

ASSISTANT CLERK: 29 ayes, 0 nays on the advancement of the bill, Mr. President. [LB737]

SENATOR KRIST: LB737 advances. Next item. [LB737]

ASSISTANT CLERK: LB1008 is a bill introduced by Senator Ken Haar. (Read title.) Bill was read for the first time on January 21, referred to the Committee on Agriculture. That committee placed the bill on General File with no committee amendments. [LB1008]

SENATOR KRIST: Senator Ken Haar, you're recognized. [LB1008]

SENATOR HAAR: Mr. President, members of the body, I'd like to thank Speaker Adams, the Governor, and the Agriculture Committee for working with me on this. This legislation is in response to LB583 last year and the actions of the Climate Assessment and Response Committee, the CARC. I believe that this bill and the compromise worked out with the CARC and the university will provide the state of Nebraska with good, scientifically accurate information that can be put to use by our agriculture industry. The bill removes the requirement that CARC contract for a study because of the agreement that the university will complete a study on their own. The bill does retain the requirement that CARC prepare a report, due December 1, 2014, on cyclical climate change in Nebraska using any reports and recommendations, which could include the university's report which they're doing on their own. So with that, if anyone wants to go into great detail on this bill, I'm more than willing to do that. But I will use that as my opening. Thank you very much. [LB1008 LB583]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR KRIST: Thank you, Senator Haar. Seeing no one in the queue, you're recognized to close on your bill. Senator Haar waives closing. The question is the advancement of LB1008 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. Stand by. Please record, Mr. Clerk. [LB1008]

ASSISTANT CLERK: 28 ayes, 1 nay on the advancement of the bill, Mr. President. [LB1008]

SENATOR KRIST: LB1008 advances. Next item. [LB1008]

ASSISTANT CLERK: LB997, introduced by Senator McGill. (Read title.) Bill was read for the first time on January 21 of this year, referred to Business and Labor. That committee placed the bill on General File with committee amendments. (AM1880, Legislative Journal page 780.) [LB997]

SENATOR KRIST: Senator McGill, you're recognized. [LB997]

SENATOR MCGILL: Thank you, Mr. President, members of the body. LB997 is a bill to reclassify the Nebraska Training and Support Trust Fund as a cash fund. The fund supports public and private job training programs designed to train, retain, or upgrade work skills of existing Nebraska workers. LB997 does not change the program itself. Rather, it renames and reclassifies the fund as a cash fund to bring the fund in line with all other funds of a similar nature. The dollars in the fund are generated through interest on the State Unemployment Insurance Trust Fund. Right now the dollars are automatically appropriated and subsequently spent with the authorization of the Governor, upon the recommendation of the Commissioner. This is the only fund of its kind, operating as a program fund but unaccountable to the Legislature's appropriations process. LB997 would require the dollars go through the regular budget process. As noted in a letter of support from the Department of Labor submitted by Cathy Lang, the change will bring the appropriations supported by the Nebraska Training and Support Cash Fund into the 2015 through '17 biennial budget submission of the department. I believe this change would make a good program even better by increasing transparency and accountability. LB997 is a technical bill that encourages effective and efficient government. And with that, I would ask for your support. [LB997]

SENATOR KRIST: Thank you, Senator McGill. As the Clerk stated, there are committee amendments. Senator Lathrop, you're recognized. [LB997]

SENATOR LATHROP: Thank you, Mr. President. AM1880, which is the amendment before us today, is a white-copy amendment that simply replaces "Trust Fund" with "Cash Fund" throughout the statutes and clarifies a one-time transfer of money from the current trust fund to the newly created Nebraska Training and Support Cash Fund. With that, I would encourage your support of AM1880 and LB997. [LB997]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR KRIST: Seeing no one in the queue, Senator Lathrop waives closing. The question is the adoption of AM1880. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB997]

ASSISTANT CLERK: 26 ayes, 0 nays on the adoption of committee amendments, Mr. President. [LB997]

SENATOR KRIST: Amendments are adopted. No one else in the queue, Senator McGill, you're recognized. Senator McGill waives closing. The question is the advancement of LB997 to E&R Initial. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB997]

ASSISTANT CLERK: 25 ayes, 0 nays on the advancement of the bill. [LB997]

SENATOR KRIST: Bill advances. Next item. [LB997]

ASSISTANT CLERK: LB964, introduced by Senator Brasch. (Read title.) The bill was read for the first time on January 16, referred to the Judiciary Committee. The committee placed the bill on General File with no committee amendments. [LB964]

SENATOR KRIST: Senator Brasch, you're recognized. [LB964]

SENATOR BRASCH: Thank you, Mr. President, and good afternoon, colleagues. LB964 addresses the inequality that exists with regard to Nebraska's bankruptcy homestead exemption. To be clear, this bill does not address the similarly named Nebraska homestead tax exemption. There will be not any fiscal impact from this bill and it has no effect on taxation. The bankruptcy homestead exemption simply allows for one who files for bankruptcy to keep an interest in the equity in his or her home. LB964 changes who may claim this exemption during a bankruptcy case. Section 40-101 of the Nebraska Revised Statutes allows a claimant to exempt up to \$60,000 in the equity of the claimant's homestead. However, under the current section 40-102, single claimants under 65 years old and who are not head of households lose the equity they have in their home, whereas married persons, single individuals 65 or older, and heads of household are allowed to keep their equity. LB964 amends section 40-102 to include this new group and allows all homeowners to exempt up to \$60,000 in the equity of their home. Our laws do not allow employers to discriminate based on age or marital status, nor should our bankruptcy laws. I believe this is a pretty simple but an important change to our bankruptcy code. LB964 also cleans up the language in section 40-102(1) that has been the same since the law was initially created in 1879 and it makes the language gender neutral. In the public hearing there were no opponents, and some of the committee members had asked and wondered why this amendment was not made years ago. Once again, it is a simple but important change and I encourage your

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

support of LB964. Thank you, Mr. President, and thank you, colleagues. [LB964]

SENATOR KRIST: Thank you, Senator Brasch. Seeing no one in the queue, you're recognized to close on your bill. Senator Brasch waives closing. The question is the advancement of LB964 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB964]

ASSISTANT CLERK: 25 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB964]

SENATOR KRIST: Bill advances. Next item. [LB964]

ASSISTANT CLERK: Next bill, Mr. President, is LB1089, by Senator Conrad. (Read title.) The bill was read the first time on January 22, referred to the Judiciary Committee. That committee placed the bill on General File with no committee amendments. [LB1089]

SENATOR KRIST: Senator Conrad, you're recognized. [LB1089]

SENATOR CONRAD: Thank you, Mr. President. Good afternoon, colleagues. Friends, I am proud to introduce LB1089 and thank the Judiciary Committee for their strong support. At the committee level we had a great hearing with Legal Aid of Nebraska and the Nebraska Bar Association with no opponents on this issue. Additionally, there is no fiscal note on this bill that I wanted to draw your attention to as well. And here's why we need this legislation. Studies have indicated that access to justice in Nebraska is a serious issue. In fact, only about 15 percent of our citizens' civil legal needs are currently being met. Colleagues, we must do better. Current state resources to address this problem are derived from filing fees, and filing fee revenues are in a significant downward spiral for a variety of reasons. These dwindling revenues have impacted many important programs, including the provision of civil legal services. Friends, as you know, raising court fees is always a contentious issue. And for a variety of reasons, both substantive and strategic, it did not seem like the right time to address this issue. However, in examining how other states handle this, we were able to put together a creative solution based on other state models that may be helpful to addressing this issue without increasing fees and with zero state fiscal impact. So what this bill does is really twofold. It provides for the disposition of residual funds from class action litigation and also from charitable trusts to the Legal Aid and Services Fund. Both of these actions are accomplished on a cy-pres theory which is well established in our law. Cy-pres is a legal term meaning as near as, explaining an equitable doctrine under which the court may approximate the use of settlement or charitable trust funds for a similar charitable endeavor if the original intent cannot be effectuated or to prevent escheat. Friends, I hope that you will add your favorable consideration to this measure and I'm happy to answer any questions if there are any. Thank you, Mr. President.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

[LB1089]

SENATOR KRIST: Seeing no one in the queue, Senator Conrad, you're recognized to close. Senator Conrad waives closing. The question is the advancement of LB1089 to E&R Initial. All those in favor, aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB1089]

ASSISTANT CLERK: 25 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB1089]

SENATOR KRIST: The bill advances. Next item. [LB1089]

ASSISTANT CLERK: LB558 was introduced by Senator Kintner. (Read title.) Bill was read for the first time on January 23, referred to the Revenue Committee. That committee placed the bill on General File with no committee amendments. [LB558]

SENATOR KRIST: Senator Kintner, you're recognized. [LB558]

SENATOR KINTNER: Thank you, Mr. President. LB558 would amend the current law to extend the time period in which a taxpayer could bring a lawsuit seeking a declaratory judgment that any tax or penalty is unconstitutional. Under existing statutes, such a lawsuit must be brought in the same tax year in which the tax or the penalty was levied or assessed by the governmental agency. This bill would extend the time to start a lawsuit from the same tax year in which the tax was levied to anytime within 12 months after the tax was levied or assessed. The bill would also harmonize current statutes to clarify the taxpayer may claim that a property tax levied or assessed is either illegal or unconstitutional and then start the process that is set forth in current law to challenge the tax. There is no fiscal note and no opposition. I encourage my fellow senators to support this measure. Thank you. [LB558]

SENATOR KRIST: Thank you, Senator Kintner. Seeing no one in the queue, Senator Kintner, you're recognized to close. Senator Kintner waives closing. The question is the advancement of LB558 to E&R Initial. All those in favor, aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB558]

ASSISTANT CLERK: 28 ayes, 0 nays on the motion to advance LB558, Mr. President. [LB558]

SENATOR KRIST: LB558 advances. Next item. [LB558]

ASSISTANT CLERK: Mr. President, LB1044, introduced by Senator Schilz. (Read title.) The bill was read for the first time on January 22, was referred to the Judiciary Committee. That committee placed the bill on General File with committee

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

amendments. (AM2191, Legislative Journal page 807.) [LB1044]

SENATOR KRIST: Senator Schilz, you're recognized. [LB1044]

SENATOR SCHILZ: Thank you, Mr. President. Good afternoon, colleagues. LB1044 would allow a mobile home to be considered abandoned in place after a 30-day period, as stated in 60-1903, and after all proper notifications have been made. Also, LB1044 provides a way to clear the title, since the community could receive an abandoned vehicle title and then surrender it to the county when the mobile home has been properly disposed. Other sections of current statutes only pertain to an owner surrendering the title. State statute currently requires that mobile homes have a title. When communities are working code enforcement on nuisance properties that involve dilapidated and vacant mobile homes, the owner and title may not be available when the governing body, per local ordinance, moves forward with the abatement of the property. A titled vehicle may be towed, as an abatement action, to an impound lot. The vehicle registration number is researched and all parties are properly notified. If the vehicle is unclaimed after 30 days, another notice is sent stating that the vehicle will be deemed abandoned after an additional 5 days if it is not claimed. Mobile homes pose a problem in that it is not practical to tow the mobile home to an impound lot pursuant to the municipal ordinance and then wait 30 days for it to be considered abandoned and then move the mobile home again to a landfill or recycling center. There is a committee amendment, AM2191, that the bankers, the Land Title Association, and my constituents with the West Central Development District agreed upon. And I also have a technical amendment to the committee amendment, AM2417. Now this is just a small change that was brought to our attention by the committee legal counsel to make the language more fluid. I would like to thank everyone that worked on this and ask for your support of all three: AM2417, AM2191, and LB1044. Thank you, Mr. President. [LB1044]

SENATOR KRIST: Thank you, Senator Schilz. As the Clerk stated, there are committee amendments. Senator Ashford, you're recognized. [LB1044]

SENATOR ASHFORD: Thank you, Senator Schilz, Mr. President. The amendment has basically two parts. First of all, AM2191 will require the posting of a notice on the mobile home itself and, secondarily, would clarify that a mobile home does not include a mobile or manufactured home which an affidavit...for which an affidavit of affixture has been recorded. It would no longer have that classification and could not be dealt with in the manner prescribed in this statute. And that would be the full extent of the amendment. [LB1044]

SENATOR KRIST: Thank you, Senator Ashford. Mr. Clerk for an amendment. [LB1044]

ASSISTANT CLERK: Mr. President, Senator Schilz would offer AM2417 to the committee amendments. (Legislative Journal page 1061.) [LB1044]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR KRIST: Senator Schilz, you're recognized. [LB1044]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. This is a very simple amendment. It does two things. On page 3, line 14, after "unit" it places a comma, and then in line 14 after "resolution" it places a comma. And that is the extent of this amendment here. Thank you very much, Mr. President. [LB1044]

SENATOR KRIST: Thank you, Senator Schilz. Senator Bloomfield, you're recognized. [LB1044]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, I'm not going to get in the way of this bill at this time, but I am going to look at it very closely between now and Select and I would encourage you to do the same. We are depriving individuals of private property here. That's serious business. Let's not set it up so that a small town or a big one, for that matter, can do that in 30 days. Please take a look at this between now and Select File. Thank you. [LB1044]

SENATOR KRIST: Thank you, Senator Bloomfield. Seeing no one else in the queue, Senator Schilz, you're recognized to close on your amendment to the committee amendment. [LB1044]

SENATOR SCHILZ: Thank you, Mr. President. I'll waive that one right now. [LB1044]

SENATOR KRIST: Question is the adoption of AM2417 to the committee amendment, AM2191. All those in favor, aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. I'm sorry. Senator Schilz. [LB1044]

ASSISTANT CLERK: 25 ayes, 0 nays on the adoption of Senator Schilz's amendment. [LB1044]

SENATOR KRIST: The amendment is adopted. Seeing no one else in the queue, Senator Ashford, you're recognized to close on the committee amendment. Senator Ashford waives closing. Question is the adoption of AM2191 to LB1044. All those in favor, aye; opposed, nay. Please record, Mr. Clerk. [LB1044]

ASSISTANT CLERK: 26 ayes, 0 nays on the adoption of committee amendments, Mr. President. [LB1044]

SENATOR KRIST: Committee amendments are adopted. Senator Chambers, you are recognized. [LB1044]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, maybe

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

I wasn't there when this bill was heard by the Judiciary Committee, but I don't remember it. So I would like to ask a question or two of the introducer. [LB1044]

SENATOR KRIST: Senator Schilz, will you yield? [LB1044]

SENATOR SCHILZ: Yes. [LB1044]

SENATOR CHAMBERS: Senator Schilz, dealing with this on the fly... [LB1044]

SENATOR SCHILZ: Um-hum. [LB1044]

SENATOR CHAMBERS: ...we're dealing with a vehicle which is on private property. [LB1044]

SENATOR SCHILZ: That is correct, yes. [LB1044]

SENATOR CHAMBERS: Does the one who owns the motor home or this vehicle own the property also? [LB1044]

SENATOR SCHILZ: They could or could not. [LB1044]

SENATOR CHAMBERS: So if I have this vehicle, it doesn't say that it's inoperable, does it, or that it cannot be habitable? It doesn't say anything...how... [LB1044]

SENATOR SCHILZ: No (inaudible). [LB1044]

SENATOR CHAMBERS: This could be a new vehicle, couldn't it? [LB1044]

SENATOR SCHILZ: Senator Chambers, what has to happen in order for this piece of legislation to take effect, it would have to be deemed abandoned already for this to work. So all of that that you're talking about as to whether or not this could be new or not is not up to me. It's already in statute as to how an abandoned vehicle is gotten to. All this does is it tells you that when you have this, what it does is basically the simplest way to explain this is that it allows you to leave that vehicle, i.e., the mobile home, in place through the abandonment...well, after it's been abandoned through the abatement process so that you don't have to move it to an impound area before you abate it. It can stay on the property it's at for that time. [LB1044]

SENATOR CHAMBERS: So it stays where it was. [LB1044]

SENATOR SCHILZ: That is correct. [LB1044]

SENATOR CHAMBERS: And then what happens to it ultimately? [LB1044]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR SCHILZ: Well, ultimately, once the 30 days...if we're talking about the mobile home and it's on private property, once the 30 days is up, if I understand correctly, and this...what would happen is all the owners, both of the mobile home--and somebody can tell me if I'm wrong here--both the owners of the mobile home as well as the property, as well as lienholders, would be notified that this is in process. And they would have the ability then to step in and say, no, this is not abandoned; no, this isn't a problem, and they would have their day in court so to speak. And we have to remember that this all happens I believe after a public hearing. [LB1044]

SENATOR CHAMBERS: But how is this vehicle put into the status of being considered abandoned in the first place? It doesn't, from what you said, it does not sit there for 30 days and it's deemed abandoned. Something has happened before that leads to it's being considered abandoned. Is that true? Or just sitting there 30 days amounts to abandonment? [LB1044]

SENATOR SCHILZ: Well, and I can't tell you exactly because many municipal ordinances are different on that. But according to state law, and under 60-1903 I believe is where this comes from, that would explain to you how that process works, which is already in statute today. [LB1044]

SENATOR CHAMBERS: I will talk to you between now and before anything is done on Select. That's all I'll ask Senator Schilz. Members, just because something has been in the law a long time could just mean it's bad law and it's been bad law and it's been there a long time. And perhaps injustices have flowed from it and perhaps none have flowed from it. But I need more information based on what I read in the green copy. And rather...well, it's going to get a vote anyway and it will move. But I want Senator Schilz to be aware of the fact, so he won't be blindsided, that I will be talking to him about this to get more information and a better understanding than I have now. But I don't think it should be a situation where if on your own property another piece of property you have can be there for 30 days and then neighbors or some other busybody says, I don't like it, and they could know that this person has left on a vacation or something and all of these processes take place. [LB1044]

SENATOR KRIST: One minute. [LB1044]

SENATOR CHAMBERS: If I'm misunderstanding it, I will have the opportunity to get my education improved by Senator Schilz. But at this point, that's all that I will say. Thank you. [LB1044]

SENATOR KRIST: Thank you, Senator Chambers and Senator Schilz. Seeing no one else in the queue, Senator Schilz, you're recognized to close. Senator Schilz waives closing. The question is the advancement of LB1044 to E&R Initial. All those in favor

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

vote aye; opposed, nay. Please record, Mr. Clerk. [LB1044]

ASSISTANT CLERK: 28 ayes, 1 nay on the advancement of the bill, Mr. President. [LB1044]

SENATOR KRIST: The bill advances. Any announcements or items, Mr. Clerk? [LB1044]

ASSISTANT CLERK: Mr. President, I do. Thank you. New resolution: LR525 by Senator Bolz proposes an interim study. That will be referred to the Executive Board. In addition to that, Natural Resources will hold an Executive Session in Room 2022 at 4:30 this afternoon. (Legislative Journal pages 1061-1062.) [LR525]

SENATOR KRIST: Thank you, Mr. Clerk. Proceeding to the next items on the agenda, General File, senator priority bills, Mello Division. Next item, Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB916, introduced by Senator Crawford. (Read title.) The bill was read for the first time on January 15. It was referred to the Health and Human Services Committee. That committee placed the bill on General File with committee amendments. (AM1916, Legislative Journal page 570.) [LB916]

SENATOR KRIST: Thank you. Senator Crawford, you are recognized to open on your bill. [LB916]

SENATOR CRAWFORD: Thank you, Mr. President. Good afternoon, colleagues. I rise to introduce LB916 and in support of the committee amendment AM1916. Before I begin, I would like to thank Senator Watermeier for prioritizing this important bill as well as thank my colleagues on the Health and Human Services Committee for unanimously advancing LB916 out of committee with AM1916. I would also like to thank nurse practitioners across the state and I would also like to thank the Nebraska Hospital Association for their support of the amended bill. LB916 and AM1916 strikes the integrated practice agreement from nurse practitioner statutes. This change is consistent with recommendations from the National Governors Association, the Institute of Medicine, and the Federal Trade Commission. This change was also approved by our own Board of Health and technical review committee and by our own Health and Human Services Committee. Study after study shows that nurse practitioners provide safe and effective care in other states without this kind of an agreement. An integrated practice agreement, even if we were able to fix the serious problems we have with it, still poses a barrier to practice that weakens our healthcare system. I have yet to find a single systematic study that provides evidence for the need for IPA-like restrictions on nurse practitioners. The evidence on the other side, the evidence in favor of eliminating IPA restrictions is overwhelming. Study after study confirms that restrictions on nurse practitioners like our current integrated practice agreement create a restriction of trade

Floor Debate
March 24, 2014

that limits competition and access to our healthcare system that is simply not supported by any credible evidence related to health quality or health outcomes. Before going into any more detail on the arguments for doing away with the IPA, which LB916 does do, I want to clarify two things that the bill does not do. LB916 does not change the scope of practice for nurse practitioners. It does not change the procedures that they may do. And as I will explain in a moment, it does not change their prescribing authority. Also, it does not remove restrictions on nurse practitioners to collaborate with other providers. If you look at the amendment AM1916, you'll see on the bottom of page 3, starting on line 21, what's still in statute, and it states, quote: A nurse practitioner shall function by establishing collaborative, consultative, and referral networks as appropriate with other healthcare professionals. Patients who require care beyond the scope, practice for a nurse practitioner shall be referred to an appropriate healthcare provider. The bill does not strike this language. Nurse practitioners are required to collaborate, consult, and refer, and the board is charged to enforce that. However, we have learned, as we learned in the hearing and had confirmed in many discussions thereafter, nurse practitioners collaborate, consult, and refer with the providers that make the most sense for the patient that is in front of them at anytime to provide the best care to that patient. An integrated practice agreement with a single physician simply does not make sense given the kind of collaboration, consultation, and referral that leads to high-quality, coordinated care in many practice settings today. I've passed around a blank copy of the integrated practice agreement for each of you to see. I find it hard to imagine that this signed document housed in Lincoln advances healthcare in Nebraska. However, we do know that it clearly stands in the way of recruiting and retaining the health work force we need and in the way of allowing our trained nurse practitioners to practice throughout the state, including in rural areas where the shortages are most severe. To point out just one example of the consequences of our IPA in our state, 70 percent of the psychiatric nurse practitioners that we train in our state here leave Nebraska to practice in other states and cite practice restrictions as a key reason that they leave the state of Nebraska. Some have asked whether NPs will choose to practice in rural areas or in primary care. Evidence from the UNMC that tracks nurse practitioner distribution and growth that I've passed out for you today in these bar charts shows a clear commitment to rural and primary care. As you can see from the handout on the backside, the highest percent of growth in nurse practitioners in Nebraska is in rural primary care. I have mentioned that evidence in favor of removing integrated practice agreement is overwhelming. In the short time I have here, I can only highlight a few of the hundreds of studies that support this change. A 2012 National Governors Association paper reviewed 22 articles that examine consequences of nurse practitioner full practice authority and found, quote: None of the studies in the NGA's literature reviewed raised concerns about the quality of care offered by nurse practitioners. Most studies show that nurse practitioner provided care is comparable to physician provided care on several processes and outcome measures, end quote. Studies in this review tested differences in quality of care between nurse practitioners and physicians on a variety of measures, including patient satisfaction, time spent with patients, prescribing

Floor Debate
March 24, 2014

accuracy, and the provision of preventive education. In each of these categories, nurse practitioners provided at least equal quality of care to the patients. The top recommendation of a recent Institute of Medicine for Future of Nursing report is to allow nurse practitioners to practice in their full scope of practice. The report found that restrictions on practice authority like our IPA across states were due to, quote, the political decisions of states rather than the ability, education, training, or safety concerns related to nurse practitioner practice, end quote. The Federal Trade Commission issued a policy paper this spring condemning state policies like IPAs that limit nurse practitioners from practicing within their full scope of practice as a restriction of trade that hampers quality of care. The FTC urged state lawmakers to carefully consider any legislation that would impede on a provider's ability to practice because of its ability to limit competition between healthcare providers which in turn can harm consumers since competition tends to reduce costs, improve quality, and promote innovation in access to care. I want to take a moment to address a part of the bill that strikes language about prescribing. The amendment strikes language about Schedule II prescribing authority related to integrated practice agreement. The Board of Health and technical review board and our own Health and Human Services Committee have all agreed that it's in the public's best interest to get rid of the integrated practice agreement altogether, hence, this section of statute must go. Moreover, after digging into this more, I discovered that this language that we are striking is obsolete anyway. We talked to the Nebraska Pharmacists Association and confirmed that pharmacists are not directed to check restrictions on an IPA when presented with a prescription from an NP. Nurse practitioners already have broad prescribing authority and LB916 and its amendments does not expand this prescribing authority. Moreover, there are other protections on Schedule II drugs in place already. Before a nurse practitioner can prescribe any Schedule II drugs, he or she must get a license from the DEA. The DEA provides an important control on prescribing authority and a tracking mechanism on prescribing authority because the nurse practitioner will have a DEA number in addition to a nurse practitioner number that can be checked for any prescriptions. The DEA also requires a vetting process that includes looking at the nurse practitioner specialty and training. So striking the language on page 4 does not change prescribing practices currently in the state. We have evidence that nurse practitioners' prescribing practices are safe and effective. And on top of that, we have DEA protections against unsafe prescribing for Schedule II drugs. You may hear from opponents that nurse practitioners do not have the same educational hours and residency requirements of those of physicians, which is entirely true. However, nurse practitioners are not physicians and do not have the same scope of practice as physicians. Nurse practitioners and doctors have different training. It's not just different in hours; it's different in approach. [LB916]

SENATOR KRIST: One minute. [LB916]

SENATOR CRAWFORD: Thank you. Doctors may argue that a nurse practitioner would miss a diagnosis that a doctor would catch. However, that same argument can be made

Floor Debate
March 24, 2014

in reverse. There are diagnosis that a physician might miss with their medical model perspective that a nurse practitioner with their attention to lifestyle and collaboration might catch. Moreover, let me remind you that the existing IPA does not require any check on nurse practitioner diagnosis. Removing the IPA, the question before us today does not remove any second check on diagnostics, but it does allow more patients in our state to access diagnostics more quickly. So I encourage your support for LB916. Thank you, Mr. President. [LB916]

SENATOR KRIST: Thank you, Senator Crawford. As the Clerk stated, there are committee amendments. Senator Campbell, as the Chair of the Health and Human Services Committee, you are recognized to open on the committee amendments. [LB916]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. Committee amendment becomes the bill. It removes the requirement for an integrated practice agreement between a nurse practitioner and a collaborating physician. It also removes the requirement that a nurse practitioner complete a minimum of 2,000 hours of practice under the supervision of a physician. The amendment provides for a transition to practice agreement, which is a collaborative agreement between a nurse practitioner and a supervising provider. The amendment defines a supervising provider as a physician, osteopathic physician, or nurse practitioner licensed and practicing in Nebraska. The supervising provider must be practicing in the same practice specialty, related specialty, or field of practice as the nurse practitioner being supervised. For a nurse practitioner to serve as the supervising provider, he or she shall have 10,000 hours of practice as a nurse practitioner. A transition to practice agreement shall be a formal written agreement that provides that both the nurse practitioner and the supervising provider practice collaboratively within the framework of their respective scopes of practice. Each party in the agreement shall be responsible for his or her individual decisions and shall have joint responsibility for the delivery of healthcare. The supervising provider shall be responsible for supervision of the nurse practitioner. Finally, the amendment requires that in order to practice in the state, a licensed nurse practitioner shall submit to the department a transition to practice agreement or evidence of completion of 2,000 hours of practice as a nurse practitioner completed under, and there are many options in which that person could have the 2,000 hours, either through a transition to practice agreement, a collaborative agreement, an integrated practice agreement, through independent practice, or any combination of such agreements and practice as allowed in this state or another state. Colleagues, I would like to remind you that this is not a bill that deals with the scope of practice. That is far different and usually goes through the 407 process. I think that the bill gives you a view of what many people in this state think is the future and that we will need a team of people working collaboratively together to serve the healthcare of Nebraskans, and certainly this amendment and the bill do that. Thank you, Mr. President. [LB916]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR COASH PRESIDING

SENATOR COASH: Thank you, Senator Campbell. Mr. Clerk, you have an amendment to the committee amendment. [LB916]

ASSISTANT CLERK: I do, Mr. President. Senator Scheer would offer AM2568 to the committee amendments. (Legislative Journal page 998.) [LB916]

SENATOR COASH: Thank you, Mr. Clerk. Senator Scheer, you're recognized to open on AM2568. [LB916]

SENATOR SCHEER: Mr. President, could I have a quorum call, please? [LB916]

SENATOR COASH: Senator Scheer, are you asking to place the house under call? [LB916]

SENATOR SCHEER: Not house on call, just a quorum to make sure that we have 25 present if we're going to be transacting business. [LB916]

SENATOR COASH: Colleagues, we're going to ask those colleagues... [LB916]

SENATOR SCHEER: I just want to make sure that we have 25 on the floor essentially, sir. [LB916]

SENATOR COASH: We're going to ask for a check in. Thank you. Thank you, Senator Scheer. Senator Scheer, you're recognized to open on your amendment. [LB916]

SENATOR SCHEER: Thank you, Mr. President. My amendment is quite simple. Fellow Senators, I'm not trying to argue any of the benefits that Senator Crawford or Senator Campbell have brought forth in their openings of either the bill or the amendment. Mine is one of a simple deletion of offering the transition to practice agreement to be with another nurse practitioner. When we have physicians and, yes, Senator Crawford is correct, doctors are different than nurse practitioners, but even doctors when we bring them into the practicing world in a residency are under the auspices of another physician. And it would seem to me, even though this is perhaps a new model of medical practice or distribution of medical process or practice in Nebraska, that we ought to think about the supervisory role of someone coming fresh out of a training facility into practice. And should that person not be under the direct supervision at least for that first year, which is what the bill states that the transition to practice is a one-year agreement, be under the supervision of a physician, not another nurse practitioner? Now I understand that a nurse practitioner that would be the supervisor may be in the same type of scope of coverage or practice. But physicians are...have a much broader knowledge base and practice base and experience, especially those that would be out

Floor Debate
March 24, 2014

in the practice world that would have already gone through both medical school and the residency. And I just don't see a downside to requiring if we are going to allow nurse practitioners to continue to provide the services that we want them to provide, that for that first year just as we request physicians to be under a physician's guidance, that a nurse practitioner not be of the same level. We need to have physicians as part of the process. Excluding them from this I think does the healthcare delivery in the state of Nebraska harm. We need to have both physicians and nurse practitioners and other disciplines working together, not "adversarially." And I'm hoping that this bill does not create an adversarial relationship between physicians and nurse practitioners but a harmonious one. And I think the way to do that is to have them be under that first year guidance through that transition being under the scope of a physician who has been there, has done that. And, yes, they can miss something just as well as a nurse practitioner. Chances are less of that simply because they have a higher degree of education and a much higher degree of experience. So this is not trying to attack the bill. This is not trying to attack the reform that it represents. It is simply one particular item within the bill dealing with the supervisory control of that new nurse practitioner that will be coming directly out of school for that first year in that transition having it under the supervision of a physician and striking that it would be able to be a nurse practitioner. That's it. Very simple. I think that gives us a better ability to control healthcare and the quality of healthcare in Nebraska, and this is by no means an attack on nurse practitioners or their ability in communities or their educational training and their medical approach to providing services to clients. But as we move forward, I think we need to do the best we can to make sure that those individuals that are performing as nurse practitioners have the most help getting started in their diagnostic arena as possible. And I truly believe that that is under the supervision of a medical physician. Thank you, Mr. President. [LB916]

SENATOR COASH: Thank you, Senator Scheer. Members, you've heard the opening to LB916, the committee amendment, and the amendment to the committee amendment. The floor is now open for discussion. Those members wishing to speak: Senators Hansen, Krist, Wallman, and others. Senator Hansen, you're recognized. [LB916]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. I cosponsored this bill with Senator Crawford and I believe in it. I have certainly heard from my doctors in the North Platte area, and the theme keeps coming up, scope of practice. The nurse practitioners are trying to take over our scope of practice. That question has to be addressed and explained to the body, anyway, to get the 25 votes that it's going to need. I've talked to nurse practitioners in North Platte. We had at least one come down and testify at the hearing this year. It's actually a lady with a young family. Her husband was transferred to Lincoln for a while with a seed company, and while she was here she got her doctorate in nurse "practitioning." So she has her doctorate. She doesn't...she's not going to hang the doctor shingle out on her door, but she does...she is still working under a doctor, a medical doctor in North Platte. Actually,

Floor Debate
March 24, 2014

he lives in North Platte but he works somewhere else. So, you know, she can call him if she has questions. But she explained to me just the other day that she not only talks to her supervising medical doctor, she talks to an array of doctors. And she's not going to do anything without talking to other medical doctors. She may talk to the patient's primary doctor and say, you know, you need to get this patient in and do something, further testing or further service for that doctor. Besides the scope of practice issue, you know, it's the nurse practitioner versus the doctor or vice versa, one or the other. I'm not going to make that call whether one of them is more important than the other. But I will tell you that in western Nebraska in the North Platte area, we have quite a few doctors. Outside of North Platte, we don't. So we're talking 45 miles at least one way to the furthest small town. We have one nurse practitioner that runs a small clinic in Sutherland. Does a great job. She takes care of lots of bumps and bruises and still will...has no problem referring these to a medical doctor if necessary. The idea that a nurse practitioner that has to have this simple agreement like Senator Crawford passed around is a pretty flimsy piece of paper. I mean, it says I will supervise so-and-so to become...while she's becoming a nurse practitioner. While she's becoming a nurse practitioner who can practice without that integrated practice agreement, it's fine. They need...I agree with the 2,000 hours. Now if you do a 40-hour work week, which I'm not sure a nurse practitioner would do, that would take 50 weeks to get that...to get rid of that integrated practice agreement. More likely it would be a 50-hour week at least and it's going to take 40 weeks. So it's going to take less than a year to get that training under a supervised medical doctor out of the way. I hope that that's enough. I've heard that...another question that I've had, we'll find all these things out I hope with a little bit of talking on this LB916, which I do favor. But we need to talk about some things, and one thing I really am concerned about for the future of nurse "practitioning" is that the... [LB916]

SENATOR COASH: One minute. [LB916]

SENATOR HANSEN: ...the malpractice insurance is at a high enough rate that it's going to cover them. They're going to become small businesspeople, something maybe they've never done before. But they need that insurance, especially in the health field. Thank you, Mr. President. [LB916]

SENATOR COASH: Thank you, Senator Hansen. Senator Krist, you're recognized. [LB916]

SENATOR KRIST: Thank you, Mr. President. Good afternoon, members, and good afternoon, Nebraska. I am one of the cosponsors on LB916, and obviously sat through the committee as we put together AM1916. Saw the report as they came back from all places and the testimony that was given. And I was struck by two things. The first is that there were doctors across the state that were charging an exorbitant amount of money to consult with what I would consider to be seasoned professional nurse practitioners,

Floor Debate
March 24, 2014

that being 5, 10, 15 years of experience and still requiring an agreement with a physician that was charging an unusually large amount of money to do business. So the first thing that struck me was if this...if we are going to continue to allow this to exist, we need somehow to regulate the rates. Because when you're charging someone \$10,000 a month (sic) to consult on something, and obviously doctors' time is worth a lot of money and taking time away from his or her own practice is also taking time away from their own livelihood, but in most cases, colleagues, this is not a one-off kind of situation. In some cases it is, but in most cases not. It's part of a practice. And in that practice, the nurse practitioner cannot practice unless he or she agrees to pay a partnership fee to consult with a physician. And again a nurse practitioner who's been in practice for over a decade, let's just use that as a measurement tool for what I believe they would not have to have such an exorbitant rate in terms of consulting. The second thing that struck me was that in cases where a doctor may leave that practice or may not be in the area, that nurse practitioner was forced to go out of business for not having a doctor with a practice agreement who he or she could deal with. Now to Senator Hansen's point I think and I'd like to talk to you about that, I wish I had the map that showed the number of nurse practitioners that exist in the eastern side of the state and then those that are in the greater Nebraska or western part of the state. And you would see a larger concentration of nurse practitioners on the eastern side. And the point was made, boy, if this was going to help out rural Nebraska, we're sure not doing that because there's so few over here and so many over here. Well, think about it in terms of the population base. More than a third of our citizens live in a small concentrated area on the eastern side of the state. So it follows, more nurse practitioners needed where there's a higher concentration of patients. So as I went through this process and went through the deliberation of whether or not this was a safety issue, a scope of practice issue, and it is not. It is not a scope of practice issue. Looked at the 407 that was submitted on the process. I came to the realization that the market is the market and healthcare is, in terms of our responsibility, should only be regulated to the point where safety is a concern or bad practices are involved. In other words, we need to maintain best practices and we need to maintain a relationship that is safe for the citizens of Nebraska. I support LB916 because I think what we are doing ultimately is expanding those capabilities, those medical... [LB916]

SENATOR COASH: One minute. [LB916]

SENATOR KRIST: Thank you, Mr. President,...expanding the capabilities that we need across the state. Senator Gloor has made the point so many times, and I'm not going to steal his thunder because I know he was going to talk about it, we don't have enough healthcare providers across the state. This is an answer. The other point I would make, my final point, those healthcare...those nurse practitioners that are graduating from our programs are leaving the state. Why? Because of the onerous nurse practitioner practice agreement that we impose on them. Some very good reasons to think about and I welcome the discussion and I look forward to the debate. Thank you, Mr.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

President. [LB916]

SENATOR COASH: Thank you, Senator Krist. Senator Wallman, you're recognized. [LB916]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. Would Senator Gloor listen...answer a question? [LB916]

SENATOR COASH: Senator Gloor, will you yield to a question? [LB916]

SENATOR GLOOR: Certainly. [LB916]

SENATOR WALLMAN: Thank you, Senator Gloor. I just had a birthday party with a nurse practitioner's grandmother. She's 90, so of course she told me how to vote. And...but I do have a little bit of concern. Do you think this will...integrated practice agreements are impossible to get ahold of by the doctors to the nurses? [LB916]

SENATOR GLOOR: That's a great question, Senator Wallman. I'm going to be on the mike eventually, but I don't think they're impossible. I think the problem is that they're a commodity. You can buy them. And buying them doesn't buy the physician's time to oversee you; that people develop referral relationships, practice relationships where they feel comfortable, physicians, nurses, nurses, physicians, calling back and forth, talking to each other about cases. But it doesn't necessarily connect at all with the practice agreement, which there's a handout you've got from a clinic in Grand Island that says when they have called and asked a physician if they would agree, the physicians have said, yes, but we don't want to consult with you. You can use our signature for the practice agreement, but we're not planning to consult with you. That disconnect tells me this isn't about quality; this is about having a signed piece of paper. And that makes all the difference and that's changed my position on this issue over the years. [LB916]

SENATOR WALLMAN: Thank you. Yeah, I would...and would Senator Crawford answer a question, please? [LB916]

SENATOR COASH: Senator Crawford, will you yield? [LB916]

SENATOR CRAWFORD: Yes. [LB916]

SENATOR WALLMAN: Are you concerned this would actually drive doctors away from rural areas? [LB916]

SENATOR CRAWFORD: No, I'm not. Actually, nurse practitioners have a specific scope of practice, and that's actually in the amendment. If you want to see the kinds of

Floor Debate
March 24, 2014

things they do, it starts on the bottom of page 3 and runs over into page 4. That shows you the kinds of things that nurse practitioners do. And so in primary care, there's a strong overlap in quite a few things they do, but there are many things that nurse practitioners do not do. So physicians are still important and physicians are still important to have them in our...and throughout the state, but nurse practitioners will be able to handle a lot of that primary care work and allow the physicians to focus more on the things where that they're more...or their training and specialty is being able to be used most efficiently. [LB916]

SENATOR WALLMAN: Thank you. And thank you, Senator Watermeier, for bringing up a contentious issue here. But we should not necessarily lock out our nurses or our physician assistants, because I've had a physician assistant work on me and I was very happy. So I'm listening to this very careful. Thank you, Mr. President. [LB916]

SENATOR COASH: Thank you, Senator Wallman. Senator Crawford, you're recognized. [LB916]

SENATOR CRAWFORD: Thank you, Mr. President. And I'm going to rise first to address the...Senator Scheer's amendment. And I do want to sincerely thank Senator Scheer for talking to me ahead of time about this concern and about bringing the amendment because that did give us a chance to look into that a little further. I rise in opposition to the amendment for three reasons. First, the purpose of the transition to practice is to allow a nurse practitioner to develop that rich network of providers that he or she will turn to for consultation and referral and collaboration. And so it seems to me that a nurse practitioner is actually the...you know, a good option because what you're trying to train someone to do is you're training them to be a nurse practitioner, and so why not have a nurse practitioner helping with that process, a nurse practitioner who fully understands the restrictions of the scope and who understands how to work within that scope. So I believe it's very important to have nurse practitioners as an option during the transition to practice. Secondly, we have 18 states that require nurses to practice without an integrated practice agreement, and 4 of those states do have some kind of transition to practice. But of those four, 75 percent allow a doctor or a nurse practitioner. Only Colorado requires it to only be a doctor, and in fact we were talking with someone today who said they were trying to change that because they are having problems with that. In fact, Utah just passed a similar bill to what we're talking about today, and in their transition to practice agreement, they required that some of that time was spent with a nurse practitioner because they felt it was important, if you're transitioning to a nurse practitioner practice, that you're learning from a nurse practitioner. And then finally the final reason I argue against the amendment is simply the pragmatic one. For...I think that you'll hear with some of the people discussing later the real challenges that nurse practitioners have had in getting an integrated practice agreement with a physician and the position it puts them in and the trouble in parts of the state that are not well served by doctors. And so requiring a doctor to be the person

Floor Debate
March 24, 2014

in charge...to be the person that is providing this transition to practice keeps all of those problems that we currently have with IPA in place. So even if it's 1 year instead of 40 years, it's still that first year of getting your practice up and running where you might decide if I can't get this, I will just go to Iowa that doesn't require any transition to practice or I will go to Colorado or I'll go to some other state. Because, again, of the 18 states...we have 18 states where they could go and practice, and of those states, only 1--Colorado--requires that that transition to practice time be under a doctor. So that addresses those questions, hopefully also addressing Senator Hansen's question about what is the scope. Again, you can see that. If you look at page 3 and 4 of the white copy of the amendment, you can see that no changes are made to that scope language. Those are the kinds of things that nurse practitioners can do. So if you're interested in what those are, that's where they are. He also asked about liability. And on page 5 of the amendment copy about in the middle, line 12, nurse practitioners must furnish proof of professional liability insurance required under Section 32...excuse me, 38-2320, and that says that the board determines what that appropriate professional liability insurance would be. And in talking with some of the health experts we've talked to, they expect that the liability coverage will be similar to what you would require a doctor to have for similar... [LB916]

SENATOR COASH: One minute. [LB916]

SENATOR CRAWFORD: Thank you, Mr. President,...for similar kinds of practices. It will depend on what kind of practice the nurse practitioner is in. But they are required to have liability insurance. They are ready. They know that liability insurance is part of what they're getting into, but I would also let you know that we have many studies that show that there are less malpractice cases for nurse practitioners. But, again, they are...they understand that that will be part of what they're required to do is to have malpractice insurance, and they're ready and willing to do so. Thank you, Mr. President. [LB916]

SENATOR COASH: Thank you, Senator Crawford. Senator Hadley, you're recognized. [LB916]

SENATOR HADLEY: Mr. President, members of the body, would Senator Crawford yield to a question or two? [LB916]

SENATOR COASH: Senator Crawford, will you yield? [LB916]

SENATOR CRAWFORD: Yes. [LB916]

SENATOR HADLEY: Senator Crawford, could you...you probably don't have it, but could you get some definition of the scope of practice right now of, say, a family practice physician and get that to me so I can see the difference between what's in the bill for a

Floor Debate
March 24, 2014

nurse practitioner and a family practice physician? [LB916]

SENATOR CRAWFORD: I can ask my very able LA to do that for you. [LB916]

SENATOR HADLEY: Okay. I... [LB916]

SENATOR CRAWFORD: As I said, the scope of practice that's relevant here is what nurse practitioners do, and I also want to emphasize this does not change what nurse practitioners are capable...are able to do. We're keeping the scope of practice the same. [LB916]

SENATOR HADLEY: Okay. The integrated practice plan, right, that we have now, what is...this direct supervision, are we going to run into the same problems of exorbitant costs to the nurse practitioner to find someone to be with them for a year? How does it work? And what kind of paperwork is there to prove that the things they've done that year really qualify them to go out on their own then? [LB916]

SENATOR CRAWFORD: Well, we will have models from the other four states that provide transition to practice to decide, to develop what that actual form will look like. That I'm sure will be developed in rules and regs, so we'll need to watch that and see what that looks like as it develops. But one of the issues, one of the reasons for keeping it nurse practitioners and doctors is again to increase competition and provide options so that nurse practitioners would not be in the case where they would be in a situation where they would have to pay an exorbitant fee. [LB916]

SENATOR HADLEY: Okay. [LB916]

SENATOR CRAWFORD: I assume, because we've had this issue with IPAs, that that will be raised in the rules and regs process for transition to practice and we'll try to make sure we address that. But also nurse practitioners will be willing to supervise other nurse practitioners. [LB916]

SENATOR HADLEY: Okay. I have a couple of more questions. [LB916]

SENATOR CRAWFORD: Sure. [LB916]

SENATOR HADLEY: A question: I did some reading on this earlier and I found in some states that nurse practitioners under this type of agreement did have difficulty getting malpractice insurance. Did you find that true in any of the literature that you found? [LB916]

SENATOR CRAWFORD: I have not seen that, no. [LB916]

Floor Debate
March 24, 2014

SENATOR HADLEY: No? [LB916]

SENATOR CRAWFORD: So I've looked through information from the National Governor's Association, the Institute of Medicine, and other materials, everything that I can get my hands on. I have not seen that yet. So I'd be happy to look at that study if you can give me that site. [LB916]

SENATOR HADLEY: Okay. I'll see if I can find it again. But it was just an interesting article that they were having trouble getting malpractice insurance. Lastly, I noticed, and I don't know his name but from DHHS that's involved in this process, opposed the bill. And does he have a role in signing off on this as it goes through the process or not? And I'll yield the rest of my time to you on that. [LB916]

SENATOR CRAWFORD: Oh, Senator Gloor tells me that he's going to address that next. [LB916]

SENATOR HADLEY: Okay. [LB916]

SENATOR CRAWFORD: So I'll just comment on the Acierno's response in the 407. So as I said before in the 407, the technical review board approved this change, the Board of Health approved this change. The Chief Medical Officer Acierno recommended against the proposal. However, he did not in that recommendation provide evidence, cited evidence of studies, nor did he refute the evidence that was brought by the technical review board nor the Board of Health. And when my good colleague Senator Howard asked him the insightful question, what evidence are you using to oppose this, he responded that he was synthesizing the evidence from the other studies. But, colleagues, I'm not sure how you synthesize a yes and a yes and come to a no. [LB916]

SENATOR COASH: One minute. [LB916]

SENATOR CRAWFORD: So I'm not sure really what that meant. He, again, did not provide compelling arguments...compelling evidence for his arguments nor did he refute the evidence that the technical review board and the Board of Health used to come to their agreement that this should actually be a change. Thank you. [LB916]

SENATOR COASH: Thank you, Senator Crawford. Senator Gloor, you're recognized. [LB916]

SENATOR GLOOR: Thank you, Mr. President. Good afternoon, members. Yeah, I've got a number of issues I want to talk about here and hope my time doesn't disappear too quickly. But I wanted to start by saying I have friends who are physicians and I have friends who are nurses, and you can just about imagine where they come down on this issue for the most part. No surprise there at all. But it's also an issue that I've been

Floor Debate
March 24, 2014

considering for a number of years, long before I came down here. One of the frustrations I had when I came down here had to do with the fact that those of my class can recall the first couple of years we were down here we seemed to have a lot of scope of practice bills that came to us through in some cases the 407 process scope of practice, some not through the 407 process. But it seemed to be sort of a free-for-all when they came here, depending upon who had the loudest, strongest, lobbying arm when it came to issues. And I was extremely uncomfortable with the fact that we were making what I consider to be clinical decisions, acting as clinicians about things that had to do with healthcare, even veterinary medicine for that matter. We don't have the technical expertise. Who do we turn to other than the lobby, I guess, and friends who are in practice? And the 407 process had been hamstrung for a number of years. Got into conversations with individuals, including former-Senator Wesley who developed the 407 process sometime back who agreed the process needed to be revamped. And I carried that bill a couple of years ago after having worked on it for a couple of years, giving both the technical committee as well as the Board of Health better guidelines and the ability to use more science in making decisions and recommendations about scope of practice. For the said purpose of when a recommendation comes to us after having gone through this process, understanding there are three components: the technical committee established under the Board of Health with its recommendations to the Board of Health, and then a recommendation from the State Medical Director, Dr. Acierno, those three pieces. It becomes a little easier if all three are in agreement. It becomes less easy if all three aren't in agreement. But in this case the fact that we have a technical committee and we have the Board of Health in support of this with the justification and the documentation that they've provided and I have my three-ring notebook over here with all of their review material that I have gone through to make myself comfortable that I don't have to make this decision. It's been made for me and their recommendation is what I'm going to stick by because I helped make sure that the process that came to us is something that I thought we could trust. And my suggestion to you would be trust this process. It's been refined. We have people who have spent hours and hours on this telling us this is okay as the bill is established and would encourage you to vote in support of LB916 and the committee amendment. As relates to Senator Scheer's amendment, I understand where he's coming from. I understand he's looking for some assurance. But here's the challenge I have in being supportive of his amendment. It looks at the way we've always looked at medicine, and that is as a pyramid with the physician on top and all of the other providers lined up underneath. But that's not the way healthcare is practiced anymore. It's a circle with the patient in the middle and a physician has part of that and nurse practitioner has part of it and a dietician has part of it and a physical therapist has part of it. And all of these people work as a team to provide care to the patient. Senators, a nurse practitioner is not a doctor and a doctor is not a nurse practitioner. They don't interact with patients the same way. They don't overall treat patients the same way. They're not trained the same way. And I would tell you with a straight face, if you give me a new young nurse practitioner who has been trained or is being trained by a nurse practitioner who's

Floor Debate
March 24, 2014

been... [LB916]

SENATOR COASH: One minute. [LB916]

SENATOR GLOOR: ...in practice for five years or a physician who's been in practice for five years, I'll take the nurse practitioner who's being trained by another nurse practitioner because they're going to practice the same way. That's the more appropriate peer relationship and the one that I think addresses the educational need that is out there. That's the way we look at healthcare now. That's the way training happens in our schools. It's a team approach. And as supportive as I am of LB916 and AM1916, although I understand Senator Scheer's, I'm sure others are looking at this thinking that this might be a good solution. I understand the philosophy behind it. It's not the way we train and practice healthcare in this day and age. Thank you. [LB916]

SENATOR COASH: Thank you, Senator Gloor. (Visitors introduced.) Senator Bolz, you are recognized. [LB916]

SENATOR BOLZ: Thank you, Mr. President. I rise in support of LB916 and I do so in part because I have been visited by several nurse practitioners in my district and they've really articulated the value of the role of a nurse practitioner, particularly in the field of behavioral health where we have some challenges in our state in access to care. And one of the things that I thought was useful and compelling in the comments that they shared with me was that providing greater access to nurse practitioners provides patients greater choice. And some of their patients specifically wanted a nurse practitioner with the particular specialty that they offered in their communities. And so I applaud them for their good work and I applaud Senator Crawford for bringing this bill. I'd also like to just briefly speak to the amendment, and what I would share as someone who has a decade's worth of career in human services and social services is that I think there's great amount of precedence in an individual who is currently serving in a role providing supervision to someone who is entering the field. Occupational therapy comes to mind and of course, as a social worker, social work comes to mind. In my role as a supervisor for individuals who are completing their social work practicum, I have found that modeling good choices in terms of referrals, good choices in terms of scope of practice, and other modeling of appropriate behavior under our code of ethics is one of the most valuable things that I can provide to a new social worker. And I think that that applies to other fields as well. So I support LB916 and I will refer the remainder of my time to Senator Krist should he prefer to use it. [LB916]

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Senator Krist, you're yielded 3 minutes, 20 seconds. [LB916]

SENATOR KRIST: Thank you for your courtesy, Senator Bolz, and again thank you, Mr.

Floor Debate
March 24, 2014

President. Good afternoon, colleagues and Nebraska. I'm here to correct something I said earlier. The nice part about speaking from the heart and being able to speak is giving what I feel is the right message. The bad part about it is sometimes you mix your words a bit, and what I mixed was it's not \$10,000 a month but \$10,000 a year. That's a huge difference and I thank Senator Campbell for bringing that to my attention. So it's still I believe an exorbitant figure. But let's set the record straight. That's \$10,000 a year. Thank you, Mr. President. Thank you, Senator Bolz. [LB916]

SPEAKER ADAMS: Thank you, Senator Krist. Senator Scheer, you're recognized. [LB916]

SENATOR SCHEER: Thank you, Mr. Speaker. Just a few things, one in response to Senator Gloor talking about how medicine is handled now as far as the circle of patient care, and I fully understand that, Senator Gloor. But what we're talking about is diagnostics, not necessarily in the treatment. And when you have somebody being under a supervision for a diagnostic purpose, we're not talking about having a circle of care. That comes after the correct diagnosis. And what I'm talking about is having a supervisor with a little more ability to help that individual as they make the diagnosis, not in the treatment of therein. As far as Senator Crawford brought up a few points, one that she would prefer the nurse practitioners to be able to have this rich body of workers to build a network to refer to. And that's exactly what I'm talking about. The only difference would be that we would have a physician knowing where those expertise may be above that scope of practice. I'm not concerned that a nurse practitioner will not know what they are being trained to do. But if they miss something or they're unsure, having a physician above them in a supervisory role will help them develop those relationships on a referral basis. And I do think that that is an important part of what I'm trying to provide. She also states that as far as we can come up with and only Colorado is the only one that would provide for a physician as a supervisor. You know, in response to that, I really don't care if there were no states let alone one. I would like to have the best healthcare available in the state. And if that, in my perspective, involves a physician, it involves a physician. And her...in Senator Crawford's last point, it's impeding the...it adds to the challenge of the transition to work. Well, I heartily disagree. We're not talking about the interpractice agreement. We're just talking about having a physician as a supervisor and working with that individual. And I do not believe that would present a hardship. I think physicians would like and encourage those individuals and the nurse practitioners to work with them to provide that because you're right. We will need nurse practitioners to provide that type of service, especially where we are starting to lose physicians in the more rural areas and are unable to find physicians to move back into those rural areas, and we will have to be looking at the ability of nurse practitioners and other practitioners to fill that void or that gap in coverages. But having said that, I don't want to delay the process. I think this is a good bill, a valuable bill. I am going to ask to pull my amendment because it is inaccurate. It does not completely cover the area of the supervisory concept embedded in the bill. And so therefore, because it doesn't, I'll

Floor Debate
March 24, 2014

just...if the bill is successful going forward, I'll simply bring it back at Select, between General and Select so that we aren't wasting a lot of time on an amendment that is...I want it out of the way in order for the bill to have its full and fair discussion in relationship to as it moves forward. So with that, I'd just ask AM1916 (sic--AM2568) to be withdrawn. [LB916]

SPEAKER ADAMS: Thank you, Senator Scheer. So ordered. Senator Cook, you're recognized. [LB916]

SENATOR COOK: Thank you, Mr. President, and thank you, good afternoon, colleagues. I wanted to briefly rise in support of LB916 with the committee's amendment AM1916. I am a member of the Health and Human Services Committee and I am a cosponsor of this measure. I wanted to get an opportunity to remind everybody about the wonderful world of public health and how important it is for us to take care of our health in a preventative way and maximizing access for all Nebraskans to be able to do the same. This bill proposal presents an opportunity to expand access to care. It does nothing related to the scope of practice for a nurse practitioner. I wanted to also briefly share a letter that was sent to me in January by one of my constituents who happens to be a nurse practitioner. And she also spoke to the issue of access to behavioral health across the state. Nurse practitioners trained in mental health could help us with this need. She's talking about meeting the need of providing services. In many cases, these nurse practitioners are unable to obtain practice agreements with MDs in this specialty due to a lack of these providers. There is a nurse practitioner in western Nebraska who pays the fee for a physician in Colorado to have a medical license in Nebraska so he can be her collaborating physician. In short, this is a barrier to practice and leads to trained professionals leaving our state to practice. And she goes on to say that she did not think that eliminating the requirement to the practice agreement changes the way of thinking. And I would concur and ask for the body's support of LB916. Thank you, Mr. President. [LB916]

SPEAKER ADAMS: Thank you, Senator Cook. Senator Davis, you're recognized. [LB916]

SENATOR DAVIS: Thank you, Mr. President. I rise in strong support of Senator Crawford and this bill and want to thank Senator Watermeier for making it his priority bill. As someone who comes from rural Nebraska and who's, you know, got a few years on me, I can talk a little bit about what medicine was like and where it is today in rural Nebraska. The care is still really good. Nothing wrong with the care. The fact is a lot of our physicians are getting older and we're not bringing younger physicians back to our community, or if we are doing so, a lot of those young individuals come back and they're there for a short time. A lot of our communities are relying on foreign educated physicians to come in and there's nothing wrong with the care they give. It's wonderful. It's very good. But what we're really facing in rural Nebraska is a shortage of physicians.

Floor Debate
March 24, 2014

Alliance, which is my nearest big town. We had a physician in Hyannis when I was young. That one is gone now. Alliance had, I believe, 10 to 12 physicians when I was in high school. I think there may be five or six. I know in Gordon I think there are two. Ainsworth has one. We're putting a huge load on these community doctors. And as I said, a lot of them come and go and come and go. So you don't develop a long-term, strong relationship with the patients. I think this bill will permit us to bring some people into the communities that are probably going to be there. They might be nurses who are there that decide to go on and become nurse practitioners and they will stay and linger and develop those long-term relationships which are so valuable, especially to the elderly who are a resident of a lot of the nursing homes there. I'd also like to say I've got an old friend who was educated in Colorado who's a nurse practitioner. She's been wanting to come back to Alliance for years and years and years. But she hasn't been able to because of the restrictions and the changes that are in place in Nebraska as opposed to Colorado. So let's just be honest and look at the situation we have on the western part of the state--shortage of physicians. States that are west of there that are more liberal for nurse practitioners, so where are they going to go? You know, if you're going to have to pay a big fee to stay in Scottsbluff or Alliance or Chadron, you might as well just go to Wyoming and you can practice there or Colorado. So we're exporting the people that we need there. Stepping back a little bit, I was an EMT years ago and at the time I was an EMT there were lots of restrictions on what you could and couldn't do. You couldn't do this. You couldn't that. Couldn't do any sort of intervention. That has slowly changed as the mind-set has changed about medicine and what's important in medicine and how to treat it. So today EMTs are able to do more and, of course, they're more highly trained, but they're able to do more than they were when I took my training 20 years ago. I think that's just the nature of the business. A good nurse practitioner is going to be in tune with her patients and will know what they need. Senator Cook made reference to a nurse practitioner in Scottsbluff. This particular individual has...does a great deal of mental healthcare with a lot of the underserved people in Scottsbluff, people with mental illness. And so her arrangement with her physician from Fort Collins, while good, doesn't really solve her problem because what she has to do is she has to pay the licensing fees for him to be able to service her in Nebraska. Does that make a bit of sense? The state has suggested that she should work with somebody in Omaha. Well, that's hundreds of miles from Scottsbluff. So if she really has to refer one of her patients, it's better for her to refer them to Dr. Kelly (phonetic) in Fort Collins, 120 miles away, than into Omaha, you know, which is almost 500 miles away. This is a good bill. I, again, say to Senator Crawford thank you for bringing it and to Senator Watermeier for prioritizing it... [LB916]

SPEAKER ADAMS: One minute. [LB916]

SENATOR DAVIS: ...and I hope the body will move it forward. I will yield the rest of my time to Senator Crawford. [LB916]

Floor Debate
March 24, 2014

SPEAKER ADAMS: Senator Crawford, you are yielded 54 seconds. [LB916]

SENATOR CRAWFORD: Thank you and I don't...I appreciate that. Thank you, Senator Davis, and thank you for your support for that. I will just clarify one issue that came up. Senator Hadley asked me the question. One of the fun things about this job is you learn something new everyday. So what I learned today is that physicians do not have their scope of practice written by law. So when you see in the white copy of our bill today, you'll see the scope of practice that I pointed to that lists the things that nurse practitioners can do. There's no similar list for physicians. So they are allowed to do...they are not restricted by statute in their scope. So you can see there are many things that physicians can do, and what we're talking about with LB916 is...and we are not changing the things that nurse practitioners are allowed to do but we're allowing them to do that without an integrated practice agreement which is safe and effective in many other states. Thank you, Mr. President. [LB916]

SPEAKER ADAMS: Time, Senator. Senator Watermeier, you're recognized. [LB916]

SENATOR WATERMEIER: Thank you, Mr. President. Good evening. I just kind of want to get up and explain a little bit my thinking process about how I went through to prioritize this bill. I had six or seven bills that I had looked at pretty seriously in trying to decide what I would prioritize and what I wouldn't and kind of kept slimming the number down little bit little. But first of all I would like to thank Senator Crawford and how hard she has worked on this bill, along with Kaitlin and her staff. I have seen those two working really in tandem on this issue and if any little question would come up, we'd go back to the lobby, go back and forth. And they were trying to reassure me, and I kept telling them don't worry about reassuring me; get the job done. If it's right, it'll be right. But coming back to why I prioritize this bill, I think back to some of the advice I was given as a first- and second-year senator. Some of the people would say absolutely do not get involved in a scope of practice bill. Stay as far away from it as you possibly can. It'll be a bloodbath. So knowing me and as you will all learn in the future, you'll know that usually I take that with a grain of salt and then I'd usually dive right in, in something I shouldn't do. But the reason I'm doing this, this is not really a scope of practice. If you think about this and if you listen to the discussion that we've had so far, it's more of a scope of business. We're not changing one thing about what this healthcare provider can do for the general public. And I prioritized this bill because this is an example of finding a real solution for healthcare concerns, healthcare needs for the state of Nebraska. And I just need to read one little excerpt from a postcard I got from somebody in regards to this. The hospital...this is a nurse practitioner that sent this to me: The hospital currently pays for a psychiatrist for me to collaborate with in the city, meaning the city that owns their hospital. I have never met him nor spoke to him since I have been a nurse practitioner. I am unsure of the amount dispensed to him, but it definitely does not seem appropriate to pay for any unnecessary services. I am dual-certified in mental health and family practice. I have a busy practice and am a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

voting member of our medical staff. That's just one of several postcards that I've gotten. And I actually had another story the other day given to me that an MD had just moved to a small town and the other person in the practice was a nurse practitioner. She basically held his hand and trained him. But what does that mean? That doesn't necessarily mean trained on medical procedures. It means on what it takes care of patients, and a lot of times that's the time it takes, that a doctor cannot afford to do, it's the time it takes to get to know that patient. An NP can do those things. This is a vital key to the solution. I would wonder if Senator Hansen would answer a question right quick. [LB916]

SPEAKER ADAMS: Senator Hansen, would you yield? [LB916]

SENATOR HANSEN: I will. [LB916]

SENATOR WATERMEIER: Senator Hansen, I see you had not prioritized the bill but you put your name on the bill as well. But when I was hearing you speak earlier against I think AM2568, was your position against that amendment? I just want to be sure and be clear. [LB916]

SENATOR HANSEN: Yes, it was. I misspoke on that. I think that a...in what we've talked about since then is that the nurse practitioner as a supervisor is probably, you know, could be better than a medical doctor. But we don't want to take the medical doctor out either. Leave both in. [LB916]

SENATOR WATERMEIER: Thank you. That answers my question. I just wanted to clarify a little bit. When you think about what these people are going to come out of school, it's great to think, well, let's just give them the highest level of service and supervisory position we can. But that's going to go against a little bit about what we're going to put them into. We'd rather have them, I would rather have them being supervised from somebody that's doing exactly what they're doing. And that's why it makes so much sense for me to prioritize this bill. I would still speak against any further amendments to this bill to interject a medical doctor as far as a supervisory position, and I'm in total support of LB916 and the amendment as it stands. Thank you, Mr. President. [LB916]

SPEAKER ADAMS: Thank you, Senator Watermeier. Senator Wightman, you're recognized. [LB916]

SENATOR WIGHTMAN: Thank you, Mr. President. If Senator Crawford would yield for a few questions, I would like to ask. [LB916]

SPEAKER ADAMS: Would you repeat, Senator Wightman? I'm sorry. [LB916]

SENATOR WIGHTMAN: If Senator Crawford would yield, I would have a few questions.

Floor Debate
March 24, 2014

[LB916]

SPEAKER ADAMS: Senator Crawford, would you yield? [LB916]

SENATOR CRAWFORD: Yes, yes. [LB916]

SENATOR WIGHTMAN: Thank you. Senator Crawford, I have a few questions. Again, I'm familiar with general "practitional" doctors and nurse practitioners. Could you tell us about how many general "practitional" doctors there are, general practice doctors there are in Nebraska? Do you have any idea even? [LB916]

SENATOR CRAWFORD: I do not know that number off the top of my head, no. [LB916]

SENATOR WIGHTMAN: Do you have any... [LB916]

SENATOR CRAWFORD: But I know that we have many shortage areas. So while I don't know the, you know, absolute number of doctors, I know we have many areas in the state that have a shortage, and that's part of what this bill is trying to address. [LB916]

SENATOR WIGHTMAN: Do you have any kind of a figure on how many nurse practitioners there are? [LB916]

SENATOR CRAWFORD: What we do know about nurse practitioners is their rate of growth is much higher than the rate of growth for doctors. And, again, we have shortage areas, so this provides an opportunity where we have more providers that are being trained and ready to come work if we change the statute so that they're encouraged to stay here. And as you saw, the rate of growth for nurse practitioners is in rural areas and is in primary care, so that's to address that issue. We have that growth there. Meanwhile, we've had lots of trouble recruiting physicians to go into primary care. Their rate of growth is much slower. [LB916]

SENATOR WIGHTMAN: Thank you. An additional question: educational requirements, just give me the years probably of education that a primary care physician would have as compared to a nurse practitioner. [LB916]

SENATOR CRAWFORD: Well, I will talk to what a nurse practitioner would do. A nurse...most nurse practitioners begin an undergraduate degree actually in nursing. And so they start and have not only nursing education but also clinical work as an undergraduate. So they, most, would go through four years of undergraduate training with nursing education and clinicals in their undergraduate degree, and then they would come out. And right now a nurse practitioner who comes out could do two additional years with clinicals and education. But the colleges across the state of Nebraska are

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

shifting. And so I believe in 2015 in most of the colleges they're shifting to a doctoral, a doctorate program. But right now you could do two additional years of clinical training and education in addition to having those four years as an undergraduate. [LB916]

SENATOR WIGHTMAN: So they have not only a nurse's degree so that they would be not a practical nurse but a registered nurse, and then they would have education like a master's degree or doctor that I'm assuming is not a medical doctor. [LB916]

SENATOR CRAWFORD: Yes, yes. It would be a master's degree right now and it's shifting to become a doctorate soon. [LB916]

SENATOR WIGHTMAN: And the doctorate wouldn't be a medical doctor. It would be a doctorate degree in nursing I assume. [LB916]

SENATOR CRAWFORD: Correct. Correct. [LB916]

SENATOR WIGHTMAN: Can you give me any information as to the area of specialties that nurse practitioners engage in? [LB916]

SENATOR CRAWFORD: Well, the handout that we gave you, again, it shows how the specialty area compares to primary care. In terms of what are they going into, the main concern I have heard on that front is a concern that this bill will not expand access to primary care because nurse practitioners will all just go into specialty areas. And I think that the data from UNMC clearly demonstrates... [LB916]

SPEAKER ADAMS: One minute. [LB916]

SENATOR CRAWFORD: ...that that's not the case. [LB916]

SENATOR WIGHTMAN: Well, thank you for those answers, and thank you, Mr. President. [LB916]

SPEAKER ADAMS: Thank you, Senator Wightman. Senator Nelson, you are recognized. [LB916]

SENATOR NELSON: Thank you, Mr. Speaker and members of the body. I have a question or two of Chairperson Campbell of the committee... [LB916]

SPEAKER ADAMS: Senator Campbell, would you yield to a question? [LB916]

SENATOR CAMPBELL: Certainly. [LB916]

SENATOR NELSON: Thank you. I'd just like to arrive at some clarity in my own mind on

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

the amendment, Senator, and thank you. On the explanation of amendments here that the committee has brought forth as what is now the bill, it also removes the requirement that a nurse practitioner complete a minimum of 2,000 hours of practice under the supervision of a physician. We're not eliminating the 2,000 hours of practice, are we, in the bill itself? [LB916]

SENATOR CAMPBELL: No. They will... [LB916]

SENATOR NELSON: You're just saying that it doesn't have to be done solely under a... [LB916]

SENATOR CAMPBELL: It's not...oh, sorry. [LB916]

SENATOR NELSON: Go ahead. Yeah. [LB916]

SENATOR CAMPBELL: It's not mandatory, Senator. [LB916]

SENATOR NELSON: It's not mandatory. All right. So then I'm looking at the amendment itself on page 6, if you have that in front of you, and I think beginning on line 6, are you with me there? [LB916]

SENATOR CAMPBELL: I am, sir. [LB916]

SENATOR NELSON: Yeah. It says in order for a nurse practitioner to practice here, they shall submit to the department a transition-to-practice agreement or evidence of completion of 2,000 hours of practice as a nurse practitioner which have been completed under a transition-to-practice agreement or under collaborative agreement or an integrated practice agreement or through independent practice. So does that mean that someone can come out of school and just go out on their own and do 2,000 hours there? Is that going to qualify them? [LB916]

SENATOR CAMPBELL: You know, I think, Senator Nelson, the language there is to deal with the current nurse practitioners that are in the state that have completed those 2,000 hours under a nurse...under a supervising. And so we did not want to make the current nurse practitioners have to go through another set, so that really, it really gives them...it's sort of like grandfathering them in because they've already had that. [LB916]

SENATOR NELSON: That they've already completed their 2,000 hours. [LB916]

SENATOR CAMPBELL: Correct. [LB916]

SENATOR NELSON: All right. Okay. I understand that then. And then going on there, the transition-to-practice statement shall be a formal written agreement with regard to

Floor Debate
March 24, 2014

the respective scopes of practice. I guess there's still a fee involved, is that correct, if they do enter into a transition-to-practice agreement? I didn't see in the collaborative agreement. You know, I guess maybe that's just part of a separate agreement between the supervisor or the physician. [LB916]

SENATOR CAMPBELL: Well, I believe that it lays out there that the supervising provider, and you have to remember that in the bill that can be a physician or a nurse practitioner with 10,000 hours of practice. So it will specify what is within that scope of practice. I think that's pretty standard, Senator Nelson... [LB916]

SENATOR NELSON: Okay. [LB916]

SENATOR CAMPBELL: ...between an agreement of this sort. [LB916]

SENATOR NELSON: All right. Thank you. On line 13, beginning with 3(a) or I'm sorry, no, line 17, we talk about saying that, or the bill does, the practitioner must be responsible for his or her individual decisions in managing the care of patients. And then it goes on to say the nurse practitioner... [LB916]

SPEAKER ADAMS: One minute. [LB916]

SENATOR NELSON: ...provider shall have joint responsibility for the delivery of healthcare to a patient. Who's going to be responsible in the event of a lawsuit for medical malpractice? Are both of them? [LB916]

SENATOR CAMPBELL: Right now, Senator Nelson, both the physician and the nurse practitioner have malpractice insurance, and what they're trying to say, have joint responsibility for the delivery. So they would each be responsible, I would assume, within the scope of their practice. [LB916]

SENATOR NELSON: All right. One final question: There were a lot of objections from physicians at the initial hearing. Does the amendment satisfy their objections, in your mind? [LB916]

SENATOR CAMPBELL: Senator Nelson, that's probably a better question to Senator Crawford because she's the one that's... [LB916]

SENATOR NELSON: All right. [LB916]

SENATOR CAMPBELL: ...visited with all of the groups. [LB916]

SENATOR NELSON: All right. Thank you very much. Thank you, Senator. [LB916]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SENATOR CAMPBELL: Thank you. [LB916]

SENATOR NELSON: Thank you, Mr. President. [LB916]

SPEAKER ADAMS: Time. Senator Hansen, you're recognized. [LB916]

SENATOR HANSEN: Thank you, Mr. President. I had a couple of more questions and I think they're probably best aimed at Senator Gloor, if he would yield. [LB916]

SPEAKER ADAMS: Senator Gloor, would you yield to a question? [LB916]

SENATOR GLOOR: Certainly. [LB916]

SENATOR HANSEN: Thank you, Senator Gloor. My question would be, at the end of the supervised hours, the 2,000 hours, whether it be under a doctor, an MD, or a nurse practitioner that has a responsibility for supervising for those 2,000 hours, do they have any input on whether that person is licensed or not? Like maybe the doctor or, you know, it doesn't matter which one saying, well, this person is not thorough enough; this person needs more practice; this person should go find a, you know, maybe be a hospital administrator, less stress and (laughter). Do you have any idea there, Senator Gloor? [LB916]

SENATOR GLOOR: About the hospital administrator stress or about the... [LB916]

SENATOR HANSEN: No, the other part. [LB916]

SENATOR GLOOR: Oh, yes, I do. Actually, no, and the example I would use would be as if you were hiring, not exactly but metaphorically, would be as if you were hiring somebody to teach you how to drive, and at the end of the course you still have to go and get your license from the state of Nebraska. The person who's training you and working on training you doesn't have any input with the licensure folks about it. The same is true if you're... [LB916]

SENATOR HANSEN: They do or do not? [LB916]

SENATOR GLOOR: They do not. The same is true here. The statute may require you to have somebody that you have an agreement with, but in reality that doesn't link up at all as I understand it with licensure. Certainly that individual could write to licensure and say I think this person needs to bone up on this, that, and the other thing, and licensure could take it into consideration. But they're separate and distinct. [LB916]

SENATOR HANSEN: Okay. Thank you. And, Senator Crawford, would you yield for... [LB916]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: Senator Crawford, would you yield? [LB916]

SENATOR CRAWFORD: Yes. [LB916]

SENATOR HANSEN: Senator Crawford, is it possible that nurse practitioners are not sued near as often or near as much as a doctor because the...if they do something that's not right, that the person who sues goes after the doctor rather than the nurse practitioner? [LB916]

SENATOR CRAWFORD: It is true that there are fewer malpractice suits against nurse practitioners. In part, that may be because their scope is more restricted though. I mean, doctors do many more risky procedures, so it makes sense that doctors would have more malpractice suits against them because they do more risky procedures. I don't know if that answers your question. [LB916]

SENATOR HANSEN: Yeah. I think that's okay. Thank you very much. I know I was on the HHS Committee for two years, the first two years I was down here. Scope of practice issues are really tough. I think we have scope of practice creep where almost anybody that has a license wants to do more for their community and they just...it just creeps out and creeps out and then finally they've got to come to the Legislature and get it settled. So I'm still very much in favor of LB...or of AM1916 and LB916. Thank you, Mr. President. [LB916]

SPEAKER ADAMS: Thank you, Senator Hansen. Senator Nelson, you're recognized. [LB916]

SENATOR NELSON: Thank you very much, Mr. Speaker, and I will, at the suggestion of Senator Campbell, ask a question or two of Senator Crawford, if she will yield. [LB916]

SPEAKER ADAMS: Senator Crawford, would you yield? [LB916]

SENATOR CRAWFORD: Yes. [LB916]

SENATOR NELSON: Thank you, Senator Crawford. And we talked off the mike about the issue of malpractice insurance and the fact that they're both covered, and so it's kind of a moot question. Liability I suppose would be divided if there was liability as far as payment of any judgment. However, the question I had of Senator Campbell is that it seems to me that with the committee amendment, there was a different tack taken, a different direction in many respects from the original bill. And the original bill, LB916, engendered a lot of opposition from the medical field, from the associations and others. Have those objections been overcome or answered here with the committee

Floor Debate
March 24, 2014

amendment, in your mind? [LB916]

SENATOR CRAWFORD: Well, what the committee amendments do is they address one of the ancillary concerns that remained from the 407 process. And also one of the concerns that was raised by the Chief Medical Officer was this issue about the brand new nurse practitioner and their concern that it would be better to have some kind of transition to practice for the brand new nurse practitioner. So that addressed that issue that was raised by the Chief Medical Officer. If you're asking...and then also with this change, the Hospital Association moved from neutral to support. So it did get their support. I was engaged in many discussions with the NMA and the family physicians. We were not able to come to an agreement. I think part of it comes back to Senator Gloor's point about sort of different philosophies about care and the role of different providers in care. So I believe we addressed the remaining concerns that were raised by some people in the 407 process. We addressed a concern of the Hospital Association. It is still the case that the doctors, the NMA, and the American Family Physicians are opposed to it. However, I will tell you it was very touching. I had a couple of medical students come to talk about this and talk about how much they supported it, that they see that this is a change in healthcare and they were on board. [LB916]

SENATOR NELSON: All right. I'm looking at one letter I received here: Substituting lesser trained providers for more experienced providers can save money in the beginning. However, several studies have confirmed that lesser trained providers actually net higher costs due to ordering more tests, saving less money overall. Could you respond for that? [LB916]

SENATOR CRAWFORD: I would be happy to respond to that. Yes. [LB916]

SENATOR NELSON: (Laugh) All right. [LB916]

SENATOR CRAWFORD: For over 30 years, nurse practitioners have provided high-quality, cost-effective care and study after study and in a systematic review of 37 studies, Newhouse, et al., 2011 found consistent evidence that cost-related outcomes such as length of stay, emergency visits, and hospitalizations for NP care are equivalent to those of physicians. And a 2009 Annals of Internal Medicine study, so this isn't a nursing journal, this is Annals of Internal Medicine study, shows that nurse practitioner retail clinic treatment costs less with no adverse effect on quality or delivery of care. So I think those were speculations about what might happen. The evidence suggests that is not what happens. [LB916]

SENATOR NELSON: Well, does that necessarily answer the question of whether ordering, because there may be a lack of knowledge and uncertainty about things, just ordering additional tests? [LB916]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

SPEAKER ADAMS: One minute. [LB916]

SENATOR NELSON: Wouldn't you say that that could result in additional costs?
[LB916]

SENATOR CRAWFORD: Well, I understand the speculation that it would. I'm telling you that study after study since the 1980s has consistently found that it does not lead to higher costs when nurse practitioners have this management of care responsibility.
[LB916]

SENATOR NELSON: All right. Thank you, Senator Crawford. I will continue to listen to both sides here at this time. And with that, thank you, Mr. Speaker, and thank you, Senator Crawford. [LB916]

SPEAKER ADAMS: Thank you, Senator Nelson. Senator Campbell, there are no other lights on, so you are recognized to close on the committee amendment. [LB916]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. I'm going to cover a few questions that have arisen. And Senator Wightman asked about the number of physicians and the number of nurse practitioners in the state. At this time, we have 3,695 active physicians, and of that number, 37 percent are primary care specialists, which would give you 1,365. For nurse practitioners, there are 795 active nurse practitioners; of that number, 340 or 43 percent are in the primary care specialties. One of the things that is so important in the bill is talking about a supervising provider. And in the committee's amendment, the supervising provider has to be in the specialty that the nurse practitioner will be practicing in so that their supervisor is in that. You wouldn't want someone to supervise a nurse practitioner who was a specialist in pediatric but the nurse practitioner wanted to have experience in the psychological field or mental health. So that is why that is written in the bill. To answer, I think Senator Wightman also asked, there's many different components to the medical field--psychology, primary care, pediatrics, gerontology. The nurse practitioner would fit into those specialties. So I wanted to mention that there would be any number of ways, but many of them are in the primary care. Second thing I wanted to mention is to reemphasize that after 2015 the nurse practitioner will come out with a doctorate degree. And right now, as Senator Crawford explained, a number of them have a master's but after 2015. So they will have come with a lot of years of experience plus their clinical experience. I also want to mention that, you know, sometimes it takes two senators to tell a story. I'm going to finish and give you the rest of the story to Senator Krist in my back and forth discussion with you about the \$10,000. This was given to us several years ago, two years ago I think maybe, in a hearing. And that \$10,000 a year was charged to the nurse practitioner. The rest of the story is that this was the nurse practitioner that practiced in a fairly rural part of the state of Nebraska. The physician charged her \$10,000 a year, never came to see her, never reviewed her files at all. Just

Floor Debate
March 24, 2014

wrote a letter each year asking for the \$10,000. Now that is probably atypical. We don't want to imply that all physicians certainly are doing that. But it was that example, and I suppose it stuck in Senator Krist's and my mind so much, it was really that example that spurred the Health Committee to really start taking a look at the nurse practitioner field. So with that, colleagues, I would encourage you to vote green on the amendment and the underlying bill. I think it sets a very good precedence and framework for us in the future of healthcare. Thank you, Mr. President. [LB916]

SENATOR KRIST PRESIDING

SENATOR KRIST: Thank you, Senator Campbell. You've heard the closing on the committee amendments. The question is, shall the committee amendments to LB916 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB916]

CLERK: 34 ayes, 0 nays on adoption of committee amendments. [LB916]

SENATOR KRIST: The amendment is adopted. Seeing no one else in the queue, Senator Crawford, you're recognized to close on your bill. [LB916]

SENATOR CRAWFORD: Thank you, Mr. President. And I would like to thank all of my colleagues for a great discussion today. I really appreciate the questions. I think we laid a good record on what this bill is about and what the issues are, and I really appreciate your questions and your contributions to that. And I would also like to again thank Senator Watermeier for prioritizing the bill. I would like to thank the entire Health and Human Services Committee for their hard work on this issue as well and making sure that we're creating and passing the best bill possible on this front. And so...and I would like to especially thank Senator Campbell for her work on that front. I think we've addressed most of the questions that were raised and concerns that were raised in opposition to the bill, and I think you've also had a good chance to hear the arguments for the bill. And I just want to again emphasize that in terms of this issue about education, on the issue of hours of education, a head-to-head comparison of educational hours is not the appropriate measure of clinical success or patient safety. The appropriate measure is patient outcomes, and there are over 40 years of research and over 100 published articles that attest to the quality and safety and cost-effectiveness of nurse practitioner care without an IPA restriction. The fact that nurse practitioners provide safe and effective care within their scope of practice still leaves many important areas of healthcare that only fit within the scope of physicians. LB916 allows physicians to focus on activities that do clearly contribute to improved health outcomes in our state rather than spending time on the IPA which does not improve health outcomes and can open physicians to unnecessary liability risks. I want to remind you again that 70 percent of the nurse practitioners we train in this state are leaving this state and citing practice restrictions and remind you that the Federal Trade

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

Commission indicates that practices like an IPA are a restriction of trade that states should work against. So I urge your green vote on LB916. Thank you. [LB916]

SENATOR KRIST: Thank you, Senator Crawford. You heard the closing. The question is the advancement of LB916 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB916]

CLERK: 29 ayes, 2 nays on the advancement of LB916. [LB916]

SENATOR KRIST: LB916 advances. Any items? [LB916]

CLERK: I do, Mr. President. LR526 by Senator Ken Haar, to be referred to the Board. Your Committee on Natural Resources, chaired by Senator Carlson, reports LB1098 to General File with committee amendments attached. That's all that I have, Mr. President. (Legislative Journal pages 1062-1063.) [LR526 LB1098]

SENATOR KRIST: In that case, next item.

CLERK: LB276 is a bill introduced by Senator Nordquist. (Read title.) Introduced on January 16 of last year, at that time referred to the Health and Human Services Committee. The bill was advanced to General File, no committee amendments. I do have an amendment to the bill from Senator Nordquist. (AM2554, Legislative Journal page 999.) [LB276]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Nordquist, you're recognized. [LB276]

SENATOR NORDQUIST: Thank you, Mr. President and members. Today I introduce LB276 which intends to accomplish three things: first and foremost, to broaden the scope of services provided in schools that are reimbursable by Medicaid when delivered to a Medicaid-eligible special education student. And this has been a practice already for 20 years in our state and today we are seeking to broaden the services that are eligible for reimbursement. We will also...this bill with the pending amendment or the committee...I'm sorry, the amendment that I'll be introducing next will protect the current funding stream for the Early Intervention Act which provides service coordination for infants and toddlers with disabilities. And it allows school districts who are claiming for services that they are to receive more monetary benefits. As you know, the federal IDEA, federal Individuals with Disabilities Education Act, requires school districts to provide a free appropriate education to children with verified benefits...with verified disabilities. In Nebraska, this...we provide services from birth through age 21, and school districts must provide special education related services to meet the unique needs of children with disabilities. A plan to meet the unique needs of children with disabilities is developed by a multidisciplinary team and that is laid out in the student's individual education plan or IEP and for school-age children. And then for those below

Floor Debate
March 24, 2014

age 5, the plan is laid out in an individualized family services plan, IFSP. The Medicare Catastrophic Coverage Act of 1988 amended the Individuals with Disability Act to permit Medicaid payments for medical services to children under IDEA through a child's individual education plan. As provided in current DHHS rule and regulation, school districts may only seek Medicaid reimbursement for three services--speech therapy, physical therapy, and occupational therapy--when those services are delivered again to a Medicaid-eligible student with an IEP or IFSP. In 1991, we first piloted...had a pilot project for seeking Medicaid reimbursement for these services. At the time, in Nebraska there were 1,000 school...nearly 1,000 school districts in our state. Today we have 249. And at the time, because of that, a number of districts did not participate in the MIPS or Medicaid in Public Schools program, largely because they probably had such a small number of children who met the Medicaid eligibility requirements and needed the speech, PT, or OT therapies under an IEP. So it was probably not worth their time to jump through the hoops and seek the reimbursement. This has changed since that time. We have seen now about 82 percent of our districts...205 of the 249 districts in our state are billing the Medicaid in Public Schools system. And as I said, the intent of this bill again is to open up and expand the number of services that they can seek reimbursement for. Throughout the interim, we worked with interested parties and collaborated with Health and Human Services Committees and Education Committee and we had a number of people who spent time on this. The amendment that will be coming, and I'll go ahead and just talk about that right now, AM2554, replaces the bill, would require the Department of Health and Human Services to submit a state plan amendment by October 1 this year, which would specify that direct reimbursable services to schools can include early and pediatric screening, diagnosis, and treatment; medical transportation; mental health services; nursing services; occupational therapy; physical therapy; personal care; rehabilitation and speech therapy as well as vision related services. So as you can see, we're expanding beyond the current services of physical, occupational, and speech therapy. Currently schools are already providing, and this is the key thing, our schools are already providing these services to special education students; but they're not allowed to seek Medicaid reimbursement for these. Thus, we are missing out on an opportunity to draw down federal matching funds for services that are being provided largely with state dollars and with local dollars. So without this bill, schools would continue to provide these critical services but continue to eat the cost either because...largely because the special ed reimbursement is not completely sufficient to cover them. LB276 as amended would specify that additional services, would lay those out in statute; would require a review of the reimbursement rates on a five-year basis; would streamline the process for submitting claims and streamline the process for funding the Early Intervention Act; would align the benefits of receiving Medicaid reimbursement with the district that is providing the claim in order to incentivize school districts who do not currently utilize this. It would create an incentive for them to seek the Medicaid reimbursement, thus saving, if they are an equalized district, the Medicaid reimbursement would increase their accountable receipt and, therefore, reduce their TEEOSA allotment by that amount. Senator Sullivan will speak

Floor Debate
March 24, 2014

after me here to talk about the funding components of this. Essentially school districts provide the services, as I said, as part of an IEP or to a Medicaid-eligible student. The school submits claim to DHHS for those services and receives, after DHHS submits it to the federal government, receives that federal match. DHHS then tells NDE how much each district got in that Medicaid...for those Medicaid services. The school district is allowed to keep 11.5 percent, and that's been kind of the practice since this program has been in place. We're putting it in statute, 11.54 percent, for the administrative cost of providing these services. And then the rest of those funds that they receive are subtracted from their special education appropriation and currently are used...that amount is currently used to fund the Early Intervention Act. We are going to protect all the funding right now, and it's the intent of this to protect all the funding that's going to the Early Intervention Act. And so as the...if we expanded the services without changing the...limiting the amount going to the Early Intervention Act, obviously we expand services, we'd have more billing and the Early Intervention Act would see a significant increase over what they need to provide the services that they have right now. So we cap the amount that the Early Intervention Act receives and then the rest of it, as I said, would flow through. The number of children needing these services continues to increase, and we know at our districts the costs continue to rise. This is an opportunity for us to seek significant dollars that we are leaving on the table. There was a simple analysis done in comparing Nebraska to Iowa, and Iowa and many of our neighboring states are seeking Medicaid reimbursement for a long list of services that are allowed. But essentially we're probably leaving somewhere in the neighborhood of \$20 million on the table by not allowing our districts to seek Medicaid reimbursement for these services. So it certainly seems like a common-sense approach to helping our schools meet special education needs. Thank you, Mr. President. [LB276]

SENATOR KRIST: Thank you, Senator Nordquist. And do I understand that you need an additional time to introduce the amendment or did you already? [LB276]

SENATOR NORDQUIST: I think I'm okay there. [LB276]

SENATOR KRIST: Okay. You've heard the opening to AM2554 and LB276. Those wishing to speak: Senators Sullivan, Kolowski, Campbell, Coash, and Scheer. Senator Sullivan, you're recognized. [LB276]

SENATOR SULLIVAN: Thank you, Mr. President. And I stand in support of LB276 and the amendment, AM2554. Speaking specifically to the amendment, it updates and clarifies, as Senator Nordquist indicated, a program that we've had in place for 20 years. In the broadest sense, I think it's also important to remind ourselves that this doesn't increase the provision of any services. It does not increase an overall state appropriation. But what it does do, it increases access to federal funding for the benefit of both school districts and the early intervention service coordination that Senator Nordquist mentioned. We all know that school districts receive partial reimbursement

Floor Debate
March 24, 2014

under both state and federal law for the special education services they provide. Federal law allows reimbursements for services provided through that IEP, the individual education plan, for school-age children; and the IFSP, the individual family services plan, for younger children for Medicaid-eligible students through the Medicaid in Public Schools program. If you think about it, when this program first came about 20 years ago and Nebraska first began participation in it, the special education reimbursement rate was 90 percent. We had about 1,000 school districts, and we did not have the capacity to communicate with the electronic data the way that we do now. The reimbursement rate right now for special education services has dropped to about 54 percent. The main purpose of the original act is to find funding for service coordination. School districts were allowed to retain that administrative portion of the reimbursement, about 11.5 percent for the administration. Otherwise, there was no direct benefit for the school districts. The 88.46 percent of the reimbursement had to go to the actual services that they were provided. With the amendment, school districts continue to retain that 11.5 percent, but also the 88.46 percent for services would not be offset by a direct reduction in state special education reimbursements. The unreimbursed special education costs would qualify for state reimbursement, allowing for a greater overall reimbursement to the claiming district without permitting the combined reimbursements to exceed 100 percent of the original cost. As the Medicaid reimbursements increase on a statewide basis, the percentage of excess costs that would be covered by the same state appropriation would also increase because we're getting those additional federal funds. As I mentioned at the outset, this turns out to be really fiscally neutral. The Medicaid reimbursements for services and state special education receipts are considered to be accountable receipt for purposes of TEEOSA, the state aid formula. The result to the state is that for school districts receiving equalization aid the TEEOSA aid is actually reduced because I said those are accountable receipts, the special education reimbursement and the Medicaid reimbursement. But this also allows the funding for early intervention based on the Medicaid in Public Schools to be revenue neutral for the state. So again in just an overview of what this amendment does and why I'm supportive of it, it retains the concept of fiscal neutrality. It doesn't add to additional state appropriations. It does not change the services that are received by children. It continues to allow districts to retain that 11.5 percent of reimbursement for their benefit for the administrative cost. And lastly, it provides a greater benefit to the districts receiving the Medicaid reimbursements by keeping the benefit with the district claiming the reimbursement... [LB276]

SENATOR KRIST: One minute. [LB276]

SENATOR SULLIVAN: ...and by increasing the services for which the reimbursements will be sought. So I urge your support of AM2554 and the advancement of LB276. Thank you. [LB276]

Floor Debate
March 24, 2014

SENATOR KRIST: Thank you, Senator Sullivan. Senator Kolowski, you're recognized. [LB276]

SENATOR KOLOWSKI: Thank you, Mr. President and members of the Legislature. I stand in support, of course, of LB276 and AM2554. With LB276 with AM2554 is the accomplishment of two years of extensive work collaborating with the Department of Education, health departments, school boards, school administrators, special education directors, and many more in order to bring before you this important piece of legislation. Hundreds of hours have gone into this process of working on this bill, and I thank all those who participated in this particular task. I wanted to reiterate several points that Senator Nordquist and Senator Sullivan have touched on in their openings. This legislation broadens the range of services eligible for Medicaid reimbursement that schools are already providing for special education students. This legislation increases aid to schools without impeding state and local dollars. And thirdly, by expanding these services and streamlining the process we have the potential of bringing in an additional \$20 million to the state. Across the state, school districts are resoundingly in support of this legislation. I have heard support for LB276 from Wahoo, Chadron, Lexington, Omaha, Millard, Elkhorn, Lincoln Public Schools, and the Nebraska Association of School Boards has also heard countless more of those. Just to read a couple of items that have come in: Galen Boldt, superintendent at Wahoo Public Schools, "In the crazy world of school funding, it has been difficult to find common ground on which all schools can agree regarding equitable funding for school aid. The issue of rural versus urban or large versus small has nothing to do with LB276 which simply allows all schools the opportunity to claim reimbursement for services that are being provided across the state to all of our schools. This bill is free of the controversy of winners and losers and would result in Nebraska schools being eligible for funding that has not been available in the past. I would support passage of this important legislation and would bring to help in whatever regard to speak in support of it." Troy Loeffelholz, the superintendent of Columbus Public Schools, says the following. "This bill is free of the controversy of winners and losers, and would result in Nebraska schools being eligible for funding that has not been available in the past. I support passage of this legislation and would speak in support of it. It is good for all school districts, all taxpayers, and more importantly, all students who would benefit from the services." Terri Haynes, the board of education, Chadron Public Schools, chairman of the legislative committee of their board, says concerning LB276, they are in favor of this. "This bill is good for kids and enhances the range of interventions. It increases aid to all schools. It allows us access to federal dollars without impeding state or local dollars." In 1993, when we passed legislation and made MIPS, the Medicaid in Public Schools, a statewide program, the percentage that schools were being reimbursed by the state for special education... [LB276]

SENATOR KRIST: One minute. [LB276]

SENATOR KOLOWSKI: ...was 90 percent. Today it has dropped to about 50 percent.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

Schools across the state are braving these cuts and continue to provide quality special education services to their students using their own district-raised tax dollars. LB276 allows us to bring additional relief to schools without impeding state and local dollars. This bill is good for our schools and our students, so I encourage you to support LB276 with AM2554. Thank you very much. [LB276]

SENATOR KRIST: Thank you, Senator Kolowski. Senator Campbell, you're recognized. [LB276]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. I stand in support of the amendment and certainly the bill, and I want to thank certainly the Education Committee and Senator Kolowski and Senator Nordquist for this bill. The bill represents a very interesting collaboration. And it oftentimes was a jump ball--I know, it's March madness; I had to use the phrase--between whether this bill should be in Education, the Education Committee, or whether it should be in the Health and Human Services. And primarily I think Health and Human Services finally won out because it has the word "Medicaid" in it and we tend to get all bills having to do with Medicaid. But it has been a great collaboration between two committees, certainly two Chairman--Senator Sullivan and I have talked about this bill--and two legal counsels, one who said, really this is your bailiwick, we need some help here, so would you take it? The Health Committee's interest in this bill certainly has been the number of services that, while we are providing them now to children, we can draw down the federal reimbursement which not only helps our children but helps our schools, and they are very vital to the Health Committee: EPSDT, medical transportation, mental health, nursing, personal care, rehabilitation, vision services, along with the three that we currently are getting reimbursed for. This provides a nice complement of services that are being provided in the schools and an enormous amount of work by Senator Kolowski, Senator Nordquist, and the education folks in terms of bringing this bill and this amendment finally to the floor of the Legislature, and they are to be commended for the work among all these departments. I would heartily endorse the amendment and the bill, and I think we need to do this for our children and our schools. Thank you, Mr. President. [LB276]

SENATOR KRIST: Thank you, Senator Campbell. Senator Coash, you're recognized. [LB276]

SENATOR COASH: Thank you, Mr. President, and good evening, colleagues. I stand in support of LB276 and its amendment. This is the right kind of legislation. It's a little bit late coming but it is certainly at the right time, and in my mind it puts Nebraska kids in a position where we should be putting Nebraska kids, and that's in a priority status when we talk about their health. I won't repeat what some of the other speakers have said but I will...well, yes, I will. I'm just going to repeat it again. Yeah, I am going to repeat what some other speakers have said. We are doing this already. We are not changing

Floor Debate
March 24, 2014

eligibility here, and the schools are already providing the service. And if you listened carefully to Senator Sullivan, this doesn't impact the formula; in fact, it helps the formula. But my comment, what I wanted to comment most upon was the actual services that are proposed to be covered under this bill, and Senator Nordquist went through a whole list of them. I'll focus my comments on speech therapy because that's an area that I know a little bit about. I want to tell you and have on the record what good speech therapy does for a young learner and what happens to a young learner when they need it and don't have it. And one of the things I like about this bill is that this allows the service to be provided in the school. There are lot of children who need it, get it, but they have to go outside of the school to get that, and that sometimes comes at the expense of their learning. Let me start by painting this picture for you. There's a child who needs speech therapy, maybe because of hearing loss or a language disorder, and they struggle to communicate because of that disorder. Here's what happens to that child: They disengage from the classroom. We have a lot of educators in here and you ask them, what happens when a kid disengages from the classroom? They stop learning. When they stop learning we're in a...we really struggle. So if we can provide this speech therapy within the walls of the school, we can reengage these students as they need to be reengaged, and learning can go on. In closing, colleagues, I applaud Senator Nordquist for bringing this bill. I urge your support. And again I will tell you, I think this is the right bill. This is where the Legislature ought to be intervening in matters of healthcare. We ought to intervene on behalf of children, especially when that intervention can have more effect than just the child's health. It can have an effect on the child's learning, which in my mind is a win-win and that's why I support this bill. Thank you, Mr. President. [LB276]

SENATOR KRIST: Thank you, Senator Coash. Senator Johnson, you are recognized. [LB276]

SENATOR JOHNSON: Thank you, Mr. President. I rise in support of LB276 and AM2554. I first became aware of this program that the schools were providing last summer as I went to several education forums with superintendents, teachers, school boards; and just wondered, you know, what's wrong here; why aren't we utilizing this? And, you know, I think it's been pointed out very well that our...most of our schools or several of our schools are providing these services. Our students deserve these services. And really I think it's kind of amazing when two of our committees, two of our service agencies can work together, with a lot of work from a lot of people, can figure out how this is going to work and how it will benefit our entire citizenship in Nebraska as we provide services for these students. Again I totally support LB276 and AM2554. I considered that...was going to consider that as one of my priority bills, but Senator Nordquist had another one that he wanted me to prioritize, so I would be the second priority on this one. Thank you, Mr. President. [LB276]

SENATOR KRIST: Thank you, Senator Johnson. Senator Hansen, you're recognized.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

[LB276]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature that are left here. Senator Coash brought up the group that my wife works with in speech therapy in the North Platte Public School system, finishing her 45th year this year and will retire at the end of June, hopefully. She's had almost 50 years working with me and I know that the speech (ba-bub, ba-bub, ba-bub) therapy works, but it's still something to keep working on. Would Senator Sullivan yield to a question? [LB276]

SENATOR KRIST: Senator Sullivan, will you yield? [LB276]

SENATOR SULLIVAN: Yes, I will. [LB276]

SENATOR HANSEN: Thank you. Every time I hear the words "TEEOSA" and "Medicaid" together in the same paragraph, it makes me a little nervous. So the lower half, the smaller half, whatever you want to call it, of schools that do not get any equalization aid, will there be any Medicaid repayments to them, because they have kids in special ed, too. [LB276]

SENATOR SULLIVAN: Yes, they will. Yes. [LB276]

SENATOR HANSEN: And will that be through the ESU or will it be through the school? [LB276]

SENATOR SULLIVAN: Well, it will just go directly to the schools as reimbursement for their special ed requirements and needs. [LB276]

SENATOR HANSEN: But I read in there, in the fiscal note, at the bottom of the fiscal note they say it will be reimbursed on...through TEEOSA. [LB276]

SENATOR SULLIVAN: Well, the special education reimbursement and the Medicaid reimbursement with this amendment will be considered accountable receipts. So for the equalized school districts, that will count against their equalization aid. [LB276]

SENATOR HANSEN: Okay. [LB276]

SENATOR SULLIVAN: So for them, their TEEOSA funding in the...will potentially go down, the total amount. So it impacts...the nonequalized school districts will still receive reimbursement for their special education costs. [LB276]

SENATOR HANSEN: Okay, that's what I wanted hear. [LB276]

SENATOR SULLIVAN: Yes. Yes. [LB276]

Floor Debate
March 24, 2014

SENATOR HANSEN: Thank you very much. Thank you, Mr. President. [LB276]

SENATOR KRIST: Thank you, Senator Hansen and Senator Sullivan. Seeing no one else in the queue, Senator Nordquist, you're recognized to close on your amendment. [LB276]

SENATOR NORDQUIST: Thank you, Mr. President and members. And I thank Senator Sullivan for...and Senator Hansen for that dialogue to help clarify that. And I think certainly to make...you know, to...we know...you know, I certainly feel passionately about the special ed funding, and it would be my hope that next year, if this does save TEEOSA a significant portion of money, that that would then go back into a reinvestment in special education to make sure that our districts have the resources they need to meet the needs of their children. Again, just to clarify what we're doing here, we're expanding the services that can...that Medicaid would reimburse the school districts for, from the limited three that we're allowed right now. We are making sure that the dollars that the Early Intervention Act is receiving right now for early intervention coordination, service coordination, that all of those dollars will remain in place. So those are the essence of what we're doing here. I want to thank Senator Kolowski for prioritizing, Senator Campbell and her committee for advancing the bill unanimously, Senator Sullivan for her work, and then a lot of staff, my staff, Senator Kolowski's staff, Tammy Barry, legal counsel for the Education Committee, Michelle Chaffee, legal counsel for the Health Committee, and Sandy Sostad from the Fiscal Office for all of your work. When you blend TEEOSA and Medicaid, it does get a little complex at times, but I think we have a very clear path forward with the amendment and the bill. Thank you. [LB276]

SENATOR KRIST: Thank you, Senator Nordquist. You have heard the closing to AM2554 to LB276. The question is the adoption of the amendment. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB276]

CLERK: 31 ayes, 0 nays, Mr. President, on the adoption of Senator Nordquist's amendment. [LB276]

SENATOR KRIST: The amendment is adopted. Seeing no one else in the queue, Senator Nordquist, you're recognized to close. Senator Nordquist waives closing. The question is the advancement of LB276 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB276]

CLERK: 30 ayes, 0 nays, Mr. President, on the advancement of LB276. [LB276]

SENATOR KRIST: LB276 advances. Items for the record? [LB276]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

CLERK: Yes, sir, Mr. President, right before we go to the next bill. Senator Gloor, an amendment to be printed to LB700; Senator Lathrop, a series of amendments to LB1098. That's all that I have. Thank you. (Legislative Journal page 1064.) [LB700 LB1098]

SENATOR KRIST: Next item on the agenda.

CLERK: LB559 offered by Senator Mello. (Read title.) Introduced on January 23 of last year; referred to the Business and Labor Committee. The bill was advanced to General File. I do have committee amendments, Mr. President. (AM1581, Legislative Journal page 599.) [LB559]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Mello, you're recognized to open on your bill. [LB559]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. While Nebraska has not experienced the unprecedented high levels of unemployment that many other states have seen, many Nebraska businesses were negatively impacted during the Great Recession and were forced to lay off thousands of workers. Short-time compensation, also referred to as shared work or work sharing, is an option within the federal-state unemployment insurance system that provides businesses with a valuable tool to prevent layoffs in the case of a temporary economic downturn. LB559 would adopt a short-time compensation or STC program, making Nebraska the 28th state with such a program in the United States. Since 2010, nine states, including just a few of Michigan, New Jersey, Ohio, Oklahoma, and Wisconsin have enacted STC programs, and STC has been recommended by the National Governors Association as a best practice for assisting workers in an economic downturn. Short-time compensation is a voluntary program under which employers can temporarily reduce the normal work hours of a designated employee in lieu of temporary layoffs. For an example, if a Nebraska business faced a 20 percent reduction in their production, ordinary business practices might result in that business laying off one-fifth of their work force. If the business instead chooses to adopt an STC program, they could reduce employee hours by 20 percent while retaining its total work force. Employees whose hours are reduced under an STC plan would then be eligible for prorated unemployment insurance benefits to offset their lost wages. While these benefits would not fully recover their lost income, they help mitigate the loss. As some members of the body may recall, I introduced a similar piece of legislation in 2012, and while my office was in the process of working with the Nebraska Chamber of Commerce and the Nebraska Department of Labor on amendments to that legislation, the United States Congress passed the Middle Class Tax Relief and Job Creation Act, legislation primarily aimed at extending the federal payroll tax cut and unemployment benefits. This legislation also included a section known as the Layoff Prevention Act of 2012, which provided new requirements in

Floor Debate
March 24, 2014

federal law for the state STC programs while also providing federal funding to help states launch new programs and promote STC to both businesses and workers. Since the federal legislation provided new requirements for STC programs, the provisions of LB559 generally track model state language that was drafted by the U.S. Department of Labor. Under the bill an employer wishing to create an STC program must submit a written STC plan to the Nebraska Department of Labor. In order for that plan to be approved by the department, it must meet certain minimum requirements laid out in Section 4 of the bill. These requirements generally track the new federal requirements and include identifying which employees will be affected, providing notification to the affected employees, and certifying that health and retirement benefits will continue to be provided as if the employees' hours had not been reduced. Employers must also certify that they will not hire additional part-time or full-time employees while the STC program is in operation; that the program will not be used to subsidize seasonal employment; and that they have obtained the written consent of any collective bargaining unit if applicable. Short-time compensation has generally been shown to benefit both employers and employees in other states where similar legislation has been adopted. For employers, STC helps businesses to weather economic slowdowns while still retaining their skilled work force; eliminates future business expenses for recruiting, hiring, and training new employees; and helps sustain employee morale and productivity. Employees benefit from keeping their job rather than being unemployed, and are able to retain their health insurance and retirement benefits. In addition to the benefits seen by employers and employees, the state should see benefits from STC as well, as these programs help preserve jobs and maintain consumer spending during economic downturns as well as reduce the burden on Medicaid and other social service programs. Between 2010 and 2008 more than 320,000 jobs nationwide were saved due to STC programs; and based off statistics from states that have had programs in place before the start of the recession, STC programs could have potentially saved more than 1,600 jobs in Nebraska had the program been in place in 2009. One potential concern about LB559 that has been raised is the impact the program could have on the Unemployment Trust Fund. However, a 2011 report from the Congressional Research Office...Congressional Research Service, I'm sorry, found that STC programs have a minimal impact on the balance of state unemployment trust funds. Similar results were found in a survey of state STC programs that was done in Indiana as well as a decade-long study of STC programs in the state of Washington. While the Nebraska Chamber of Commerce has taken a neutral position on LB559, STC programs have received broad support from the business community in other states. One of the handouts that was just distributed contains a sampling of the positive things the Chamber of Commerce and individual businesses in other states have to say about STC programs. In 2012, the state of Washington conducted a voluntary survey of employers who utilized their program. In that survey, 98 percent of employers said they would apply for the program again if needed in the future; 99 percent would recommend the program to other business owners; 93 percent said the program helped them save jobs; and 68 percent said that without the program they would have not survived the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

recession. Support for STC programs around the country spans the political spectrum. Two of the most recent STC laws that have been adopted were in Wisconsin and Ohio, states with Republican controlled legislatures and conservative Republican governors. In Ohio, their STC legislation passed last year on a 31-1 vote in the state senate, and a 94-1 vote in their state house. LB559 was advanced by the Business and Labor Committee on a 7-0 vote and I urge the body to advance LB559 to Select File. Thank you, Mr. President. [LB559]

SENATOR KRIST: Thank you, Senator Mello. As the Clerk stated, there are amendments from the Business and Labor Committee. Senator Lathrop, as the Chair, you're recognized to open on those amendments. [LB559]

SENATOR LATHROP: Thank you, Mr. President and colleagues. Good evening. AM1581 clarifies that if the state qualifies for federal funds to pay benefits, the benefits paid will not be charged to the employer's experience account. Thank you. [LB559]

SENATOR KRIST: Colleagues, you've heard the opening on AM1581 and LB559. Seeing no one wishing to speak, Senator Lathrop, you're recognized to close on the amendment. Senator Lathrop waives closing. The question is the adoption of AM1581 to LB559. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB559]

CLERK: 26 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB559]

SENATOR KRIST: The committee amendments are adopted. [LB559]

CLERK: Mr. President, Senator Mello would move to amend with AM2525. (Legislative Journal page 998.) [LB559]

SENATOR KRIST: Senator Mello, you're recognized. [LB559]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. AM2525 makes three changes that were requested by the Nebraska Department of Labor. First, the amendment would delay implementation of the short-time compensation program until October 1, 2016. Because of the age of the Department of Labor's unemployment insurance computer system, the department asked for additional time to implement LB559 by making the necessary computer and software changes. As I mentioned during the opening on my bill, the Layoff Prevention Act of 2012 provided federal grant funding to help states implement STC programs and conduct outreach activities. States have until December 31, 2014, to apply for these grants, and by moving the implementation date until 2016 we would be ineligible to receive this funding; so AM2525 would strike related provisions in the bill and the committee amendment that was just adopted. Second, AM2525 would prohibit employers who have a negative

Floor Debate
March 24, 2014

experience account balance or who have not been rated by participating in the short-time compensation program. These provisions are generally designed to ensure that only those employers who utilize STC programs are the ones paying for the benefits coming out of the Unemployment Trust Fund. These provisions, while not required under federal law, are commonplace in those states which already have STC programs on the books. Third, AM2525 would strike Section 14 of the bill which provided that if any section of the bill was found to violate federal STC guidelines, that the provision would not apply to the program. This provision was originally included to ensure that our STC program would meet federal guidelines in time to apply for the grants under the Layoff Prevention Act; but since the program implementation would be delayed beyond the relevant grant deadlines, this language is also no longer needed. In addition to the changes requested by the Department of Labor, the amendment clarifies the funding mechanism to ensure that no General Fund dollars would be used to implement LB559. While delaying the implementation date would prevent the Department of Labor from receiving grant funds under the Layoff Prevention Act, there are additional federal funds that the department has available, commonly referred to as Reed Act funds, which would cover the cost of the implementation. The amendment would require that the department use any and all available federal funds to implement the program, including Reed Act funds, and would prohibit the use of General Funds for the underlying bill. I'd urge the body to adopt AM2525. Thank you, Mr. President. [LB559]

SENATOR KRIST: Thank you, Senator Mello. Senator Christensen, you are recognized. [LB559]

SENATOR CHRISTENSEN: Thank you, Mr. President. Would Senator Mello yield to a question? [LB559]

SENATOR KRIST: Senator Mello, will you yield? [LB559]

SENATOR MELLO: Yes. [LB559]

SENATOR CHRISTENSEN: Senator Mello, your amendment just struck everything that we just passed. [LB559]

SENATOR MELLO: You are correct. [LB559]

SENATOR CHRISTENSEN: And we just got done talking about an amendment that would give employers additional security that they're not going to have pay for that. Is that still in here? [LB559]

SENATOR MELLO: That was not the underlying committee amendment, Senator Christensen. Really, the underlying committee amendment changed...was a date

Floor Debate
March 24, 2014

change, more than anything else, that was requested to provide some flexibility. With the amendment, AM2525, this actually provides some safeguards that the Department of Labor requested in the bill that make sure that businesses who can qualify for this program have, one, been...have businesses that have been rated, so they have actually been participating in the Unemployment Insurance Trust Fund, and they don't have a negative balance. So actually this amendment is the safeguards that the Department of Labor brought forward. It was not part of the original committee amendment because they brought them after the committee had already voted the bill out of committee. [LB559]

SENATOR CHRISTENSEN: So you're telling me we're in better shape here without the other amendment then. [LB559]

SENATOR MELLO: I would say that, yes, this amendment is better than the committee amendment only because the committee amendment would have incorporated this in originally if it had been brought forward by the department. It was brought after the committee amendment had already been voted out of committee as part of the bill. And what the committee amendment mostly did dealt with some of the federal funding issues that provided the department the ability to apply for grants to implement and promote this program. That gets stricken out because we're moving the date, upon the request by the Department of Labor, which means they won't qualify for any of the outreach and implementation grants because we moved it past the deadline. [LB559]

SENATOR CHRISTENSEN: So in other words, we won't be able to implement this for a longer time. [LB559]

SENATOR MELLO: No, actually I think it was requested to move it to October 1, specifically because, as I mentioned in my opening, the Department of Labor has apparently a very antiquated computer system that requires significant lag time in regards to upgrading it, in which as they brought forward in a revised fiscal note, and I can discuss it on my closing, they felt having that lag time to October 1 to implement this in 2016 allowed them enough time to be able to fix a very antiquated computer system, apparently. [LB559]

SENATOR CHRISTENSEN: So being the Appropriations Chair, you have taken care of their antiquated computers? [LB559]

SENATOR MELLO: I don't think so completely, Senator Christensen. That's...the Appropriations Committee had a proposal this year to change their computer system. I think what we have in LB559, it provides their ability for them to use federal funds to make upgrades to their computer system. That's part of the bill. That's part of their fiscal note, and we addressed their fiscal note with this amendment. [LB559]

Floor Debate
March 24, 2014

SENATOR CHRISTENSEN: With having an antiquated computer system, can you actually upgrade them or do you have to replace them? [LB559]

SENATOR MELLO: You know what, I think, Senator Christensen, that's an issue that I think the Department of Labor is considering. I'm sure they're evaluating what's the best approach to move forward. In their fiscal note, all I can address and speak to is their fiscal note, that they said it would cost a couple million dollars to upgrade their existing computer system to be able to add this new program in their Unemployment Insurance Trust Fund. Once again I may be skeptical a little bit of that, but the reality is, that is something I've met with the department; they have said this is a very antiquated system and they would like to be able to replace that system at some point in time, but that's not what LB559 does. [LB559]

SENATOR CHRISTENSEN: Okay. Thank you, Senator Mello. If you'd like the rest of the time, take it. [LB559]

SENATOR KRIST: One minute. [LB559]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. And thank you, Senator Christensen. I understand, believe me, of dealing with this issue over the last few years, that I was also skeptical of a computer system that needed this much work. But in talking with other interested parties and talking with the department themselves, they have a very old computer system and when it comes to our Unemployment Insurance Trust Fund and how they apparently operate the Unemployment Insurance payments with our state system, and they feel the need to be able to take over a two-year period. Once again, the department has issued a revised fiscal note that brings the cost down to about half of what it would cost implementationwise, because it's delayed for an additional year than what we had. That I think, if anything, is...that was an olive branch that I decided to agree to in conversations with the department. It also brought down the overall fiscal impact of the department utilizing their federal funds to do this computer upgrade. With that I'd urge the body to adopt AM2525. Thank you, Mr. President. [LB559]

SENATOR KRIST: Thank you, Senator Mello. Seeing no one else in the queue, Senator Mello, you're recognized to close on your amendment. [LB559]

SENATOR MELLO: Mr. President and members of the Legislature, just as a reminder there's three changes in AM2525 that was requested by the Department of Labor. As I mentioned, it deals, first, with making sure that businesses that would qualify for STC programs have been rated by the Department of Labor and the Unemployment Insurance Trust Fund. The second is they can't have negative balances. The third is that we strike language, specific federal language that was referenced in the bill. If there is a conflict between our existing program and the federal program, we would have to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

go back in and make changes in statute to comply with the federal program. There was some constitutionality issues that were raised. And then the fourth amendment, which is what...the amendment that I added to, to what the department requested, was making sure that no General Funds would be used to implement LB559. They have millions of dollars in Reed Act funds that are available to the department to implement this program and the computer changes that are necessary, and we want to just make sure to clarify that this is a federally funded program that they use federal funds to implement it with the adoption changes that we are proposing. With that, I'd urge the body to adopt AM2525. Thank you, Mr. President. [LB559]

SENATOR KRIST: Thank you, Senator Mello. You've heard the closing on AM2525 to LB559. The question is the adoption of the amendment. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB559]

CLERK: 25 ayes, 0 nays on adoption of Senator Mello's amendment. [LB559]

SENATOR KRIST: The amendment is adopted. Seeing no one else wishing to speak, Senator Mello, you're recognized to close on your bill. [LB559]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. As I mentioned, LB559 creates a short-time compensation program. Once again, the general concept of the bill is that when the economic downturn, the next economic downturn comes, it allows businesses to be able to prevent layoffs by reducing their employees' hours, being able to allow their employees to draw partial unemployment insurance. While it doesn't make up for all the salary they've lost, it has been proven in a number of states across the country to help save jobs and help keep skilled work forces during economic downturns. It's a policy that's been supported in a bipartisan fashion across the country from governors and legislatures, and it's a fiscally responsible approach with the adoption of the amendment we just had on AM2525 to make sure that the Department of Labor utilizes their existing federal funds available to help implement this project moving forward. With that, I urge the body to adopt LB559. Thank you, Mr. President. [LB559]

SENATOR KRIST: Thank you, Senator Mello. The question, members, is the advancement of LB559 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB559]

CLERK: 25 ayes, 0 nays, Mr. President, on the advancement of LB559. [LB559]

SENATOR KRIST: LB559 advances. Any items for the record? [LB559]

CLERK: I have no items, Mr. President.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 24, 2014

I have a priority motion. Senator Howard would move to adjourn the body until Tuesday, March 25, at 9:00 a.m.

SENATOR KRIST: You have heard the motion. All those in favor, aye. Opposed, nay. We are adjourned until tomorrow morning.