

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

Floor Debate  
February 23, 2016

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[LB221 LB447A LB540 LB607 LB677 LB698 LB704 LB708 LB730 LB768 LB770A LB772  
LB794 LB801 LB803 LB808 LB817 LB830 LB849 LB851 LB860 LB867A LB869 LB877  
LB978 LB1022 LB1050 LB1059 LB1092 LR152 LR155 LR434 LR435 LR436 LR445 LR446  
LR447 LR448]

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: GOOD MORNING, LADIES AND GENTLEMEN, AND WELCOME TO THE GEORGE W. NORRIS LEGISLATIVE CHAMBER FOR THE THIRTY-FIRST DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, SECOND SESSION. OUR CHAPLAIN FOR TODAY IS PASTOR GARY WISSEL OF THE CROSSROADS BIBLE CHURCH IN MANLEY, NEBRASKA, LOCATED IN SENATOR KINTNER'S DISTRICT. PLEASE RISE.

PASTOR WISSEL: (PRAYER OFFERED.)

PRESIDENT FOLEY: THANK YOU, PASTOR WISSEL. I CALL TO ORDER THE THIRTY-FIRST DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, SECOND SESSION. SENATORS, PLEASE RECORD YOUR PRESENCE. ROLL CALL. MR. CLERK, PLEASE RECORD.

CLERK: I HAVE A QUORUM PRESENT, MR. PRESIDENT.

PRESIDENT FOLEY: THANK YOU, MR. CLERK. ARE THERE ANY CORRECTIONS FOR THE JOURNAL?

CLERK: I HAVE NO CORRECTIONS.

PRESIDENT FOLEY: THANK YOU, MR. CLERK. ARE THERE ANY MESSAGES, REPORTS, OR ANNOUNCEMENTS?

CLERK: MR. PRESIDENT, YOUR COMMITTEE ON ENROLLMENT AND REVIEW REPORTS LB221 AS CORRECTLY ENGROSSED. YOUR COMMITTEE ON GOVERNMENT, CHAIRED BY SENATOR MURANTE, REPORTS LB677, LB978 TO GENERAL FILE; AND LB851 AND LB877 TO GENERAL FILE WITH AMENDMENTS. THAT'S ALL THAT I HAVE. (LEGISLATIVE JOURNAL PAGES 689-694.) [LB221 LB677 LB978 LB851 LB877]

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PRESIDENT FOLEY: THANK YOU, MR. CLERK. WHILE THE LEGISLATURE IS IN SESSION AND CAPABLE OF TRANSACTING BUSINESS I PROPOSE TO SIGN AND DO HEREBY SIGN LR434, LR435, AND LR436. (DOCTOR OF THE DAY INTRODUCED.) MR. CLERK, WE'LL NOW PROCEED TO THE FIRST ITEM ON THE AGENDA, LEGISLATIVE CONFIRMATION REPORT. MR. CLERK. [LR434 LR435 LR436]

CLERK: MR. PRESIDENT, HEALTH AND HUMAN SERVICES COMMITTEE, CHAIRED BY SENATOR CAMPBELL, REPORTS ON THREE APPOINTMENTS. (LEGISLATIVE JOURNAL PAGES 669-670.)

PRESIDENT FOLEY: THANK YOU, MR. CLERK. SENATOR CAMPBELL, YOU'RE RECOGNIZED TO OPEN ON THE CONFIRMATION REPORT.

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. COLLEAGUES, TODAY, WE BRING YOU TWO APPOINTMENTS TO THE COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED. THE FIRST IS MICHAEL HANSEN FROM LINCOLN, WHO IS A REAPPOINTMENT TO THAT COMMISSION. MR. HANSEN GRADUATED FROM SOUTHEAST COMMUNITY COLLEGE. HE WORKS AT THE UNIVERSITY OF NEBRASKA IN THE TELEPHONE SYSTEMS ADMINISTRATION. HE INDICATED TO THE COMMITTEE THAT HIS OPTIC NERVES DID NOT EVER DEVELOP AND HE, THEREFORE, HAS SOME VISION, BUT IT IS FAIRLY POOR. HE BELIEVES THAT ONE OF THE MAJOR EMPHASIS FOR THE COMMISSION IN THE COMING YEARS SHOULD BE THE WORK FORCE THAT IS REPRESENTED IN THE OPPORTUNITY AND INNOVATIONS ACT, AND REALLY FEELS THAT WE SHOULD BE LOOKING AT THIS CAREFULLY BECAUSE IT CHANGES THE FUNDING AND EARMARKS CERTAIN ACTIVITIES BUT NOT MORE MONEY. AND SO THEREFORE, HE IS CONCERNED AND IS WATCHING FOR WHAT SERVICES WILL BE AVAILABLE TO NEBRASKANS AND WHAT SERVICES WE MAY NOT SEE AS MUCH OF AND IS PARTICULARLY INTERESTED IN THE TRANSITION SERVICES FOR CHILDREN AND YOUTH AND YOUTH IN THEIR EARLY 20s. THE SECOND APPOINTMENT TO THE COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED IS A NEW APPOINTMENT, MR. CHAD BELL FROM ALLIANCE. AND MR. BELL RAISES HOGS AND CATTLE WITH HIS FAMILY ON A RANCH AND FARM. IN 1995 HE GRADUATED FROM HIGH SCHOOL AND THE NEXT SEPTEMBER HAD AN AUTOMOBILE ACCIDENT IN WHICH HIS BACK WAS BROKEN. HE NEEDED TO HAVE BACK SURGERY AND AFTER THAT SURGERY HE WAS TOTALLY BLIND. HE SPENDS TIME VOLUNTEERING ON THE FRIENDS OF THE COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED AND SERVES ON THAT STATE BOARD. AND THAT'S PARTICULARLY AN IMPORTANT ORGANIZATION BECAUSE IT WORKS WITH A LOT OF YOUNG PEOPLE WHO MAY BE FACING POOR VISION OR WHO ARE BLIND AND AFFORDS SERVICES TO THEM.

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HE ALSO SERVES ON THE BOX BUTTE COUNTY AMERICAN RED CROSS BOARD. OUR THIRD APPOINTMENT TODAY IS, IF YOU WOULD TAKE TIME TO LOOK AT THE HANDOUT THAT WE HAVE DISTRIBUTED ON YOUR DESK, THIS IS OUR THIRD DIRECTOR CONFIRMATION...

PRESIDENT FOLEY: EXCUSE ME, SENATOR. MEMBERS, PLEASE COME TO ORDER. PLEASE CONTINUE, SENATOR.

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. THIS IS OUR THIRD DIRECTOR FROM THE DIVISION OF HEALTH AND HUMAN SERVICES, SHERI DAWSON, WHO IS THE DIRECTOR OF THE DIVISION OF BEHAVIORAL HEALTH. MS. DAWSON HAS HAD QUITE AN INTERESTING CAREER. SHE IS A REGISTERED NURSE AND GRADUATED FROM THE BRYAN SCHOOL OF NURSING IN LINCOLN AND EARNED A BACHELOR'S DEGREE FROM NEBRASKA WESLEYAN IN HEALTH SCIENCES FOR NURSES. SHE BEGAN HER CAREER IN A HOSPITAL AS A NURSE IN OSCEOLA, NEBRASKA AND THEN MOVED TO TEXAS AND THEN MOVED BACK TO SERVE...IN TEXAS SHE SERVED THE METHODIST HOSPITAL IN DALLAS. SHE TOOK HER NURSING CAREER WHILE SHE WAS IN DALLAS TO THE NEXT STEP OF WORKING IN A PSYCHIATRIC FACILITY. THEY RETURNED TO NEBRASKA AND SHE BECAME THE ASSOCIATE DIRECTOR OF NURSING FOR THE LINCOLN REGIONAL CENTER AND THEN ALSO WORKED WITH BRYAN HEALTH IN 1993. SHE WAS THE NURSE MANAGER OF THE CHILD AND ADOLESCENT MENTAL HEALTH SERVICES AND WAS A FOUNDING MEMBER, FOR THE LINCOLN PEOPLE, OF THE CHILD ADVOCACY TEAM. SHE ALSO THEN WAS A NURSE, A SURVEYOR, AND CONSULTANT FOR THE DIVISION OF PUBLIC HEALTH AND THEN SERVED NUMEROUS POSITIONS IN THE BEHAVIORAL HEALTH DEPARTMENT. SHE WORKS WELL WITH OTHER DHHS DIVISIONS AND THAT'S ONE HER PRIME OBJECTIVES IS TO COLLABORATE WITH CORRECTIONS, PROBATION, THE SIX BEHAVIORAL HEALTH REGIONS, AND PROVIDER ORGANIZATIONS THROUGHOUT THIS STATE. SHE HAS TALKED TO THE HEALTH AND HUMAN SERVICES COMMITTEE ABOUT THE IMPORTANCE OF THE ASSESSMENT THAT HAS BEEN DONE WHICH WILL PROVIDE DATA FOR THE STRATEGIC PLAN. AND A LOT OF DISCUSSION WAS HELD BY THE SPECIAL CORRECTIONS COMMITTEE ON THAT STRATEGIC PLAN. THE HEALTH AND HUMAN SERVICES FORWARDED HER APPOINTMENT TO THE FULL LEGISLATURE UNANIMOUSLY. AND WITH THAT, WE WOULD ENCOURAGE YOUR GREEN VOTE ON THESE APPOINTMENTS. THANK YOU, MR. PRESIDENT.

PRESIDENT FOLEY: THANK YOU, SENATOR CAMPBELL. DISCUSSION IS NOW OPEN ON THE CONFIRMATION REPORT. SENATOR SCHUMACHER, YOU'RE RECOGNIZED.

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SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR, MEMBERS OF THE BODY. ONE OF THE APPOINTMENTS THAT WE ARE LOOKING AT THIS MORNING, SHERI DAWSON, IS A VERY IMPORTANT APPOINTMENT CONSIDERING THE FACT THAT THIS DIRECTOR OF DIVISION OF BEHAVIORAL HEALTH IS, IN MANY RESPECTS IF YOU READ THE LAW, THE MENTAL HEALTH CZAR IN NEBRASKA HAVING BROAD-RANGING AUTHORITY OVER THE DISTRIBUTION OF MONEY THROUGH THE ENTITIES WE CALL REGIONS, WHICH SUPPOSEDLY UNDER LOCAL GUIDANCE OF SOME COUNTY BOARD MEMBERS ARE THE MECHANISM BY WHICH WE DO MENTAL HEALTH. WE KNOW FROM THE LAST THREE OR FOUR YEARS OF HEARINGS REGARDING OUR PRISON SYSTEM THAT OUR MENTAL HEALTH COMPONENT IS VERY, VERY IMPORTANT TO KEEPING THAT PRISON POPULATION UNDER CONTROL, OR MORE APPROPRIATELY, GETTING IT UNDER CONTROL. AND IT HAS TO BE VERY, VERY ACTIVE AND VERY, VERY ACTIVE AND DIRECTIVE THINGS HAVE GOT TO COME OUT OF THE DIRECTOR OF THE DIVISION OF BEHAVIORAL HEALTH. MS. DAWSON, WHEN I'VE TALKED TO HER, HAS INDICATED THAT SHE IS PERFECTLY PREPARED TO DELIVER ON THOSE DUTIES OF DIRECTING THE REGIONS TO DO WHAT THEY SHOULD BE DOING, OF GIVING THEM GUIDANCE THAT HAS NOT BEEN GIVEN THEM IN THE LAST 10 OR 20 YEARS, OF REINING THIS SYSTEM IN AND TELLING US QUITE FRANKLY WHAT MONEY IS NEEDED. I AM TRUSTING THAT SHE WILL DO THAT. IF THAT TURNS OUT NOT TO BE THE CASE AND THIS TURNS OUT TO BE JUST ANOTHER BUREAUCRATIC MANEUVER, THEN I WILL RISE AGAIN BEFORE THIS BODY NOT ONLY IN COMMENT BUT IN FUTURE LEGISLATION. WE NEED THE CZAR OF MENTAL HEALTH TO BEHAVE LIKE THE CZAR OF MENTAL HEALTH, AND I TRUST THAT MS. DAWSON WILL TRY TO DO THAT. THANK YOU.

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. SENATOR KRIST, YOU'RE RECOGNIZED.

SENATOR KRIST: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES, AND GOOD MORNING, NEBRASKA. LET ME JUST SAY TO SENATOR SCHUMACHER'S POINT, DITTO, DITTO, DITTO. WHAT WE HAVE SEEN IN THE SPECIAL INVESTIGATIVE COMMITTEES OVER THE PAST FOUR YEARS IS A LACK OF EMPHASIS ON BEHAVIORAL AND MENTAL HEALTH SERVICES ACROSS THE STATE, AND THE DIVERSITY OF THIS STATE MAKES IT VERY DIFFICULT TO GET THOSE SERVICES OUT THERE. WHEN WE LOOK AT ARGUABLY SOMEWHERE BETWEEN 25 PERCENT AND 40 PERCENT OF THE PEOPLE WHO ARE IN OUR CORRECTIONS SYSTEM REALLY NEEDING TO BE IN A BEHAVIORAL OR MENTAL HEALTH FACILITY, OR AT LEAST HAVE THOSE SERVICES AVAILABLE WITHIN THE CORRECTIONS, WE HAVE NEGLECTED OVER THE LAST X NUMBER OF YEARS

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REINVESTING IN BEHAVIORAL MENTAL HEALTH, AS WELL AS INVESTING IN OUR CORRECTIONS SYSTEM. SHE WILL BE KEY TO BRINGING BACK THOSE BEHAVIORAL AND MENTAL HEALTH SERVICES ACROSS THE STATE. I BELIEVE THAT SHERI DAWSON IS UP TO THE CHALLENGE. I HOPE SHE IS UNENCUMBERED BY THOSE WHO WOULD HOLD HER BACK IN TERMS OF ASKING FOR THE APPROPRIATE AMOUNT OF RESOURCES. THOSE RESOURCES INCLUDE BOTH CASH AND HUMAN RESOURCES. I WISH HER WELL BUT I, ALONG WITH SENATOR SCHUMACHER, WILL BE WATCHING WHAT HAPPENS. SHE WILL BE A KEY FIGURE TO TURNING THE STATE'S BEHAVIORAL, MENTAL HEALTH, AND CORRECTIONS PROGRAMS INTO WHAT THEY NEED TO BE. THANK YOU.

PRESIDENT FOLEY: THANK YOU, SENATOR KRIST. SENATOR CHAMBERS, YOU'RE RECOGNIZED.

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, MY COMMENTS DO NOT GO TO THIS PARTICULAR NOMINEE. BUT I MADE THE MISTAKE OF VOTING FOR A GUY NAMED WEINBERG WITHOUT HAVING DONE ANY RESEARCH, AND I HAD INDICATED, I THINK, ON THAT DAY, AND IF NOT ON THAT DAY ON OTHER OCCASIONS, IF I DON'T HAVE A REASON TO VOTE AGAINST A NOMINEE, I WILL VOTE FOR. THIS MAN CAME BEFORE THE JUDICIARY COMMITTEE. HE SPOKE IN FAVOR OF ONE OF THE WORST BILLS THAT I EVER SAW. THIS BILL ALLOWS DISCRIMINATION BY THESE VARIOUS AGENCIES. AND FOR HIM TO SPEAK IN FAVOR OF THAT AND PUT THE STATE ON RECORD, AND THE GOVERNOR'S ADMINISTRATION ON RECORD IN FAVOR OF THAT DISCRIMINATION WAS VERY, VERY DISTURBING TO ME, AND I EVEN TOLD HIM THAT HE SEEMED TO BE VERY DUMB TO ME. HE WAS TO BE HEAD OF CHILDREN AND FAMILIES OR SOMETHING LIKE THAT, AND HE HAD A DEGREE IN BUSINESS ADMINISTRATION--NO TRAINING WHATSOEVER. AND I'M NOT GOING TO TRUST THE JUDGMENT OF THE GOVERNOR IN MAKING THESE KIND OF APPOINTMENTS, SO IN ORDER THAT I DON'T BLUNDER AGAIN I'LL SIMPLY NOT BE VOTING ON ANY NOMINATIONS HE MAKES TO ANY POSITION IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES. THIS MAN HAD NOT THOROUGHLY READ THE BILL. THERE WAS AN AMENDMENT WHICH WAS VERY CRITICAL AND MAY HAVE REPLACED ALL, OR MOST OF THE BILL IF NOT ALL OF IT, WHICH HE HAD NOT REALLY CONSIDERED. HE WAS VAGUE ON WHETHER OR NOT HE HAD TALKED TO THE LEGAL DEPARTMENT OF HHS. AND IN FACT, I HAD PREPARED A MOTION TO OFFER THE FOLLOWING DAY TO RECONSIDER THAT NOMINATION SO THAT I COULD VOTE NO. BUT AFTER DISCUSSIONS WITH THE CLERK, WHAT I FEARED TO BE THE CASE WAS THE CASE. SINCE THE BODY HAD VOTED TO ACCEPT THAT NOMINATION, ALL OF THE RIGHTS, PRIVILEGES, AND WHATEVER WOULD

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ATTACH AT THAT TIME AND IT COULDN'T BE WITHDRAWN. ONE TIME WE RECONSIDERED ONE OF THESE ISSUES INVOLVING THE GOVERNOR'S APPOINTEE OF A GUY TO THE HHS DEPARTMENT IN THE REALM OF HEALTH AND SENATOR MELLO OFFERED A RECONSIDERATION MOTION THE FOLLOWING DAY AND THAT COULD TAKE PLACE BECAUSE THE BODY HAD REJECTED THAT MATTER, SO NOTHING WAS BEING UNDONE. THAT MAN WOUND UP QUITTING. SO THESE APPOINTMENTS, WITH ALL DUE RESPECT TO THE MEMBERS OF THE HEALTH AND HUMAN SERVICES COMMITTEE, I WILL NOT VOTE FOR ANY NOMINEE THEY PRESENT TO US WHO WILL TAKE A POSITION IN HHS. I THINK THE GOVERNOR WAS INCOMPETENT IN MAKING THE APPOINTMENT. I THINK IT WAS INCOMPETENT TO THE POINT OF BEING NEGLIGENT AND A VIOLATION OF HIS DUTY AND OFFICE TO FAITHFULLY ADMINISTER THE LAWS AND DO THE JOB OF THE CHIEF EXECUTIVE. I'M SAYING THESE THINGS TO SHOW HOW STRONGLY I FEEL ABOUT IT. THESE ARE IMPORTANT POSITIONS, AND I WILL NOT ANYMORE SIMPLY RUBBER STAMP THESE INDIVIDUALS WHO MAY OR MAY NOT BE...

PRESIDENT FOLEY: ONE MINUTE.

SENATOR CHAMBERS: ...QUALIFIED. IF THEY'RE QUALIFIED, FINE. IF THEY'RE NOT, NOTHING CAN BE DONE ABOUT IT AND WE'LL JUST HAVE TO LET THEM GO ALONG AND BLUNDER AND BLUNDER TO THE POINT WHERE SOMEBODY SUCH AS MYSELF CAN CREATE SO MUCH EMBARRASSMENT FOR THE ADMINISTRATION THEY WILL FIND A WAY TO GET THAT PERSON OUT OF THAT POSITION. I WANTED THAT ON THE RECORD AS AN EXPLANATION OF HOW I INTEND TO DEAL WITH THESE TYPES OF APPOINTMENTS. THANK YOU, MR. PRESIDENT.

PRESIDENT FOLEY: THANK YOU, SENATOR CHAMBERS. SENATOR KINTNER, YOU'RE RECOGNIZED. SENATOR KINTNER.

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. YOU KNOW, WHEN YOU'RE THE GOVERNOR YOU'RE GOING TO APPOINT PEOPLE THAT ARE GOING TO CARRY OUT WHAT YOU WANT DONE. AND IF THEY DON'T CARRY OUT WHAT YOU WANT DONE, THEY WILL BE FIRED. SO WHEN YOU HAVE A CONSERVATIVE GOVERNOR, HE'S GOING TO APPOINT PEOPLE THAT ARE CONSERVATIVE OR AT LEAST WILL DO WHAT HE TELLS THEM TO DO. TO THINK THAT YOU'RE GOING TO GET THE GOVERNOR TO APPOINT SOMEONE THAT WILL DO OTHER THAN WHAT HE WANTS IN CARRYING OUT HIS AGENDA, I THINK, IS RIDICULOUS. AND SO, YOU KNOW, I REALLY DON'T KNOW WHY WE SIT HERE AND ARGUE ABOUT THIS

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PERSON BECAUSE THE GOVERNOR'S POLICY WILL BE CARRIED OUT BY WHOEVER IS APPOINTED. EVEN IF IT'S NOT THIS PERSON, IT'S GOING TO BE CARRIED OUT. HE WAS ELECTED BY A LARGE MAJORITY, AND HIS AGENDA IS GOING TO BE PURSUED BY THE ADMINISTRATION. DOESN'T HAVE TO BE PURSUED BY THIS BODY, BUT YOU CAN EXPECT THE EXECUTIVE BRANCH TO GO IN THAT SAME DIRECTION. SO I JUST THINK THAT TO CRITICIZE THIS NOMINEE BECAUSE HE REPRESENTS THIS ADMINISTRATION IS JUST NOT QUITE THE RIGHT WAY TO GO, AND I THINK THAT WE SHOULD JUST MOVE FORWARD. IF HE'S QUALIFIED. IF HE'S GOT THE RIGHT EDUCATION, HE'S GOT A CLEAN BACKGROUND, THEN I THINK WE SHOULD MOVE FORWARD ON HIM. THANK YOU, MR. PRESIDENT.

PRESIDENT FOLEY: THANK YOU, SENATOR KINTNER. SENATOR CHAMBERS, YOU'RE RECOGNIZED.

SENATOR CHAMBERS: MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I THOUGHT WHAT I SAID WAS CLEAR. I AM NOT PREPARED TO ALLOW SENATOR KINTNER'S EXPRESSION TO REFLECT WHAT THE WILL OF THE LEGISLATURE IS, WHAT THE UNDERSTANDING OF THE LEGISLATURE IS. BUT IF HE MISUNDERSTOOD, MAYBE OTHERS DID WHO WERE NOT LISTENING ANY BETTER THAN HE DID. WHEN I STARTED, I SAID MY COMMENTS HAVE NOTHING TO DO WITH THIS APPOINTEE. I DON'T KNOW ANYTHING ABOUT THIS PERSON. BUT I EXPLAINED WHY I WOULD NOT VOTE FOR THESE NOMINEES, AND THEN I TALKED ABOUT WHAT A SPECIFIC INDIVIDUAL HAD DONE, AND ALL SENATOR KINTNER COULD THINK ABOUT, OH, HE'S ATTACKING A CONSERVATIVE GOVERNOR, ALL THAT SILLINESS THAT HE OFTEN COMES UP WITH BECAUSE HE DOES NOT PAY ATTENTION. AND I WILL NOT ALLOW WHAT I SAID TO BE MISCONSTRUED WITHOUT CORRECTING HIS ERRONEOUS NOTION. WHO DOES NOT KNOW THAT A POLITICIAN IS GOING TO PUT PEOPLE IN OFFICE OR POSITIONS WHO WILL FOLLOW HIS LEAD? THAT'S WHY WHEN HE APPOINTS SOMEBODY TO A SEAT IN THE LEGISLATURE THAT PERSON IS GOING TO DIVINE WHAT THE GOVERNOR WANTS FIRST AND VOTE THAT WAY ALL THE TIME. THAT PERSON IS NOT A VOICE BUT AN ECHO. WE ALL KNOW THAT. I'VE BEEN HERE LONG ENOUGH, AND I HAVE SEEN IT. BUT WHEN MY WORDS ARE TWISTED AND MADE TO PRESENT A FALSE NOTION, IT MAKES ME THINK OF A POEM RUDYARD KIPLING WROTE CALLED IF. IF YOU CAN KEEP...I'M NOT GOING TO GO THROUGH THE WHOLE THING, BUT SOME PEOPLE THOUGHT THE FIRST COUPLE OF LINES DEALT WITH THE EXECUTIONER. IF YOU CAN KEEP YOUR HEAD WHEN ALL ABOUT YOU/ ARE LOSING THEIRS AND BLAMING IT ON YOU. THEY THOUGHT THAT WAS THE EXECUTIONER BEING TALKED ABOUT. IF YOU CAN TRUST

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YOURSELF WHEN ALL MEN DOUBT YOU/ BUT MAKE ALLOWANCE FOR THEIR DOUBTING TOO/ IF YOU CAN STAND TO WATCH THE WORDS YOU'VE SPOKEN/ TWISTED BY KNAVES TO MAKE A TRAP FOR FOOLS/ IF YOU CAN WATCH THE THINGS YOU GAVE YOUR LIFE TO, BROKEN/ AND STOOP AND BUILD THEM UP AGAIN WITH WORN-OUT TOOLS/ IF YOU CAN FILL EACH UNFORGIVING MINUTE/ WITH SIXTY SECONDS WORTH OF DISTANCE RUN/ YOURS IS THE EARTH AND EVERYTHING THAT'S IN IT/ AND--WHICH IS MORE--YOU'LL BE A MAN, MY SON. HE SHOULD HAVE FIXED THAT SO THAT IT WOULD INCLUDE YOUNG LADIES ALSO. BUT SEE, THAT'S JUST ANOTHER INDICATION OF HOW FORGETFUL I AM AND HOW MY MEMORY SLIPS AT MY ADVANCED AGE AND HOW I ALWAYS SAY THAT MY BRAIN CELLS ARE TEFLON AND NOTHING STICKS. AND YOU ALL'S BRAINS ARE VELCRO WHERE EVERYTHING STICKS. BUT I WOULD SUGGEST THAT THOSE WHO HAVE VELCRO BRAIN CELLS WHERE EVERYTHING STICKS SHOULD TRY TO MAKE SURE THAT THEY HEAR CORRECTLY AND UNDERSTAND WHAT IT IS THEY'RE MAKING STICK. THANK YOU, MR. PRESIDENT.

PRESIDENT FOLEY: THANK YOU, SENATOR CHAMBERS. SEEING NO OTHER MEMBERS WISHING TO SPEAK, SENATOR CAMPBELL, YOU'RE RECOGNIZED TO CLOSE ON THE CONFIRMATION REPORT.

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. COLLEAGUES, I WOULD REMIND YOU THAT THE CONFIRMATION REPORT TODAY INCLUDES TWO NOMINEES FOR THE COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED, AND THE THIRD FOR SHERI DAWSON AS THE DIRECTOR OF THE DIVISION OF BEHAVIORAL HEALTH. I WANT YOU TO KNOW THAT LAST YEAR I TOOK TO HEART SOME OF THE COMMENTS THAT THE SENATORS HAD MADE WHEN WE WERE VOTING ON DIRECTORS FOR THE DEPARTMENT. AND THAT IS WHY THIS YEAR I HAVE PROVIDED TO EACH OF YOU ON THE MORNING THAT WE VOTE, ON YOUR DESK, THE TESTIMONY THAT THAT DIRECTOR GAVE TO THE HEALTH AND HUMAN SERVICES COMMITTEE SO THAT YOU COULD REVIEW THEIR QUALIFICATIONS, WHAT THEY HAVE DONE IN THEIR CAREER, AND WHAT THEY SEE COMING IN THEIR DIVISION IN THE FUTURE. SO I MUCH APPRECIATE THE CONVERSATION THIS MORNING BECAUSE IT ILLUSTRATES ALL OF THE COMMENTS FROM THE SENATORS ON THE FLOOR ILLUSTRATE HOW IMPORTANT THE VOTE ON THE CONFIRMATIONS OF THE DIRECTORS ARE. THEY ARE IMPORTANT, AND THAT'S WHY YOU'VE BEEN GIVEN THEIR COMMENTS DIRECTLY AS THEY SPOKE TO THE COMMITTEE. AND WITH THAT, I WOULD URGE YOUR GREEN VOTE ON THE CONFIRMATION REPORT. THANK YOU, MR. PRESIDENT.



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PRESIDENT FOLEY: THANK YOU, SENATOR CAMPBELL. MEMBERS, YOU'VE HEARD THE DISCUSSION OF THE CONFIRMATION REPORT OF THE HEALTH AND HUMAN SERVICES COMMITTEE. THE QUESTION IS THE ADOPTION OF THE REPORT. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD PLEASE, MR. CLERK.

CLERK: (RECORD VOTE, LEGISLATIVE JOURNAL PAGE 695.) 36 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF THE CONFIRMATION REPORT.

PRESIDENT FOLEY: THE CONFIRMATION REPORT IS ADOPTED. CONTINUING ON WITH THE AGENDA, GENERAL FILE, 2016 COMMITTEE PRIORITY BILLS. MR. CLERK.

CLERK: MR. PRESIDENT, IF I MAY, JUST ONE QUICK ANNOUNCEMENT, HEALTH COMMITTEE WILL MEET IN EXECUTIVE SESSION UNDER THE NORTH BALCONY IMMEDIATELY. MR. PRESIDENT, LB772, THE FIRST BILL ON GENERAL FILE THIS MORNING, INTRODUCED BY SENATOR SCHUMACHER. (READ TITLE.) IT WAS INTRODUCED ON JANUARY 6 OF THIS YEAR. AT THAT TIME REFERRED TO THE BANKING, COMMERCE AND INSURANCE COMMITTEE. THE BILL WAS ADVANCED TO GENERAL FILE. I HAVE NO AMENDMENTS PENDING AT THIS TIME, MR. PRESIDENT. [LB772]

PRESIDENT FOLEY: THANK YOU, MR. CLERK. SENATOR SCHUMACHER, YOU'RE RECOGNIZED TO OPEN ON LB772. [LB772]

SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR, MEMBERS OF THE BODY. LB772 DEALS WITH SOMETHING CALLED GROUP-WIDE SUPERVISORS. IT COMES TO US AS PART OF MODEL LEGISLATION FROM THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS OF WHICH THE STATE OF NEBRASKA, DEPARTMENT OF INSURANCE, IS A VERY ACTIVE PARTICIPANT BECAUSE OF OUR VERY HEALTHY AND VIBRANT INSURANCE INDUSTRY, AN INSURANCE BASE IN THE STATE. IT IS A BANKING, COMMERCE AND INSURANCE COMMITTEE PRIORITY BILL. IT ADVANCED OUT OF COMMITTEE 8-0 AND IT CARRIES NO FISCAL NOTE FORTUNATELY. IN PART OF THE GAME PLAN ON THIS, SENATOR LINDSTROM HAS A BILL, LB819, WHICH I UNDERSTAND HE WILL INTRODUCE...WHICH IS OUT OF BANKING COMMITTEE, AND HE WILL INTRODUCE ON SELECT FILE AFTER THIS BILL, HOPEFULLY, MOVES TO SELECT FILE. THIS ENTIRE TYPE OF LEGISLATION, AND WE'VE SEEN SEVERAL PIECES OF IT OVER THE LAST FEW YEARS, IS AN OUTGROWTH OF THE ATTEMPT BY GOVERNMENT,

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BOTH A NATIONAL LEVEL AND A STATE LEVEL TO RESPONSIBLY REGULATE, PREDICT, LEARN ABOUT, AND WHAT NEEDS TO BE DONE WITH LARGE FINANCIAL INSTITUTIONS INCLUDING INSURANCE COMPANIES. LB772 WOULD ADDRESS THE GROUP-WIDE SUPERVISION OF INTERNATIONAL GROUPS OF INSURANCE CARRIERS. IT IS A MODEL LAW, AS I SAID, UNDER THE PROPOSALS OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS WHO HAVE BEEN WORKING WITH INSURANCE REGULATORS AND SUPERVISORS INTERNATIONALLY TO ADDRESS REGULATION AND SUPERVISION OF LARGE INSURANCE GROUPS WHO ARE IN MULTIPLE COUNTRIES. THESE TYPES OF INSURANCE GROUPS ARE IMPORTANT TO THE GLOBAL ECONOMY AND REQUIRE CLOSE COOPERATION AND COMMUNICATION BETWEEN INSURANCE REGULATORS IN MULTIPLE JURISDICTIONS. NEBRASKA IS A REGULATORY HOME OF LEADING INSURANCE COMPANIES, AND A FEW OF THESE TYPES OF INTERNATIONAL INSURANCE GROUPS. AS A RESULT, LB772 IS NEEDED TO ALLOW OUR DEPARTMENT OF INSURANCE TO CONTINUE TO PARTICIPATE IN THE GROUP-WIDE SUPERVISION OF THESE INTERNATIONAL INSURANCE GROUPS. THE LEGISLATION ALLOWS THE DIRECTOR TO DETERMINE WHETHER OR NOT AN INSURANCE HOLDING COMPANY SYSTEM, WHICH IS THE PARENT ORGANIZATION OF INSURANCE GROUPS WHICH HAVE ONE OR MORE ENTITIES, INCLUDING OTHER INSURERS WITHIN IT. THE CRITERIA FOR INTERNATIONAL INSURANCE GROUPS ARE AS FOLLOWS: PREMIUM WRITTEN IN THREE COUNTRIES, INTERNATIONAL PREMIUM OF AT LEAST 10 PERCENT OF GROSS PREMIUMS, AND TOTAL ASSETS OF AT LEAST \$50 BILLION, OR TOTAL GROSS PREMIUMS OF AT LEAST \$10 BILLION. IF A HOLDING COMPANY SYSTEM DOES NOT MEET THE CRITERIA, THE LEGISLATION ALLOWS THE DIRECTOR TO DETERMINE IF THE SYSTEM IS AN INTERNATIONAL INSURANCE GROUP IF IT HAS SIGNIFICANT INTERNATIONAL INSURANCE OPERATIONS OTHERWISE. THIS WILL ALLOW FOR A HOLDING COMPANY SYSTEM TO OPT IN TO THIS TYPE OF SUPERVISION IF IT IS APPROACHING THE LEVELS OF THE CRITERIA OR IF THE DIRECTOR DETERMINES THAT THE HOLDING COMPANY SYSTEMS REQUIRE THIS TYPE OF REGULATION. IF A HOLDING COMPANY SYSTEM IS DETERMINED TO BE AN INTERNATIONAL INSURANCE GROUP, LB772 ALLOWS IT TO HAVE A GROUP-WIDE SUPERVISOR. THE LEGISLATION EXPLICITLY ALLOWS FOR THE DIRECTOR TO SERVE AS THE GROUP-WIDE SUPERVISOR FOR CERTAIN INTERNATIONAL INSURANCE GROUPS AND ACKNOWLEDGES OTHER CHIEF INSURANCE REGULATORY OFFICIALS IN OTHER STATES AND INTERNATIONAL JURISDICTIONS, BOTH DOMESTIC AND FOREIGN, TO ACT AS SUPERVISOR FOR OTHER TYPES OF GROUPS. LB772 CREATES A PROCESS FOR THE SELECTION OF THE GROUP-WIDE SUPERVISOR, AND THE SPIRIT OF THE LEGISLATION IS ONE IN COOPERATION BETWEEN JURISDICTIONS AROUND THE GLOBE. THE BILL PROVIDES FOR A SPECIFIC DUTIES FOR THE

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GROUP-WIDE SUPERVISOR OF AN INTERNATIONAL INSURANCE GROUP WHICH INCLUDE ASSESSING ENTERPRISE RISK WITHIN THE GROUP, REQUESTING INFORMATION FROM THE GROUP, AND, MOST IMPORTANTLY, COORDINATING AND COMMUNICATING WITH OTHER REGULATORS SO THAT REGULATORY AND ENTERPRISE RISK ISSUES ARE TIMELY IDENTIFIED AND ADDRESSED BY THE INTERNATIONAL INSURANCE GROUP. THE LEGISLATION ALSO PROVIDES SUFFICIENT CONFIDENTIALITY REQUIREMENTS SO THAT THE REGULATORS AND THE INTERNATIONAL INSURANCE GROUP CAN COMMUNICATE AND COORDINATE WITHOUT THE FEAR OF TRADE SECRETS AND OTHER PROPRIETARY INFORMATION FALLING INTO IMPROPER HANDS. INTERNATIONAL INSURANCE REGULATION IS AN IMPORTANT ISSUE FOR THE STATE OF NEBRASKA AND OUR INSURANCE INDUSTRIES. LB772 WILL PROVIDE THE NEBRASKA DEPARTMENT OF INSURANCE WITH THE NECESSARY TOOLS TO STAY ACTIVELY ENGAGED IN THIS AREA AND HAVE MEANINGFUL PARTICIPATION ON AN INTERNATIONAL LEVEL THROUGH THE VARIOUS REGULATORY ASSOCIATIONS AND GROUPS. IT IS A COMPLEX PIECE OF LEGISLATION WITH A SIMPLE PURPOSE, AND THAT IS PROTECTING THE PUBLIC AND FACILITATING OUR INSURANCE DEPARTMENT TO BECOME AND CONTINUE TO BECOME ACTIVE PARTICIPANT IN THE DEVELOPING INSURANCE INDUSTRY ON AN INTERNATIONAL BASIS. THANK YOU, MR. PRESIDENT. [LB772]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. MEMBERS, YOU'VE HEARD THE OPENING ON LB772. SEEING NO MEMBERS WISHING TO SPEAK, SENATOR SCHUMACHER, YOU'RE WELCOME TO CLOSE ON LB772. HE WAIVES CLOSING. THE QUESTION IS THE ADVANCE OF LB772 TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB772]

CLERK: 29 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB772. [LB772]

PRESIDENT FOLEY: LB772 ADVANCES. NEXT BILL, MR. CLERK. [LB772]

CLERK: LB1059 IS A BILL BY SENATOR CRAWFORD. (READ TITLE.) INTRODUCED ON JANUARY 20 OF THIS YEAR; AT THAT TIME REFERRED TO THE URBAN AFFAIRS COMMITTEE. THE BILL WAS ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS PENDING, MR. PRESIDENT. (AM2067, LEGISLATIVE JOURNAL PAGE 593.) [LB1059]

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PRESIDENT FOLEY: THANK YOU, MR. CLERK. SENATOR CRAWFORD, YOU'RE RECOGNIZED TO OPEN ON LB1059. [LB1059]

SENATOR CRAWFORD: THANK YOU, LIEUTENANT GOVERNOR, AND GOOD MORNING, COLLEAGUES. LB1059 IS DESIGNED TO ADDRESS THE INTERSECTION BETWEEN STATE INCENTIVES AND THE NEBRASKA ADVANTAGE ACT AND THE TWO PRIMARY LOCAL ECONOMIC DEVELOPMENT INCENTIVES IN NEBRASKA-- THE LOCAL OPTION MUNICIPAL ECONOMIC DEVELOPMENT ACT, COMMONLY REFERRED TO AS LB840 AND TAX INCREMENT FINANCING, OR TIF. WHEN A BUSINESS RECEIVES INCENTIVES UNDER THE NEBRASKA ADVANTAGE ACT, THOSE INCENTIVES LARGELY COME IN THE FORM OF TAX CREDITS THAT CAN BE APPLIED TO A NUMBER OF DIFFERENT TAX LIABILITIES INCLUDING STATE INCOME TAXES, STATE SALES TAXES, BUT ALSO LOCAL OPTION SALES TAXES. SINCE LOCAL OPTION SALES TAXES ARE COLLECTED BY THE STATE AND THEN REMITTED TO THE MUNICIPALITY, AND NEBRASKA ADVANTAGE ACT AGREEMENTS ARE CONFIDENTIAL AGREEMENTS BETWEEN THE STATE AND THE BUSINESS, MANY MUNICIPALITIES ARE OFTEN UNAWARE THAT THE CREDITS WILL BE CLAIMED AGAINST THEIR LOCAL OPTION SALES TAX REVENUE UNTIL THEY RECEIVE A LETTER FROM THE DEPARTMENT OF REVENUE STATING THAT INSTEAD OF GETTING A CHECK FOR \$100,000 AS PROJECTED, THEY'RE GETTING A CHECK FOR JUST \$10,000. IN SOME CASES, MUNICIPALITIES HAVE GONE MULTIPLE MONTHS WITHOUT RECEIVING ANY SALES TAX DOLLARS AS A RESULT OF THOSE REFUNDS. DEVELOPERS OF PROJECTS THAT SEEK NEBRASKA ADVANTAGE ACT INCENTIVES OFTEN ALSO SEEK LOCAL INCENTIVES AND LB1059 WOULD REQUIRE THAT PRIOR TO APPLYING TO RECEIVE LB840 FUNDS OR ENTERING INTO A REDEVELOPMENT AGREEMENT FOR TIF, A BUSINESS MUST CERTIFY THE FOLLOWING INFORMATION. ONE, WHETHER THE BUSINESS HAS FILED OR INTENDS TO FILE AN APPLICATION TO RECEIVE TAX INCENTIVES UNDER THE NEBRASKA ADVANTAGE ACT FOR THE SAME PROJECT. TWO, WHETHER SUCH APPLICATION INCLUDES OR WILL INCLUDE A REFUND OF THE MUNICIPALITY'S LOCAL OPTION SALES TAX REVENUE. THREE, A GOOD-FAITH ESTIMATE OF THE TOTAL AMOUNT OF TAX INCENTIVES THE BUSINESS EXPECTS TO RECEIVE UNDER THE NEBRASKA ADVANTAGE ACT FOR ANY SUCH APPLICATIONS. AND FOUR, WHETHER SUCH APPLICATION HAS BEEN APPROVED UNDER THE NEBRASKA ADVANTAGE ACT. IT IS CRITICAL THAT MUNICIPALITIES FACING A DECISION OF WHETHER TO GRANT LOCAL TAX INCENTIVES FOR A DEVELOPMENT PROJECT KNOW IF STATE INCENTIVES FOR THAT SAME PROJECT WILL LIKELY CAUSE THEM TO LOSE THEIR LOCAL OPTION SALE TAX DOLLARS. IN THE CASE OF LB840 PLANS, ALL BUT ONE MUNICIPALITY THAT HAS ADOPTED AN LB840 PLAN RELIES ON LOCAL OPTION SALES TAX TO FUND THAT PROGRAM.

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AS A RESULT, THE IMPACT OF THE NEBRASKA ADVANTAGE ACT ON LOCAL OPTION SALES TAX REVENUES MAY WELL BE AN IMPORTANT CONSIDERATION ON WHETHER MUNICIPALITY CHOOSES TO GRANT LB840 INCENTIVES FROM THEIR LOCAL OPTION SALES TAX REVENUES. SIMILARLY, BEFORE A TIF PROJECT CAN BE APPROVED, MUNICIPALITIES ARE REQUIRED TO CONDUCT A COST BENEFIT ANALYSIS FOR THE PROJECT. THE POTENTIAL WITHHOLDING OF LOCAL OPTION SALES TAX DOLLARS UNDER THE NEBRASKA ADVANTAGE ACT SHOULD FACTOR INTO THOSE COST BENEFIT DISCUSSIONS. IN MOST CASES, THE FACT THAT A REDEVELOPMENT PROJECT IS ALSO RECEIVING STATE INCENTIVES MAY NOT DETER THE MUNICIPALITIES FROM UTILIZING LOCAL INCENTIVES AS WELL, BUT WHAT THE DISCLOSURES IN LB1059 WILL DO IS GIVE MUNICIPALITIES AMPLE WARNING THAT WHILE THEY MAY GET AN IMMEDIATE BOOST IN LOCAL SALES TAX REVENUES FROM THE PROJECT, THAT BOOST MAY BE SHORT LIVED. LATE YESTERDAY AFTERNOON, REPRESENTATIVES FROM THE STATE CHAMBER OF COMMERCE CONTACTED MY OFFICE TO EXPRESS CONCERNS THAT AS WRITTEN SOME BUSINESSES MAY BE TECHNICALLY UNABLE TO COMPLY WITH THE DISCLOSURES SOUGHT IN LB1059. I PLAN TO WORK WITH THE CHAMBER BETWEEN GENERAL FILE AND SELECT FILE TO TWEAK THIS DISCLOSURE LANGUAGE TO ADDRESS THOSE CONCERNS. LB1059 RECEIVED NO OPPOSITION TESTIMONY AT THE HEARING AND WAS ADVANCED BY THE URBAN AFFAIRS COMMITTEE ON AN UNANIMOUS 7-0 VOTE. I WOULD ASK FOR YOUR GREEN VOTE TO ADVANCE LB1059 TO SELECT FILE. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE URBAN AFFAIRS COMMITTEE. SENATOR CRAWFORD, AS CHAIR OF THE COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE COMMITTEE AMENDMENT. [LB1059]

SENATOR CRAWFORD: THANK YOU, LIEUTENANT GOVERNOR. THE COMMITTEE AMENDMENT, AM2067, IS A WHITE COPY AMENDMENT THAT REPLACES THE BILL. THE AMENDMENT INCORPORATES THE PROVISIONS OF TWO OTHER BILLS HEARD BY THE COMMITTEE: LB808, INTRODUCED BY SENATOR HANSEN, AND LB860, INTRODUCED BY SENATOR HUGHES. BOTH LB808 AND LB860 AMEND THE LOCAL OPTION ECONOMIC DEVELOPMENT ACT, COMMONLY REFERRED TO AS "LB840" WHICH ALLOWS MUNICIPALITIES TO COLLECT AND APPROPRIATE LOCAL TAX DOLLARS FOR ECONOMIC DEVELOPMENT PURPOSES IF APPROVED BY THE VOTERS. THIS FALL, THE URBAN AFFAIRS COMMITTEE HELD HEARINGS IN LINCOLN AND NORFOLK ON A PAIR OF INTERIM STUDIES--LR155, WHICH WAS DESIGNED TO TAKE A COMPREHENSIVE LOOK AT ECONOMIC DEVELOPMENT TOOLS THAT ARE CURRENTLY AVAILABLE TO MUNICIPALITIES IN NEBRASKA,

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AND LR152 WHICH EXAMINED LB840 PROGRAMS SPECIFICALLY. FOLLOWING THE INTERIM STUDY HEARINGS, THE COMMITTEE PUBLISHED AN INTERIM REPORT ON LR155 WHICH COMPILED SUGGESTED CHANGES THAT WERE HEARD BY THE COMMITTEE TO STRENGTHEN OUR CURRENT MUNICIPAL ECONOMIC DEVELOPMENT TOOLS. THE PROVISIONS INCLUDED IN LB808 AND LB860 WERE THE TWO MOST FREQUENTLY SUGGESTED CHANGES HEARD BY THE COMMITTEE OVER THE INTERIM. THE FIRST BILL, LB808, SEEKS TO ADDRESS ISSUES SURROUNDING THE AMENDMENT OF LB840 PLANS BY MUNICIPALITIES. CURRENTLY, SECTION 18-2714(2) STATES THAT MUNICIPALITIES HAVE THE AUTHORITY TO AMEND THEIR LB840 PLANS "TO CONFIRM TO THE PROVISIONS OF ANY EXISTING OR FUTURE STATE OR FEDERAL LAW." BUT SECTION 18-2714(3) PROHIBITS THEM FROM AMENDING THEIR PLAN TO "FUNDAMENTALLY ALTER ITS BASIC STRUCTURE OR GOALS" WITHOUT RESUBMITTING THE PLAN TO VOTERS. DUE TO THIS CONFLICTING LANGUAGE IN CURRENT STATUTES, A NUMBER OF MUNICIPALITIES HAD EXPRESSED CONFUSION ABOUT WHETHER A MUNICIPALITY WOULD HAVE TO RESUBMIT ITS LB840 PLAN TO THE VOTERS IN ORDER TO ADD A NEW TYPE OF QUALIFYING BUSINESS OR ACTIVITY THAT HAD BEEN SUBSEQUENTLY ADDED TO THE ACT AS A QUALIFYING BUSINESS BY THE LEGISLATURE. LAST JANUARY, SENATOR COASH REQUESTED AN ATTORNEY GENERAL'S OPINION ON THAT QUESTION AND THE OPINION FOUND THAT CURRENT STATUTORY LANGUAGE REQUIRES VOTER APPROVAL BEFORE A MUNICIPALITY MAY ADD AN ADDITIONAL QUALIFYING BUSINESS OR ACTIVITY, EVEN IN CASES WHERE THE STATUTORY AUTHORITY TO INCLUDE THAT BUSINESS OR ACTIVITY WAS ADDED BY AN ACT OF THE LEGISLATURE AFTER THE MUNICIPALITY HAD ENACTED ITS ORIGINAL LB840 PLAN. SINCE MULTIPLE MUNICIPALITIES INCLUDED LANGUAGE IN THEIR ORIGINALLY VOTER-APPROVED LB840 PLANS THAT AUTHORIZE, "ANY QUALIFYING BUSINESSES OR ACTIVITIES APPROVED BY THE LEGISLATURE IN THE FUTURE," THIS ATTORNEY GENERAL'S OPINION THREW A NUMBER OF MUNICIPALITIES' LB840 PLANS INTO DISARRAY. LB808 WOULD CHANGE THE PROCESS FOR AMENDING AN ECONOMIC DEVELOPMENT PLAN UNDER LB840 TO BRING A LEGAL FRAMEWORK FOR ADDING OR DROPPING QUALIFYING BUSINESSES FOLLOWING THE ATTORNEY GENERAL'S OPINION. UNDER THE BILL, A MUNICIPALITY COULD AMEND AN EXISTING LB840 PLAN TO ADD OR REMOVE A TYPE OF QUALIFYING BUSINESS IF SUCH ADDITIONAL OR REMOVAL IS RECOMMENDED BY THE CITIZEN ADVISORY REVIEW COMMITTEE, DISCUSSED AT A PUBLIC HEARING, AND APPROVED BY A TWO-THIRDS VOTE OF THE MUNICIPAL'S GOVERNING BODY. THE SECOND BILL, LB860, WOULD ALLOW THE USE OF LB840 FUNDS FOR WORKFORCE HOUSING, WHICH WAS THE MOST FREQUENTLY SUGGESTED CHANGE TO MUNICIPAL ECONOMIC DEVELOPMENT TOOLS HEARD BY THE URBAN AFFAIRS COMMITTEE

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AT ITS INTERIM HEARINGS THIS FALL. FOR A NUMBER OF YEARS, THE SHORTAGE OF AVAILABLE HOUSING HAS BEEN CITED AS ONE OF THE PRIMARY BARRIERS TO ECONOMIC DEVELOPMENT AND GROWTH IN RURAL NEBRASKA. UNDER LB860, MUNICIPALITIES WOULD BE AUTHORIZED TO MAKE GRANTS AND LOANS UNDER THEIR LB840 PLANS FOR THE CONSTRUCTION OR REHABILITATION FOR SALE OR LEASE OF HOUSING AS PART OF A WORKFORCE HOUSING PLAN. WORKFORCE HOUSING IS DEFINED AS A PROGRAM TO CONSTRUCT OR REHABILITATE SINGLE-FAMILY HOUSING OR MARKET RATE MULTIFAMILY HOUSING WHICH IS DESIGNED TO ADDRESS THE HOUSING SHORTAGE THAT IMPAIRS THE ABILITY OF THE CITY TO ATTRACT A NEW BUSINESS OR IMPAIRS THE ABILITY OF EXISTING BUSINESSES TO RECRUIT NEW EMPLOYEES. BOTH LB808 AND LB860 RECEIVED NO OPPOSITION TESTIMONY AT THE HEARING. AND BOTH BILLS WERE ADVANCED BY THE URBAN AFFAIRS COMMITTEE ON AN UNANIMOUS 7-0 VOTE. THERE'S A SHEET AT YOUR TABLE THAT SUMMARIZES THOSE BILLS AND ALSO PROVIDES THE BILL NUMBER IN CASE YOU'D LIKE TO LOOK UP THE COMMITTEE STATEMENT FOR THOSE BILLS. COLLECTIVELY, THE THREE BILLS CONTAINED LB1059 AND AM2067 REPRESENT A SIGNIFICANT IMPROVEMENT TO THE ECONOMIC DEVELOPMENT TOOLS CURRENTLY AVAILABLE TO MUNICIPALITIES. I WOULD ASK FOR YOUR GREEN VOTE TO ADOPT AM2067. THANK YOU, LIEUTENANT GOVERNOR. [LB1059 LB808 LB860 LR155 LR152]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. (VISITORS INTRODUCED.) DEBATE IS NOW OPEN ON LB1059 AND THE COMMITTEE AMENDMENTS. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB1059]

SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR. WOULD SENATOR CRAWFORD YIELD TO A COUPLE OF QUESTIONS? [LB1059]

PRESIDENT FOLEY: SENATOR CRAWFORD, WOULD YOU YIELD, PLEASE? [LB1059]

SENATOR CRAWFORD: YES. [LB1059]

SENATOR SCHUMACHER: SENATOR CRAWFORD, AM I CORRECT IN THINKING THAT LB840 IS A HALF-CENT SALES TAX LEVIED AT THE CITY LEVEL? [LB1059]

SENATOR CRAWFORD: SO LB840 IS A PLAN THAT'S APPROVED, AND ALL BUT ONE MUNICIPALITY INCLUDED AS PART OF THAT PLAN A LOCAL OPTION SALES TAX

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AS A FUNDING MECHANISM, BUT LB840 CAN BE FUNDED IN OTHER WAYS AS WELL. [LB1059]

SENATOR SCHUMACHER: BUT, TYPICALLY, IT'S FUNDED BY A HALF-CENT ADDITION TO THE SALES TAX. [LB1059]

SENATOR CRAWFORD: A LOCAL OPTION SALES TAX. [LB1059]

SENATOR SCHUMACHER: LOCAL OPTION CITY SALES TAX. OKAY. AND IN ORDER FOR A CITY TO DO THIS IT'S GOT TO HAVE AN ELECTION. [LB1059]

SENATOR CRAWFORD: YES. [LB1059]

SENATOR SCHUMACHER: AND OFTENTIMES WHEN IT HAS AN ELECTION THE PROPONENTS WILL SAY--LOOK, IT'S A HALF A CENT TAX, AND WE'RE GOING TO FUND THIS PARTICULAR PROJECT WITH IT, AND DON'T WORRY, IT'S NOT GOING TO GET OUT OF HAND. THE CITY FATHERS ARE NOT GOING TO EXPAND IT BECAUSE IT WOULD HAVE TO COME BACK TO A VOTE OF THE PEOPLE. IS THAT FAIRLY ACCURATE STATEMENT? [LB1059]

SENATOR CRAWFORD: THAT IS TRUE. AND IT STILL HAS THE LANGUAGE ABOUT A PROJECT. SO WHAT THE CHANGE YOU CAN MAKE WITH THIS AMENDMENT IS WHAT QUALIFYING BUSINESSES CAN BE IN THAT PROJECT. [LB1059]

SENATOR SCHUMACHER: OKAY. NOW, BECAUSE IT IS A TAX INCREASE IN ITS INITIAL FORM, USUALLY, WITH THE EXTRA HALF OF A PERCENT, PEOPLE ARE RELUCTANT TO ENGAGE IN IT. PEOPLE ARE RELUCTANT TO GO FOR IT, AND THEY DO ONLY WHEN THERE'S A COMPELLING CASE MADE AND THEY HAVE THE COMFORT OF THE FACT THAT WE DON'T...THIS THING WILL NOT MUSHROOM OUT OF CONTROL AND JUST BE ANOTHER HALF A CENT FOR THE CITY FATHERS TO DO WHAT CITY FATHERS THINK THEY OUGHT TO DO. IS THAT ACCURATE? [LB1059]

SENATOR CRAWFORD: THAT IS TRUE. [LB1059]

SENATOR SCHUMACHER: OKAY. THANK YOU, SENATOR CRAWFORD. WHAT BOTHERS ME ABOUT THE PROVISION OF THE BILL THAT ALLOWS THESE ADDITIONAL BUSINESS PROJECTS TO BE DEFINED AND PUT IN IS THAT IT'S KIND



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OF A BAIT AND SWITCH. HERE WAS A PROJECT, VOTERS VERY WELL BEGRUDGINGLY SAID--OKAY, WE'LL GO ALONG WITH THE ADDITIONAL HALF CENT TAX, WHICH IS A SIGNIFICANT TAX. IT'S MORE THAN WE PUT TOWARD ROADS, FOR EXAMPLE, OUT THE SALES TAX FUND. AND NOW WE ARE SAYING, VOTERS, WE'RE CHANGING THE GAME. WE KNOW THAT YOU VOTED FOR THIS PROPOSITION UNDER THESE PARAMETERS YEARS AGO, BUT WE DON'T WANT TO BE CONFINED BY THOSE PARAMETERS, AND WE SURELY DON'T WANT TO GO BACK TO YOU IN A LOW-COST, REALLY, PRIMARY ELECTION WHERE YOU CAN ADD IT ON TO AN ELECTION OR A GENERAL ELECTION, ADD IT ON TO THE BALLOT. WE JUST WANT THE LEGISLATURE TO SAY IT'S A MORE BROAD THING THAT WE CAN, AS CITY FATHERS, DO GOOD WITH. AND THAT GOOD IS SOMETIMES ENGINEERED AND SOMETIMES DRIVEN BY A BUSINESS CONCERN, SOMETIMES IT'S DRIVEN BY EGOS, BUT IT IS SOMETHING THAT I STILL THINK WE OUGHT TO REALLY CONSIDER, AND I'M ANXIOUS TO HEAR SOME OF THE THOUGHTS FROM THE BODY ON THIS, WHETHER OR NOT WE SHOULD ALLOW THE CITY FATHERS TO BAIT AND SWITCH. IF THE DEAL WAS, WHEN IT WAS MADE WITH THE VOTERS AND A HALF CENT SALES TAX IMPOSED ON THEM, THAT LOOK, IT'S THIS PARAMETERS, THESE BOUNDARIES. AND NOW WE'RE OPENING THE DOOR TO INCLUDE OTHER BUSINESSES, OTHER THINGS, AND MORE GIVEAWAY PROGRAMS THAT ARE ULTIMATELY AT THE BURDEN OF THE REST OF THE TAXPAYERS. AND IT'S SOMETHING WE SHOULD DISCUSS, AND WE SHOULD NOT DO IN A FAIRLY EASY-GOING MATTER AND SAYING--OH, WELL, LET THE CITY FATHERS DEFINE A DIFFERENT THING AND EXTEND...YOU KIND OF HAVE AN ELASTIC CLAUSE IN HERE THAT WE CAN SPREAD THIS OUT IN OTHER AREAS. LB840 IS A CONTROVERSIAL CONCEPT. AND AS MUCH AS ANYTHING IN MY TIME IN THE LEGISLATURE I'VE HEARD BELLYACHING ABOUT THINGS,... [LB1059]

PRESIDENT FOLEY: ONE MINUTE. [LB1059]

SENATOR SCHUMACHER: ...IT'S BEEN ABOUT THE LB840 CONCEPT--RELUCTANTLY APPROVED, SOMETIMES RELUCTANTLY RENEWED, BUT SHOULD IT BE EXTENDED WITHOUT THE SAME VOTE OF THE PEOPLE THAT ALLOWED ITS IMPOSITION IN THE BEGINNING? AND I HAVE MIXED SENTIMENTS ON THIS AND I'LL BE INTERESTED IN SEEING HOW THE DEBATE GOES. THANK YOU. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. SENATOR DAVIS, YOU'RE RECOGNIZED. [LB1059]

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SENATOR DAVIS: THANK YOU, MR. CHAIRMAN. I WONDER IF SENATOR CRAWFORD WOULD YIELD TO A FEW QUESTIONS? [LB1059]

PRESIDENT FOLEY: SENATOR CRAWFORD, WILL YOU YIELD, PLEASE? [LB1059]

SENATOR CRAWFORD: YES. [LB1059]

SENATOR DAVIS: SO, SENATOR CRAWFORD, I UNDERSTAND WHAT YOU'RE TRYING TO DO WITH THE BILL IN TERMS OF TRYING TO HAVE A LITTLE MORE DISCLOSURE AND A LITTLE MORE INFORMATION OUT THERE. AND AS YOU KNOW, TAX INCREMENT FINANCING IS SOMETHING THAT I CONSIDER TO BE ABUSED IN THE STATE OF NEBRASKA, BUT ONE QUESTION THAT I HAVE, AND I WONDER IF YOU'D BE INTERESTED IN LOOKING AT, MAYBE, A POSSIBLE AMENDMENT ON SELECT FILE WHICH MIGHT ADDRESS IF TIF FINANCING IS BEING USED AND THE OTHER ADVANTAGE OPPORTUNITIES THAT THE STATE OFFERS ARE OUT THERE ARE ALSO BEING USED, CAN WE PUT SOME LANGUAGE IN THERE THAT WE WOULD KNOW THAT THESE PERSONAL PROPERTY TAXES ARE BEING EXEMPTED? [LB1059]

SENATOR CRAWFORD: MY UNDERSTANDING IS THAT THE PERSONAL PROPERTY TAX PROVISION IS IN THE NEBRASKA ADVANTAGE ACT. SO WE CAN LOOK AT THAT AND SEE IF THAT...LOOK AT THAT CONCERN. MY UNDERSTANDING RIGHT NOW IS THAT THAT LANGUAGE IS IN THE ADVANTAGE ACT ITSELF. NOW THIS BILL IS JUST AMENDING THE LANGUAGE FOR LB840 AND TAX INCREMENT STATUTES. SO...AND THAT'S...IT'S IN OUR COMMITTEE AND THOSE ARE THE STATUTES THAT OUR COMMITTEE HAS PURVIEW OVER. SO I'LL BE HAPPY TO DISCUSS IT, BUT I AM CAUTIOUS ABOUT OUR ABILITY TO DO THAT BECAUSE I BELIEVE THAT WOULD BE AMENDING THE ACTUAL NEBRASKA ADVANTAGE ACT STATUTES WHICH WOULD BE SOMETHING THAT WOULD PROBABLY BE MORE APPROPRIATE IF IT WAS A BILL THAT WENT TO REVENUE AND HAD A HEARING IN REVENUE. [LB1059]

SENATOR DAVIS: WELL, AND I UNDERSTAND THAT. FROM MY READING OF THIS BILL THOUGH, THE CITIES ARE WANTING TO KNOW WHEN THEY'RE GOING TO LOSE THEIR SALES TAX TO SOMETHING THAT WOULD BE DONE THROUGH THE ADVANTAGE PROGRAM. WOULD THAT BE RIGHT? [LB1059]

SENATOR CRAWFORD: THAT IS CORRECT. [LB1059]

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SENATOR DAVIS: SO TO ME, PERSONAL PROPERTY IS ALSO RELEVANT TO THIS DISCUSSION BECAUSE IT DOES AFFECT OUR COUNTIES, OUR SCHOOL DISTRICTS, OUR COMMUNITY COLLEGES, OUR NRDs, AND EVERYONE ELSE. AND IT SEEMS TO ME IF WE COULD INCLUDE THAT, MAYBE, ON SELECT FILE, I THINK THAT WOULD MAKE THE BILL A BETTER BILL AND IT WOULD BE MORE OPENNESS FOR THE STATE. WOULD YOU CARE TO COMMENT ON THAT? [LB1059]

SENATOR CRAWFORD: OH, SO I APPRECIATE THAT CONCERN. I KNOW THAT IS A CONCERN. AGAIN, THAT IS A CONCERN THAT IS SOMETHING THAT THOSE DIFFERENT LOCAL SUBDIVISIONS WOULD LIKE TO HAVE AND TO KNOW AND IS IMPORTANT. AGAIN, I BELIEVE THAT THAT ALSO IS THE BROADENING OF THE BILL IN THAT CASE BECAUSE IT BRINGS IN COUNTIES, NRDs, ALL THOSE OTHER SUBDIVISIONS INTO THIS DISCUSSION. AND, AGAIN, GIVEN IT'S A DIFFERENT CHAPTER AND THAT IT APPLIES TO DIFFERENT LOCAL SUBDIVISIONS, I DON'T THINK IT WOULD BE APPROPRIATE TO PUT IT IN THIS BILL. IT IS, I THINK, A GOOD IDEA FOR A BILL FOR US TO DISCUSS AND HAVE A HEARING IN REVENUE ON IT NEXT YEAR. [LB1059]

SENATOR DAVIS: THANK YOU, SENATOR CRAWFORD. [LB1059]

SENATOR CRAWFORD: THANK YOU. [LB1059]

SENATOR DAVIS: SO I'D JUST LIKE TO REITERATE TO THE BODY A LITTLE BIT OF THIS DISCUSSION THAT I'VE HAD WITH SENATOR CRAWFORD, WHO I APPRECIATE HER WILLINGNESS TO LOOK AT IT. THE CITIES NEED TO KNOW, AND THEY WANT TO KNOW WHEN THEY'RE LOSING THEIR SALES TAX. BUT ARE OTHER TAXING DISTRICTS AND ARE OTHER TAXING ENTITIES NEED TO KNOW THE SAME THING FOR THEM TO DO A PROPER BUDGET. IF A PROJECT IS TAKING PLACE WITHIN A MUNICIPALITY USING TAX INCREMENT FINANCING AND THEN USING SOME OTHER EXEMPTIONS, I THINK THE OTHER ENTITIES REALLY NEED TO KNOW THAT. AND I HOPE THE BODY WOULD LOOK AT MAYBE MAKING AN AMENDMENT AND BEING WILLING TO MOVE THIS ON SELECT FILE. THANK YOU. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR DAVIS. SENATOR HANSEN, YOU'RE RECOGNIZED. [LB1059]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT. I RISE IN SUPPORT OF LB1059 AND THE COMMITTEE AMENDMENT. AS A MEMBER OF THE URBAN AFFAIRS COMMITTEE AND ONE OF THE INTRODUCERS OF ONE OF THE TWO BILLS THAT

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THE COMMITTEE AMENDMENT INCORPORATES, I FEEL STRONG SUPPORT FOR THESE THINGS. JUST BECAUSE SENATOR SCHUMACHER RAISED THE ISSUE, I WANTED TO ADDRESS A COUPLE OF THINGS. MY BILL, LB808, WHICH IS THE CHANGING ON ADDING QUALIFYING BUSINESSES, TO MY UNDERSTANDING WHEN AN LB840 PLAN IS ADOPTED, IT IS NOT ADOPTED FOR A SINGLE PROJECT. WE'RE NOT OFFERING A SINGLE BUSINESS ON ONE SIDE OF TOWN FOR A LIMITED TIME PERIOD. IT'S TYPICALLY AUTHORIZED FOR A SET OF MANY YEARS AND A SET OF BROAD CATEGORIES TO BE ABLE TO BE A FLEXIBLE TOOL FOR THE CITY. AND THAT WAS SOMETHING WE HEARD THROUGHOUT THE TESTIMONY OF OFTENTIMES THAT IF THE LOCAL OPTION ECONOMIC DEVELOPMENT ACT IS GOING TO BE USEABLE, YOU MIGHT HAVE A NARROW WINDOW WHERE A DEVELOPMENT, A BUSINESS OPPORTUNITY IS LOOKING AT ONE COMMUNITY OR ANOTHER. AND IF YOU HAVE TO CHANGE YOUR PLAN VIA A VOTE OF THE PEOPLE IN ORDER TO ACCOMMODATE SOMETHING THE LEGISLATURE HAS JUST CHANGED, THAT DRASTICALLY CHANGES THE TIME LINES AND PUTS YOU AT A DISADVANTAGE TO, ARGUABLY, OTHER COMMUNITIES, ESPECIALLY WHEN WE'RE TALKING ABOUT BUSINESSES THAT ARE, SAY, IN THE SOUTH SIOUX AREA LOOKING AT THREE DIFFERENT STATES. THAT WAS ONE OF THE REASONS I BROUGHT IT. OVERALL, THE ISSUE OF CLARITY STRIKES UP. WE HAD AN ATTORNEY GENERAL'S OPINION THAT SENATOR CRAWFORD REFERENCED ADDRESSED TO SENATOR COASH BECAUSE WE AS A LEGISLATURE KEEP ADDING QUALIFYING BUSINESSES TO THE LB840 ACT. AND EVERY TIME WE DO, IN THEORY, IF THAT WANTS TO BE UTILIZED UNDER THIS ATTORNEY GENERAL'S OPINION, EVERY TIME WE DO, THEY WOULD HAVE TO GO BACK TO A VOTE OF A PEOPLE. WELL, IF...AND I APPRECIATE THE INPUT OF TAXPAYERS. AND I UNDERSTAND WHY, IF WE'RE GOING TO START A TAX IN THE FIRST PLACE, TAXPAYERS HAVE TO BE INVOLVED. BUT IF WE'RE CHANGING TERMS TO INCLUDE FILM PRODUCTION OR NATURAL GAS, THAT SEEMS...AND THE LOCAL MUNICIPALITY HAS ALREADY AUTHORIZED EVERYTHING ALLOWABLE UNDER THE ACT AND HAS A PROVISION SAYING THAT THEY WANT TO AUTHORIZE EVERYTHING IN THE FUTURE GOING BACK AND HAVING MULTIPLE ELECTIONS AND SPENDING TIME ON THAT WHEN IT REALLY IS, IN MY OPINION, A CLARIFYING AMENDMENT SAYING WE WANT THE BROADEST POSSIBLE LB840 PLAN AND THE BROADEST POSSIBLE OPPORTUNITY TO INCREASE LOCAL ECONOMIC DEVELOPMENT, I THINK THEY SHOULD BE ABLE TO DO THAT. WE DID ADD A COUPLE OF PROVISIONS TO ENSURE THAT THERE IS TRANSPARENCY AND OVERSIGHT. THERE IS A PUBLIC HEARING. THERE IS A REVIEW OF THE CITIZENS ADVISORY REVIEW BOARD, WHICH IS ALREADY PROVIDED FOR IN STATUTE. IT DOES HAVE TO ADVANCE BY A TWO-THIRDS VOTE OF THE CITY COUNCIL, AND...AND WE INCLUDED BOTH ADDING AND REMOVING PROVISIONS. NOW, THE

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REMOVING MIGHT SEEM STRANGE, BUT THAT WAS ON OUR THOUGHT, OUR RECOURSE FOR THE VOTERS FUNDAMENTALLY DISAGREED WITH THE CITY COUNCIL THEY WOULD HAVE THE OPPORTUNITY TO SAY...MAKE THAT AN ISSUE FOR CITY COUNCIL AND VOTE IN CITY COUNCILMEMBERS OR CHANGE THE MIND OF CITY COUNCILMEMBERS TO UNDO SOMETHING THEY DID IF IT WAS EGREGIOUSLY OUT OF BOUNDS OF THE WILL OF THE COMMUNITY. FUNDAMENTALLY, I THINK IF THERE'S A TECHNICAL CHANGE, WE'RE ADDING, SAY, FILM PRODUCTION AS A NEW BUSINESS, AND THAT'S SOMETHING A CITY WANTS TO ADD TO THEIR ALREADY PREVIOUS LIST OF 100 PERCENT OF ALL OPTIONS, SAY, OF AVAILABLE UNDER THE ECONOMIC DEVELOPMENT ACT... [LB1059 LB808]

PRESIDENT FOLEY: ONE MINUTE. [LB1059]

SENATOR HANSEN: ...THAT CHANGE ISN'T, IN MY MIND, SO SIGNIFICANT THAT IT WOULD DEMAND A VOTE OF THE...EVERY TIME SOMETHING LIKE THAT CHANGES. FURTHER, UNDER CURRENT LAW, THERE'S ARGUABLY...I KNOW THE ATTORNEY GENERAL'S OPINION HAS ONE WAY, BUT THERE IS THE POWER OF CITIES TO CHANGE TO ADDRESS FUTURE CHANGES IN STATE LAWS. NOW IT GETS A LITTLE CONFUSING WHEN WE'RE CHANGING STATE LAW IN THE LOCAL ECONOMIC DEVELOPMENT ACT. IN THEORY, THEY COULD TODAY DO THIS. BUT BEING THAT THERE WAS CONTROVERSY AND CONFUSION IN THE ISSUE, I THOUGHT CLARIFYING LANGUAGE WAS VERY MUCH NEEDED. SO I'D ASK COLLEAGUES TO VOTE FOR THE COMMITTEE AMENDMENT AND VOTE FOR LB1059. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR HANSEN. SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB1059]

SENATOR CRAWFORD: THANK YOU, MR. LIEUTENANT GOVERNOR. SO JUST WANT TO CLARIFY A FEW THINGS ABOUT THE IMPORTANT ISSUE THAT SENATOR SCHUMACHER RAISES, WHICH IS THE TAXPAYER APPROVING THE PROJECT AND PLAN AND WANTING TO RESPECT THAT DECISION. I WILL REMIND YOU THAT CURRENT STATUTE DOES STATE THAT MUNICIPALITIES HAVE THE AUTHORITY TO AMEND THEIR LB840 PLANS SO AS TO CONFORM TO REVISIONS OF EXISTING OR FUTURE STATE OR FEDERAL LAW. AND THEN AGAIN, IT THEN...ON THE OTHER HAND THE STATUTE SAYS THEY CAN'T FUNDAMENTALLY ALTER ITS BASIC STRUCTURE OR GOALS. AND SO THE ARGUMENT OF THE BILL ON LB808 IS THAT ADDING A QUALIFYING BUSINESS TO THEIR PROJECT THAT IT WOULD BE THE

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CITIZEN ADVISORY COMMITTEE AND THE PUBLIC WHO SHOWS UP AT THE HEARING AND A TWO-THIRDS VOTE OF THAT CITY COUNCIL TO BE SAYING THAT THIS IS AN AMENDMENT TO OUR PLAN THAT DOES NOT FUNDAMENTALLY ALTER ITS STRUCTURE. AND THAT WE'RE ALLOWING THE MUNICIPALITY...WE'RE ALLOWING THAT AMENDMENT, IF THEY ARE CHOOSING TO SAY THIS IS A CHANGE THAT MAKES SENSE GIVEN OUR PROJECT THAT WE PROPOSED TO THE VOTERS. ALSO IT IS THE CASE THAT, AGAIN, MANY OF THE PLANS THAT HAVE PASSED ARE IN EXISTENCE NOW HAD LANGUAGE THAT WAS TELLING...THAT WAS RECOGNIZING AND TELLING THE PUBLIC THAT IF ANOTHER KIND OF QUALIFYING BUSINESS WAS APPROVED BY THE STATE THAT THEY WOULD BE CONSIDERING THE USE OF LB840 FUNDS FOR THAT. IT HAD LANGUAGE LIKE OTHER QUALIFYING BUSINESSES THAT THE LEGISLATURE MAY APPROVE. SO THOSE EXISTING PLANS THAT ARE OUT THERE RIGHT...MANY OF THOSE EXISTING PLANS THAT ARE OUT THERE RIGHT NOW THAT VOTERS HAVE APPROVED, THERE HAS ALREADY BEEN, YOU KNOW, AN UP-FRONT NOTICE THAT OTHER QUALIFYING BUSINESS MIGHT GET ADDED TO THIS PLAN. I THINK SENATOR HANSEN HAD A...WAS...WANTED TO MAKE SURE THAT THE BILL INCLUDED REMOVAL AS WELL. AND I THINK THAT'S A REALLY IMPORTANT FUNDAMENTAL PIECE OF WHAT'S IN LB808 TO MAKE SURE THAT THE PLANS DON'T JUST GROW, BUT TO MAKE SURE THERE IS PUBLIC DISCUSSION AND RECOGNIZING THAT THERE MIGHT BE PUBLIC BACKLASH TO SOMETHING THAT THEY DECIDE TO DO. AND IF SO, THERE'S A MECHANISM TO MAKE SURE, TO GO BACK AND AMEND THAT PLAN SO THAT YOU CAN USE THE PRESSURE ON THE CITIZEN ADVISORY COMMITTEE, THE DISCUSSION, THE PUBLIC HEARING, AND THE PUBLIC PRESSURE ON THE CITY COUNCILMEMBERS TO REMOVE AN ITEM AS WELL. I THINK THAT'S AN IMPORTANT PROVISION. THE OTHER THING THAT'S...THE CASE IN THESE LB840 PLANS, IN PART, AS SENATOR SCHUMACHER NOTED, CITIZENS ARE RELUCTANT TO APPROVE A TAX INCREASE UNLESS THEY HAVE ASSURANCES. AND SO MANY OF THE LB840 PLANS HAVE A TIME PERIOD ON THEM AS WELL; NOT ALL. BUT IN SOME CASES, A MUNICIPALITY KNOWS THAT THAT'S IMPORTANT TO MAKE SURE THEY CAN PASS THIS PLAN. AND SO THAT'S ANOTHER PROVISION THAT MANY LOCAL COMMUNITIES USE TO TRY TO PUT BOUNDARIES ON THEIR LB840 PLANS AS WELL. I'LL ALSO JUST INDICATE IN TERMS OF TAX INCREMENT FINANCING, MAKING SURE THAT OTHER LOCAL JURISDICTIONS KNOW ABOUT THEIR PROPERTY TAX, HOW THOSE TIF PLANS IMPACT THEIR PROPERTY TAX REVENUES IN THE FUTURE, IT IS IMPORTANT JUST TO NOTE FOR THE RECORD THAT IN THE CASE OF TIF PROJECTS, THERE ARE PUBLIC NOTICES AND COMMUNICATIONS SENT TO THOSE OTHER SUBDIVISIONS AND PUBLIC HEARINGS SO THERE CAN BE DISCUSSION ABOUT THAT PROPERTY TAX IMPACT, CAN BE PART OF THAT DISCUSSION WHEN THE TIF PLAN IS

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DISCUSSED AND APPROVED. THE ONLY PART OF THAT STATUTE THAT WE'RE DEBATING TODAY IN LB1059... [LB1059 LB808]

PRESIDENT FOLEY: ONE MINUTE. [LB1059]

SENATOR CRAWFORD: ...THANK YOU...IS WHETHER OR NOT THE MUNICIPALITY IS ABLE TO ASK THE...AN ENTITY THAT IS PART OF THAT TIF PROJECT TO DISCLOSE WHETHER OR NOT THEY HAVE APPLIED FOR NEBRASKA ADVANTAGE ACT INCENTIVES AND IF THEY'RE PLANNING TO TAKE CREDIT FOR LOCAL OPTION SALES TAX AND THEIR GOOD FAITH ESTIMATE OF WHAT IMPACT THAT MIGHT HAVE IN THE FUTURE FOR THAT PROJECT FOR THE TAX REVENUES OF THAT MUNICIPALITY. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. SENATOR HUGHES, YOU'RE RECOGNIZED. [LB1059]

SENATOR HUGHES: THANK YOU, MR. PRESIDENT; GOOD MORNING, COLLEAGUES. AS A MEMBER OF THE URBAN AFFAIRS COMMITTEE, I RISE IN SUPPORT...URGE EVERYONE TO APPROVE AM2067 AND ULTIMATELY LB1059. TO SENATOR SCHUMACHER'S POINT, THERE ARE A LOT OF MUNICIPALITIES DO HAVE SUNSET DATES ON THEIR LB840 ISSUES. THE CITY OF McCOOK, WHICH IS IN MY DISTRICT, JUST RECENTLY PASSED AN EXTENSION OF THEIR LB840 FUNDS. THE OTHER ISSUE ON THE BALLOT WAS WHAT THOSE LB840 FUNDS COULD BE USED FOR, AND THAT DID NOT PASS. SO CURRENTLY THERE IS ENGAGEMENT BY THE VOTERS WITH MUNICIPALITIES ON WHETHER OR NOT THEY DO COLLECT THE ADDITIONAL HALF CENT SALES TAX, AND WHETHER OR NOT THEY DO APPROVE THE PLANS THAT THOSE FUNDS CAN BE USED FOR. SO THERE IS OVERSIGHT, AS SENATOR CRAWFORD MENTIONED. NOT ALL MUNICIPALITIES DO THAT, BUT I THINK A GOOD NUMBER DO. SO THERE IS OVERSIGHT BY THE VOTERS. THIS IS NOT A BAIT AND SWITCH. IT JUST CREATES AN ADDITIONAL PROJECT THAT THOSE FUNDS CAN BE USED FOR. AND THAT'S WHAT WE HEARD IN OUR INTERIM HEARINGS THIS YEAR WAS WORKFORCE HOUSING WAS A NEED IN EVERY COMMUNITY THAT WE WENT TO, AND THE TOOLS THAT THE MUNICIPALITIES HAVE, THE LB840 FUNDS, ARE A BIG TOOL IN THEIR TOOL BOX. THEY JUST NEEDED ADDITIONAL AUTHORITY TO UTILIZE THOSE FUNDS TO MEET THE NEEDS OF THEIR COMMUNITY. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR HUGHES. SENATOR COASH, YOU'RE RECOGNIZED. [LB1059]

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SENATOR COASH: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. AS WAS MENTIONED EARLIER, THESE LB840 PLANS ARE THE TOOL. AND IT'S ONE OF THE MOST EFFECTIVE TOOLS THAT WE HAVE GIVEN MUNICIPALITIES TO REVITALIZE THEIR CORE, TO ENCOURAGE GROWTH, TO ENCOURAGE DEVELOPMENT. SENATOR HANSEN DID A REALLY NICE JOB EARLIER OF OUTLINING A PROVISION IN LB1059 THAT, IN PART, HAD ITS GENESIS IN AN ATTORNEY GENERAL'S OPINION THAT I HAD ASKED FOR. AND THE REASON I ASKED FOR AN ATTORNEY GENERAL'S OPINION WAS THAT THIS LEGISLATURE HAS CONTINUALLY, IN AN EFFORT TO PROMOTE GROWTH, ADDED THINGS THAT BECOME QUALIFYING PROJECTS UNDER THE LB840 PROCESS WHICH WEREN'T CONSIDERED WHEN A CITY INITIALLY WENT TO THE VOTERS AND DID THAT. NOW SOME MUNICIPALITIES HAVE WRITTEN VERY BROAD LB840 PLANS AND SOME HAVE BEEN VERY SPECIFIC. AT THE END OF THE DAY, WHAT I THINK THE ATTORNEY GENERAL SAID WAS, IT'S GOING REQUIRE SOME LEGISLATIVE CLARITY. AND I BELIEVE THAT'S WHAT WE'VE GOT WITH LB1059. AND I THINK THIS IS IMPORTANT TO GIVE THOSE MUNICIPALITIES CLARITY. WITH THAT IN MIND, I DO WANT TO SPEAK BRIEFLY ABOUT HOW I BELIEVE THE LB840 PROGRAMS HAVE WORKED ACROSS OUR STATE. AND IN MY EIGHT YEARS OF SERVING ON THE URBAN AFFAIRS COMMITTEE, I CAN TELL YOU THAT THERE'S BEEN NUMEROUS BILLS BROUGHT TO THE COMMITTEE AS EXAMPLES OF HOW IT'S NOT WORKING. WELL, WHAT I...MY ANSWER TO THOSE SPECIFIC EXAMPLES HAS ALWAYS BEEN--WHO APPROVED THAT PROJECT? HOW DID YOU GET TO...TO THE APPROVAL OF THAT PROJECT BEING APPROVED UNDER AN LB840 PLAN? I BELIEVE THAT THERE ARE APPROPRIATE SAFEGUARDS IN THESE LB840 PLANS. THE PEOPLE DO GET TO VOTE ON THEM. I DON'T BELIEVE THAT WE HAVE A RAMPANT MISUSE OF THESE LB840 PROGRAMS. AND I'VE SEEN THE ECONOMIC DEVELOPMENT THAT'S HAPPENED IN DIFFERENT COMMUNITIES. IT'S INTERESTING, LB840 PROGRAMS ARE NOT USED IN MY COMMUNITY, THEY'RE NOT USED IN OMAHA, THERE'S NOT A NEED. BUT ACROSS THE STATE, THEY ARE BEING UTILIZED. SENATOR HUGHES MENTIONED ONE OF THE NEW USES WE'RE GOING TO PUT INTO, AS A RESULT OF LB1059, WHICH IS WORKFORCE HOUSING. THAT'S THE NUMBER ONE ISSUE WE HEAR ABOUT IN THIS...IN THIS BODY AS IT RELATES TO ECONOMIC DEVELOPMENT, THE LACK OF WORKFORCE. SO WITH THAT, I BELIEVE LB1059 AND THE COMMITTEE AMENDMENT ARE APPROPRIATE BILLS AND APPROPRIATE MECHANISMS TO SPUR THAT ECONOMIC DEVELOPMENT THROUGH THIS PARTICULAR TOOL. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR COASH. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB1059]



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SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR, MEMBERS OF THE BODY. THIS IS AN INTERESTING AND EDUCATIONAL CONVERSATION WE'RE HAVING. BUT I THINK WE NEED TO RECOGNIZE THAT WORDS MATTER. AND MOST OF US HAVE BEEN IN THE BODY LONG ENOUGH TO KNOW THAT WHEN WE SEE CERTAIN TYPES OF LANGUAGE IN A STATUTE IS BECAUSE THE BODY THAT THEN ADOPTED THE STATUTE WAS CONCERNED ABOUT SOMETHING. THE IDEA OF THESE LOCAL ECONOMIC DEVELOPMENT PROGRAMS AND BEING ABLE TO CASH IN ON SOME SALES TAX OR DIVERT SOME PROPERTY TAX OR WHATEVER TO FUND THEM WAS NOT AN EASY PILL TO SWALLOW. BUT AN ARGUMENT WAS MADE THAT LOCAL COMMUNITIES SHOULD BE ABLE TO ENGAGE IN SOMETHING. AND YOU CAN JUST ABOUT SENSE THE NATURE OF THE DEBATE IN THE LANGUAGE WHICH WE ARE STRIKING TODAY, TAKING OUT. THE GOVERNING BODY OF A CITY SHALL NOT AMEND THE DEVELOPMENT PROGRAM SO AS TO FUNDAMENTALLY ALTER IT'S BASIC STRUCTURE OR GOALS EITHER WITH REGARD TO THE QUALIFYING BUSINESSES THAT ARE ELIGIBLE TO PARTICIPATE, THE LOCAL SOURCES OF REVENUE USED TO FUND THE PROGRAM, THE USES OF THE FUNDS COLLECTED, OR THE BASIC TERMS SET OUT IN THE ORIGINAL ENABLING RESOLUTION WITHOUT SUBMITTING THE CHANGES TO A VOTE OF THE PEOPLE. SO, WHEN THE LEGISLATURE FINALLY THREW UP ITS HANDS AND SAID, OKAY, MAYBE THERE IS SOME MERIT TO THESE LOCAL ECONOMIC DEVELOPMENT PROGRAMS. BUT WE'VE GOT TO HAVE SOME PROTECTIONS FOR THE TAXPAYER. AND HOW DO WE PROTECT THEM FROM THESE THINGS DOING WHAT GOVERNMENT ALWAYS DOES AND THAT IS TRIES TO GET BIGGER. AND THE WAY WE DO THAT IS WE HAVE THE VOTERS IN A POSITION TO SAY NO TO SOME GRAND IDEA THAT MAYBE THIS WOULD BE A GOOD THING TO SUBSIDIZE OR THAT WOULD BE A GOOD THING TO SUBSIDIZE. AND WE'RE REPLACING THE VOTE OF THE PEOPLE HERE WITH--OH, WELL, THE CITY COUNCIL CAN DO IT AS LONG AS ONE OF ITS SUBCOMMITTEES SAYS FINE, GO AHEAD AND DO IT, OR SPECIAL CITIZENS COMMITTEE SAYS FINE, EXCLUDING THE GREAT BULK OF THE VOTERS. OH WELL, THEY CAN COME TO THE PUBLIC HEARING IF THEY HAPPEN TO CATCH THAT THERE IS ONE. THAT'S NOT THE DEAL THAT WAS ORIGINALLY MADE WITH THE VOTERS WHEN THEY APPROVED THESE AUTHORITIES. AND, YES, LB840 PROGRAMS HAVE DONE WELL. THEY'VE DONE WELL UNDER THE EXISTING STRUCTURE. BUT LB840 PROGRAMS ARE ALSO ONE OF THE THINGS WE'RE GOING TO HAVE TO LOOK AT WHEN WE COME UNDER THE GUN, AND WE ARE, IN TRYING TO LIMIT THE GROWTH AND TAXATION OF LOCAL GOVERNMENTS. WE'RE FACING, AND WE MIGHT SEE ON THE FLOOR, SOME FAIRLY DRACONIAN PROPOSITIONS TO IMPOSE SOME SEVERE LIDS ON ALMOST ALL TYPES OF LOCAL SPENDING WITHOUT A CONSENT OF THE VOTERS. SO KEEP THAT IN MIND IF YOU'RE THINKING OF VOTING FOR THOSE KIND OF THINGS

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DOWN THE ROAD HERE WHEN YOU PASS THIS. LET THE VOTERS DECIDE ON THIS NARROW ISSUE. IT DOESN'T HARM THE LOCAL GOVERNMENTS. WHAT WILL GIVE THE LOCAL GOVERNMENT SOME TUMMY ACHE IS IF THE VOTERS' GENERAL FRUSTRATION WITH BEING TAXED FOR DO-GOODER PROGRAMS, SOME WHICH MAY DO GOOD, AT THE LOCAL LEVEL GIVES RISE TO DRACONIAN MEASURES AND PERHAPS UNWISE MEASURES IN THE STATE REVENUE GENERATION SYSTEM. SO I AM NOT AT ALL YET CONVINCED AT THIS STAGE OF THE DEBATE THAT THE IDEA OF TAKING THE VOTERS OUT OF THIS LOOP... [LB1059]

PRESIDENT FOLEY: ONE MINUTE. [LB1059]

SENATOR SCHUMACHER: ...IS AT ALL A GOOD IDEA. IF WE'RE GOING TO CRACK DOWN ON SPENDING AND ON PROGRAMS AND DISCRETIONS OF LOCAL GOVERNMENT AND TRUST THEN A VOTE OF THE PEOPLE TO CORRECT THE ISSUE, THEN THIS IS GOING THE WRONG DIRECTION. AND THESE ARE THE KIND OF ISSUES WE'RE PROBABLY GOING TO HEAR A BIT OF FOR THE REST OF THE SESSION, WHETHER IN THE REVENUE COMMITTEE OR OUT HERE ON THE FLOOR. AND THERE'S CERTAINLY GOING BE TOPICS OF DISCUSSION ACROSS THE STATE. THIS PROVISION RUNS CONTRARY TO THOSE OTHER ONES THAT ARE BEING CONSIDERED. THANK YOU. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB1059]

SENATOR CRAWFORD: THANK YOU, MR. LIEUTENANT GOVERNOR. AND I DO WANT TO CLARIFY THAT THE LB840 PLANS ARE ONLY LOCAL OPTION SALES TAX DOLLARS. SO WHEN WE'RE TALKING ABOUT WHAT CAN BE USED FOR THESE PROJECTS, IS LOCAL OPTION SALES TAX DOLLARS. I THINK IF YOU THINK ABOUT HOW THIS MIGHT PLAY OUT IN A MUNICIPALITY, IT'S IMPORTANT TO RECOGNIZE THAT IF THERE IS A NEWS ARTICLE ABOUT ADDING A NEW KIND OF QUALIFYING BUSINESS OR PUBLIC HEARING WHERE SOME PEOPLE SHOW UP TO SAY THAT WE DON'T WANT THAT, THAT'S NOT SOMETHING THAT WE'D LIKE TO SEE. THEN...AND IF THERE'S PUSH BACK AGAINST ADDING THAT PROVISION, THAT THAT'S LIKELY GOING TO MAKE IT DIFFICULT TO GET THAT TWO-THIRDS CITY COUNCIL VOTE. AND IN THAT CASE, I THINK IT...A VERY FAIR ARGUMENT FOR PEOPLE WHO ARE...WHO THINK THE AMENDMENT IS TOO LARGE TO BE DONE IN THAT WAY, A VERY FAIR ARGUMENT FOR THEM TO SAY IS--NO, IF YOU WANT TO MAKE THIS CHANGE, YOU NEED TO BRING IT BACK TO A VOTE OF THE PEOPLE. AND THAT STILL IS ALLOWED BY THE MUNICIPALITY. SO IF THERE'S PUSHBACK AGAINST

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THIS CHANGE, IF PEOPLE...THE CITIZENS DON'T LIKE THIS CHANGE, THEN THEY SHOULD PRESSURE THE CITY COUNCILMEMBERS TO NOT SUPPORT DOING IT THROUGH THIS AMENDMENT MECHANISM AND INSTEAD SAY--NO, YOU KNOW, THIS IS A BIG ENOUGH CHANGE; WE THINK WE NEED A DISCUSSION ABOUT IT AND A VOTE ON IT. AND, AGAIN, ALL OF THE CITY COUNSELORS, THE MEMBERS OF THE LEGISLATIVE BODY OF THE MUNICIPALITY ARE ELECTED OFFICIALS. AND SO THEY ARE ACCOUNTABLE TO THE VOTERS. AND AGAIN, THE PROVISION ALSO ALLOWS FOR REMOVAL. SO IF THEY AREN'T PAYING ENOUGH ATTENTION BEFORE IT HAPPENS, THERE IS A PROVISION TO PRESSURE AND MAKE SURE TO REMOVE THAT THROUGH THAT SAME MECHANISM AS WELL. IT'S REPRESENTATIVE DEMOCRACY, NOT DIRECT DEMOCRACY, BUT IT'S STILL DEMOCRACY. AND IT'S HOLDING THOSE ELECTED OFFICIALS ACCOUNTABLE. AND AGAIN, BOTH MECHANISMS WILL THEN BE, YOU KNOW, TOOLS THAT CAN BE USED TO HAVE THIS DISCUSSION AND DEBATE ABOUT HOW TO BEST USE THESE LOCAL OPTION SALES TAX DOLLARS WITHIN A PROJECT THAT THE VOTERS HAVE APPROVED. AND IF THE SUPER MAJORITY OF THE ELECTED CITY COUNCIL APPROVES AND IT IS SOMETHING THAT HAS WIDE SUPPORT IN THE COMMUNITY, THEN IT SAVES THE COST AND EXPENSE OF HAVING AN ACTUAL PUBLIC VOTE ON IT, WHICH IS NOT JUST THE BALLOT COST, BUT ALSO THE PUBLIC EDUCATION COST AS WELL IF THERE'S BROAD SUPPORT. IF THERE'S NOT SUPPORT FOR IT, THEN YOU SHOULDN'T GET A TWO-THIRDS VOTE BY THE CITY COUNCIL. AND THEN IF IT'S SOMETHING THE MUNICIPALITY FEELS IT REALLY IS CRITICALLY IMPORTANT, BUT OTHER PEOPLE ARE PUSHING BACK AND SAYING--NO, THAT FUNDAMENTALLY ALTERS WHAT WE THOUGHT WE VOTED ON, THEN THE CITY SHOULD PUT THAT DECISION TO A VOTE INSTEAD. THE PROVISION IN THE COMMITTEE AMENDMENT, AM2067, IT IS A CHANGE IN THAT PROCESS, FAIR ENOUGH, AND SENATOR SCHUMACHER HAS RAISED FAIR CONCERNS FOR US TO CONSIDER AS WE MAKE THAT CHANGE. I BELIEVE THERE ARE SUFFICIENT DEMOCRACY PROVISIONS IN THAT MECHANISM TO MAKE SURE THAT PEOPLE CAN HOLD THEIR MUNICIPALITY ACCOUNTABLE. AND SO I URGE YOUR SUPPORT OF AM2067 AND LB1059. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. SENATOR GROENE, YOU'RE RECOGNIZED. [LB1059]

SENATOR GROENE: THANK YOU, MR. SPEAKER...PRESIDENT. WOULD SENATOR CRAWFORD YIELD FOR A QUESTION? [LB1059]

PRESIDENT FOLEY: SENATOR CRAWFORD, WILL YOU YIELD, PLEASE? [LB1059]

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SENATOR CRAWFORD: YES. [LB1059]

SENATOR GROENE: WHO ASKED YOU TO BRING THIS BILL? I KNOW PART OF IT...IT WAS AMENDED IN FROM SENATOR HUGHES, BUT THE REST OF IT? [LB1059]

SENATOR CRAWFORD: SO ALL THREE OF THESE BILLS CAME TO OUR COMMITTEE FROM OUR INTERIM STUDY HEARINGS IN LINCOLN AND NORFOLK. AND SO NOBODY BROUGHT US TEXT OF THESE BILLS AND ASKED US TO INTRODUCE THEM. THE IDEAS FOR THESE BILLS CAME OUT OF THE DISCUSSIONS WE HAD IN THOSE INTERIM HEARINGS. [LB1059]

SENATOR GROENE: AND WHO WERE THE TESTIFIERS? THE MUNICIPALITIES OR TAXPAYERS? THE LEAGUE OR...? [LB1059]

SENATOR CRAWFORD: AS ALL HEARINGS, IT WAS OPEN TO WHOEVER WANTED TO COME TO TESTIFY. WE DID HAVE SEVERAL MUNICIPALITIES THERE, AND TAXPAYERS WERE IN THE ROOM AS WELL. [LB1059]

SENATOR GROENE: THANK YOU, THANK YOU. WELL, I TALKED TO SENATOR HUGHES, BUT SECTION 5 AND 6: IF PROPOSED ECONOMIC DEVELOPMENT PROGRAM INVOLVES THE MAKING OF GRANTS OR LOANS FOR THE CONSTRUCTION OF REHABILITATION FOR SALE OR LEASE OF HOUSING, AS PART OF THE WORKFORCE HOUSING PLAN, THE PROPOSED PLAN SHALL INCLUDE...SENATOR CRAWFORD, WOULD YOU YIELD FOR ANOTHER QUESTION? [LB1059]

SENATOR CRAWFORD: YES. [LB1059]

SENATOR GROENE: CAN THEY DO THAT ALREADY, USE LB840 MONEY FOR HOUSING? [LB1059]

SENATOR CRAWFORD: SO WHAT THEY CAN DO RIGHT NOW IS THEY CAN USE LB840 MONEY FOR LOW OR MODERATE INCOME HOUSING. SO WHAT THIS IS INSTEAD IS IF A MUNICIPALITY FEELS THERE IS A DIFFERENT KIND OF HOUSING THAT'S CRITICAL FOR SOMEONE THEY'RE TRYING TO...A BUSINESS THEY'RE TRYING TO RECRUIT, THEY CAN USE IT FOR WORKFORCE HOUSING, GIVEN THEY FOLLOW ALL THE PROVISIONS TO SHOW THIS IS CRITICAL FOR ECONOMIC DEVELOPMENT. [LB1059]

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SENATOR GROENE: THANK YOU. THANK YOU. SO IF A HOSPITAL ADMINISTRATOR COMES TO TOWN AND WANTS A \$600,000 HOUSE WE CAN USE TAX DOLLARS TO BUILD IT, IT LOOKS TO ME LIKE. YOU KNOW, THE CITIES ON TIF KEEP SAYING THEY HAVE NO ECONOMIC DEVELOPMENT TOOLS. I JUST HEARD SENATOR COASH SAY THAT LINCOLN AND OMAHA DON'T EVEN USE THIS. I GUESS THEY GOT TIF. BUT WE USE IT IN NORTH PLATTE. AND WE DO SOME INFRASTRUCTURE IMPROVEMENTS AROUND BUSINESSES TO IMPROVE THEIR ACCESS AND THINGS LIKE THAT. BUT WE DID. THEY JUST DID AN \$8,000 GRANT FOR SO MANY HOUSES THAT A DEVELOPER CAN USE AND THEY BUILD HOUSES BY A GOLF COURSE WITH THE MONEY...THE \$8,000. I'M JUST A LITTLE BIT CONCERNED THAT WE KEEP EXPANDING THIS WHEN THE PEOPLE VOTED ON IF THEY WANT THE LB840 TO BE USED IN THEIR COMMUNITY, SHOULDN'T THOSE SAME PEOPLE BE THE ONES TO VOTE HOW THEY USE IT? THAT'S WHAT CONCERNS ME ABOUT THIS BILL. CITIES DO HAVE ECONOMIC DEVELOPMENT TOOLS. BUT HERE'S THE PROBLEM, THEY HAVE TO USE THEIR OWN SALES TAXES. IN TIF, THEY CAN TAKE IT FROM THE SCHOOLS AND THE COUNTIES AND THE COMMUNITY COLLEGES, AND IN OTHER WORDS, LIKE I SAID, IN COMMITTEE THEY CAN BE THE BULLY AND TAKE THE LUNCH MONEY FROM THE OTHER TAXING DISTRICTS WITHOUT USING THEIR OWN MONEY. I GUESS THEY JUST DON'T WANT TO USE THEIR OWN MONEY FOR ECONOMIC DEVELOPMENT, THEIR OWN TAX BASE; THEY WANT TO USE SOMEBODY ELSE'S. BUT THEY DO HAVE A TOOL. THEY WOULD JUST HAVE TO USE THEIR OWN MONEY. BUT PERSONALLY I THINK IN STATUTE IT IS THE PEOPLE VOTE IF THEY WANT TO USE THIS TOOL. IN NORTH PLATTE WE USE 50 PERCENT OF ALL THE INCREASE OVER THE PRIOR YEAR. [LB1059]

PRESIDENT FOLEY: ONE MINUTE. [LB1059]

SENATOR GROENE: SO IT WAS...IF THEY HAD \$100 ONE YEAR IN TAXES, THE NEXT YEAR YOU HAD \$150, HALF OF THAT INCREASE GOES IN THE H40, SO \$25 WOULD GO INTO IT. BUT IF THEY'RE THE ONES...PEOPLE ARE THE ONES...THEY SHOULD BE THE ONES LOCALLY ON HOW THEY SPEND IT. WE SHOULDN'T TAKE THAT AWAY FROM THEM. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR GROENE. SENATOR SCHNOOR, YOU'RE RECOGNIZED. [LB1059]

SENATOR SCHNOOR: THANK YOU, MR. PRESIDENT. I'M GOING TO VOTE IN FAVOR OF THIS. THIS IS A TOOL THAT'S USED BY OUR LOCAL COMMUNITIES QUITE...I WON'T SAY EXTENSIVELY, BUT IT IS USED. IT'S A TAX ASSESSED LOCALLY. IT'S

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USED LOCALLY. AND THERE ARE RESTRICTIONS IN PLACE. YOU KNOW, YOU JUST CAN'T USE IT FOR ANYTHING. BUT AS I UNDERSTAND THIS, THE AMENDMENTS WILL ALLOW COMMUNITIES TO FUND WORKFORCE HOUSING, WHICH IS ALWAYS CRITICAL IN RURAL AREAS. IF YOU CAN BE ABLE TO USE THIS TO BUILD HOUSING FOR RENTAL PROPERTIES, APARTMENT COMPLEXES, DUPLEXES, IT ADDRESSES HOUSING. ALSO CITIES CAN ADD NEW QUALIFYING BUSINESSES THAT WERE APPROVED BY THE LEGISLATURE. AND BECAUSE OF THAT, YOU KNOW, HOUSING IN RURAL AREAS IS ALWAYS CRITICAL. A LOT OF TIMES PEOPLE WILL OR WILL NOT COME THERE JUST BASED ON THE HOUSING. SO BECAUSE OF THAT, I WILL BE SUPPORTING THIS. AND SENATOR CRAWFORD, I WILL YIELD YOU THE REST OF MY TIME IF YOU'D LIKE IT. THANK YOU. [LB1059]

PRESIDENT FOLEY: SENATOR CRAWFORD, WOULD YOU YIELD, PLEASE? SORRY, TIME HAS BEEN YIELDED TO YOU. THREE MINUTES, SENATOR. [LB1059]

SENATOR CRAWFORD: ALL RIGHT, THANK YOU. IS ANYONE ELSE IN THE QUEUE? IF NO ONE ELSE IS IN THE QUEUE, I'LL JUST GO AHEAD AND... [LB1059]

PRESIDENT FOLEY: NO, THERE ARE SENATORS IN THE QUEUE. [LB1059]

SENATOR CRAWFORD: OKAY, THANK YOU. THANK YOU, SENATOR SCHNOOR, I APPRECIATE YOUR COMMENTS. WORKFORCE HOUSING WAS AN ISSUE THAT WE HEARD OVER AND OVER AND OVER AGAIN. WE HAD OUR INTERIM STUDY ON LOCAL ECONOMIC DEVELOPMENT TOOLS BECAUSE WE HAD HEARD CONCERNS ABOUT...FROM MUNICIPALITIES ABOUT WHAT TOOLS THEY HAD AND HOW THEY COULD USE THEM. AND THE QUESTION ABOUT HOW TO ADDRESS WORKFORCE HOUSING CAME UP IN MANY OF THOSE DISCUSSIONS. AND THERE ARE SOME PROVISIONS FOR LOW AND MODERATE HOUSING. THE BILL PROVIDES THAT IF IT IS WITHIN AN ESTABLISHED PLAN FOR RECRUITING A BUSINESS...RECRUITING WORKERS FOR A BUSINESS, THERE CAN BE SOME HOUSING THAT IS DEVELOPED WITH GRANTS OR LOANS TO HELP ENCOURAGE HOUSING THAT ADDRESSES THOSE ECONOMIC DEVELOPMENT NEEDS OF THE MUNICIPALITY THAT THAT...THE LB840 FUNDS CAN BE USED FOR THAT. AND ONE THING THAT WAS IMPORTANT AT THAT DISCUSSION AS WELL IS THAT THAT'S THEN USING THE LOCAL OPTION SALES TAX DOLLARS TO WORK ON THAT HOUSING ISSUE AND SO IT DOESN'T THEN IN ANY WAY REDO...DOESN'T IN ANY WAY IMPACT THE PROPERTY TAX DOLLARS FOR THAT HOUSING AREA OR THAT HOUSING DEVELOPMENT THAT MAY BE USED. IT WOULD BE FUNDED INSTEAD THROUGH LOCAL OPTION SALES TAX DOLLARS. THANK YOU, MR. PRESIDENT. [LB1059]

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PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. MR. CLERK. [LB1059]

CLERK: MR. PRESIDENT, SENATOR SCHUMACHER WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS. (FA89, LEGISLATIVE JOURNAL PAGE 696.) [LB1059]

PRESIDENT FOLEY: SENATOR SCHUMACHER, YOU'RE RECOGNIZED TO OPEN ON FA89. [LB1059]

SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR, MEMBERS OF THE BODY. AS I LISTEN TO THE DEBATE AND LOOK AT THIS BILL, I'M TORN BETWEEN THE FACT THAT I KNOW THAT IN SOME COMMUNITIES LB840 DOES OKAY. I ALSO KNOW THAT THE VOTERS WERE PROMISED THAT THEY WOULD GET TO VOTE ON A CHANGE IN THE PARAMETERS. AND THIS BILL UNDOES WHAT WOULD APPEAR TO BE A SIGNIFICANT DEBATE IN SOME FORMER LEGISLATURE WHICH PUT RESTRICTIONS ON THE ABILITY OF THE CITY TO EXPAND THIS PROGRAM OUT WITHOUT GETTING FURTHER APPROVAL FROM THE VOTERS. FA89 ATTEMPTS TO STRIKE A BIT OF A BALANCE BECAUSE THE BILL, OR THE AMENDMENT TO AM2067 NOW SAYS THAT AFTER A HEARING, TWO-THIRDS OF THE GOVERNING BODY CAN EXPAND THE PROGRAM. IT STRIKES "TWO-THIRDS" AND SAYS "UNANIMOUS" VOTE. IF EVERYBODY ON THE COUNCIL AFTER THE HEARING OR WHATEVER AGREES THAT THIS BUSINESS EXPANSION FOR THIS ADDITIONAL TYPE OF BUSINESS OR FLAVOR OF THING IS OKAY, THEN MAYBE THAT'S SUFFICIENT PROTECTION OF THE VOTERS' RIGHT THAT WE'RE TAKEN AWAY FROM THEM BY THIS PARTICULAR MEASURE. IT'S SIMPLE, IT'S QUICK, WE CAN VOTE IT UP OR DOWN; NOT INTENDED TO INDUCE DELAY OR ANY TYPE OF A FILIBUSTER ON THIS ISSUE. BUT I THINK WE'RE TAKING SOMETHING AWAY FROM THE VOTERS THAT THEY WERE PROMISED WHEN THEY FIRST APPROVED THESE PLANS AND NOW WE'RE PUTTING IT IN THE DISCRETIONARY REALM OF A CITY COUNCIL AND THE NORMAL PROCEDURES WHICH OFTEN DON'T EVEN MAKE THE LOCAL NEWSPAPER IF THEY STILL HAVE A LOCAL NEWSPAPER. AND IT'S AT LEAST DESERVING, THE ORIGINAL PLAN APPROVED BY THE VOTERS, OF THE PROTECTION OF AN UNANIMOUS VOTE OF THE GOVERNING BODY. THANK YOU. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB1059]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. I RISE IN OPPOSITION TO FA89. I APPRECIATE THE CONCERN OF MAKING SURE THAT THERE IS COUNCIL

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APPROVAL AND THE PUBLIC IS ENGAGED AND INVOLVED. THE CURRENT PROVISIONS REQUIRE A SUPER MAJORITY, SO A TWO-THIRDS VOTE, THAT I THINK IS A PRETTY HIGH BAR IN TERMS OF MAKING SURE THERE IS FULL REPRESENTATIVE DEMOCRACY APPROVAL OF THIS CHOICE. THE UNANIMOUS VOTE, AS FAR AS WE COULD TELL, JUST CHECKING QUICKLY WITH COUNCIL, IS NOT REQUIRED FOR ANY OTHER PROVISIONS THAT WE'RE FAMILIAR WITH WITHIN STATUTE. AND IT'S ALSO THE CASE THAT A UNANIMOUS VOTE THEN PUTS A PARTICULAR...ANY PARTICULAR COUNCILMEMBER IN THAT VETO POSITION WHICH THEN ALLOWS THAT COUNCILMEMBER TO BE IN A KIND OF POLITICAL POSITION OF HAVING VETO POWER. AND I THINK THAT WOULD BE INAPPROPRIATE IN TERMS OF THE DISCUSSION AND THE POWER THAT WOULD GIVE TO A SINGLE CITY COUNCILMEMBER IN THIS DECISION BEFORE THE MUNICIPALITY. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. SENATOR JOHNSON, YOU'RE RECOGNIZED. [LB1059]

SENATOR JOHNSON: THANK YOU, LIEUTENANT GOVERNOR. I WOULD LIKE TO ASK SENATOR SCHUMACHER A QUESTION IF HE'D YIELD. [LB1059]

PRESIDENT FOLEY: SENATOR SCHUMACHER, WILL YOU YIELD, PLEASE? [LB1059]

SENATOR SCHUMACHER: YES, I WILL. [LB1059]

SENATOR JOHNSON: JUST A CLARIFICATION. LET'S USE THE EXAMPLE OF SIX MEMBERS ON A CITY COUNCIL AND ONE MEMBER, PRIOR TO THE DISCUSSION BECAUSE OF A CONFLICT OF INTEREST, NEEDED TO DISQUALIFY HIM OR HERSELF, DOES THAT DISQUALIFY THE PROJECT OR DOES A UNANIMOUS THEN BE FIVE? [LB1059]

SENATOR SCHUMACHER: IT WOULD DISQUALIFY THE PROJECT IF THERE WAS A CONFLICT OF INTEREST. [LB1059]

SENATOR JOHNSON: OKAY. I THINK IN SMALLER COMMUNITIES WHERE YOU'VE GOT BUSINESS PEOPLE DEFINITELY INVOLVED ON COUNCIL, THAT COULD HAPPEN. AND WITH THAT, I WOULD NOT SUPPORT FA89. THANK YOU. [LB1059]



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PRESIDENT FOLEY: THANK YOU, SENATOR JOHNSON. SEEING NO OTHER MEMBERS WISHING TO SPEAK, SENATOR SCHUMACHER, YOU'RE RECOGNIZED TO CLOSE ON FA89. [LB1059]

SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR. SAME THING ON A SMALL LOCATION IF THERE WERE TWO COUNCILMEMBERS WHO HAPPENED TO HAVE A CONFLICT OF INTEREST IN A SMALL TOWN, IT WOULD DISQUALIFY IT UNDER THE EXISTING LANGUAGE. THIS RAISES THE LEVEL OF PUBLIC DISCUSSION THAT IS NEEDED TO OVERRULE PARAMETERS ADOPTED BY THE VOTERS. IT RAISES IT TO A UNANIMOUS LEVEL. THEY STILL CAN DO IT, RUN IT BY THE VOTERS AT THE NEXT PRIMARY OR GENERAL ELECTION AND YOU'RE HOME FREE. BUT WHAT IT DOES DO IS REPLACES SOME OF THE PROTECTIONS THAT THE VOTERS WERE GUARANTEED THAT THEY WOULD GET TO VOTE ON CHANGES WHEN THEY FIRST ALLOWED THE LB840 PROJECT. UNANIMOUS IS A VERY HIGH BAR. BUT IN NO OTHER CASES DO WE ALLOW VOTER LIMITATIONS TO BE OVERRIDDEN BY SIMPLY TWO-THIRDS OF A GOVERNING BODY, PARTICULARLY WHEN IT CAN DEAL WITH UP TO A HALF A PERCENT TAX ON ALL SALES WITHIN THE MUNICIPALITY. YES, I WOULD GUESS THAT THIS WHOLE IDEA IS PROMOTED BY GENERALLY THE VARIOUS ASSOCIATIONS OF CITIES. BUT, IF WE'RE GOING TO GIVE THIS AUTHORITY TO A CITY COUNCIL, IT SHOULD BE UNANIMOUS. THANK YOU. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. MEMBERS, YOU'VE HEARD THE DEBATE AND CLOSING ON FA89. THE QUESTION IS THE ADOPTION OF FA89. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB1059]

CLERK: 12 AYES, 18 NAYS, MR. PRESIDENT, ON THE AMENDMENT. [LB1059]

PRESIDENT FOLEY: FA89 IS NOT ADOPTED. RETURNING NOW TO DEBATE ON THE LB1059 AND RELATED COMMITTEE AMENDMENTS. SEEING NO OTHER MEMBERS WISHING TO SPEAK, SENATOR CRAWFORD, YOU'RE RECOGNIZED TO CLOSE ON THE COMMITTEE AMENDMENT. [LB1059]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. I URGE YOUR SUPPORT OF AM2067. THAT INCLUDES BOTH PROVISIONS TO ALLOW MUNICIPALITIES TO...IT IS A WHITE COPY AMENDMENT OF THE BILL AND IT INCLUDES PROVISIONS THAT ALLOWS MUNICIPALITIES TO DEVELOP A WORKFORCE HOUSING PLAN AND USE THEIR LB840...ALL LOCAL OPTION SALES TAX DOLLARS TO PROVIDE GRANTS OR

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LOANS FOR THAT WORKFORCE HOUSING. IT ALSO ALLOWS THE MUNICIPALITIES TO AMEND THEIR PLANS TO ADD OR ELIMINATE A QUALIFYING BUSINESS AND THAT THAT IS A CHANGE THEY CAN MAKE TO ADD OR ELIMINATE A QUALIFYING BUSINESS THAT THEY CAN MAKE THAT AMENDMENT IF THEIR CITIZEN ADVISORY BOARD APPROVES OF THAT CHANGE, AND THAT IS A PUBLIC BOARD, IF THERE IS A PUBLIC HEARING ON THAT DISCUSSION, AND IF TWO-THIRDS OF THE CITY COUNCIL VOTERS APPROVE. AND, AGAIN, IF THAT...IF IT GOES THROUGH ALL OF THOSE STEPS AND THEN THERE IS A BACKLASH IN THE COMMUNITY, THE PROVISION IS THERE TO REMOVE IT SO THEY COULD GO BACK THROUGH THAT PROCESS AND REMOVE THAT AS WELL. AND ALSO, ALL OF THOSE PUBLIC STEPS THEN PROVIDE OPPORTUNITIES FOR MEMBERS OF THE PUBLIC WHO FEEL LIKE THAT THE CHANGE THAT'S BEING PROPOSED IS A CHANGE THAT IS BIG ENOUGH IT NEEDS TO GO BACK TO THE VOTERS, THAT'S WHEN THERE CAN BE A PUBLIC DEMAND, PUBLIC PUSH BACK TO SAY--NO, WAIT, THIS AMENDMENT IS TOO LARGE AND SO WE THINK THAT YOU NEED TO TAKE THIS BACK TO THE VOTERS IF THIS IS THE CHANGE YOU'RE MAKING. THERE'S DEMOCRATIC DISCUSSION, PUBLIC DISCUSSION ABOUT THE CHANGE, AND IF IT, ON THE OTHER HAND, IF IT IS A CHANGE THAT HAS BROAD PUBLIC SUPPORT, AND THEN AGAIN A TWO-THIRDS COUNCIL VOTE WOULD INDICATE BROAD PUBLIC SUPPORT, THERE'S A CHANGE THAT CAN BE MADE BY THOSE DULY-ELECTED OFFICIALS IN A MUNICIPALITY. THE AMENDMENT THEN ALSO, SINCE IT'S A WHITE COPY, INCLUDES PROVISIONS OF LB1059, BUT I'LL SAVE THAT DISCUSSION FOR THE NEXT VOTE. I WOULD URGE YOUR SUPPORT OF AM2067. THANK YOU, MR. PRESIDENT. [LB1059]

PRESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. MEMBERS, YOU'VE HEARD THE DEBATE ON AM2067. THE QUESTION IS THE ADOPTION OF THE COMMITTEE AMENDMENT. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB1059]

CLERK: 28 AYES, 0 NAYS ON ADOPTION OF COMMITTEE AMENDMENTS. [LB1059]

PRESIDENT FOLEY: THE COMMITTEE AMENDMENT IS ADOPTED. SEEING NO OTHER MEMBERS WISHING TO SPEAK ON THE BILL, SENATOR CRAWFORD, YOU'RE RECOGNIZED TO CLOSE ON THE ADVANCE OF LB1059. [LB1059]

SENATOR CRAWFORD: THANK YOU, COLLEAGUES. AND I APPRECIATE THAT VOTE ON THE AMENDMENT. AND SO NOW WHAT WE HAVE IN LB1059 IS A PACKAGE OF

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CHANGES TO THE LOCAL ECONOMIC DEVELOPMENT TOOLS, AGAIN, THAT CAME OUT IN OUR DISCUSSIONS OVER THE INTERIM OF HOW TO BEST MODERNIZE AND IMPROVE OUR LOCAL ECONOMIC DEVELOPMENT TOOLS. LB1059 INCLUDES THE RECOGNITION THAT WHEN LOCAL MUNICIPALITIES DECIDE WHETHER TO USE THESE TOOLS AND HOW MUCH OF THEIR OWN RESOURCES TO CONTRIBUTE TO THESE TOOLS, IT'S IMPORTANT THAT THEY HAVE INFORMATION ABOUT THE... WHETHER OR NOT THOSE SAME ENTITIES THAT ARE ASKING AND WORKING WITH THE CITY ON LOCAL INCENTIVES, WHETHER OR NOT THOSE SAME ENTITIES ARE GOING TO BE RECEIVING STATE INCENTIVES THAT MIGHT PULL AWAY LOCAL OPTION SALES TAX DOLLARS. AND AS I SAID IN MY OPENING, WE HAD MEMBERS OF THE STATE CHAMBER TALK TO US LATE YESTERDAY AFTERNOON. I HAVE AGREED BETWEEN GENERAL AND SELECT TO TALK TO THEM ABOUT THE SPECIFIC DISCLOSURE LANGUAGE TO MAKE SURE THAT IT IS LANGUAGE WITH WHICH THOSE BUSINESSES CAN COMPLY. AND SO WE WILL BE BRINGING A SELECT FILE AMENDMENT WITH ANY CHANGES THAT MAY BE DEEMED NECESSARY FROM THAT CONVERSATION. AND I URGE YOUR SUPPORT OF LB1059. THANK YOU, MR. PRESIDENT. [LB1059]

RESIDENT FOLEY: THANK YOU, SENATOR CRAWFORD. MEMBERS, YOU'VE HEARD THE DEBATE AND CLOSING ON LB1059. THE QUESTION IS THE ADVANCE OF LB1059 TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB1059]

CLERK: 28 AYES, 2 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB1059. [LB1059]

PRESIDENT FOLEY: LB1059 ADVANCES. ITEMS FOR THE RECORD, MR. CLERK. [LB1059]

CLERK: THANK YOU, MR. PRESIDENT. TRANSPORTATION COMMITTEE, CHAIRED BY SENATOR SMITH, REPORTS LB768 TO GENERAL FILE WITH AMENDMENTS. HEALTH AND HUMAN SERVICES, CHAIRED BY SENATOR CAMPBELL, REPORTS LB869 TO GENERAL FILE. APPROPRIATIONS, CHAIRED BY SENATOR MELLO, REPORTS LB1092 TO GENERAL FILE. BANKING, COMMERCE AND INSURANCE COMMITTEE, CHAIRED BY SENATOR SCHEER, REPORTS LB794 AND LB817 TO GENERAL FILE; LB1050 TO GENERAL FILE WITH AMENDMENTS; AND LB801 INDEFINITELY POSTPONED. SENATOR KOLTERMAN, NEW A BILL, LB447A (READ BY TITLE FOR FIRST TIME). SENATOR LINDSTROM WOULD LIKE TO PRINT AN

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AMENDMENT TO LB772. AND A CONFIRMATION HEARING NOTICE FROM THE EDUCATION COMMITTEE SIGNED BY SENATOR SULLIVAN. AND SENATOR DAVIS OFFERS LR445; SENATOR SCHNOOR, LR446, THOSE WILL BOTH BE LAID OVER, MR. PRESIDENT. AND THAT'S ALL THAT I HAVE. (LEGISLATIVE JOURNAL PAGES 696-698.) [LB768 LB869 LB1092 LB794 LB817 LB1050 LB801 LB447A LB772 LR445 LR446]

PRESIDENT FOLEY: THANK YOU, MR. CLERK. MOVING NOW ON THE AGENDA, LB730. MR. CLERK. [LB730]

CLERK: LB730, A BILL BY SENATOR JOHNSON. (READ TITLE.) INTRODUCED ON JANUARY 6 OF THIS YEAR; REFERRED TO THE AGRICULTURE COMMITTEE, ADVANCED TO GENERAL FILE. I HAVE NO AMENDMENTS PENDING TO THE BILL, MR. PRESIDENT. [LB730]

PRESIDENT FOLEY: THANK YOU, MR. CLERK. (VISITORS INTRODUCED.) SENATOR JOHNSON, YOU'RE NOW RECOGNIZED TO OPEN ON LB730. [LB730]

SENATOR JOHNSON: THANK YOU, LIEUTENANT GOVERNOR. LB730 AMENDS STATUTE 88-530, THE GRAIN WAREHOUSE ACT, TO CLARIFY A FIVE-DAY WINDOW UNDER WHICH PERSONS WHO RECENTLY SOLD STORED GRAIN IN A WAREHOUSE MAY REVERT TO THE STATUS OF A VALID OWNER OR STORER OF GRAIN ELIGIBLE TO SHARE IN THE DISTRIBUTION OF THE WAREHOUSE GRAIN ASSETS, AND BOND WHEN THE WAREHOUSE IS CLOSED BY THE PUBLIC SERVICE COMMISSION. CURRENTLY THE ACT PROVIDES THAT THE SELLER MAY CLAIM STATUS AS A VALID STORER OR OWNER IF THEY HOLD A CHECK IN PAYMENT ISSUED WITHIN FIVE BUSINESS DAYS PRIOR TO THE DATE THE PUBLIC SERVICE TAKES POSSESSION. LB730 CLARIFIES THAT THE FIVE-DAY RULE APPLIES TO THE DATE THE TRANSFER OF TITLE OCCURRED AND IRREGARDLESS OF WHEN OR WHETHER A CHECK WAS ISSUED TO THE SELLER. TO EXPLAIN THE PROCESS A LITTLE BIT, I'LL USE MYSELF AS AN EXAMPLE. I DELIVER 5,000 BUSHEL OF CORN TO AN ELEVATOR. I HAVE A SCALE TICKET OR A SERIES OF SALES TICKETS, OR I MIGHT ASK FOR A WAREHOUSE RECEIPT ON THAT, OR I HAVE AN IN-STORE TRANSFER ALLOWING ME TO HAVE 5,000 BUSHEL OF GRAIN STORED IN THIS ELEVATOR. IF IT REMAINS IN THAT STATUS AND THE ELEVATOR IS CLOSED BY THE PUBLIC SERVICE COMMISSION, I'M ALREADY COVERED BECAUSE THEY ARE RESPONSIBLE TO HAVE 5,000 BUSHEL OF GRAIN IN MY NAME IN THEIR ELEVATOR. I WOULD BE AUTOMATICALLY COVERED. THE DIFFERENCE WOULD BE IF I WENT INTO THE ELEVATOR AND SOLD MY GRAIN, SOLD ALL 5,000

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BUSHEL OF IT, THE ELEVATOR MAKES A TRANSFER OF THE POSITION. IT'S CALLED THE DAILY POSITION RECORD OR DPR. THEY CHANGED THAT FROM STORED GRAIN IN MY NAME TO COMPANY-OWNED GRAIN IN THE ELEVATOR NAME, MEANING THEY HAVE BOUGHT IT, AND THAT IS THE DATE AND THE TIME THE TITLE CHANGES. THAT GOES INTO THE RECORD AND THE ELEVATOR CLOSES THEIR BOOKS THAT EVENING. NOW, IF THE PUBLIC SERVICE COMES IN ON AN EXAM THE NEXT DAY, OR WITH THE NEXT FIVE BUSINESS DAYS, AND DOES AN EXAM AND FINDS OUT THAT THE ELEVATOR IS SHORT OF GRAIN AND CLOSES IT DOWN, THEY WILL UNDER LB730, THEY WILL LOOK BACK, FIVE DAYS BACK TO SEE THE POSITION RECORD AND TO SEE THAT ON THAT DAY MY GRAIN WAS STILL IN A STORED POSITION. I'M STILL COVERED. FIVE BUSINESS DAYS BASICALLY IS SEVEN DAYS. IT'S FIVE BUSINESS DAYS OF THE PUBLIC SERVICE COMMISSION. SO, IT ALWAYS GOES THROUGH A WEEKEND. BUT IF THEY COME IN ON LIKE ON WEDNESDAY MORNING, THEY'D BE REVIEWING RECORDS WEDNESDAY, THURSDAY, FRIDAY, AND THEN WE'D HAVE MONDAY, TUESDAY OF THE NEXT WEEK, THAT CONSTITUTES THE FIVE WORKING DAYS. SO THE CHECK IS NOT THE FACTOR ANYMORE AS IT USED TO BE. AFTER THE RULING OF THE SUPREME COURT WHICH CLEARED UP SOME ISSUES WITH THE CLOSING OF THE PIERCE ELEVATOR, THESE THINGS CAME...WERE HIGHLIGHTED AND LAST OCTOBER, MY STAFF AND I, WE MET WITH THE PUBLIC SERVICE COMMISSION GRAIN INDUSTRY PEOPLE AND AG PEOPLE TO DISCUSS THIS CHANGE AND IT DEFINITELY CLARIFIES THE SITUATION ESPECIALLY AS IT RELATED TO SOME PEOPLE IN PIERCE. IN THAT ELEVATOR SOME WERE QUALIFIED AND SOME WERE NOT QUALIFIED BASED ON THE STATUS OF THAT CHECK. HERE, IT'S CUT PRETTY CLEAR. THE DAY IT CHANGES IN THE DAILY POSITION RECORD, DPR, IS THE DAY TITLE CHANGES AND THAT'S THE REFERENCE DAY OF WHETHER YOU WOULD BE COVERED UNDER THE BOND OR DISTRIBUTION OF THE ASSETS. I INTRODUCED THIS TODAY. IT CAME OUT OF COMMITTEE 7-0 WITH ONE MEMBER ABSENT, AND I ASK FOR YOUR SUPPORT ADVANCING LB730. [LB730]

PRESIDENT FOLEY: THANK YOU, SENATOR JOHNSON. MEMBERS, YOU'VE HEARD THE OPENING ON LB730. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB730]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. I WAS LOOKING AROUND THE CHAMBER AS SENATOR JOHNSON WAS INTRODUCING THIS BILL, AND I SEE OUR URBAN COLLEAGUES EITHER WITH THEIR EYES GLAZED OVER OR NOT PAYING ANY ATTENTION. WHAT WE'RE TALKING ABOUT HERE CAME ABOUT BECAUSE OF AN INCIDENT AT PIERCE, NEBRASKA, WHICH IS ACTUALLY IN SENATOR SULLIVAN'S DISTRICT, BUT QUITE CLOSE TO ME. THERE WERE A NUMBER OF FARMERS LOST A LOT OF MONEY WHEN THE ELEVATOR DIDN'T

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HAVE THE GRAIN THEY TOLD THE EXAMINERS THEY HAD. IT PUT PEOPLE OUT OF BUSINESS. IT DESTROYED HOMES AND FAMILIES. SO THIS IS SOMETHING THAT WE'VE BEEN WORKING ON IN THE AG COMMITTEE FOR A WHILE NOW. THIS IS NOT A, WELL, LET'S JUST GLANCE AT THIS AND PASS IT, IT DOESN'T AMOUNT TO ANYTHING. WELL, IT DOES. IT AMOUNTS TO A LOT WHEN YOU'RE DEALING WITH NEBRASKA AGRICULTURE. THIS NEEDS TO HAPPEN. SO IF YOU DON'T UNDERSTAND IT, PLEASE ASK SENATOR JOHNSON OR ONE OF THE AG COMMITTEE MEMBERS SOME QUESTIONS ABOUT IT BECAUSE IT WAS DISCUSSED HEAVILY THERE. THANK YOU, MR. PRESIDENT. [LB730]

PRESIDENT FOLEY: THANK YOU, SENATOR BLOOMFIELD. SENATOR KRIST, YOU'RE RECOGNIZED. [LB730]

SENATOR KRIST: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, OR IT'S STILL GOOD MORNING, COLLEAGUES. AND SENATOR BLOOMFIELD, I WAS AWAKE, I WAS ALERT, AND I WAS LISTENING, AND I'M URBAN AS YOU CAN GET. I DO REMEMBER YOU TELLING ME ABOUT THE SITUATION AND I DO REMEMBER THAT YOU ALL HAD BEEN WORKING ON THIS FOR SOME TIME AND I'M HOPING THAT THIS IS A CLEAR SAIL GREEN FOR YOU BECAUSE I COMPLETELY SUPPORT THE EFFORT. THANK YOU, SENATOR JOHNSON, FOR BRINGING IT FORWARD. [LB730]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: SEEING NO ONE ELSE IN THE QUEUE, SENATOR JOHNSON, YOU'RE RECOGNIZED TO CLOSE ON LB730. [LB730]

SENATOR JOHNSON: THANKS FOR THE SUPPORT AND THE COMMENTS, SENATOR BLOOMFIELD. ONE OF THE SITUATIONS THAT CAME UP, HE DID REFER TO IT AND MADE IT A LITTLE BIT PERSONAL. SOMETIMES, THOUGH, ELEVATORS ARE NOT USING CHECKS ANYMORE. SOMETIMES IT'S ELECTRONIC TRANSFER. SOMETIMES IT'S THE CHECK DOESN'T GET PASSED OUT AS SENATOR SULLIVAN TALKED ABOUT. HERE WE DON'T RELY ON THAT CHECK. WE RELY ON A DOCUMENT THAT EVERYBODY RECOGNIZES IN THE GRAIN INDUSTRY. I ASK FOR YOUR SUPPORT OF LB730. [LB730]

SPEAKER HADLEY: THE QUESTION FOR THE BODY IS THE ADVANCEMENT OF LB730 TO E&R INITIAL. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB730]

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CLERK: 32 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB730.  
[LB730]

SPEAKER HADLEY: THE BILL ADVANCES. MR. CLERK. [LB730]

CLERK: LB830 WAS A BILL ORIGINALLY INTRODUCED BY SENATOR BURKE HARR.  
(READ TITLE.) INTRODUCED ON JANUARY 8, REFERRED TO BUSINESS AND  
LABOR, ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS,  
MR. PRESIDENT. (AM2082, LEGISLATIVE JOURNAL PAGE 589.) [LB830]

SPEAKER HADLEY: SENATOR HARR, YOU'RE AUTHORIZED TO OPEN ON LB830.  
[LB830]

SENATOR HARR: THANK YOU, MR. SPEAKER, MEMBERS OF THE BODY. I'M HERE  
ON LB830. LB830 ALLOWS STATE EMPLOYEES THE OPPORTUNITY TO USE  
VACATION LEAVE BEFORE IT IS FORFEITED UNDER THE CURRENT USE IT OR LOSE  
IT POLICY. IF A STATE EMPLOYEE MAKES A REASONABLE WRITTEN REQUEST TO  
USE VACATION LEAVE, AND THAT REQUEST IS DENIED, THE EMPLOYEE AGENCY  
MUST PAY THE EMPLOYEE THE CASH EQUIVALENT OF THE FORFEITED LEAVE  
THAT WAS REQUESTED AND DENIED. THIS BILL COMES AS A RESULT OF  
PROBLEMS THAT EXIST IN AGENCIES WITH WORK FORCE SHORTAGES WHERE  
EMPLOYEES ARE WORKING OVERTIME, ESPECIALLY WITHIN THE VETERANS  
HOME AND CORRECTIONAL FACILITIES. THERE ARE A NUMBER OF FACILITIES  
THAT ARE UNDERSTAFFED. THEREFORE, WHEN THE CURRENT EMPLOYEE  
REQUESTS VACATION LEAVE, MANY TIMES THEY ARE DENIED DUE TO  
SIGNIFICANT STAFF SHORTAGES WITHIN THEIR DEPARTMENTS. OFTEN MULTIPLE  
REQUESTS ARE DENIED WITHIN A SINGLE YEAR. THESE DENIALS THROUGH NO  
FAULT ON THE EMPLOYEES, YET THEY ARE THE ONES PAYING THE PRICE.  
EMPLOYEES HAVE EARNED THIS VACATION TIME THROUGH YEARS OF SERVICE  
AND ACCRUAL. THIS IS AN EXPENDITURE ALREADY OWED TO THE EMPLOYEES  
THAT CAN GO A LONG WAYS TOWARDS THE APPRECIATION OF THEIR SERVICES  
AND PROVIDING BETTER SERVICE. JUST THREE WEEKS AGO, THE JOURNAL STAR  
HAD AN ARTICLE CITING THAT 66 PERCENT OF TECUMSEH CORRECTIONAL  
EMPLOYEES SAID THE LEGISLATURE DOES NOT VALUE THEM. LB830 WAS  
ADVANCED OUT OF COMMITTEE 5-0. I WOULD ASK FOR YOUR SUPPORT ON LB830  
AND THE SOON TO COME UNDERLYING AMENDMENT. THANK YOU, MR.  
SPEAKER. [LB830]

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SPEAKER HADLEY: AS WAS STATED, THERE ARE COMMITTEE AMENDMENTS TO LB830. SENATOR HARR, AS CHAIR OF THE BUSINESS AND LABOR COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE COMMITTEE AMENDMENTS. [LB830]

SENATOR HARR: THANK YOU, MR. PRESIDENT. AM2082, IF YOU LOOK ON YOUR GADGET, WAS ORIGINALLY LB972. THIS AMENDMENT ALLOWS THOSE INDIVIDUALS WHO WORK FOR THE STATE IN A MAJOR NONTENURED POLICY MAKING POSITION TO BE INCLUDED WITHIN THE DEFINITION OF EMPLOYMENT UNDER THE EMPLOYMENT SECURITIES LAW. PAYMENTS ARE ALREADY BEING MADE INTO THE UNEMPLOYMENT INSURANCE SYSTEM AND TO IMMEDIATELY DISQUALIFY THOSE INDIVIDUALS WHO HAVE WORKED SO TIRELESSLY TO SERVE THE STATE, FAILS TO RECOGNIZE THE SERVICE WHEN THEY BECOME UNEMPLOYED. DUE TO THIS EXCEPTION, HIGH LEVEL PUBLIC EMPLOYEES ARE LEAVING THE STATE TO GO TO PRIVATE...GO PRIVATE PRIOR TO UNEMPLOYMENT. THEY ARE APPLYING FOR OTHER POSITIONS WHICH ARE EMPLOYED WITHIN THE STATE AND HAVE ONE FOOT OUT THE DOOR. AM2082 ALLOWS NEBRASKA TO RECRUIT THE MOST TALENTED, QUALIFIED INDIVIDUALS TO SERVE IN THESE POSITIONS IN A WAY THAT HONORS THOSE INDIVIDUALS FOR THEIR PUBLIC SERVICE. ALSO, AM2082 INCLUDES LANGUAGE IN RESPONSE TO A CONCERN RAISED BY THE NEBRASKA RETIREMENT SERVICE COMMITTEE IN REGARDS TO LB830 AND THE VACATION FORFEITURE. IT CLARIFIES THAT THE CASH PAYMENT FOR VACATION LEAVE THAT WAS REQUESTED AND DENIED UNDER THIS BILL WILL BE CONSIDERED COMPENSATION IN STATE EMPLOYEES TO FIND CONTRIBUTION AND TAX BENEFIT PLANS, BUT ARE NOT CONSIDERED COMPENSATION FOR EMPLOYEES DEFINED BENEFIT PLANS. THOSE DEFINED BENEFIT PLANS INCLUDE JUDGES, STATE PATROL, AND SCHOOL EMPLOYEES RETIREMENT PLANS. ESSENTIALLY RECEIVING CASH PAYMENT FOR FORFEITED VACATION WOULD LEAVE...VACATION LEAVE WOULD HAVE ARTIFICIALLY INFLATED EARNINGS FOR THESE INDIVIDUALS IN THE YEARS USED TO CALCULATE THEIR FINAL RETIREMENT BENEFITS. THIS WOULD HAVE A NEGATIVE FINANCIAL IMPACT ON THE HEALTH OF OUR RETIREMENT PLANS. LB...OR AM2082 RELIEVES THE CONCERN AND I'D LIKE TO THANK SENATOR KOLTERMAN AND HIS STAFF FOR THEIR WORK ON THIS PORTION OF THE AMENDMENT. AGAIN, AM2082 WAS VOTED OUT OF COMMITTEE 5-0 AND I WOULD LIKE TO ASK FOR YOUR SUPPORT ON AM2082. THANK YOU, MR. SPEAKER. [LB830]

SPEAKER HADLEY: THANK YOU, SENATOR HARR. YOU'VE HEARD THE OPENING ON THE COMMITTEE AMENDMENT TO LB830. SENATOR KRIST, YOU'RE RECOGNIZED. [LB830]



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SENATOR KRIST: GOOD MORNING, MR. PRESIDENT, COLLEAGUES, AND NEBRASKA, AGAIN. I WONDER IF SENATOR HARR WOULD YIELD TO A QUESTION. [LB830]

SPEAKER HADLEY: SENATOR HARR, WILL YOU YIELD? [LB830]

SENATOR HARR: YES, I WILL. [LB830]

SENATOR KRIST: JUST FOR THE LEGISLATIVE RECORD OR FOR OUR OWN RECORD, THIS DOES NOT APPLY TO THE LEGISLATIVE EMPLOYEES, IS THAT CORRECT? [LB830]

SENATOR HARR: WHICH PART ARE YOU REFERRING TO? [LB830]

SENATOR KRIST: THE MAIN BILL WHICH WOULD... [LB830]

SENATOR HARR: THE TAKE OR PAY? [LB830]

SENATOR KRIST: YES. [LB830]

SENATOR HARR: IT IS MY UNDERSTANDING BECAUSE THEY'RE NOT COLLECTIVELY BARGAINED THAT I BELIEVE IT WOULD APPLY TO THEM. [LB830]

SENATOR KRIST: OKAY. I THINK WE NEED TO MAKE SURE THAT THAT'S ON THE RECORD AND I BELIEVE THAT IT DOES NOT APPLY TO OUR LEGISLATIVE EMPLOYEES, BUT... [LB830]

SENATOR HARR: OKAY. [LB830]

SENATOR KRIST: ...LET'S MAKE SURE WE GET THAT ON THE RECORD. THE OTHER THING I WOULD COMMEND YOU FOR ON AM2082, AS WELL AS THE BILL ITSELF, WE...IF YOU'RE OPERATING ON A CALENDAR BASIS, OBVIOUSLY, AND A BLIZZARD OR A DISASTER KEEPS YOU...PARTICULARLY MAYBE THE STATE PATROL KEEPS YOU FROM ACTUALLY BEING ABLE TO TAKE THAT VACATION THAT WAS PLANNED. IT IS REALLY UNFAIR THAT WE SHOULD BE NOT ALLOWING THEM TO, BUT THERE'S GOOD REASON THAT THAT WOULD HAPPEN. SO I THANK YOU FOR THAT AND ALSO FOR ADDRESSING THE ISSUE WITH THE RETIREMENT

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PLANS. WE SAW THAT HAPPEN IN THE OMAHA AREA UNDER SEVERAL CONTRACTS, SO THANK YOU FOR THOSE ADDITIONS AND LET'S PUT THAT OTHER QUESTION ON THE RECORD, IF WE COULD, PLEASE. [LB830]

SENATOR HARR: I WILL GET BACK TO YOU ON THAT BETWEEN...BECAUSE THERE WILL BE AMENDMENT BETWEEN GENERAL AND SELECT. SENATOR SCHEER AND I ARE GOING TO ADDRESS SOME CONCERNS SO WE CAN BETTER DEFINE WHAT THAT REASONABLENESS IS SO THANK YOU. [LB830]

SENATOR KRIST: THANK YOU, SENATOR. [LB830]

SPEAKER HADLEY: THANK YOU, SENATOR KRIST. SENATOR KOLTERMAN, YOU'RE RECOGNIZED. [LB830]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. I RISE IN SUPPORT OF THIS. THE RETIREMENT COMMITTEE ACTUALLY CONTACTED SENATOR HARR AND ASKED HIM TO INCORPORATE LANGUAGE INTO LB830 FOR PURPOSES OF RETIREMENT BENEFIT CALCULATIONS. I APPRECIATE SENATOR HARR IN THE BUSINESS AND LABOR COMMITTEE'S INCORPORATION OF THE LANGUAGE WE PROPOSED AND ALSO APPRECIATE THE INPUT OF THE NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEM IN WORKING WITH US ON CRAFTING THIS LANGUAGE. THE PURPOSE OF THE LANGUAGE IS TO CLARIFY THAT THE CASH PAYMENT FOR VACATION LEAVE THAT WAS REQUESTED AND DENIED UNDER THE BILL WILL BE CONSIDERED COMPENSATION AND STATE EMPLOYEES DEFINE CONTRIBUTION IN CASH BALANCE...CASH BENEFIT PLANS, THAT ARE NOT CONSIDERED COMPENSATION FOR STATE EMPLOYEES DEFINED BENEFIT PLANS. THOSE DEFINED BENEFIT PLANS INCLUDE JUDGES, STATE PATROL, SCHOOL EMPLOYEES RETIREMENT PLANS. ALL OF THESE PLANS ARE ADMINISTERED BY THE PUBLIC EMPLOYEES' RETIREMENT BOARD. IN NEBRASKA, DEFINED BENEFIT PLANS, THE BENEFIT IS BASED ON A FORMULA WHICH INCLUDES THE FINAL SALARY CALCULATED BY AVERAGE IN THREE OR FIVE HIGHEST ANNUAL SALARIES. RECEIVING CASH PAYMENTS FOR FORFEITED VACATION LEAVE WOULD ARTIFICIALLY INFLATE EARNINGS FOR THE STATE EMPLOYEES IN THE YEARS USED TO CALCULATE THE FINAL RETIREMENT BENEFIT. THIS COULD NEGATIVELY IMPACT THE FINANCIAL HELP OF THE RETIREMENT PLANS. THE ANNUAL CONTRIBUTIONS OF THE PLAN ARE CALCULATED BY THE ACTUARY TO PREFUND PENSION BENEFITS AND ASSUME CERTAIN LEVELS OF SALARY GROWTH OVER THE COURSE OF THE EMPLOYEES WORKING LIVES. AN UNUSUAL INCREASE IN THE FINAL AVERAGE SALARY ABOVE THESE ACTUARIAL

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ASSUMPTIONS WOULD CREATE AN UNFUNDED LIABILITY WHICH WILL THEN HAVE TO BE PAID BY OTHER MEMBERS OR TAXPAYERS. THAT'S WHY I APPRECIATE THE FACT THAT WE COULD WORK WITH SENATOR HARR, CRAFT THIS LEGISLATION, AND WOULD HOPE WE COULD MOVE THIS LEGISLATION FORWARD. THANK YOU. [LB830]

SPEAKER HADLEY: THANK YOU, SENATOR KOLTERMAN. SENATOR SCHEER, YOU'RE RECOGNIZED. [LB830]

SENATOR SCHEER: THANK YOU, MR. SPEAKER. AS SENATOR HARR HAD INDICATED, WE HAVE DISCUSSED THIS BILL. I DO HAVE A COUPLE CONCERNS. ONE, THERE IS REALLY NO DEFINITION FOR UNREASONABLE IN RELATIONSHIP TO WHAT REQUESTS SHOULD AND HOW THEY SHOULD BE DENIED. THERE DOESN'T SEEM TO BE MUCH UNIFORMITY. AS WELL AS I THINK WE NEED TO PUT SOME OTHER TYPE OF STIPULATION BECAUSE I'M AWARE OF IN SOME INSTANCES WHERE EMPLOYEES ARE ASKING FOR TIME...VACATION TIME THAT MAY BE 90 OR 120 DAYS OFF AND UNIFORMLY BEING DENIED BECAUSE IT'S UNREASONABLE TO KNOW THAT THEY WOULD HAVE STAFFING THAT WOULD ALLOW THEM TO LEAVE AT THAT POINT IN TIME. I THINK WE'RE...WE PROBABLY HAVE ABUSES BOTH FROM LABOR AND ADMINISTRATIVELY IN RELATIONSHIP TO THE DEFINITION BY NOT HAVING SOMETHING CLEAR CUT AND UNIFORM. SO I'D LIKE TO MAKE SURE THAT WE PUT SOMETHING IN THE BILL THAT PROTECTS BOTH INTEREST AND GIVES SOME DEGREE OF CERTAINTY TO EMPLOYEES SO THAT THEY CAN AT LEAST PLAN VACATIONS AND TIME THAT THEY WISH TO BE WITH THEIR FAMILY. THANK YOU, MR. SPEAKER. [LB830]

SPEAKER HADLEY: THANK YOU, SENATOR SCHEER. IS THERE ANYONE ELSE WISHING TO SPEAK ON AM2082? SEEING NONE, SENATOR HARR, YOU'RE RECOGNIZED TO CLOSE. SENATOR HARR WAIVES CLOSING. THE QUESTION FOR THE BODY IS THE ADOPTION OF AM2082. ALL IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB830]

CLERK: 28 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB830]

SPEAKER HADLEY: THE COMMITTEE AMENDMENTS ARE ADOPTED. SEEING NO ONE IN THE QUEUE, SENATOR HARR, YOU'RE RECOGNIZED TO CLOSE ON LB830. [LB830]

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SENATOR HARR: THANK YOU. I JUST WANT TO TAKE A MINUTE TO AGAIN THANK SENATORS SCHEER AND KOLTERMAN FOR WORKING WITH ME ON THIS BILL TO MAKE IT BETTER. I WILL HAVE AN AMENDMENT BETWEEN GENERAL AND SELECT. AND I ALSO WANT TO THANK THE BUSINESS AND LABOR COMMITTEE FOR ALLOWING THIS TO BE A PRIORITY. THANK YOU, AND I WOULD ASK FOR YOUR ADVANCEMENT ON LB830. [LB830]

SPEAKER HADLEY: THE QUESTION FOR THE BODY IS THE ADVANCEMENT OF LB830 TO E&R INITIAL. ALL IN FAVOR SIGNAL BY VOTING AYE; OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB830]

CLERK: 33 AYES, 0 NAYS ON THE ADVANCEMENT OF LB830, MR. PRESIDENT. [LB830]

SPEAKER HADLEY: LB830 ADVANCES. MR. CLERK. [LB830]

CLERK: LB704 IS A BILL BY THE URBAN AFFAIRS COMMITTEE AND SIGNED BY ITS MEMBERSHIP. (READ TITLE.) INTRODUCED ON JANUARY 6, REFERRED TO URBAN AFFAIRS, ADVANCED TO GENERAL FILE. I HAVE NO AMENDMENTS TO THE BILL, MR. PRESIDENT. [LB704]

SPEAKER HADLEY: SENATOR CRAWFORD, YOU'RE RECOGNIZED TO OPEN ON LB704. [LB704]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT, AND GOOD MORNING AGAIN, COLLEAGUES. AS MEMBERS MAY RECALL LAST SESSION WE UPDATED OUR STATE BUILDING CODE WITH LB540. LB704 IS A BILL DESIGNED TO IMPROVE VARIOUS STATUTES THAT DEAL WITH THE ADOPTION OF LOCAL BUILDING CODES AND CITIZEN ACCESS TO BUILDING CODES, AND OTHERWISE IS LARGELY TECHNICAL AND CLEANUP IN NATURE. CURRENTLY, THE BUILDING CODE CONSTRUCTION ACT BOTH ADOPTS THE STATE BUILDING CODE AND PROVIDES THE PROCESS BY WHICH LOCAL POLITICAL SUBDIVISIONS ADOPT LOCAL BUILDING CODES. WHILE LANGUAGE IN THE BUILDING CONSTRUCTION ACT CLEARLY STATES THAT NO POLITICAL SUBDIVISION MAY ADOPT OR ENFORCE A LOCAL BUILDING OR CONSTRUCTION CODE OTHER THAN AS PROVIDED IN THE ACT, THERE ARE A HANDFUL OF OTHER SECTIONS OF STATUTE THAT ADDRESS LOCAL BUILDING CODES IN SOME WAY. SEVERAL OF THE CHANGES IN LB704 ARE DESIGNED TO HARMONIZE THE LANGUAGE IN THE BUILDING CONSTRUCTION ACT WITH THE OTHER SECTIONS DEALING WITH BUILDING CODES. THE

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REMAINING CHANGES WHICH CAN BE FOUND IN SECTION 6 AND 7 OF THE BILL ARE DESIGNED TO STREAMLINE AND CLARIFY THE PROCESS FOR LOCAL BUILDING CODE ADOPTION. CURRENT LANGUAGE DEALING WITH THE ADOPTION OF LOCAL BUILDING CODES IS SOMEWHAT CONFUSING AND IN SOME CASES HAS LED TO DIFFERING INTERPRETATIONS BY CITY OFFICIALS AS TO HOW LOCAL CODES ARE ADOPTED. UNDER SECTION 6, THE BILL PROVIDES A DEFINITION OF THE TERM, QUOTE, COMPONENT, END QUOTE, FOR PURPOSES OF THE BUILDING AND CONSTRUCTION ACT. USE OF THE WORD COMPONENT IN THE ACT BEGAN IN 2010, AND WAS MEANT TO REFER TO THE THREE CODES THAT CURRENTLY MAKE UP THE STATE BUILDING CODE. THE INTERNATIONAL BUILDING CODE, THE IBC, THE INTERNATIONAL RESIDENTIAL CODE, THE IRC, AND INTERNATIONAL EXISTING BUILDING CODE, IEBC. BECAUSE THE WORD COMPONENT IS NOT TYPICAL CODE LANGUAGE, SOME CITIES HAD EXPRESSED CONFUSION ABOUT WHAT ACTUALLY CONSTITUTED A COMPONENT AS THEY TRIED TO INTERPRET THE STATE BUILDING CODE. NEXT, THE BILL CLARIFIES THAT COUNTIES AND MUNICIPALITIES ARE THE ONLY POLITICAL SUBDIVISION THAT MAY ADOPT A LOCAL BUILDING CODE. WHILE THE BUILDING CONSTRUCTION ACT DOES NOT CURRENTLY DEFINE POLITICAL SUBDIVISION, THE LEGISLATIVE HISTORY AND OTHER SECTIONS OF STATUTE THAT ADDRESS LOCAL BUILDING CODES INDICATE THAT ONLY COUNTIES AND MUNICIPALITIES WERE CONTEMPLATED UNDER THE ACT. THIS CLARIFICATION ENSURES THAT OTHER TYPES OF POLITICAL SUBDIVISIONS SUCH AS SANITARY AND IMPROVEMENT DISTRICTS, NATURAL RESOURCES DISTRICTS, AND COMMUNITY COLLEGE AREAS, WOULD NOT BE ABLE TO ADOPT THEIR OWN LOCAL BUILDING CODES. MOST IMPORTANTLY, THE BILL STREAMLINES THE PROCESS OF LOCAL BUILDING CODE ADOPTION. MOST CITIES HAVE INTERPRETED THE CURRENT LANGUAGE AND STATUTE AS REQUIRING A TWO-STEP PROCESS OF LOCAL BUILDING CODE ADOPTION, WHERE THEY FIRST MUST ADOPT THE LOCAL BUILDING CODE AND THEN AMEND THEIR LOCAL CODE AS LONG AS IT, QUOTE, CONFORMS GENERALLY, END QUOTE, WITH THE STATE BUILDING CODE. SECTION 7 RESTRUCTURES THE LANGUAGE DEALING WITH LOCAL CODE ADOPTION TO ELIMINATE THE TWO-STEP PROCESS ALLOWING POLITICAL SUBDIVISIONS THE CHOICE OF EITHER ADOPTING THE STATE BUILDING CODE OR ADOPTING A CODE THAT CONFORMS GENERALLY WITH THE STATE BUILDING CODE. SECTION 7 ALSO CLARIFIES THE POLITICAL SUBDIVISIONS HAVE THE ABILITY TO OPT IN TO CODE PROVISIONS THAT WERE REMOVED FROM THE STATE BUILDING CODE. IN 2011, WHEN THE LEGISLATURE SPECIFICALLY EXCLUDED THE FIRE SPRINKLER MANDATE IN THE IRC FROM THE STATE BUILDING CODE, THEY ALSO EXPLICITLY STATED THAT POLITICAL SUBDIVISIONS COULD OPT INTO THE FIRE SPRINKLER MANDATE SHOULD THEY CHOOSE TO DO SO. LB704 WOULD PROVIDE SIMILAR

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OPT IN LANGUAGE FOR THE TWO PROVISIONS THAT WERE EXCLUDED FROM THE STATE BUILDING CODE WITH THE PASSAGE OF LB540 LAST SESSION, THE ENERGY EFFICIENCY CHAPTERS IN THE IBC AND IRC. FINALLY, LB704 CLARIFIES THAT A POLITICAL SUBDIVISION CANNOT ADOPT A PRIOR EDITION OF A COMPONENT OF THE STATE BUILDING CODE. UNDER CURRENT LAW, WHEN THE STATE BUILDING CODE IS UPDATED, POLITICAL SUBDIVISIONS ARE REQUIRED TO REGULARLY UPDATE THEIR LOCAL BUILDING CODE, WHICH IS DEFINED IN STATUTE AS ADOPTING THE MOST RECENTLY ENACTED BUILDING CODE WITHIN TWO YEARS. WHILE THE CURRENT LANGUAGE GIVES POLITICAL SUBDIVISIONS THE ABILITY TO MODIFY OR DELETE PORTIONS OF THE STATE BUILDING CODE FOR A VARIETY OF REASONS, IT DOES NOT GIVE THE AUTHORITY TO SIMPLY REMAIN ON THE PREVIOUS EDITION OF THE CODE. SECTION 7 CLARIFIES THIS BY CLEARLY STATING THAT A PRIOR EDITION OF ANY COMPONENT OR COMBINATION OF COMPONENTS OF THE STATE BUILDING CODE DOES NOT CONFORM GENERALLY WITH STATE BUILDING CODE. LB704 MAKES A HANDFUL OF OTHER TECHNICAL CHANGES, INCLUDING CLARIFYING THE POLITICAL SUBDIVISIONS THAT ADOPT A LOCAL BUILDING CODE MAY ALSO ADOPT OTHER TYPES OF LOCAL CODES, STRIKING DUPLICATES OF LANGUAGE, AND REPEALING LANGUAGE THAT PROVIDED FOR UNCONSTITUTIONAL DELEGATION OF LEGISLATIVE AUTHORITY BY MUNICIPALITIES. FINALLY, THE BILL CLARIFIES THAT POLITICAL SUBDIVISIONS MUST KEEP A COPY OF THEIR LOCAL BUILDING CODE AVAILABLE FOR USE AND EXAMINATION BY THE PUBLIC AS LONG AS THE CODE IS IN EFFECT. LB704 RECEIVED NO OPPOSITION TESTIMONY AT THE HEARING AND WAS ADVANCED BY THE URBAN AFFAIRS COMMITTEE ON A 6-0 VOTE WITH ONE MEMBER ABSENT. I WOULD ASK FOR YOUR GREEN VOTE TO ADVANCE LB704 TO SELECT FILE. THANK YOU, MR. PRESIDENT. [LB704 LB540]

SPEAKER HADLEY: THANK YOU, SENATOR CRAWFORD. YOU HEARD THE OPENING ON LB704. SENATOR FRIESEN, YOU'RE RECOGNIZED. [LB704]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. I WAS WONDERING IF SENATOR CRAWFORD WOULD YIELD TO A QUESTION. [LB704]

SPEAKER HADLEY: WILL YOU YIELD, SENATOR CRAWFORD? [LB704]

SENATOR CRAWFORD: YES. [LB704]

SENATOR FRIESEN: SO IN THE SMALL TOWNS AND VILLAGES THAT ARE OUT THERE, I THINK MOST OF THEM HAVE BUILDING CODES ADOPTED ALREADY,

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AND A LOT OF THEM JUST ADOPT THE STANDARD STATE BUILDING CODE. SO WHEN THESE COMMUNITIES ADOPT THOSE CODES AND THEN THEY FAIL TO ENFORCE THOSE CODES, EITHER THROUGH INSPECTION OR ANYTHING ELSE, WHAT ARE THE DUTIES...I MEAN, YOU GET PEOPLE MOVING INTO SMALL TOWNS THAT COME FROM THE LARGE MUNICIPALITIES WHERE THEY'RE REGULARLY ENFORCED AND SUDDENLY THEY MOVE INTO A TOWN, THEY LOOK, THEY SEE THEIR BUILDING CODES, THEY'RE IN THE STATUTE AND YET THEY FIND OUT WHEN THEY BOUGHT A HOME THAT THERE'S BEEN REPAIRS MADE AND THEY'VE NOT FOLLOWED THE BUILDING CODES. WHAT ARE THE IMPLICATIONS OR THE RAMIFICATIONS FOR THE CITY COUNCILS THAT OPERATE IN THAT FASHION? [LB704]

SENATOR CRAWFORD: SO THOSE ARE VERY GOOD QUESTIONS, SENATOR FRIESEN. THE QUESTION OF WHAT NEEDS TO BE DONE ABOUT ENFORCEMENT OF BUILDING CODES WAS RAISED IN SOME OF OUR...WAS RAISED BY A COUPLE OF TESTIFIERS, AND THAT IS NOT PART OF THIS BILL BECAUSE THIS BILL WAS REALLY INTENDED TO CLARIFY AND CLEANUP EXISTING BUILDING CODES. AND SO I THINK THE QUESTION OF WHETHER WE NEED TO STRENGTHEN ENFORCEMENT MECHANISMS WILL BE ANOTHER IMPORTANT DISCUSSION THAT WE WOULD HAVE AND IT WOULD BE A DIFFERENT BILL. CURRENTLY, IT IS WHOEVER HAS CODE ENFORCEMENT AUTHORITY IS THE ONE THAT'S RESPONSIBLE FOR ENFORCING THOSE CODES. [LB704]

SENATOR FRIESEN: WOULD IT BE POSSIBLE TO PUT SOMETHING IN HERE THAT RECOGNIZES THE FACT THAT SOME TOWNS OR CITIES, VILLAGES, DO HAVE CODES BUT THEY MAY NOT BE ENFORCED? I MEAN, HERE WE'RE MAKING IT SOUND AS THOUGH THESE STATUTES ARE ALL ADOPTED AND THEY WILL BE IN FULL FORCE, BUT IN REALITY, THEY'RE NOT. [LB704]

SENATOR CRAWFORD: WELL, WHAT THE LAW REQUIRES IS IF A MUNICIPALITY OR...IF A MUNICIPALITY CHOOSES TO HAVE LOCAL CODES, THEN THAT THEY MUST ADOPT A CODE THAT CONFORMS GENERALLY TO WHAT IS DETERMINED AS THE STATE BUILDING CODE. AND THEN...BUT THEN, IT IS THEIR LOCAL LAW ENFORCEMENT, CODE ENFORCEMENT THAT'S RESPONSIBLE FOR ENFORCING IT. I DON'T THINK WE WOULD WANT TO PUT INTO THE STATUTE THAT SOME MUNICIPALITIES AREN'T ENFORCING IT. I MEAN, THE IDEA IS, IT'S ON THE BOOKS AND IT IS THE RESPONSIBILITY TO ENFORCE IT. IT IS AN ISSUE THAT NEEDS TO BE ADDRESSED IF IT IS NOT BEING ENFORCED. BUT AGAIN, I THINK THAT'S A GOOD TOPIC FOR INTERIM DISCUSSION, AND WHAT'S THE MOST APPROPRIATE WAY TO HANDLE IT. THERE IS NO STATE CODE ENFORCEMENT AGENCY THAT

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HAS THAT KIND OF ROLE OF OVERSEEING THAT. IT IS A LOCAL RESPONSIBILITY, AND IT'S THE LOCAL RESPONSIBILITY TO ENFORCE IT. IF IT'S NOT BEING ENFORCED, THEN THAT NEEDS TO BE ADDRESSED, FIRST AND FOREMOST, WITH LOCAL PRESSURE TO ADDRESS THAT. AND IF WE DECIDE WE NEED TO PROVIDE LOCAL COMMUNITIES MORE TOOLS TO HELP THEM MAKE SURE IT'S BEING ENFORCED, I'M HAPPY TO HAVE THAT DISCUSSION. [LB704]

SENATOR FRIESEN: THANK YOU, SENATOR CRAWFORD. THIS IS SOMETHING THAT...IT CONCERNS ME AND I GUESS I THINK IT IS A TOPIC THAT NEEDS TO BE LOOKED AT. AND ALTHOUGH I DO SUPPORT THE BILL, I THINK IT IS SOMETHING THAT WE NEED TO KEEP IN MIND DOWN THE ROAD THAT A LOT OF THESE SMALL CITIES AND VILLAGES ARE NOT ENFORCING THE CODES THAT THEY'VE ADOPTED EITHER THROUGH LACK OF RESOURCES OR ANY NUMEROUS REASONS, BUT THANK YOU, MR. PRESIDENT. [LB704]

SPEAKER HADLEY: THANK YOU, SENATOR FRIESEN. ANYONE ELSE WISHING TO SPEAK ON LB704? SEEING NONE, SENATOR CRAWFORD, YOU'RE RECOGNIZED TO CLOSE ON LB704. [LB704]

SENATOR CRAWFORD: THANK YOU AND THANK YOU, SENATOR FRIESEN, FOR PUTTING THAT CONCERN ON THE RECORD. AGAIN, IT WAS AN ISSUE THAT HAS BEEN RAISED IN THE HEARING AS A FUTURE ISSUE THAT WE NEED TO DISCUSS IN TERMS OF THE ENFORCEMENT OF THE CODE. LB704 IS, THOUGH, A CLEANUP AND IMPROVEMENT OF OUR UPDATE OF THE BUILDING CODE THAT WE PASSED LAST YEAR. AND SO I...AND IT ALSO MAKES SURE THAT CITIZENS HAVE ACCESS TO THAT BUILDING CODE, WHICH I THINK IS AN IMPORTANT IMPROVEMENT ON THE BUILDING CODE LEGISLATION. AND SO I ASK FOR YOUR GREEN VOTE IN SUPPORT OF LB704. THANK YOU, MR. PRESIDENT. [LB704]

SPEAKER HADLEY: YOU'VE HEARD THE CLOSING. THE QUESTION FOR THE BODY IS THE ADVANCEMENT OF LB704 TO E&R INITIAL. ALL IN FAVOR VOTE AYE; OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB704]

CLERK: 26 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB704. [LB704]

SPEAKER HADLEY: THE BILL ADVANCES. MR. CLERK. [LB704]



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CLERK: LB698, A BILL BY SENATOR MELLO. (READ TITLE.) IT WAS INTRODUCED ON JANUARY 6 OF THIS YEAR, AT THAT TIME REFERRED TO HEALTH AND HUMAN SERVICES COMMITTEE, ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS, MR. PRESIDENT. (AM1994, LEGISLATIVE JOURNAL PAGE 560.)  
[LB698]

SPEAKER HADLEY: SENATOR MELLO, YOU'RE RECOGNIZED TO OPEN ON LB698.  
[LB698]

SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. LB698 IS A BILL THAT CREATES THE HOME CARE CONSUMER BILL OF RIGHTS AND WAS DRAFTED IN RESPONSE TO ONE OF THE KEY RECOMMENDATIONS FROM THE LEGISLATIVE LED AGING NEBRASKANS TASK FORCE. LAST YEAR I BROUGHT LB607 THAT ALSO WOULD HAVE CREATED THE HOME CARE CONSUMER BILL OF RIGHTS. LB607 LAST YEAR RECEIVED NO OPPOSITION AT THE HEARING AND MADE IT TO GENERAL FILE ON AN UNANIMOUS VOTE WITH A SPEAKER PRIORITY. WHEN THE BILL WAS ON GENERAL FILE, HOWEVER, THE DECISION WAS MADE TO REPURPOSE LB607 TO ACCOMMODATE A COMPROMISE BETWEEN THE GOVERNOR'S OFFICE AND SENATOR CAMPBELL RELATING TO THE AID TO DEPENDENT CHILDREN REFORM BILL. THE HOME CARE CONSUMER BILL OF RIGHTS AS DRAFTED WOULD PROVIDE CONSUMERS THE RIGHT TO PARTICIPATE IN THE APPROVAL OF SERVICES IN ANY CHANGE TO SERVICE, THE RIGHT TO REFUSE SERVICE, INFORMATION ON RIGHTS AND RESPONSIBILITIES IN THE AGREEMENT BETWEEN THE CONSUMER AND THE PROVIDER OF SERVICES, FREEDOM OF CHOICE OF SERVICE PROVIDERS, AND FREEDOM FROM EXPLOITATION. ONE SIGNIFICANT PROTECTION LB698 HIGHLIGHTS IS THE TRANSPARENCY OF THE EMPLOYMENT STATUS OF HOME CARE WORKERS. TRADITIONALLY THERE ARE TWO DIFFERENT MODELS THAT ARE USED BY HOME CARE SERVICE COMPANIES. ONE BEING YOUR TRADITIONAL W2 EMPLOYER/EMPLOYEE MODEL, AND THE OTHER BEING A 1099 CONTRACT EMPLOYEE RELATIONSHIP. THE HOME CARE CONSUMER BILL OF RIGHTS WILL REQUIRE BUSINESSES THAT PROVIDE IN-HOME CARE SERVICES TO DISCLOSE TO THE CONSUMER AS TO WHAT STATUS OF THEIR EMPLOYEES ARE, AND/OR THE STATUS OF THE PERSON THAT WILL BE IN THE CONSUMER'S HOME PRIOR TO THE BEGINNING OF THE AGREED UPON SERVICES. AS YOU WILL SEE, THERE IS A COMMITTEE AMENDMENT FORTHCOMING FROM SENATOR CAMPBELL THAT RETAINS THE INTENT OF THE HOME CARE CONSUMER BILL OF RIGHTS, BUT IT SHIFTS THE ENFORCEMENT FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO THE NEBRASKA ATTORNEY GENERAL'S OFFICE. FOLLOWING THE HEARING ON LB698 IN AN EFFORT TO ELIMINATE THE GENERAL

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FUND FISCAL NOTE, WE WORKED WITH THE ATTORNEY GENERAL'S OFFICE ON LANGUAGE THAT REPLACED THE ENFORCEMENT OF THE HOME CARE CONSUMER BILL OF RIGHTS UNDER THEIR CONSUMER PROTECTION DIVISION OF THEIR OFFICE. THE COMMITTEE AMENDMENT AM1994 ADDITIONALLY GIVES CASH FUND AUTHORITY TO THE ATTORNEY GENERAL'S OFFICE TO CARRY OUT THE ENFORCEMENT OF THE HOME CARE CONSUMER BILL OF RIGHTS. MY GOAL WITH LB698 IS TO ENSURE THAT THE RIGHTS OF NEBRASKANS VULNERABLE POPULATION SUCH AS THE ELDERLY AND PEOPLE WITH DISABILITIES ARE PROTECTED WHEN THEY HAVE THE ASSISTANCE OF SOMEONE ELSE IN THEIR HOME. LB698 RECEIVED NO OPPOSITION AT THE HEARING THIS YEAR AND/OR AT THE HEARING LAST YEAR AND WAS UNANIMOUSLY VOTED OUT OF THE COMMITTEE WITH AM1994. COLLEAGUES, I'D URGE THE BODY TO ADOPT AND MOVE FORWARD LB698 WITH THE COMMITTEE AMENDMENT, AM1994. AND AS I SAID LAST YEAR, I WANT TO EXPRESS MY SINCERE APPRECIATION TO THE AGING NEBRASKANS TASK FORCE THAT WAS CREATED IN 2014 THAT WAS LED BY OUR COLLEAGUE, SENATOR BOLZ, OVER THE LAST TWO YEARS AS WELL AS THE COMMITTEE MEMBERS, SENATOR COOK, SENATOR DAVIS, SENATOR CAMPBELL, AND MYSELF. WITH THAT, I'D URGE THE BODY TO MOVE LB698 FORWARD. THANK YOU, MR. PRESIDENT. [LB698 LB607]

SPEAKER HADLEY: AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE HEALTH AND HUMAN SERVICES COMMITTEE. SENATOR CAMPBELL, AS CHAIR OF THE COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE COMMITTEE AMENDMENTS. [LB698]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. I, TOO, WOULD LIKE TO THANK THE AGING TASK FORCE, AS YOU WILL LEARN AS WE GO ALONG ON THE NEXT AMENDMENT, FOR THE GREAT AMOUNT OF WORK THAT WAS DONE TO LOOK AT CONSUMER PROTECTIONS AND THE AGING POPULATION. THE AMENDMENT, AS SENATOR MELLO OUTLINED, MAKES A NUMBER OF CHANGES, AND I'M GOING TO GO THROUGH THEM SO THAT YOU'RE VERY CLEAR ABOUT WHAT'S IN IT. IT CLARIFIES THE DEFINITION OF HOME CARE CONSUMER TO INCLUDE THE PARENT OR GUARDIAN OF A MINOR CHILD OR GUARDIAN OF AN INCAPACITATED PERSON. IT ADDS A DEFINITION OF, QUOTE, PROVIDER OF HOME CARE SERVICES, UNQUOTE, AS RECOMMENDED AT THE HEARING BY THE AMERICAN ASSOCIATION OF RETIRED PERSONS TO AVOID INCLUSION OF FRIENDS OR NEIGHBORS HELPING EACH OTHER. IT ADDS RIGHTS AND PROCEDURES FOR SECURING SUCH RIGHTS FOR MINOR CHILDREN OR THOSE NEEDING ASSISTANCE. IT CHANGES THE LIST OF RIGHTS TO INCLUDE THOSE SUGGESTED BY THE ATTORNEY GENERAL'S OFFICE, INCLUDING THE RIGHT TO

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PRIVACY AND CONFIDENTIAL INFORMATION AND THE RIGHT TO RECEIVE INFORMATION ABOUT THE EMPLOYMENT ARRANGEMENT, RIGHT OF CERTAIN LANGUAGE, RIGHT TO REFUSE SERVICE, RIGHT TO EXPRESS GRIEVANCES. IT SETS OUT A PROCESS FOR THE ATTORNEY GENERAL'S OFFICE TO ENFORCE THE ACT AND SETS OUT CIVIL PENALTIES OF NOT MORE THAN \$2,000 FOR VIOLATION...PER VIOLATION, PLUS ACTUAL DAMAGES. AND FINALLY, ALLOWS THE PRIVATE RIGHT OF ACTION FOR VIOLATIONS, THE PRIVATE RIGHT BY A CONSUMER. THIS IS AN EXCELLENT BILL THAT IS NEEDED TO GIVE OUR SENIORS SOME IDEA OF THE RIGHTS THAT THEY HAVE AS THEY BRING PEOPLE INTO THEIR HOME ENVIRONMENT. AND I WOULD ENCOURAGE YOUR GREEN VOTE ON THAT AMENDMENT. THANK YOU, MR. PRESIDENT. [LB698]

SPEAKER HADLEY: THANK YOU, SENATOR CAMPBELL. MR. CLERK. [LB698]

CLERK: MR. PRESIDENT, SENATOR CAMPBELL WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS WITH AM2255. (LEGISLATIVE JOURNAL PAGE 699.) [LB698]

SPEAKER HADLEY: SENATOR CAMPBELL, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB698]

SENATOR CAMPBELL: THANK YOU. MR. PRESIDENT. COLLEAGUES, WHAT WE HAVE DONE IN THIS AMENDMENT THAT'S BEFORE YOU IS, WE TOOK A LOOK AT WHAT OTHER BILLS HAD BEEN IN THE HEALTH AND HUMAN SERVICES COMMITTEE THIS YEAR THAT ALSO DEALT WITH CONSUMER PROTECTION, CONSUMER TRANSPARENCY, AND CONSUMER INFORMATION. ALL OF THESE BILLS, BY THEMSELVES, WOULD CERTAINLY QUALIFY FOR CONSENT AGENDA. THEY HAVE HAD NO OPPOSITION, THEY HAVE NO GENERAL FUND IMPLICATION, BUT THEY ALL SPEAK TO THE TENETS THAT CERTAINLY ARE IN LB698 AND IN THE AMENDMENT. AND I'M GOING TO EXPLAIN THEM AND THEN WE'VE ASKED THE TWO SENATORS TO BE READY TO PRESENT AND GIVE YOU SOME INFORMATION. SO, IN THE AMENDMENT WE FIRST HAVE CONSUMER INFORMATION. THIS WOULD BRING IN LB849, WHICH DESIGNATES A CAREGIVER TO RECEIVE INFORMATION WHEN SOMEONE IS LEAVING A MEDICAL FACILITY. NUMBER TWO, CONSUMER PROTECTION. THIS IS LB869. THIS BILL WAS REQUESTED BY THE DEPARTMENT TO COMPLY WITH THE FEDERAL GOVERNMENT. IT REQUIRES FINGERPRINTING AND BACKGROUND CHECKS ON SPECIFIC MEDICAID PROVIDERS BY FEDERAL LAW. AND NUMBER THREE, CONSUMER TRANSPARENCY. WE HAVE BROUGHT HERE LB708, WHICH IS A

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MEMORY CARE DESIGNATION. THIS TOPIC WAS DISCUSSED AT GREAT LENGTH BY THE AGING NEBRASKANS TASK FORCE AND AGAIN FITS INTO CONSUMER TRANSPARENCY SO THAT WHEN A MEMORY CARE DESIGNATION IS GIVEN TO AN ASSISTED LIVING FACILITY, THE CONSUMER HAS SOME IDEA WHAT THAT WOULD ENTAIL. MR. PRESIDENT, I'M GOING TO CONCLUDE MY OPENING ON THIS AMENDMENT AND WE WILL ALLOW THE TWO SENATORS, I THINK THEY'VE PROBABLY PUT THEIR LIGHTS ON, TO EXPLAIN THE CONTENTS OF THIS AMENDMENT FURTHER. THANK YOU, MR. PRESIDENT. [LB698 LB849 LB869 LB708]

SPEAKER HADLEY: THANK YOU, SENATOR CAMPBELL. SENATOR MELLO, YOU'RE RECOGNIZED. [LB698]

SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. I JUST RISE IN SUPPORT OF SENATOR CAMPBELL'S AMENDMENT AM2255 WHICH INCORPORATES A NUMBER OF OTHER CONSUMER-RELATED BILLS IN THE HEALTH AND HUMAN SERVICES COMMITTEE. IN LIGHT OF MY APPRECIATION FOR SENATOR CAMPBELL MAKING LB698 A COMMITTEE PRIORITY BILL, AS WE'VE DISCUSSED THROUGHOUT THE SESSION IN REGARDS TO SEEING COMMITTEES BEING ABLE TO PACKAGE BILLS TOGETHER THAT ARE SIMILAR IN NATURE, THIS WAS SOMETHING THAT WAS JUST DONE, SO TO SPEAK, A LITTLE BIT AFTER WE WERE ABLE TO GET LB698 OUT OF COMMITTEE. BUT OVERALL, I'M FULLY SUPPORTIVE OF ALL THE AMENDMENTS THAT ARE INCORPORATED INTO AM2255 AND JUST WANT TO EXPRESS MY APPRECIATION AGAIN TO SENATOR CAMPBELL FOR MAKING THE UNDERLYING BILL, THE HOME CARE CONSUMER BILL OF RIGHTS, A COMMITTEE PRIORITY THIS YEAR. THANK YOU, MR. PRESIDENT. [LB698]

SPEAKER HADLEY: THANK YOU, SENATOR MELLO. SENATOR BOLZ, YOU'RE RECOGNIZED. [LB698]

SENATOR BOLZ: THANK YOU, MR. PRESIDENT. I APPRECIATE SENATOR CAMPBELL AND THE COMMITTEE INCORPORATING LB708, WHICH CREATES AN ALZHEIMER'S SPECIAL CARE ENDORSEMENT AND REQUIRES A RELATED STUDY ABOUT THE POTENTIAL COST SAVINGS THAT SUCH AN ENDORSEMENT COULD CREATE FOR THE SYSTEM AS A WHOLE. AND I WANTED TO SPECIFICALLY RECOGNIZE SOME OF THE COMMUNITY STAKEHOLDERS OF THE AGING NEBRASKANS TASK FORCE WHO HAVE HELPED US GET TO THIS PLACE OF I'M NOT ONLY RECOGNIZING THE IMPORTANCE OF SERVING INDIVIDUALS WITH ALZHEIMER'S AND DEMENTIA, BUT ALSO HELPING US MOVE FORWARD WITH SMART STRATEGIC STRATEGIES

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THAT WILL STRENGTHEN THE SYSTEM, AND I BELIEVE WILL HELP US CREATE COST SAVINGS. THEY INCLUDE THE ALZHEIMER'S ASSOCIATION OF NEBRASKA, LEADING AGENCIES ON THE AGING, AARP, AND HOME INSTEAD. I ALSO THINK THAT SENATOR DAVIS DESERVES SOME RECOGNITION FOR HIS WORK WITH THE ALZHEIMER'S STATE PLAN AND THE WORK THAT THEY'VE DONE TO CREATE STATEWIDE FEEDBACK IN TOWN HALL SESSIONS THAT CONTRIBUTED TO THIS PIECE OF LEGISLATION. SO I APPRECIATE THE SUPPORT FROM EVERYONE AND ENCOURAGE YOUR GREEN LIGHT FOR LB698. THANK YOU. [LB698 LB708]

SPEAKER HADLEY: SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB698]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AND I ECHO MY THANKS TO SENATOR MELLO AND SENATOR CAMPBELL FOR THEIR WORK ON INCORPORATING THESE OTHER CONSUMER PROTECTION MEASURES INTO SENATOR MELLO'S BILL, AND I THANK SENATOR MELLO FOR ALLOWING THE AMENDMENT. LB849 IS A PROVISION THAT REQUIRES HOSPITALS TO ALLOW A PATIENT TO IDENTIFY SOMEONE THAT IS...THAT THEY ARE CALLING THEIR CAREGIVER, SOMEONE WHO WILL PROBABLY BE HELPING THAT PERSON ONCE THEY LEAVE THE HOSPITAL IN TERMS OF MAKING SURE THAT THEY'RE ABLE TO HEAL AND BE HEALTHY. AND SO IT ALLOWS A PERSON TO...IT REQUIRES THE HOSPITAL TO ALLOW A PATIENT TO LIST SOMEONE IF THEY CHOOSE TO DO SO AS THE CAREGIVER, AND THEN WHEN THAT PERSON IS DISCHARGED FROM THE HOSPITAL, IT REQUIRES THE...THAT THE HOSPITAL PROVIDE INSTRUCTIONS TO THAT CAREGIVER AS WELL AS THE PATIENT SO THAT THERE ARE, YOU KNOW, HOPEFULLY, TWO PEOPLE THERE HEARING THE INSTRUCTIONS, ASKING QUESTIONS, AND BEING READY TO MAKE SURE THAT THEY CAN PICK UP THOSE CAREGIVING TASKS AT HOME. WE WORKED WITH THE HOSPITALS, NEBRASKA HOSPITAL ASSOCIATION ON THE LANGUAGE OF THE BILL, AND TO ENSURE THAT IT WAS STRUCTURED IN A WAY THAT THEY FELT THEIR HOSPITALS COULD COMPLY, AND THE BILL ALSO INCLUDES LANGUAGE TO ENSURE THAT IT IN NO WAY GETS IN THE WAY OF OTHER PROXY PROVISIONS FOR THE HOSPITAL AND IT DOES NOT ADD ANY LIABILITY AND IT DOES NOT ADD ANY NEW REIMBURSEMENTS. SO, WE MADE THOSE CHANGES, AGAIN, TO ENSURE THE SUPPORT OF THE NEBRASKA HOSPITAL ASSOCIATION. THERE, AS SENATOR CAMPBELL NOTED, THERE WAS NO OPPOSITION TESTIMONY AT THE HEARING. THERE'S NO GENERAL FUND FISCAL NOTE. THE OTHER BILL, ANOTHER BILL THAT IS INCLUDED IS LB869, WHICH I BROUGHT AT THE REQUEST OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND IT REALLY IS NECESSARY IN TERMS OF UPDATING THEIR PROVISIONS IN TERMS OF REQUIRING BACKGROUND CHECKS AND FINGERPRINTS FOR PROVIDERS THAT ARE

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CONSIDERED HIGH RISK PROVIDERS. AND THESE ARE PROVIDERS WHERE THERE IS A RECORD...A TYPE OF PROVIDER FOR WHICH THERE IS A RECORD OF PAST WASTE, FRAUD, AND ABUSE, AND...OR A PROVIDER THAT DEALS WITH A VERY VULNERABLE POPULATION. AND THE PROVISION...SEVERAL OF THE PROVIDERS IN THE BILL ARE ONES THAT ARE ALREADY REQUIRED BY MEDICARE AND SO WE ARE RECOGNIZING THAT, AND THOSE PROVIDERS WILL ALREADY HAVE TO BE GETTING THESE BACKGROUND CHECKS AND FINGERPRINTS FOR MEDICARE. BUT IT ALSO INCLUDES SOME HOME HEALTH PROVIDERS AND PEOPLE WITH INTEREST IN HOME HEALTH PROVIDER SERVICES IN THAT LIST BECAUSE IT IS A VERY VULNERABLE PATIENT POPULATION. AND SO THOSE ARE INCLUDED FOR OUR MEDICAID LIST...THOSE ARE INCLUDED IN OUR MEDICAID LIST OF HIGH RISK PROVIDERS AS WELL AS THOSE PROVIDERS THAT ARE ALREADY RECOGNIZED BY MEDICARE. SO I'D URGE YOUR SUPPORT FOR AM2255 AND UNDERLYING BILL LB698. THANK YOU, MR. PRESIDENT. [LB698 LB849 LB869]

SPEAKER HADLEY: THANK YOU, SENATOR CRAWFORD. (VISITORS INTRODUCED.) SEEING NO ONE ELSE IN THE QUEUE, SENATOR CAMPBELL, YOU'RE RECOGNIZED TO CLOSE ON AM2255. [LB698]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. I CERTAINLY WOULD LIKE TO THANK THE SENATORS WHO HAVE WORKED DILIGENTLY ON CONSUMER PROTECTION ISSUES THAT HAVE COME OUT OF THE AGING NEBRASKANS TASK FORCE, AND SENATOR BOLZ FOR HER LEADERSHIP. IT HAS BEEN A PLEASURE TO WORK WITH SENATOR BOLZ, SENATOR CRAWFORD, AND CERTAINLY SENATOR MELLO AS WE BRING THIS IMPORTANT CONSUMER PROTECTION AMENDMENT FORWARD. THE AMENDMENT BEFORE YOU INCORPORATES ALL OF THE AMENDMENTS TO SENATOR MELLO'S BILL, ALSO. IF YOU NOTED ON THE FISCAL NOTE THAT SENATOR MELLO'S BILL HAD A GENERAL FUND IMPACT, THAT WILL BE TAKEN CARE OF BY THE AMENDMENT TO THE BILL, AS HE EXPLAINED. SO WOULD APPRECIATE YOUR GREEN VOTE ON THE AMENDMENT BEFORE YOU. THANK YOU, MR. PRESIDENT. [LB698]

SPEAKER HADLEY: THE QUESTION FOR THE BODY IS THE ADOPTION OF AM2255. ALL IN FAVOR SIGNIFY BY VOTING AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB698]

CLERK: 29 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR MELLO'S...I'M SORRY, SENATOR CAMPBELL'S AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB698]

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SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. SEEING NO ONE ELSE IN THE QUEUE, SENATOR CAMPBELL, YOU'RE RECOGNIZED TO CLOSE. SENATOR CAMPBELL WAIVES CLOSING. THE QUESTION FOR THE BODY IS THE ADOPTION OF AM1994. ALL IN FAVOR SIGNIFY BY VOTING AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB698]

CLERK: 30 AYES, 0 NAYS ON ADOPTION OF COMMITTEE AMENDMENTS. [LB698]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. SEEING NO ONE ELSE IN THE QUEUE, SENATOR MELLO, YOU'RE RECOGNIZED TO CLOSE ON LB698. [LB698]

SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. WITH THE ADOPTION OF THE PREVIOUS TWO AMENDMENTS NOW, WE'VE INCORPORATED THREE OTHER REALLY GOOD CONSUMER PROTECTION BILLS AS PART OF THE HOME CARE CONSUMER BILL OF RIGHTS. ONCE AGAIN, I JUST WANT TO THANK SENATOR CAMPBELL FOR MAKING THIS A COMMITTEE PRIORITY BILL AND FOR THE HHS COMMITTEE IN REGARDS TO THEIR DILIGENT WORK ON CONSUMER PROTECTION ISSUES THIS UPCOMING SESSION. AND THANK YOU WITH THAT, MR. PRESIDENT. [LB698]

SPEAKER HADLEY: YOU'VE HEARD THE CLOSING ON LB698. THE QUESTION FOR THE BODY IS THE ADVANCEMENT TO E&R INITIAL. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB698]

CLERK: 28 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB698. [LB698]

SPEAKER HADLEY: LB698 ADVANCES. MR. CLERK. [LB698]

CLERK: MR. PRESIDENT, LB1022 IS A BILL BY THE LEGISLATIVE PERFORMANCE AUDIT COMMITTEE. (READ TITLE.) THE BILL WAS INTRODUCED ON JANUARY 19 OF THIS YEAR, REFERRED TO THE EXECUTIVE BOARD FOR PUBLIC HEARING AND ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS, MR. PRESIDENT. (AM2170, LEGISLATIVE JOURNAL PAGE 637.) [LB1022]

SPEAKER HADLEY: SENATOR WATERMEIER, YOU'RE RECOGNIZED TO OPEN ON LB1022. [LB1022]

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SENATOR WATERMEIER: THANK YOU, MR. SPEAKER, AND MEMBERS OF THE BODY. AS CHAIRMAN OF THE LEGISLATIVE PERFORMANCE AUDIT COMMITTEE, TODAY I BRING YOU LB1022. THE MAJOR GOAL OF LB1022 IS TO PROVIDE THE LEGISLATIVE AUDIT OFFICE WITH FULL ACCESS TO THE INFORMATION THEY NEED IN ORDER TO PERFORM ACCURATE AND THOROUGH EVALUATIONS OF STATE PROGRAMS. AS YOU MAY RECALL, LAST YEAR, THE LEGISLATURE PASSED LB538, WHICH REQUIRES THE LEGISLATIVE AUDIT OFFICE TO CONDUCT A PERFORMANCE AUDIT OF EACH BUSINESS TAX INCENTIVE PROGRAM AT LEAST ONCE EVERY THREE YEARS. THE AUDIT OFFICE HAS BEGUN WORK ON THESE FIRST OF THESE AUDITS WHICH IS ON THE NEBRASKA ADVANTAGE ACT. IN ORDER TO CONDUCT AN ADVANTAGE ACT PERFORMANCE AUDIT, OUR AUDITORS MUST REVIEW CONFIDENTIAL TAXPAYER INFORMATION AND THEY ARE AUTHORIZED TO REVIEW SUCH INFORMATION UNDER THE EXISTING LEGISLATIVE PERFORMANCE AUDIT ACT AND RELEVANT TAX STATUTES. WE ALL KNOW THAT TAX INFORMATION IS SENSITIVE AND THERE ARE PROTECTIONS ARE IN PLACE TO PREVENT INAPPROPRIATE DISCLOSURE OF SUCH SENSITIVE INFORMATION. FOR EXAMPLE, OUR AUDITORS MAY ONLY REVIEW CONFIDENTIAL TAX RECORDS AT THE REVENUE DEPARTMENT. THEY CANNOT TAKE THE RECORDS OR ANY CONFIDENTIAL INFORMATION FROM THE RECORDS TO THEIR OFFICE. SINCE THE CONFIDENTIAL INFORMATION CANNOT LEAVE THE REVENUE DEPARTMENT, THERE IS NO RISK THAT IT COULD BE ACCESSED INAPPROPRIATELY. ADDITIONALLY, EXISTING LAW PREVENTS THE AUDIT OFFICE FROM INCLUDING ANY INFORMATION IN THEIR FINAL REPORT THAT WOULD IDENTIFY INDIVIDUAL TAXPAYERS DIRECTLY OR INDIRECTLY. AT THE COMMITTEE HEARING ON LB1022 THE LEGISLATIVE AUDITOR MADE IT CLEAR THAT THEY WILL WORK CLOSELY WITH THE REVENUE DEPARTMENT TO ENSURE THAT THE INFORMATION THAT THEY WILL BE REPORTED DOES NOT VIOLATE THAT STATUTE. EXISTING LAW ALSO CONTAINS SERIOUS PUNISHMENTS FOR ANY INAPPROPRIATE DISCLOSURE OF TAXPAYER INFORMATION. SUCH DISCLOSURE IS A FELONY WITH FINES OF UP TO \$5,000, IMPRISONMENT OF UP TO FIVE YEARS OR BOTH, AND RESULT IN IMMEDIATE TERMINATION AND PROHIBITION FROM WORKING FOR THE STATE FOR TWO YEARS. REVENUE DEPARTMENT STAFF ARE SUBJECT TO THESE SAME PENALTIES IF THEY DISCLOSE CONFIDENTIAL TAXPAYER INFORMATION, AND SO ARE THE AUDIT OFFICE STAFF. LB1022 DOES NOT CHANGE ANY OF THESE PRIVACY PROTECTIONS. AS I MENTIONED, THE AUDIT OFFICE HAS ACCESS TO CONFIDENTIAL INFORMATION BUT IN OUR ADVANTAGE ACT PERFORMANCE AUDIT, THEY HAVE NOT BEEN ABLE TO ACCESS EVERYTHING THAT THEY NEED. THE FIRST THING THE AUDIT OFFICE NEEDS IS TIMELY ACCESS TO ALL RELEVANT REVENUE DEPARTMENT DATA ON ADVANTAGE ACT PROJECTS AND MUCH OF THAT DATA IS



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MAINTAINED ELECTRONICALLY. EXISTING LAW ALREADY--I EMPHASIZE ALREADY--AUTHORIZES THE AUDITS TO ACCESS THE DEPARTMENT'S ELECTRONIC FILES. SECTION 50-1213 SAYS THE AUDITORS HAVE ACCESS TO, AND I QUOTE, ANY AND ALL INFORMATION AND RECORDS, CONFIDENTIAL OR OTHERWISE, OF ANY AGENCY IN WHATEVER FORM THEY MAY BE. UNQUOTE. HOWEVER, LAST FALL WHEN THE AUDITORS TRIED TO GET ACCESS TO THE ELECTRONIC DATA, ACCESS WAS DENIED BY THE REVENUE DEPARTMENT. THAT RESULTED IN A DELAY FOR THE AUDIT AS AUDITORS HAD TO REQUEST INFORMATION AND WAIT FOR THE REVENUE DEPARTMENT TO COMPILE IT AND PROVIDE IT TO US. WE HAVE BEEN WORKING WITH THE NEW TAX COMMISSIONER, COMMISSIONER FULTON, TO RESOLVE THIS PROBLEM AND I'M HAPPY TO SAY THAT AT THE PUBLIC HEARING ON LB1022, THE TAX COMMISSIONER STATED THAT THE DEPARTMENT NOW AGREES THAT THE AUDITORS HAVE SUCH ACCESS. NEVERTHELESS, IN ORDER TO ENSURE THAT THE AUDIT OFFICE HAS ACCESS TO ELECTRONIC FILES AT THE REVENUE DEPARTMENT AND OTHER AGENCIES THEY AUDIT, LB1022 SIMPLY ADDS CLARIFYING LANGUAGE STATING SPECIFICALLY THAT THE AUDIT OFFICE EXISTING ACCESS TO CONFIDENTIAL INFORMATION INCLUDES DIRECT ACCESS TO AGENCIES DATABASES. THE SECOND THING THE AUDIT OFFICE NEEDS IS ACCESS TO RECORDS FOR ALL TAX INCENTIVE PROGRAM PROJECTS, NOT JUST A RANDOM SAMPLE OF THOSE PROJECTS AS WAS REQUIRED BY CURRENT LAW. THE STATUTORY PROVISION LIMITING THE AUDIT OFFICE TO A RANDOM SAMPLE WAS ADDED TO STATUTE IN 2006, BUT IT HAS NEVER BEEN USED. THE CURRENT ADVANTAGE ACT PERFORMANCE AUDIT IS THE FIRST ONE IN WHICH THE AUDITORS HAVE NEEDED TO ACCESS CONFIDENTIAL TAXPAYER INFORMATION. THE RANDOM SAMPLE REQUIREMENT WAS ADDED FOR PERFORMANCE AUDITS BECAUSE IT WAS REQUIRED FOR FINANCIAL AUDITS. HOWEVER, A RANDOM SAMPLE IS NOT SUFFICIENT FOR A PERFORMANCE AUDIT, AND THAT IS THE CASE WITH THE ADVANTAGE AUDIT. IN ORDER FOR THE AUDITORS TO GIVE AS MUCH INFORMATION AS POSSIBLE ABOUT HOW WELL THE ADVANTAGE ACT IS WORKING, THEY NEED TO BE ABLE TO REVIEW ALL OF THE AVAILABLE INFORMATION ABOUT ALL APPLICANTS TO THE PROGRAM. BUT I WANT TO MAKE IT CLEAR ON THE RECORD THAT WHILE THE BILL AUTHORIZES THE AUDITORS TO REVIEW ALL APPLICANTS, EXISTING LAW STILL PROTECTS TAXPAYERS, BECAUSE THE AUDITORS CAN ONLY REPORT THE INFORMATION IN WAYS THAT DO NOT IDENTIFY INDIVIDUALS. AS YOU WILL HEAR, THERE IS A COMMITTEE AMENDMENT THAT THE PERFORMANCE AUDIT COMMITTEE SUPPORTS WHICH WOULD CHANGE THE GREEN COPY OF THE BILL ON THE RANDOM SAMPLING PROVISION SO I WON'T GO INTO DETAIL ON THAT. I WILL JUST TOUCH BRIEFLY ON SEVERAL OTHER PROVISIONS IN LB1022. FIRST, THE

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BILL WOULD ALLOW THE PERFORMANCE AUDIT COMMITTEE TO WORK WITH THE RELEVANT STANDING COMMITTEE TO GET BILLS INTRODUCED THAT IMPLEMENT AUDIT REPORT RECOMMENDATIONS. CURRENTLY, THE AUDIT COMMITTEE IS REQUIRED TO INTRODUCE SUCH BILLS, BUT WE BELIEVE IT IS SOMETIMES MORE APPROPRIATE FOR THE STANDING COMMITTEE THAT HAS JURISDICTION OVER THE SUBJECT MATTER OF THE AUDIT TO DO SO. SECONDLY, LB1022 WOULD ELIMINATE EXISTING STATUTORY PROVISIONS THAT ALLOW THE AUDIT COMMITTEE CHAIR AND THE SPEAKER TO ACCESS CONFIDENTIAL PROGRAM DATA IN CERTAIN CIRCUMSTANCES. THESE PROVISIONS HAVE NEVER BEEN USED AND THE COMMITTEE BELIEVES IT IS IMPORTANT TO MAKE IT CLEAR THAT COMMITTEE MEMBERS WILL NOT, EMPHASIZE WILL NOT, HAVE ACCESS TO CONFIDENTIAL DATA INCLUDING TAXPAYER RECORDS. THIRDLY, LB1022 REQUIRES THAT AFTER A TAX INCENTIVE PERFORMANCE AUDIT IS RELEASED, THE LEGISLATURE'S REVENUE COMMITTEE MUST MAKE A RECOMMENDATION TO THE LEGISLATURE BASED ON THE PERFORMANCE AUDIT REPORT ABOUT WHETHER THE PROGRAM'S SUNSET DATES SHOULD BE EXTENDED. THIS WOULD HELP ENSURE THAT THE REVENUE COMMITTEE HAS THE LEAD ROLE IN POLICY DECISIONS ABOUT EXTENDING SUNSET DATES FOR TAX INCENTIVE PROGRAMS. FOURTH, AS DRAFTED, THE BILL WOULD EXTEND THE SUNSET DATE BY ONE YEAR FOR EACH OF THE EIGHT TAX INCENTIVE PROGRAMS, SUBJECT TO AUDIT UNDER LB538. THIS IS ANOTHER PROVISION THAT IS ADDRESSED IN THE COMMITTEE AMENDMENT SO I WILL LET SENATOR KRIST, AS CHAIRMAN OF THE EXECUTIVE BOARD, EXPLAIN THAT. BUT LB1022 ALSO MAKES TWO TECHNICAL CHANGES TO TAX STATUTES THAT RELATE TO THE PERFORMANCE AUDIT PROCESS. ONE WOULD MAKE THE AUDIT OFFICE, NOT THE AUDIT COMMITTEE, RESPONSIBLE FOR REQUESTING CONFIDENTIAL TAXPAYER DATA. THIS IS SIMPLY ANOTHER WAY OF REMOVING ANY CONNECTION BETWEEN THE COMMITTEE MEMBERS AND THE CONFIDENTIAL INFORMATION. THE OTHER TECHNICAL CHANGE WOULD HARMONIZE THE TAX STATUTES IN THE PERFORMANCE AUDIT ACT TO MAKE THE NOTICE REQUIREMENT FOR REVENUE DEPARTMENT AUDITS THE SAME AS THE NOTICE REQUIREMENT FOR ALL OTHER PERFORMANCE AUDITS. AND FINALLY, LB1022 CONTAINS THE E CLAUSE, WHICH IS NEEDED SO OUR AUDITORS CAN MOVE FORWARD ON THE ADVANTAGE ACT AUDIT THAT IS UNDER WAY. IN CONCLUSION, YOU MAY NOTICE ON THE COMMITTEE STATEMENT THAT THE DEPARTMENT OF REVENUE TESTIFIED IN OPPOSITION TO THIS BILL. HOWEVER, COMMISSIONER FULTON HAS ASSURED US THAT THE ADOPTION OF THE COMMITTEE AMENDMENTS, WHICH WE HAD AGREED UPON, THE DEPARTMENT WILL NO LONGER OPPOSE THIS BILL. LB1022 WAS ADVANCED OUT OF THE COMMITTEE ON AN UNANIMOUS 9-0 VOTE. IF THERE'S ANY QUESTIONS, I'D BE GLAD TO ANSWER

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THEM AND I WILL WAIT UNTIL AFTER SENATOR KRIST. SO THANK YOU, MR. SPEAKER. [LB1022]

SPEAKER HADLEY: THANK YOU, SENATOR WATERMEIER. AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE EXECUTIVE COMMITTEE. SENATOR KRIST, AS CHAIR OF THAT COMMITTEE, YOU ARE RECOGNIZED TO OPEN ON THE AMENDMENT. [LB1022]

SENATOR KRIST: THANK YOU, MR. PRESIDENT. ONCE AGAIN, GOOD MORNING, COLLEAGUES, AND GOOD MORNING, NEBRASKA. THE COMMITTEE AMENDMENT IS VERY STRAIGHTFORWARD. FIRST OF ALL, LET ME JUST STOP AND SAY, I REALLY APPRECIATE ALL THE WORK THAT SENATOR WATERMEIER AND HIS STAFF HAVE DONE. IF YOU'VE EVER HAD THE OPPORTUNITY TO TALK TO THE PERFORMANCE AUDIT STAFF, YOU'LL KNOW HOW LUCKY WE ARE AND HOW TALENTED THEY ARE AND WHAT PROFESSIONALS THEY ARE. THIS IS MY FIFTH YEAR ON PERFORMANCE AUDIT AND I BELIEVE IT IS AT THE DEPTH AND THE FOCUS OF THIS LEGISLATIVE PROCESS, WHICH IS PROVIDING OVERSIGHT FOR ALL THE PROGRAMS THAT WE APPROPRIATE MONEY AND FUND. THE COMMITTEE AMENDMENT EXTENDS TAX INCENTIVE PROGRAMS SUNSET DATES BY THREE YEARS, INSTEAD OF BY ONE YEAR AS THE ORIGINAL BILL STATED. THE CHAMBER CAME TO US, AND VERY RIGHTFULLY SO, EMPHASIZED THAT YOU CAN'T GO OUT AND ATTRACT PEOPLE TO COME IN WITH A ONE-YEAR BY ONE-YEAR SUNSET DATE. IT'S NOT PRACTICAL. IT TAKES A LOT LONGER THAN ONE YEAR IN ORDER TO GET THE PROCESS IN PLACE. SO THAT SUNSET IS EXTENDED OUT THREE YEARS TO 2020. IT IS, HOWEVER, IMPORTANT TO NOTE THAT, AT ANYTIME, ANY MEMBER OF THIS BODY COULD QUESTION A SUNSET DATE AND AT ANYTIME 25 VOTES COULD CHANGE IT. I HOPE THAT'S NOT NECESSARY, BUT I THINK IT'S IMPORTANT TO NOTE THAT IT CAN BE CHANGED BECAUSE WHEN WE DON'T SEE THAT A PROGRAM IS WORKING OR THAT THE TAXPAYERS' DOLLARS ARE NOT BEING SPENT WISELY, THEN IT'S TIME TO TAKE ACTION. AND THAT'S ALWAYS OUR LAST RESORT, BUT IT IS THERE. CURRENTLY, WHEN CONDUCTING A PERFORMANCE AUDIT OF TAX INCENTIVE PROGRAM THE LEGISLATIVE AUDIT OFFICE CAN ONLY REVIEW A RANDOM SAMPLE OF THE PROGRAM'S PARTICIPANTS. THE COMMITTEE AMENDMENT ALSO AUTHORIZES THE OFFICE TO DECIDE BETWEEN REVIEWING ALL PROGRAM APPLICANTS, ALL QUALIFIED PROJECTS, WHICH ARE PROJECTS THAT HAVE MET KEY REQUIREMENTS AND OUR ELIGIBLE TO RECEIVE BENEFITS, OR A RANDOM SAMPLE FROM EITHER OF THOSE GROUPS. ANYONE WHO IS FAMILIAR WITH THE EVALUATION PROCESS OR EVALUATING A PROGRAM IN ANY REGARD, WHETHER IT'S IN YOUR BUSINESS LIFE OR YOUR PROFESSIONAL LIFE OR HERE,

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UNDERSTANDS THAT THE DATABASE, THE GROUP FROM WHICH YOU ARE ANALYZING, IS VERY IMPORTANT TO THE OUTCOMES OF THE STUDY OR TO THE AVAILABILITY OF DATA THAT YOU HAVE. WITH THAT, I WOULD ASK YOU FOR A GREEN VOTE ON AM2170 AND A GREEN VOTE ON LB1022. AND LET'S LET THE PERFORMANCE AUDIT STAFF EXPEDITE THEIR PROCESS AND GET BACK TO THE WORK THAT THEY ARE SO GOOD AT. THANK YOU, MR. SPEAKER. [LB1022]

SPEAKER HADLEY: THANK YOU, SENATOR KRIST. YOU'VE HEARD THE OPENING ON THE COMMITTEE AMENDMENT. SENATOR BURKE HARR, YOU'RE RECOGNIZED. [LB1022]

SENATOR HARR: THANK YOU, MR. SPEAKER, MEMBERS OF THE BODY. LET ME FIRST START OUT BY SAYING, I REALLY LIKE THIS BILL. THOSE OF US ON REVENUE HAVE HAD FRUSTRATION, TO PUT IT MILDLY, WITH HOW DO WE CREATE GOOD TAX POLICY BECAUSE WE DON'T HAVE ACCESS TO RAW DATA, WHICH I CAN UNDERSTAND, TO PROTECT TAXPAYERS, TO A LIMITED DEGREE. SOMEHOW WE ARE ABLE TO PROVIDE RAW DATA FOR THE TESTING OF OUR STUDENTS, AND THAT IS READILY AVAILABLE, BUT WE CAN'T DO IT FOR OUR TAXPAYERS. I DON'T KNOW THE DIFFERENCE. IT'S NEVER BEEN EXPLAINED TO ME ADEQUATELY. AND IT'S FRUSTRATING BECAUSE WHEN WE GO TO MAKE TAX POLICY, WE GET ONE SHOT, ONE OPPORTUNITY. YOU LOSE IT...YOU USE IT OR YOU LOSE IT. AND IT'S FRUSTRATING BECAUSE YOU MAY COME IN OKAY, YOU MAY COME NOT IN OKAY, AND THEN MAYBE, JUST MAYBE, YOU CAN DRAFT AN AMENDMENT, BUT YOU'RE NOT GOING TO KNOW HOW MUCH THAT COST, THE FISCAL NOTE, UNTIL YOU PASS IT. WE MAKE FUN OF A LOT OF TIMES ON OBAMACARE, THE PASS IT SO WE CAN SEE WHAT'S IN IT. FOLKS, THAT'S WHAT WE DO RIGHT NOW WITH FISCAL NOTES. THAT'S WHAT WE DO RIGHT NOW WHEN WE'RE TRYING TO MAKE TAX POLICY, AND IT'S WRONG. AND THEN AFTER WE PASS IT, WE CAN'T EVEN TELL IF IT'S WORKING OR NOT. SO I APPRECIATE WHAT THE AUDIT COMMITTEE IS DOING. I'M HOPING IT'S A FIRST STEP IN WHICH WE COULD GET MORE ACCESS TO DATA BECAUSE WE AS POLICYMAKERS HAVE A RIGHT AND A DUTY TO BE RESPONSIBLE WITH THOSE TAX DOLLARS AND TO CREATE GOOD TAX POLICY THAT HOPEFULLY WILL INVITE MORE PEOPLE TO COME TO OUR STATE SO THAT WE CAN LOWER OUR TAXES. BUT RIGHT NOW, WE CAN'T DO THAT. WE CAN HAVE BILLS THAT COME FROM THE GOVERNOR'S OFFICE WHO HAS ACCESS TO IT, AND BY THE WAY, WHEN YOU GO TO THE DEPARTMENT OF REVENUE, I HAVE AN E-MAIL AND I'LL FORWARD IT TO EVERYONE IF THEY WANT IT, FROM A FORMER TAX COMMISSIONER, WHO SAID SHE AND THE DEPARTMENT WERE TOO BUSY, AND THAT THESE WERE TOO COMPLEX AND IT'S NOT THE DUTY OF THE DEPARTMENT OF REVENUE TO GIVE

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US THESE NUMBERS. SO I THINK THIS IS AN IMPORTANT FIRST STEP. I APPRECIATE IT. I WILL TAKE EXCEPTION TO THE EXPANSION OF THE SUNSETS. AND I'LL HAVE AN AMENDMENT ON FILE, QUICKLY, TO GET RID OF THAT SUNSET. THAT IS OF THE PURVIEW OF THE REVENUE DEPARTMENT. WE HAVE WORKED HARD...WE ARE WORKING HARD TO FIGURE OUT WHAT WE NEED TO DO, HOW WE NEED TO ADVANCE TAX POLICY IN THE STATE. I UNDERSTAND WHAT SENATOR KRIST IS SAYING, BUT AT THE SAME TIME WE'VE ALREADY EXTENDED THE SUNSET ONCE. AND WE DID IT BECAUSE WE SAID, HEY, WE GOT A NEW GOVERNOR COMING IN AND THAT NEW GOVERNOR SHOULD HAVE THE ABILITY TO SET SOME POLICY. WELL, THAT HASN'T HAPPENED YET. AND MAYBE IT WAS GOING TO COME NEXT YEAR. BUT IF WE EXPAND THAT ANOTHER TWO YEARS, NOW WE'RE INTO ELECTION CYCLE, AND WE'LL SAY, HEY, YOU KNOW WHAT, WE SHOULD WAIT AND SEE IF HE GETS REELECTED. SO, I UNDERSTAND WE NEED TO KEEP MOVING FORWARD. OUR NEBRASKA ADVANTAGE HAS BEEN A GOOD BILL, BUT THERE ARE REASONS TO IMPROVE IT AND WAYS TO IMPROVE IT, AND UNLESS WE HAVE THAT SUNSET THAT CREATES THAT PRESSURE, THAT DEADLINE THAT WE ALL WORK SO WELL UNDER, WHICH IS THE SUNSET, IT'S NOT GONE TO HAPPEN. AND WE NEED TO KEEP INNOVATING AND FINDING BETTER WAYS TO INCENTIVIZE BUSINESSES TO COME AND TO GROW IN NEBRASKA. AND SO EXPANDING THE SUNSET DOESN'T DO THAT. WE WILL CONTINUE TO USE THE AUDIT AND WHAT THE PERFORMANCE AUDIT DOES IS A VALUABLE TOOL, BUT WE CAN'T JUST STAND STILL AND WAIT FOR THAT AUDIT TO COME BACK. WE'VE GOT TO KEEP PUSHING FOR IT AND INVITING NEW BUSINESSES AND FINDING BETTER WAYS FOR BUSINESSES TO COME. SO I'M GOING TO HAVE AN AMENDMENT HERE VERY QUICKLY TO ELIMINATE THE EXPANSION OF THE SUNSET. THANK YOU, MR. SPEAKER. [LB1022]

SPEAKER HADLEY: SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB1022]

SENATOR SCHUMACHER: THANK YOU, MR. SPEAKER AND MEMBERS OF THE BODY. I RISE TO ECHO SENATOR HARR'S WORDS. THESE INCENTIVE PROGRAMS INVOLVE BILLIONS OF DOLLARS. THE ADVANTAGE ACT IS PUSHING A BILLION DOLLARS. WE DON'T KNOW HOW MANY OF THOSE CREDITS ARE GOING TO BE CASHED IN, IT'S REAL HARD TO PREDICT. BUT THESE ARE BIG-TICKET ITEMS, AND WHEN WE STUDIED THESE IN AN INTERIM HEARING A COUPLE OF YEARS AGO, WE DETERMINED THAT WE NEEDED TO HAVE THE PERFORMANCE AUDIT COMMITTEE TAKE A GOOD LOOK AT THEM IN ORDER TO DETERMINE WHERE WE WERE GETTING OUR MONEY'S WORTH, WHERE WE DIDN'T KNOW ONE WAY OR THE OTHER, AND WHERE WE WERE NOT GETTING OUR MONEY'S WORTH. AND WHILE IT'S HIGHLY UNLIKELY THAT AN ADVANTAGE TYPE PROGRAM WOULD BE

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REPEALED SIMPLY BECAUSE CHANCES ARE WE'LL HAVE INCONCLUSIVE RESULTS FROM THE AUDIT, WE OWE IT TO THE PEOPLE TO HAVE THOSE NUMBERS AS SOON AS POSSIBLE. AND TO THAT END, WE REORDERED THE ORDER IN WHICH THE PERFORMANCE AUDIT COMMITTEE WAS GOING TO LOOK AT THESE THINGS, TO PUT THE BIGGEST ONE UNDER THE MICROSCOPE FIRST. AND WE PUT A SHORT SUNSET ON THE PROCESS. NOW WE HEAR WE HAD ADMINISTRATIVE DRAG IN GETTING THE NUMBERS TO PERFORMANCE AUDIT, AND GOLLY, GEE WHIZ, MAYBE MORE TIME IS NEEDED, AND GOLLY, GEE WHIZ, IT HAS TO BE EXTENDED OUT SO BUSINESSES CAN PLAN, AND GOLLY, GEE WHIZ, PRETTY SOON IT'S GOING TO BE THE PEOPLE WHO ARE CREATING THE DESIRE FOR EXAMINATION WILL BE TERM LIMITED OUT, AND LIFE WILL GO ON. I THINK THAT WE STICK TO THE SCHEDULE AND WE TRY TO GET AS STRAIGHT OF ANSWERS AS WE CAN SO WE CAN EXERCISE INDEPENDENT JUDGMENT AS TO WHETHER OR NOT IT'S A GOOD IDEA, OR IT MAY BE A NECESSARY IDEA TO CONTINUE THESE PROGRAMS. THIS WAIT IT OUT, DON'T WORRY, THEY BE GONE, WE STILL BE HERE, ISN'T WORKING IN THE INTEREST OF THE PEOPLE OF NEBRASKA. SO I APPLAUD SENATOR HARR FOR RISING IN AN EFFORT TO SAY NO, WE'RE GOING TO STICK TO THIS TIMETABLE. AND WE'RE GOING TO GET, IF AUDIT COMES BACK AND SAYS, LOOK, THESE ARE PRELIMINARY FINDINGS, WE NEED AN EXTRA SIX MONTHS, LET'S DO THAT. BUT IF WE'RE GOING TO EXTEND THIS OUT THREE YEARS AND THAT REPORT SAYS, GEE, THIS THING ISN'T WORKING AS WELL AS WE THOUGHT IT WOULD, THEN YOU NEED...YOU HAVE TO OVERCOME A FILIBUSTER TO STOP IT, AND TO MAKE ADJUSTMENTS. SO THE ORIGINAL TIMETABLE WAS A GOOD TIMETABLE, AND, AGAIN, I SUPPORT THIS BILL, THE IDEA THAT WE NEED TO DO THESE AUDITS. WE DO NOT NEED TO EXTEND THEM OUT OVER AND OVER. LET'S BITE THE BULLET AND GET IT OVER. IF IT COMES BACK WITH A CLEAN BILL OF HEALTH, THEN WE CAN FEEL COMFORTABLE EXTENDING IT OUT FIVE OR SEVEN YEARS OR HOWEVER. BUT IF THE BILL OF HEALTH ISN'T VERY GOOD, THEN WE MAY WANT TO MAKE MAJOR MODIFICATIONS BEFORE WE MAKE CONTRACTUALLY BINDING COMMITMENTS TO BUSINESSES THAT WILL COST US LITERALLY BILLIONS OF DOLLARS. AND I SUPPORT SENATOR HARR'S DISCUSSION ON THIS MATTER, AND THE IDEA OF THREE YEARS EXTENSION IS JUST TOO LONG UNDER THESE CIRCUMSTANCES. THANK YOU. [LB1022]

SPEAKER HADLEY: SENATOR WATERMEIER, YOU'RE RECOGNIZED. [LB1022]

SENATOR WATERMEIER: THANK YOU, MR. SPEAKER. LET ME ADDRESS A LITTLE BIT SOME OF THE CONCERNS THAT I HEARD SENATOR HARR AND SENATOR SCHUMACHER ADDRESS AND I APPRECIATE. I WAS ACTUALLY RIGHT THERE

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WHERE THEY WERE. YOU GUYS JUST HAD A LITTLE MICROCOSM OF WHAT WE WENT THROUGH IN THE LAST FOUR OR FIVE MONTHS DEBATING ABOUT SUNSET DATES, DEBATING ABOUT HOW AND WHO TO REPORT THIS TO. AND THE REASON THAT I DECIDED TO SUPPORT THE IDEA OF EXTENDING THE SUNSET DATES IS TWO REASONS. IN MY GREEN COPY OF THIS BILL, WE'RE ALREADY MOVING IT BACK ONE YEAR JUST FOR THE SIMPLE FACT THAT THE PERFORMANCE AUDIT NEEDED TO HAVE TIME TO DO IT, REPORT IT TO THE AUDIT COMMITTEE, BUT WHAT OUR AMENDMENT IS ACTUALLY GOING TO DO, AND THIS BILL NOW IS ALSO GOING TO CHANGE TWO THINGS, I SHOULD BACK UP. IT'S GOING TO ACTUALLY PUT ANOTHER REQUIREMENT IN. SO WE'RE ASKING FOR A THREE-YEAR SUNSET DATE, WHICH I WAS NOT FULLY SUPPORTIVE OF AT THE BEGINNING BUT I AM NOW. THE IDEA BEHIND, WE'VE ALREADY LOST ABOUT FOUR TO FIVE MONTHS AS FAR AS THIS YEAR'S AUDIT. SO IN ESSENCE, WE'VE PUT THE CLOCK BACK ON EVERY AUDIT WE'VE GOT TO DO. BUT THE OTHER PROBLEM IS, MECHANICALLY, IF WE HAD PUT IN PLACE NOW THE IDEA THAT WE HAVE TO REPORT THE...THE AUDIT WILL GET A REPORT, THEY'RE GOING TO GIVE THAT TO THE AUDIT COMMITTEE. AND THEN WE'RE GOING TO TURN THAT OVER TO THE REVENUE COMMITTEE, WHICH I FULLY SUPPORT, THAT'S WHERE THE DECISION SHOULD BE MADE ABOUT EXTENDING ANY SUNSET DATES. BUT JUST KEEP IN MIND, MECHANICALLY, WE HAVE GOTTEN OURSELVES A LITTLE BIT BOXED INTO A CORNER BECAUSE I WANT THIS NEW PROCESS IN WHICH WE'RE GOING TO HAVE AN AUDIT DONE AND THEN WE'RE GOING TO TURN THAT OVER TO THE COMMITTEE, THE REVENUE COMMITTEE. SO I WAS HESITANT TO TALK ABOUT EXTENDING THE SUNSET DATES BECAUSE IN THE GREEN COPY OF THE BILL WE ALREADY ARE MOVING IT ONE YEAR, AND WE HAD TALKED ABOUT MOVING IT TWO. BUT THE MAJORITY OF MY DISCUSSIONS IS NOT TO SLANT TO OR ACCEPT TO THE CHAMBER'S DESIRE TO GET RID OF SUNSET DATES ALTOGETHER. WHAT YOU'VE JUST WITNESSED IS A LITTLE DISCUSSION OF WHAT WE'VE HAD INSIDE OF THE PERFORMANCE AUDIT COMMITTEE IN THE LAST FOUR MONTHS. A LOT OF THIS DISCUSSION OF MOVING THE SUNSET DATES IS STRICTLY MECHANICAL. WE'RE NOT SAYING WE'RE EXTENDING THEM BECAUSE WE THINK THAT THEY'RE PERFORMING WELL, IT'S MECHANICAL IN THE FACT THAT WE NEED TO MOVE IT BACK BECAUSE WE CAN'T GET THINGS DONE THAT QUICKLY. WE MIGHT BE ABLE TO DO IT IN TWO YEARS INSTEAD OF THREE. BUT IN MY ORIGINAL BILL, IT WAS ONE YEAR AND WE HAD A EXTENSIVE AMOUNT OF DEBATE TO MOVE IT TO THREE, AND I SUGGESTED...AND I AGREED TO THAT. WE CAN CHANGE THAT IF YOU REALLY WANT TO, BUT I'M COMFORTABLE WITH THREE YEARS. AND BELIEVE ME, I AM WITH SENATOR SCHUMACHER ON BILLIONS OF DOLLARS OF TAX INCENTIVES IN THE STATE. I'VE NEVER BEEN A FAN OF ALLOWING A FREE OPEN-ENDED TO THESE WITHOUT SUNSET DATES. I'LL

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BE THE LAST ONE TO EXTEND THESE UNLESS THEY'RE WORKING. SO I'M JUST GOING TO MAYBE HEAD OFF A LITTLE BIT OF THE DISCUSSION AND TRY TO AMEND THIS TODAY. I WOULD ASK SENATOR SCHUMACHER AND SENATOR HARR TO MAYBE TALK WITH ME OVER AT SELECT FILE. I THINK WHAT TODAY, THE DISCUSSION IS EXACTLY WHAT WE'VE HAD OVER THE LAST, AT LEAST TWO MONTHS, SO. THANK YOU, MR. PRESIDENT. [LB1022]

SPEAKER HADLEY: THANK YOU, SENATOR WATERMEIER. SENATOR KRIST, YOU'RE RECOGNIZED. [LB1022]

SENATOR KRIST: THANK YOU, MR. PRESIDENT. ONCE AGAIN, GOOD MORNING, COLLEAGUES, AND GOOD MORNING, NEBRASKA. I WONDERED IF SENATOR HARR WOULD JOIN ME ON THE MIKE FOR A DISCUSSION. [LB1022]

SPEAKER HADLEY: SENATOR HARR, WILL YOU YIELD TO A QUESTION? [LB1022]

SENATOR HARR: OF COURSE. [LB1022]

SENATOR KRIST: SO WE JUST TALKED OFF THE MIKE AND YOU HEARD SENATOR WATERMEIER'S DESCRIPTION. I BELIEVE THIS NEEDS TO GO BACK TO THE COMMITTEE OF JURISDICTION, WHICH IS BEST PUT INTO THE REVENUE COMMITTEE, OBVIOUSLY, AND I THINK THAT WE HAVE A PROBLEMATIC TIMETABLE CHRONOLOGY, IF YOU WILL, BECAUSE WE'RE ALREADY SEVERAL MONTHS BEHIND. IF WE WOULD LIKE TO HAVE A DISCUSSION AGAIN, AS SENATOR WATERMEIER SAID, WE'VE TALKED ABOUT THIS BUT NOT WITH THE EXPERTS, GRANTED, BUT IF WE WOULD LIKE TO HAVE THIS DISCUSSION, I WOULD PROPOSE THAT BETWEEN GENERAL AND SELECT, WE TALK ABOUT WHERE THAT SUNSET DATE SHOULD BE, OR WE COULD SET A HARD DATE WHERE THE LEGISLATURE AGAIN, AS A SUNSET WILL DO, WOULD HAVE TO READDRESS THE ISSUE. BUT UNTIL WE HAVE THAT DATA FROM PERFORMANCE AUDIT, I WOULD BE...I THINK IT WOULD BE UNFAIR TO PULL THE SHEET OUT FROM UNDERNEATH THIS ONE, AND I WOULD YIELD THE REMAINDER OF MY TIME TO YOU IF YOU'D LIKE TO ADDRESS IT. [LB1022]

SENATOR HARR: THANK YOU. THANK YOU. AND I WILL WAIT TO FILE AN AMENDMENT BETWEEN GENERAL AND SELECT SO WE CAN HAVE A BETTER CONVERSATION BECAUSE THE BEST SPOT PROBABLY ISN'T ON THE FLOOR. IT'S DIFFICULT TO HAVE A DIALOGUE. SO, THANK YOU. I WILL SAY THAT I'M A LITTLE DISAPPOINTED THAT, YOU KNOW, TODAY IS THE FIRST I'D HEARD OF EXPANSION



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OF THE SUNSETS. AND, YOU KNOW, I UNDERSTAND THERE'S A REASON WHY EXEC BOARD AND PERFORMANCE AUDIT WANTS TO DO IT THEIR WAY, BUT IT WOULD SEEM THAT WE SHOULD HAVE BEEN INCLUDED IN ON THIS CONVERSATION AND MADE TO AT LEAST BE AWARE SO THAT WE CAN HAVE THIS CONVERSATION, WHICH SOUNDS LIKE WE NOW WILL. AND IT'S JUST...IT'S A CONFLICTING, YOU KNOW, VIEWS, AND ONE IS GOING TO WIN OVER THE OTHER OR PREVAIL, NOT NECESSARILY BECAUSE ONE IS BETTER THAN...WELL, PROBABLY BECAUSE ONE IS BETTER THAN THE OTHER. BUT I THINK IT'S A GOOD CONVERSATION TO HAVE. I LOOK FORWARD TO IT. I ALWAYS APPRECIATE HAVING CONVERSATION WITH SENATOR WATERMEIER. SO, AND MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE ON WHAT IS THE BEST WAY TO BALANCE THESE CONFLICTING VIEWS. SO, I WILL WAIT TO FILE MY AMENDMENT. THANK YOU, AND I WOULD YIELD THE REMAINDER OF MY TIME BACK TO THE CHAIR. [LB1022]

SPEAKER HADLEY: SENATOR HARR, YOU'RE NEXT IN THE QUEUE. SENATOR HARR WAIVES. SENATOR WATERMEIER, YOU'RE RECOGNIZED. [LB1022]

SENATOR WATERMEIER: THANK YOU, MR. SPEAKER. I APPRECIATE THE COMMENTS THAT SENATOR HARR HAD OFFERED THERE AS WELL. I WILL WORK WHATEVER IT TAKES BETWEEN GENERAL AND SELECT TO GET TO THAT POINT. AND I GUESS I FEEL LIKE MAYBE I FAILED THE BODY IN SOME REGARDS TOO BECAUSE WE DID HAVE AN EXTENSIVE DISCUSSION. THE BILL WAS REFERENCED TO EXECUTIVE COMMITTEE AT THE BEGINNING, I'LL JUST BE HONEST WITH YOU. SENATOR GLOOR HAD APPROACHED ME AND SAID HE REALLY FELT LIKE IT OUGHT TO BE IN THE COMMITTEE FOR REVENUE, AND WE TALKED EXTENSIVELY ABOUT THE FACT THAT IT STRICTLY IS A MECHANICAL DECISION. IF IT WAS DECIDING THAT THE SUNSETS OUGHT TO BE MOVED OR EXTENDED OR ELIMINATED BECAUSE OF HOW THEY'RE PERFORMING, THAT STRICTLY BELONGS IN THE REVENUE COMMITTEE. BUT BECAUSE WE'RE DOING SOMETHING IN HERE THAT REACHED OUT A LITTLE FURTHER THAN WHAT I THOUGHT REVENUE OUGHT TO BE TALKING ABOUT, MAINLY THE REASON OF THE DATA AND THE ACCESS, THAT BELONGED IN EXECUTIVE COMMITTEE. AND I'LL COME BACK TO THE FACT THAT THESE SUNSET DATES WERE STRICTLY CHANGED FOR ONE REASON, IT WAS ONLY MECHANICAL. SO THANK YOU, MR. SPEAKER. [LB1022]

SPEAKER HADLEY: THANK YOU, SENATOR WATERMEIER. SEEING NO ONE ELSE IN THE QUEUE, SENATOR KRIST, YOU'RE RECOGNIZED TO CLOSE ON THE EXECUTIVE BOARD.....SENATOR KRIST WAIVES CLOSING. THE QUESTION BEFORE

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THE BODY IS THE ADOPTION OF THE AM2170. ALL IN FAVOR VOTE AYE; OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB1022]

CLERK: 31 AYES, 0 NAYS ON ADOPTION OF COMMITTEE AMENDMENTS. [LB1022]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. SENATOR WATERMEIER, YOU'RE RECOGNIZED TO CLOSE ON LB1022. SENATOR WATERMEIER WAIVES CLOSING. THE QUESTION FOR THE BODY IS THE ADOPTION OF LB1022. ALL IN FAVOR VOTE AYE; ALL OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB1022]

CLERK: 29 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB1022. [LB1022]

SPEAKER HADLEY: LB1022 ADVANCES. MR. CLERK. [LB1022]

CLERK: MR. PRESIDENT, SOME ITEMS, IF I MAY. NEW A BILLS: (READ LB867A AND LB770A BY TITLE FOR THE FIRST TIME.) SENATOR EBKE OFFERS LR447 AND LR448. THOSE WILL BOTH BE LAID OVER. MR. PRESIDENT, AN ANNOUNCEMENT: THE URBAN AFFAIRS MEETING, EXECUTIVE SESSION, WILL BE AT 1:30 IN ROOM 2022; URBAN AFFAIRS AT 1:30 IN ROOM 2022. SENATOR GROENE WOULD LIKE TO ADD HIS NAME TO LB803 AS COINTRODUCER. I'M SORRY, REMOVE HIS NAME FROM LB803 AS COINTRODUCER. [LB867A LB770A LR447 LR448 LB803]

AND SENATOR WILLIAMS WOULD MOVE TO ADJOURN THE BODY UNTIL WEDNESDAY, FEBRUARY 24, AT 9:00.

SPEAKER HADLEY: YOU'VE HEARD THE MOTION. ALL IN FAVOR SIGNIFY BY SAYING AYE. OPPOSED, NAY. WE ARE ADJOURNED.