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Floor Debate  
May 16, 2017

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[LB10 LB10A LB72 LB268 LB268A LB289A LB289 LB327 LB333A LB333 LB415 LB496  
LB512A LB512 LB518 LB519 LB578 LB578A LB632A LB644 LB647A LB647 LR26 LR27  
LR242 LR251 LR252 LR253 LR254 LR255 LR256 LR257]

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the eighty-third day of the One Hundred Fifth Legislature, First Session. The chaplain for today is Senator Kolterman. Please rise.

SENATOR KOLTERMAN: (Prayer offered.)

PRESIDENT FOLEY: Thank you, Senator Kolterman. I call to the order the eighty-third day of the One Hundred Fifth Legislature, First 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: Your Committee on Enrollment and Review reports LB333, LB333A, and LB496 to Select File. Enrollment and Review also reports LB72, LB415, and LB644 as correctly engrossed. That's all that I have, Mr. President. (Legislative Journal pages 1553-1560.) [LB333 LB333A LB496 LB72 LB415 LB644]

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 the following two legislative

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resolutions: LR26 and LR27. Members, we'll now proceed to the first item on the agenda, legislative confirmation reports. Mr. Clerk. [LR26 LR27]

CLERK: Mr. President, for just a moment, Urban Affairs will have an Executive Session in Room 2022 now. Mr. President, the Agriculture Committee offers the first confirmation report. The appointment involves Beth Smith to the Nebraska State Fair Board. (Legislative Journal page 1450.)

PRESIDENT FOLEY: Thank you, Mr. Clerk. Senator Brasch, you're recognized to open on the confirmation report.

SENATOR BRASCH: Thank you, Mr. President. And good afternoon, colleagues. The Agriculture Committee recommends confirmation of the appointment of Beth Smith to the Nebraska State Fair Board. Beth Smith is nominated for her appointment to represent the business community of the 1st Congressional District. She would succeed M Mark Fahleson, whose term expired in December and who did not seek reappointment. Her term would expire in December 2018, and she would be eligible to serve two additional three-year terms. Mrs. Smith lists her occupation as a community volunteer, and she has been active serving in board positions and other capacities with a number of community foundations and service organizations, including the Bryan Hospital Foundation, the TeamMates Mentoring Program, Friendship Home, Sheldon Museum of Art committee, and Junior League of Lincoln. She is very involved in helping operate her husband Clay's family business, which is Speedway Motors here in Lincoln, and is involved in the operations of the Museum of American Speed which was founded and supported by Speedway Motors. Beth served on the staff of former President George Bush and Congressman Tom Coleman in Washington, D.C. She earned a degree in business administration from Southern Methodist University. Mrs. Smith appeared in person for her confirmation hearing and answered questions of the committee. The committee votes 7 ayes and no dissenting votes to recommend confirmation of Mrs. Smith's appointment. I move adoption of the Ag Committee report.

PRESIDENT FOLEY: Thank you, Senator Brasch. Debate is now open on the confirmation report. Seeing no members wishing to speak, Senator Brasch, you're recognized to close. She

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waives closing. The question before the body is the adoption of the confirmation report of the Agriculture Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: (Record vote, Legislative Journal page 1561.) 36 ayes, 0 nays, Mr. President, on the adoption of the Agriculture Committee confirmation report.

PRESIDENT FOLEY: The confirmation report is adopted. Next report, Mr. Clerk.

CLERK: Mr. President, Health Committee has a series of reports. The first is of the appointment of Brian Brightman to the State Board of Health. (Legislative Journal page 1477.)

PRESIDENT FOLEY: Senator Riepe, you're recognized to open on the confirmation report.

SENATOR RIEPE: Good afternoon, Mr. President and colleagues. I rise to present one appointment to the State Board of Health. The State Board of Health is a 17-member board and has the power and duty to adopt and promulgate rules and regulations for the government of the professions and occupations licensed, certified, and registered, and to issue permits by the Department of Health and Human Services. The appointment that I'm asking for today is Dr. Brian Brightman. He has been appointed to serve on the State Board of Health, representing optometry. Dr. Brightman is a current board member and president and CEO of the Eye Care Specialists, the Nebraska Optometry Association political action committee chairman, and the ambassador to Nebraska for the American Board of Optometry. With that, I ask for your green vote on Dr. Brightman. And thank you, Mr. President.

PRESIDENT FOLEY: Thank you, Senator Riepe. Debate is now open on the first of three confirmation reports from the Health and Human Services Committee. Seeing no members wishing to speak, Senator Riepe, you're recognized to close. He waives closing. The question before the body is the adoption of the confirmation report of the Health and Human Services Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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CLERK: (Record vote, Legislative Journal pages 1561-1562.) 35 ayes, 0 nays, Mr. President, on the adoption of the report.

PRESIDENT FOLEY: Confirmation report is adopted. Mr. Clerk.

CLERK: Second report from the Health Committee, Mr. President, involves three appointments to the Commission for the Deaf and Hard of Hearing. (Legislative Journal page 1477.)

PRESIDENT FOLEY: Senator Riepe.

SENATOR RIEPE: Thank you, Mr. President and colleagues. I rise to present one reappointment and two appointments to the Commission for the Deaf and Hard of Hearing. The Commission for the Deaf and Hard of Hearing promotes and advocates for Nebraskans who are deaf, deaf and blind, or hard of hearing to achieve equality and opportunity in social, educational, vocational, and legal aspects impacting their daily lives, and to enhance and monitoring access to effective communications and telecommunications technology. The first individual that I hold out to this group is Dr. Frank Turk, is being reappointed to serve on the commission. Dr. Turk has served on the commission since 2013, serving as the chair from 2015 to 2016, and has served on the executive committee since 2016. Dr. Turk received a doctorate in educational administration and student development in 1983 and has worked in the academic career field since 1952, serving most recently as an adjunct professor at Metropolitan Community College in 2012 and '13. In addition to 2000...in addition, in 2016, Dr. Turk was named Deaf Senior of the Year by the National Association of the Deaf. My second candidate that I hold up to you is Marc Brennan. He is an appointee of the commission. Mr. Brennan has served as a research audiologist at Boys Town Hospital since 2011. He currently serves as president of the Nebraska Department of Health and Human Services Hearing Instruction Specialist Board and president of the Nebraska Speech-Language-Hearing Association. He has also served on the institutional review board for Boys Town Hospital. My third candidate is Candice Arteaga--I believe that's correct, I apologize--is a new appointee to the commission. Ms. Arteaga has served as the director for the Miss Deaf Nebraska Pageant in 2005 and 2007, representing for Nebraska Association of the Deaf. She currently serves as president of the Omaha Association of Deaf board since April of 2016. She has also served on the Lincoln Association of the Deaf board as president and

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secretary. With that, I ask you for green votes on all three of these nominees. Thank you, Mr. President.

PRESIDENT FOLEY: Thank you, Senator Riepe. Debate is now open on the second of three confirmation reports from Health and Human Services Committee. Seeing no members wishing to speak, Senator Riepe, you're recognized to close on the report. He waives closing. The question before the body is the adoption of the report of the Health and Human Services Committee. 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 pages 1562-1563.) 35 ayes, 0 nays, Mr. President, on the adoption of the report.

PRESIDENT FOLEY: Confirmation report is adopted. Mr. Clerk.

CLERK: A third report from the Health Committee involves the appointment of Timothy Robinson to the Foster Care Review Board. (Legislative Journal page 1477.)

PRESIDENT FOLEY: Senator Riepe, you're recognized to open on the confirmation report.

SENATOR RIEPE: Thank you, Mr. President and colleagues. I rise to present one appointment to the Foster Care Advisory Committee. The Foster Care Advisory Committee is made up of five members appointed by the Governor and the duties of the Foster Care Advisory Committee are to choose an executive director for the Foster Care Review Office, to support and facilitate the work of the office, including the tracking of children in foster care, and reviewing foster care file audit case reviews. The nominee that I have for you today is Timothy Robinson, who has been appointed to serve on the Foster Care Advisory Committee. Mr. Robinson is the director of the Office of Institutional Effectiveness at the University of Nebraska at Omaha and has served in this role since October 1 of 2013. He has worked with the Nebraska Crime Commission and the Department of Health and Human Services, Child Welfare Services for about ten years. With that, I ask for your green vote on Mr. Timothy Robinson. Thank you, Mr. President.

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PRESIDENT FOLEY: Thank you, Senator Riepe. Debate is now open on the third of three confirmation reports from the Health and Human Services Committee. Seeing no members wishing to speak, Senator Riepe, you're recognized to close. He waives closing. The question before the body is the adoption of the confirmation report from the Health and Human Services Committee. 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 1563.) 34 ayes, 0 nays, Mr. President, on the adoption of the report.

PRESIDENT FOLEY: The confirmation report is adopted. Mr. Clerk.

CLERK: Mr. President, the final report this afternoon is by the Government Committee involving the appointment of Steven Danon to the State Emergency Response Commission.

PRESIDENT FOLEY: Senator Murante, you're recognized to open on the confirmation report.

SENATOR MURANTE: Thank you, Mr. President. Members, good afternoon. The Government, Military and Veterans Affairs Committee unanimously approved the reappointment of Steve Danon of Omaha to the State Emergency Response Commission. Mr. Danon has more than 25 years of occupational safety, life safety, and contingency planning experience. While in the Air Force Reserve, he served on special assignment to the Federal Emergency Management Agency as a contingency planning specialist. As a senior instructor for the OPPD Fort Calhoun Nuclear Power Station, he was responsible for the development and instruction of safety, emergency response, and nuclear fire protection procedures. Mr. Danon is currently a safety and risk control consultant at FDI Consulting. Again, he was unanimously approved by the Government, Military and Veterans Affairs Committee, and I recommend his confirmation to you. Thank you, Mr. President.

PRESIDENT FOLEY: Thank you, Senator Murante. Debate is now open on the confirmation report. Seeing no members wishing to speak, Senator Murante, you're recognized to close. He waives closing. The question before the body is the adoption of the confirmation from the

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Government Committee. 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 pages 1563-1564.) 36 ayes, 0 nays, Mr. President, on the adoption of the Government, Military and Veterans Affairs Committee confirmation report.

PRESIDENT FOLEY: Confirmation report is adopted. Moving on, on the agenda, Select File, 2017 committee priority be bill. Mr. Clerk.

CLERK: Mr. President, Senator Wishart, have Enrollment and Review amendments pending on LB333. (ER90, Legislative Journal pages 1553-1560.) [LB333]

PRESIDENT FOLEY: Senator Wishart, you're recognized for a motion. [LB333]

SENATOR WISHART: Mr. President, I move the adoption of E&R amendments to LB333. [LB333]

PRESIDENT FOLEY: Members, you've heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. Mr. Clerk. [LB333]

CLERK: Senator Riepe would to amend with AM1410. (Legislative Journal page 1564.) [LB333]

PRESIDENT FOLEY: Senator Riepe, you're recognized to open on AM1410. [LB333]

SENATOR RIEPE: Thank you, Mr. President and colleagues. Thank you all for the discussion regarding LB333 these past couple of weeks. The body has worked very hard on the issue, and I greatly appreciate it. I didn't meet with interested parties during session yesterday to discuss an amendment to address some of the issues discussed on the floor. I believe we have an agreement among parties. AM1410 reinstates "on or after September 6, 1993." This language is important to add back into statute as that language is not, I repeat, not outdated language. It is the date

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acknowledging when the entitlement services start. Without this language, the entitlement will be expanded to include 231 individuals that were not previously part of the entitlement. This is the cost of about \$8 million. AM1410 also clarifies funding of the priorities (1) through (5) and are for the Medicaid home and community-based services waivers on only. I ask for your green vote on AM1410. Thank you, Mr. President. [LB333]

PRESIDENT FOLEY: Thank you, Senator Riepe. (Visitors introduced.) Debate is now open on LB333 and the related amendments. Senator Krist. [LB333]

SENATOR KRIST: Thank you, Mr. President. Good afternoon, colleagues, and good afternoon, Nebraska. And thank you, Mr. Speaker, for the day...the morning off. I did not set my alarm clock and I slept in this morning. I just wanted to say that this...I wanted to thank you to Senator Riepe and those who worked on this yesterday. This restores, I think, what we have to do for those people who are in this position. I want to thank you him for putting the balance back on to this, to LB333, and thank his committee for all their hard work in getting it out. And with that, I would say, please, vote green on AM1410 and LB333. Thank you, Mr. President. [LB333]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Groene. [LB333]

SENATOR GROENE: Thank you, Mr. President. Thank you, Senator Krist and Howard for pushing this and get getting the chair of the HHS to agree to it. Before General File, I told the introducer of LB333 I would support it and the committee amendment. I rationalized my decision on fiscal necessity, that all programs needed to be trimmed back as a firm believer that no matter the government program there is fat and waste. Any government budget can be tightened up before those receiving the benefits are harmed. I listened to the Senator's passionate appeal during his introduction, how he lost sleep over the decisions he must make between the tight budget and the care of the innocent. Meanwhile, I was called out of the lobby during debate by one of my cousins who has a child with Down Syndrome. She has dedicated her life and family wealth to making sure that individuals with down syndrome have a safe group home environment, can function with jobs and activities, that parents can know that if their children outlive them that those children will be cared for. The name of the Omaha-based organization is the Sheltering Tree and is mostly funded by private donations. They're presently working on



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opening a third group home location. She asked my support to vote for Senator Krist's AM1261 amendment, that those individuals right out of high school still need additional assistance to pay for basics of life without a delay of reapplication. I reluctantly stayed with my word to the sponsor of LB333. Believe me, I was amazed with the outcome of the very next bill, LB496, a bill that will take the hard-earned property taxes from members of Nebraska's work force and diverts it to bankers and real estate speculators. Taxes that should have gone to school children and public safety in rural Nebraska now was going to wealthy real estate investors. Additionally, the tax burden to fund local rural governments will increase to already overburdened agriculture landholders due to the diversion property tax dollars on new construction in rural communities. Somebody must fund the schools and public safety in rural Nebraska. Again, LB496 will shift more of the burden to the farmers and ranchers. I was amazed to see that the same senator who lost sleep over taking benefits from those with disabilities had no qualms about voting to create another economic welfare payment scam, the real estate speculators, through LB496. He was not alone in the dual votes. Therefore, I am changing my position, and I don't have to now, because I can now vote for what I should have voted in the first place. It must take...if I had to make a choice to give hard-earned tax dollars to help someone, it will be to the disadvantaged, not to the greed of the privileged. I'm a small government person. I can't believe anybody in this body in this recession voted for a bill that gives welfare to the wealthy. I still believe we must cut the budget to match revenues, so I will support all the Governor's budget vetoes, but if we have tax dollars to give to wealthy real estate speculators, we sure the hell should be able to maintain support to individuals with disabilities. Thank you for your consideration. I will vote green on AM1410 and LB333. [LB333 LB496]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Stinner. [LB333]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, I do support LB333 and AM1410. I want to congratulate Senator Riepe, his committee, and all the people who came together. These are complex programs. They do have large fiscal notes or could have large fiscal notes attached to them. I think we've done a good job for the next biennium, but I will say there's more work to be done on this bill. And I presume this year and the year after we'll take a look at what is required in order to make sure that the fiscal note fits our capabilities. Thank you, Mr. President. [LB333]

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PRESIDENT FOLEY: Thank you, Senator Stinner. Senator Crawford. [LB333]

SENATOR CRAWFORD: Thank you, Mr. Lieutenant Governor. And good afternoon, colleagues. I rise in support of AM1410 and I thank Senator Riepe and Senator Howard and Senator Krist and all those who have been working so hard on these issues to make sure that we make the best choices we can to protect the continuity of our commitment to our families with developmental disabilities as we can. And I believe that what we were working to accomplish when we were discussing the Krist amendment yesterday is in this amendment and it also has some important corrections in it as well. And so I stand in support of AM1410. This will allow us to continue our state disability program. It will allow us to maintain our entitlement language, for those students who are leaving our high schools, in our statutes with a date of 2019 so that we are sure that we come back and make sure those students are being taken care of. It also has language about funding the waiver and so we are being compliant with our waiver requirements so that now, in these next two years, we have federal government assistance to help us make sure we're taking care of those high school graduates effectively. And we have been assured by the director that she is pulling those students into that waiver and so that those high school students will be taken care of, as well as our other individuals who are in our other priority categories and high priority categories being taken care of as well. So we're addressing those issues as best we can. And so I appreciate again the work of everyone to continue working on this issue to get the right language, the right mix to take care of those programs, and yet to be fiscally responsible and be attentive to the demands that are necessary to pull down those federal resources. So I urge your support of AM1410 and LB333. Thank you, Mr. President. [LB333]

PRESIDENT FOLEY: Thank you, Senator Crawford. Senator Linehan. [LB333]

SENATOR LINEHAN: Thank you, Mr. President. I rise to support AM1410 and LB333. The main reason I wanted to speak to you, my colleagues, this morning is I want to really sincerely thank Chairman Riepe for all the hard work he has done on this. I think we "execed" on it maybe four or five times. He was always open to suggestions from other members of the committee to make sure that we had it right. So it's been a tough haul for him on this and I very much appreciate his hard work and effort on it. Thank you, Mr. President. [LB333]

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PRESIDENT FOLEY: Thank you, Senator Linehan. Senator Brasch. [LB333]

SENATOR BRASCH: Thank again, colleagues. And I do stand in support of LB333 and AM1410. And the committee has done well and Senator Riepe, the Chair, has done a yeoman's job in putting this together. But I did want to address words from Senator Groene--ditto. I, after seven years, have fully comprehended in what it took him short time to realize that if we're ever going to see any tax relief and no tax increases, we need to look at every penny, nickel, and dime moving forward. The economy does not show signs of strong growth. I would love to be wrong on that. Living in a rural community, being in the agricultural industry, I would love to be wrong because things are not looking good. If we continue to help businesses through tax dollars, those dollars do not come from a tree. They come from those people who elected us to come here, and I believe that we need to take a look on how to help those who need help the most, who cannot care for themselves. That's what this bill does. But yesterday when we voted in support of something that help bankers and builders, I think we took a step backwards. I could be wrong. I hope I'm wrong on that, too. But within this next year we will have a tougher year ahead of us. And moving forward, we need to address the hard business of how can we do more with less. Thank you, Mr. President. Thank you, colleagues. [LB333]

PRESIDENT FOLEY: Thank you, Senator Brasch. Senator Riepe, you're recognized to close on AM1410. [LB333]

SENATOR RIEPE: Mr. President, thank you. I would simply ask the body to vote green on AM1410 and green on LB333 as presented under Select File. Thank you, Mr. President. [LB333]

PRESIDENT FOLEY: Thank you, Senator Riepe. Members, you heard the debate on AM1410. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please, Mr. Clerk. [LB333]

CLERK: 36 ayes, 0 nays, on adoption of Senator Riepe's amendment. [LB333]

PRESIDENT FOLEY: AM1410 is adopted. Anything further on the bill, Mr. Clerk? [LB333]

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CLERK: I have nothing further on the bill. [LB333]

PRESIDENT FOLEY: Senator Wishart for a motion. [LB333]

SENATOR WISHART: Mr. President, I move to advance LB333 to E&R for engrossing.  
[LB333]

PRESIDENT FOLEY: Members, you have the motion to advance LB333 to E&R for engrossing.  
Those in favor say aye. Those opposed say nay. LB333 advances. LB333A. Mr. Clerk. [LB333  
LB333A]

CLERK: No E&Rs. Senator Riepe would move to indefinitely postpone the bill, Mr. President.  
[LB333A]

PRESIDENT FOLEY: Senator Riepe, you're recognized to open on your motion. [LB333A]

SENATOR RIEPE: Mr. President, I'd just request the body for an indefinite postponement on the  
Article A (sic) or Section A (sic--1). [LB333A]

PRESIDENT FOLEY: Thank you, Senator Riepe. Debate is now open on the motion. Senator  
Crawford. [LB333A]

SENATOR CRAWFORD: Thank you, Mr. Lieutenant Governor. I wonder if Senator Riepe  
would yield to a question. [LB333A]

PRESIDENT FOLEY: Senator Riepe, would you yield, please? [LB333A]

SENATOR RIEPE: Yes, I would. [LB333A]

SENATOR CRAWFORD: (Laugh) Senator Riepe, would you explain why it would be  
appropriate to indefinitely postpone this A bill following the LB333 that we just passed?  
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SENATOR RIEPE: We have found the A bill is no longer required from Fiscal. [LB333A]

SENATOR CRAWFORD: Why is it no longer required? [LB333A]

SENATOR RIEPE: That is a detail I would have to follow-up and get back to you with. I was simply going over the rush of this morning, and I was told that we no longer need that. [LB333A]

SENATOR CRAWFORD: I think before we indefinitely postpone it, which would be fairly irreversible, it would be important for us to know for sure what...why that is the case whether...and so I wonder if we could maybe get an answer to that before this vote is taken. We could talk maybe while you get an answer. I just, in terms of maybe pulling up the A bill and is that the original LB333 was to get rid of the state disability program, and maybe that's why because that was just an A bill of estimation of savings and we're no longer getting rid of that program. Is that possibly why that's not required? Okay. I'll let you answer that question. I'll yield the rest of my time to Senator Riepe. [LB333A]

PRESIDENT FOLEY: Thank you, Senator Crawford. [LB333A]

SENATOR RIEPE: Thank you for the... [LB333A]

PRESIDENT FOLEY: Senator Riepe, 3:30. [LB333A]

SENATOR RIEPE: Thank you, sir. Thank you. We're a nation of second chances, so I will take advantage of that. Fiscal had said there would be no financial impact, and it is covered in the budget as Senator Stinner has told me. I apologize for not having the answer at first ask. Thank you, Mr. President. [LB333A]

PRESIDENT FOLEY: Thank you, Senator Crawford and Senator Riepe. Senator Krist. [LB333A]

SENATOR KRIST: If Senator Stinner could yield to a question, Mr. President. [LB333A]

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PRESIDENT FOLEY: Senator Stinner, would you yield, please? [LB333A]

SENATOR STINNER: Yes. [LB333A]

SENATOR KRIST: Would you like to add any more clarity to that statement? [LB333A]

SENATOR STINNER: Well, LB333 is actually a cost avoidance and any other part of that bill that has an appropriations with it has been appropriated already, which renders the A bill immaterial or void. [LB496]

SENATOR KRIST: Okay. Well, I appreciate the clarity and, therefore, I would support the motion to indefinitely postpone the A bill if it's not appropriate. Thank you, Mr. President, and thank you, Senator Stinner, for your courtesy. [LB333A]

PRESIDENT FOLEY: Thank you, Senators Krist and Stinner. Seeing no other members in the queue, Senator Riepe, you're recognized to close. He waives closing. The question before the body is the adoption of the IPP motion on LB333A. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please, Mr. Clerk. [LB333A]

CLERK: 30 ayes, 0 nays, Mr. President, to indefinitely postpone LB333A. [LB333A]

PRESIDENT FOLEY: LB333A has been indefinitely postponed. Moving on in the agenda, Select File 2017, senator priority bill. Mr. Clerk. [LB333A]

CLERK: Mr. President, LB496. I have no E&Rs. Senator Williams would move to amend with AM1378. (Legislative Journal Page 1511.) [LB496]

PRESIDENT FOLEY: Senator Williams, you are recognized to open on AM1378. [LB496]

SENATOR WILLIAMS: Thank you, Mr. President. Good afternoon, colleagues. One of the things that we have recognized with LB496 to add a few guardrails and tighten things up a little bit would be to bring over from LB518 the description of work force housing. So AM1378 uses

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the definition included in LB518 which we passed a month ago, give or take, and was signed by the Governor, into the bill. It further tightens this description of housing by limiting the total maximum dollar size on a single-family dwelling to \$275,000. It limits the actual dollars spent on rental units to no more than \$200,000 per rental unit, and it also has a provision for rehabbing that is a possibility use. This, we believe, addresses certain questions that have been raised by Senators, being sure we don't have a situation like has been brought to our attention with the sand pit in Senator Linehan's district where large, high-end houses were built and infrastructure from TIF was used to help that project. So that is the simple answer of what the amendment, AM1378 does. And I would ask for your support of that amendment. Thank you, Mr. President. [LB496 LB518]

PRESIDENT FOLEY: Thank you, Senator Williams, Members, you've heard the opening on AM1378. Senator Crawford. [LB496]

SENATOR CRAWFORD: Thank you, Mr. Lieutenant Governor. And good afternoon again, colleagues. I rise in support of AM1378 and I appreciate Senator Williams offering this amendment that defines work force housing. It also makes a consistent definition across this program and the LB840 program. These are two key tools that municipalities, local communities will have now to address this housing issue. And so the consistency of definition across the two programs, I think, not only addresses the concerns that Senator Williams addressed in terms of being very clear about some restrictions on the housing, but also provides that continuity across those two important economic development tools that our local communities have available to address this crisis that we have in terms of development in our rural communities. Thank you, Mr. President. [LB496]

PRESIDENT FOLEY: Thank you, Senator Crawford. Mr. Clerk. [LB496]

CLERK: Senator Friesen would move to amend Senator Williams' amendment. (AM1414, Legislative Journal page 1565.) [LB496]

PRESIDENT FOLEY: Senator Friesen, you're recognized to open on your amendment. [LB496]

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SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. What this amendment does, it's a very, very simple amendment that just removes the abilities of a first-class city to use the TIF financing, so it...my concern has always been, first of all, using TIF to do residential housing and the impact it has on schools and the smaller communities around the larger cities. So if you take...and I'll use York or something like that for an example, but if York decides to do a development, you can get contractors that come in and may do a 50-house development. And contractors will come from quite a ways off to do that and they'll come in and build the houses. And if this bill works the way it should, those houses will be subsidized and the cost will be brought down. So I'm just going to make an assumption that the developer is going to pass on some of that savings to the buyer. Now they don't have to, but they could. You have new homes available that are \$20,000 cheaper than you could build in your neighboring smaller community or village. You know, and it already costs more money to build in some of the smaller communities because you can't get the developers to come in there, you don't need a 20-house subdivision. You don't need a 15-house subdivision. You are building two and three and four houses at a time. By subsidizing these big subdivisions now, there is no developer that's come into a community without asking for TIF financing. And so when I look at this, to me TIF financing was used for economic development. You bring in some work force. You bring in a company that creates jobs. And then the people come and move there and the housing market picks up and you get the developers to build houses and off you go. And so when you created those jobs, you can have people driving in from the neighboring communities, the smaller cities and villages. They can drive into that job and work there. And they receive a benefit from the tax increment financing project because it was a job that was created. If you're going to start subsidized housing, now you're telling that person they have to now only drive in there, you're requiring them to move there and take advantage of cheap housing. So you'll attract people from the smaller cities, villages into the little bit larger cities that wants to do a TIF project and, therefore, you'll damage the smaller communities. And me as a rural resident, my taxes that are supposed to be going to school districts and everywhere else, the revenue from those housing projects don't go to the schools anymore. And so you can bring in more kids, you can increase the population of that school. And if you're in an unequalized district, you will get no more state aid and so it will put more pressure on property taxes to fund those schools. In the equalized districts, the larger schools, their TEEOSA will make up some of their needs based on students coming to school. They will receive more state aid. But in the unequalized districts, that doesn't



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happen. And so with 170-some school districts that are nonequalized, you bring in more students and you divert that property tax revenue to the developer and suddenly now you have put more pressure on property taxes that are currently funding our school system. And so there...I just keep going back to some of our programs that we're doing, if we would focus on the job creation where we bring in new people and create those jobs whether it's Nebraska Advantage Act or any other of the programs we have, I think they all need to be looked at and decide where we want to go. But right now we're getting such a mishmash of different incentives whether it's from housing to creating the jobs to bringing in manufacturing, chicken plants, we need to focus on one end or the other. In most of our communities, we have very low unemployment right now and the jobs, I think they're mostly filled in the small communities. The larger communities probably do need work force but they're adding subdivisions all the time. Aurora is a small community. There are several subdivisions have gone in, in the last couple years and there's no TIF financing of those projects. The developer comes in, he sees a need. The housing market is fairly robust. And they build homes and they don't need tax incentives to do that. The jobs that they are asking to be created there, they're there and people are buying homes that they can afford and so it's working. And I know that different areas of the state operate differently. But again, when we start to use incentives on both ends of the spectrum, sometimes we need to figure out which direction we're going and pretty soon we're going to be subsidizing both end of the industry and not knowing I guess for sure where we will end up. So again, this would restrict it to second-class cities and villages where maybe the demand or the need for it is greater and it won't make that competition supposedly between communities and rural areas. Thank you, Mr. Lieutenant Governor. [LB496]

PRESIDENT FOLEY: Thank you, Senator Friesen. Debate is now open on the bill and the pending amendments. Senator Erdman. [LB496]

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. Good afternoon. I appreciate Senator Friesen bringing this amendment. I would guess that if I had to vote for this bill, I would like to have it with Senator Friesen's amendment, but I don't approve of either one. As I stated yesterday, this is something that I think we need to get our hand around on TIF before we move on. This is so loosely regulated and there's no regulations at all basically. They do whatever they want. I read this information the other day. A county assessor sent me this and I'll read it again.

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You may have missed it the first time. Significant growth in our county in commercial and industrial property is limited because of all new construction is grabbed up by TIF. We are currently sitting with six TIF projects and another three are queued up and ready to go. We had \$20 million in new construction increase and all that excess value went to TIF. The dollars paid in taxes on that new growth was \$266,000. To further damage the budget, one of the three new TIF projects is for redevelopment of a housing development. And now we're taking housing off of the tax rolls. The Low Income Housing Tax Credit and those houses are being put on the tax rolls of 45-50 percent of their value. TIF is out of control. I alluded yesterday to the Auditor's report that he did back in December on TIF. And I'll bring your attention to a couple issues that he brought to our attention. He says: During the course of this examination, the Auditor identified certain issues that did not necessarily rise to the level of a comment or finding, which typically involves noncompliance with statute or lack of internal controls; nonetheless, the Auditor believes the issues to be important enough to merit disclosure--if for no other reason than to facilitate discussion regarding the intent of the Community Development Law. And these issues are summarized below. And he lists three of them. The various uses of TIF funds, project expenses incurred before approval of the redevelopment project, and criteria for substandard and blighted areas. There were three particular TIF projects that he noted that were completely finished, completely done and completed before they applied for TIF and they were reimbursed the full amount. There is a problem with TIF. TIF is not used correctly. TIF has always been abused it seems like, according to what the Auditor shows. And so here we are, as Senator Groene had alluded to in his opening remarks, we are going to give more tax breaks to those who don't need it. And they already can use TIF. This does not prohibit them from using TIF. What this does, it extends the life of their TIF project seven or eight years, that's what this does. And when you're talking about work force development housing up to \$275,000, I don't know what kind of job is in those rural communities that they can pay that for a house. That would be a pretty good job. That is not happening in our district, in my district. In rural Nebraska we're not paying \$275,000 for work force development housing. Houses where people start at generally have a lot less value than that. If you read the report that the Auditor put out on TIF and you understand what he is saying in his audit... [LB496]

PRESIDENT FOLEY: One minute. [LB496]

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SENATOR ERDMAN: ...you would not be for this program. We have got to get this program under control. By allowing them to expand this is not the way you get it under control. I believe Senator Wayne is going to do a study this summer on TIF and he needs to examine those things that the Auditor pointed out that are a problem. They tried to do an audit on 35 of the 766 TIF projects. They were not able to complete the 35 audits. They could only do 22 because the other 13 had no information to be audited. Now you tell me, is that a program out of control? I believe that it is. This bill needs to go away and I will vote red on this bill all the way. Thank you.  
[LB496]

PRESIDENT FOLEY: Thank you, Senator Erdman. Senator Albrecht. [LB496]

SENATOR ALBRECHT: Thank you. Thank you, President Foley. Senator Williams, I did and the Business and Labor Committee pushed LB518 out as a priority bill. I'm certainly not interested in that being rolled into LB496. AM1378 is what I am speaking to. When we push that out, that was for rural communities, rural counties under 100,000. What LB496 is about, first class in line five, page 5 of LB496, it's...I'm sorry, line 12, "in cities of the first and second class and villages, to carry out construction of work force housing." Senator Williams, would you yield to a question, please? [LB496 LB518]

PRESIDENT FOLEY: Senator Williams, will you yield, please? [LB496]

SENATOR WILLIAMS: Yes, I would. [LB496]

SENATOR ALBRECHT: Is it your intent to allow first-class cities to be a part of LB518?  
[LB496]

SENATOR WILLIAMS: Yes. [LB496]

SENATOR ALBRECHT: That is not the intent of LB518 when we voted on it. The intent was for counties... [LB496]

SENATOR WILLIAMS: Excuse me. [LB496]

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SENATOR ALBRECHT: ...of 100,000 or less, correct? [LB496]

SENATOR WILLIAMS: Senator, would you rephrase the question? I'm not sure I heard you.  
[LB496]

SENATOR ALBRECHT: I'm asking if you are going to roll LB518 into LB496. [LB496 LB518]

SENATOR WILLIAMS: Yes. The amendment AM1378 rolls the definition of work force housing into LB496. It does not change the portion of LB496 that deals with the size of communities that could use tax increment financing for housing construction. Under...there's a difference between... [LB496]

SENATOR ALBRECHT: Are you going to allow that \$7.3 million to be a part of LB496?  
[LB496]

SENATOR WILLIAMS: Absolutely not. [LB496]

SENATOR ALBRECHT: Why the change today? What was wrong with LB496 as it was written yesterday? Who came to you and asked for these changes in AM1378? [LB496]

SENATOR WILLIAMS: Nobody came to me and asked for the changes. If you look at LB496 and the definition of work force housing, the definition just says work force housing. It doesn't have any description of what that is. So we felt it was better to coincide the descriptions so we could understand what they would be. [LB496]

SENATOR ALBRECHT: You know, yesterday I was the deciding vote, number 33, on LB496. And hearing this and watching these amendments come up today concerns me that we are in a situation where we need to take a step back. It's not going to change; 365 days is not going to change whether somebody is going to build or not in our communities. But I do believe that the TIF does need to be looked at because there has to be rules and regulations as to what they can and can't do with these funds because it does have an effect on our property taxes. I understand full well what TIF can do in blighted areas of small communities, large communities. It's a good

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thing. It's our economic engine that we allow people to come in and do what they need to do and bring the people to us, whether it's residential or the big businesses. But I am very much concerned that this is all getting meshed together. And I'm not comfortable with those things happening. I will yield the rest of my time to Senator Kolterman. Thank you. [LB496]

PRESIDENT FOLEY: Thank you, Senator Albrecht. Senator Kolterman, 1:20. [LB496]

SENATOR KOLTERMAN: Thank you, Senator Albrecht. I just rise in opposition to AM1414. And the reason I do so is that affects two communities in my district. That affects Seward and York. They're both first-class cities. I don't believe that they should be taken out of this bill. And so I would encourage you to vote down AM1414 and approve AM1378 and LB496. I still think this is good legislation. I think...has TIF been abused in the past? Absolutely yes. Does that need to be fixed? Absolutely yes. But at the same time it's a tool that I think our economic development people need as we grow this state. We bring all these people to the communities and then we don't have a place to house them. It doesn't make any sense to me. We're working in a backward sort of way. So I would encourage you to eliminate AM1414 so my communities can participate just like any others. Thank you very much. [LB496]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Williams. [LB496]

SENATOR WILLIAMS: Thank you, Mr. President. First of all, I would like to respond again to Senator Albrecht's question, that the amendment that I did file on this was filed several days ago. It was not filed in relationship to discussions that went on. I stand in opposition to Senator Friesen's amendment eliminating cities of the first class. Those cities, friends, are from 5,000 to 100,000. Here is a list of the communities that would be eliminated: Alliance, Beatrice, Bellevue, Blair, Chadron, Columbus, Crete, Fremont, Gering, Grand Island, Hastings, Holdrege, Kearney, La Vista, Lexington from my district, McCook, Nebraska City, Norfolk, North Platte, Ogallala, Papillion, Plattsmouth, Ralston, Schuyler, Scottsbluff, Seward, Sidney, South Sioux City, Wayne, and York. And by the way, Senator Friesen, Aurora is not on that list. So your concerns about them would not be covered by your amendment. I would also like to talk a little bit today about the underlying bill and the castigation that has been put on bankers, realtors, and economic developers. I would like to say a big apology to them from a Senator that didn't

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participate but watched the participation of other Senators throwing this group under the bus. This is the group of people that have supported the growth in this state and in our communities. And now some people are taking an opportunity to question their motives. I have been one of those people. TIF is not black and white. There is a great deal of gray, and you've got to understand that gray. And if you understand that gray, you might have a willingness to open your mind to what goes on with TIF. In my community, I've had the opportunity to be on the Community Redevelopment Authority for over 20 years. I served as chairman of that for about 15 years before I was elected to the Legislature and resigned my position. During that period of time I have read countless redevelopment agreements. I've sat in that meeting and asked the hard questions of those people that are bringing potential TIF projects to our community, those questions about will you do this if we don't offer TIF? Who's going to benefit? How many jobs are you going to create--all of the things that are important to know when a community is making a decision about what to do. We've turned down a great many TIF opportunities in our community, as have others. I actually heard from the community of Omaha that they have about a 50 percent ratio of projects that they turn down compared to those that they approve. I would like to thank those bankers. I would like to thank those realtors. I would like to thank our economic development people for caring enough to work towards growing our state. I am now mystified at what's going on where people are being called out of this body outside the glass and now being told a different story than they were told yesterday. I direct your attention to the committee statement on LB496. The Senators on our committee in our process voted without dissent to advance this bill. There was significant testimony in favor of the legislation... [LB496]

PRESIDENT FOLEY: One minute. [LB496]

SENATOR WILLIAMS: ...and none in opposition. No one testified in opposition to LB496. I once again thank Senator Stinner for recognizing the issue that we have and this obstacle to creating economic development, the obstacle being the lack of work force housing. I was pleased to have the opportunity to choose this is my personal priority bill beyond that. I would encourage you to think big and not small. You've heard about the abuses and there have been some abuses. But for every abuse there have been a substantial number of opportunities where tax increment financing has significantly... [LB496]

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PRESIDENT FOLEY: Time, Senator. [LB496]

SENATOR WILLIAMS: ...benefited an area. [LB496]

PRESIDENT FOLEY: Time, Senator. [LB496]

SENATOR WILLIAMS: Thank you, Mr. President. [LB496]

PRESIDENT FOLEY: Thank you, Senator Williams. Senator Groene. [LB496]

SENATOR GROENE: Thank you, Mr. President. I would like to address a couple of things Senator Williams said yesterday. He said I wore my bathrobe and not the judge's robe and he quoted a lawyer. Apparently I've debated this guy before in TIF matters. And he, greatest accomplishment in life is being a lawyer for the city of Omaha and having some say in the language. But I'll you what I have always said about lawyers--half of them are wrong in the courthouse every day. And you know what the reality is? When you separate them further, about 80 percent of them win and about 80 percent lose. There's good and bad in every occupation. But overall, half win, half lose. As to the constitutionality of this, here's what the constitution says, "substandard and blighted property in a redevelopment project as determined by law, any city or village of the state may," any city or village. I've asked some lawyers. If Omaha and Lincoln contractors brought you this bill, LB496, and showed you this line in the constitution, any city and village, and said what's going on here, by the constitution we should have the same benefits of TIF as any city or village does. A lot of them said, yeah, this looks like a win-win. I could make some money representing those...Senator Williams made the point. Senator Friesen wants to lower it even further. Oh, no, no, no. We can't do that that's that denies some people...some cities from doing it. Well, we're denying his building; he's Omaha and Lincoln. Depends who you want to deny. We have heard, all of us, urban and rural, have heard from farmers, ranchers, owners of agricultural land, they're screaming about property tax relief. Homeowners, when I ran for office and I banged on doors, screaming about the property taxes. We did nothing for them. Not a single worker in my district--I got five little, small towns of varying size from 200 to 600, 800 to a couple thousand--not a single person has come to me and worried about where they're living or if they have a house. They worry about the property taxes that they pay. And young

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couples can't afford it. That's part of the payment. I believe I figured out that on a \$180,000, loan about \$800 is your principal and interest and about \$500 is your property taxes...or \$300 or \$400, maybe it was \$300, \$400; 30-40 percent on a mortgage escrow account is your property taxes. But, no, we didn't do anything for them. Not all the workers asked me for this. Who have you heard from, folks? Housing investors, bankers, real estate agencies--they want an incentive to maximize their profits. Who doesn't? Farmers want one. Everybody wants an incentive. Lawyers want one. Bankers get a lot of them--zero percent interest from the Fed, guaranteed loans. They do well. They don't need another one from us. Do you care how LB496 looks to the landowners out there and the average property taxpayers? You are giving an incentive in tough times to an industry that every contractor is fully employed, houses are being built, people are selling their homes making a fair price for them. The system works this has nothing to do with housing. As Senator Friesen said, this will kill my small towns. North Platte will build. McCook will build. Those people who can commute will live there and kill the smaller towns. Those mid-sized cities will benefit from this... [LB496]

PRESIDENT FOLEY: One minute. [LB496]

SENATOR GROENE: ...because also they're all equalized. They'll get their taxes made up from the TEEOSA formula. This is a terrible bill. So who do we care about? The taxpayer, the landowner, or does the campaign dollars of the real estate industry trump the day? That's what this is about. Who's going to get the money? There's some reelections coming up. This thing needs to die. Nobody asked for, just some do-gooders who know what's best for the workhorse, the peons, and the laborers of life. They didn't ask for it, but there are some who know what's best for them. Kill this thing. Please do not vote for cloture when we get there. Thank you. [LB496]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Kuehn. [LB496]

SENATOR KUEHN: Thank you, Mr. President. Thank you, colleagues. I have not had an opportunity...I was keyed in yesterday and we came to the cloture vote before I had an opportunity to discuss LB496. I want to bring it back a little bit to what our objectives are and also what the reality in terms of work force housing in greater Nebraska. There is undoubtedly a



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challenge with finding available housing at all levels and this is the complex problem. This simply isn't we don't have enough inventory of homes in the \$100,000-250,000 range. It's not as simple as that by any means. Every community has their own unique set of circumstances. Some communities in my district, the problem is we don't have assisted-living capacity so we have individuals who would normally have sold their home to a young family and moved into other senior care but there's not a spot and so the challenge in that community is senior housing. In other communities it's the availability of single-occupancy housing and multiple-use apartments for young people coming and taking jobs as the local mechanic or in construction. So the challenge of work force housing is huge and I for a second would not want to give anyone the impression that I don't believe that we need to be creative in how we approach that. And that's exactly where I take issue as I've continued to look at LB496 and talk to developers, economic developers and people in my community about what this ultimately how it would play out. And I think we have to be very careful about our unintended consequences with using TIF in this manner. I don't have a fundamental problem with TIF. I think when used appropriately it has been a successful story and a successful tool for many of our communities across the state. Unfortunately, TIF has gotten a bad name because in some cases it has been used inappropriately. It has been used outside of the scope of how it was intended and as a result it becomes a flashpoint. And unfortunately what we've left our economic development professionals in our communities with is we only give them one tool. And my dad always told me when the only tool you've got is a hammer, every problem starts to look like a nail. And because the only economic development tool we seem to have is TIF, we try to use it for every circumstance in every situation. And the reality is just like you wouldn't use a hammer to screw in a screw, creates problems--you can get it in there but it's going to bust things up along the way--we're trying to use a very good, very applicable tool to solve a problem for which it doesn't fit. So when we talk about using TIF in this manner for the development of housing, we're talking about a whole different movement. And when we talked about how we're targeting it specifically for small rural communities, one of the reasons I like what AM1414 does is that it really addresses a problem that TIF creates and that is that if we look at the economic feasibility of doing a housing development in a Hastings or a Kearney or a McCook, it makes sense for the developer, it makes sense for the real estate agent, it makes sense for the families to take advantage of it in those communities and that simply has a draw and a drain on our smaller communities. In my district that's a Holdrege, that a Minden, that's a Blue Hill, that's a Sutton.

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So I think when we address this issue and we look forward as to where we need to go, I think this is one of those issues that needs a lot more time and we need to look at other alternatives. I think Senator Williams was right on track with the money that he's a put forward in what we've passed in the rural work force housing bill. I wish that circumstances were different and we didn't have \$10 million that didn't get spent on affordable housing but that ship has sailed. So we have \$7 million in that pot. We're challenging communities to come up with new and innovative solutions to address... [LB496]

PRESIDENT FOLEY: One minute. [LB496]

SENATOR KUEHN: ...their unique work force housing issues. So to use Senator Williams' words, think big, not small. Let's not go to the same well and keep trying to use the same Band-Aid to create and fix problems to which it wasn't intended we have an incubator for great ideas in our rural communities that's going to play out in the next 12 months. They're going to be putting together proposals for addressing their housing issues. They're going to be putting them forth to DED to apply for those millions of dollars of funds. Let's take the best of those issues and let's create a new tool. Why take a tool that is divisive in communities that people on this floor have problems being used in this way and continue to stretch it and stretch and stretch it and take the risk that we end up breaking TIF, that we end up making it so unpalatable that it just goes away in general. Let's let the affordable housing and the rural work force housing bill that Senator Williams passed play out, let's see what we get for those ideas, and let's develop a tool that specific and that works for rural work force housing. Thank you, Mr. President. [LB496]

PRESIDENT FOLEY: Thank you, Senator Kuehn. Senator Quick. [LB496]

SENATOR QUICK: Thank you, Mr. President. I rise...I oppose AM1414 and I support the other, Senator Williams' amendment and LB496. In Grand Island, we do have a housing shortage for affordable work force housing. And I know one of the areas that they're building houses--it's not actually in my district as part of Grand Island but it's actually in Senator Friesen's district--and it's been one of the best things for Grand Island. It's helped out. I know there's a lot of working families that are moving in out there. They're able to afford that housing. And in order for us to help grow our community and have the housing so we can bring in other employers to help grow

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our community, we need to have that. We need to keep growing that. And I can tell you that I haven't been talked to by any bankers or by anybody in the financial world. But I have been talked to...had conversations with the head of our economic development in Grand Island. And this is one of the important tools to help us in our community. I don't think that it's going to reduce the number of housing...like for smaller communities, like Senator Friesen was talking about, that he felt like people won't build in the smaller communities. They'll go to the larger communities and build. I really don't believe that's going to happen. He also...I think something else that came up was that we're going to...it's outside contractors that come in. I can tell you in Grand Island it's all local contractors that are building those out there at Copper Creek. And they're also building other houses in Grand Island, but those are outside the price range for working families to live in. And those are also local contractors and they're doing a great job in Grand Island. So I would just...I still stand in support of LB496 and AM1378. Thank you.  
[LB496]

PRESIDENT FOLEY: Thank you, Senator Quick. Senator Friesen. [LB496]

SENATOR FRIESEN: Thank you, Lieutenant Governor. Again, when we look at development that's going to happen, you've just heard that Grand Island has a housing shortage and there's developments continually going in there. But if we pass this bill, there is not one single developer that is not going...that is going to build a house without TIF financing. They won't be able to compete. If you look at what this does and the dollars that it ties up for the next 15 years and it gives it to the developer, there is no reason to build a house anymore without TIF financing. And so when you get to the smaller communities, in my study of TIF when I was involved with the city of Henderson, I was there and I helped start the first TIF project. So I'm not opposed to TIF. I think it's a really good tool if used properly. And I am in full support of TIF when it's used properly. But we're starting to divert from that path and I think now we're to the point we're not using it properly. And so the small cities and villages, they don't have the staff or the resources to even investigate TIF. They don't use it. Most of them have never used it. Some communities are starting to use it to redevelop some areas where the housing is what you would really call blighted and substandard. That is a proper use of TIF. You use that TIF financing to clean up that lot, get it redeveloped for someone to build a new house on. But you don't subsidize the new house. So it has its uses. I at first was very opposed to using it in any way in residential

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developments. I was opposed to putting in the streets, the sewer, and the water. I've softened my stance there. When you get into the smaller communities, developers, that's a lot of money to lay out when you have to put in the sewer, the water, and the streets and it causes some developers not to build because they can't afford the infrastructure because they can't sell the lots fast enough. So I have warmed up to the idea of using that to put in infrastructure, but now we're taking it one step further and we're starting to subsidize the building itself. And that's where I think we take the wrong direction. So I mean I'm hearing everybody, you know, we're excluding too many communities and there's communities that need it. So I've been listening to the debate. And with that, I would ask that you withdraw AM1414. Thank you, Mr. Lieutenant Governor. [LB496]

PRESIDENT FOLEY: AM1414 is withdrawn. Mr. Clerk. [LB496]

CLERK: Mr. President, Senator Friesen, I have AM1413, Senator. (Legislative Journal page 1565.) [LB496]

PRESIDENT FOLEY: Senator Friesen, you're recognized to open on AM1413. [LB496]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. So I've come up with a solution to the larger cities and the competition they have with the smaller cities. So what this amendment would do, it...I'll just read the...it's a small change, but it's an important change. "If a redevelopment plan includes a redevelopment project for the construction of work force housing as defined in section 18-2103, the only ad valorem taxes that shall be divided pursuant to subsection (1) of this section shall be the ad valorem taxes of the city or village approving such redevelopment plan." Basically what this means is the city can develop its portion of the tax, the 45 cents or whatever it levies, 50 cents. If it wants to use that for work force housing it can do that. But it can no longer divert the money that goes to education, the NRDs, historical societies, and those sorts of entities. It can only develop...only use that money which is levied by the city itself. So if they want to subsidize work force housing, let them do it. They can divert the 45 cents coming from those houses and help subsidize the developments that happen in that community. So they're no longer impacting the property taxes on my school district. Those funds will continue to go there. The homeowner could still be subsidized that buys the house if the

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developer is willing to pass that on. And each community will be responsible for its own housing development. Now you have put the burden back on the city. The school districts are no longer impacted when you bring more kids to the community. You will no longer impact that school district. They'll be getting tax revenue from those homes where those kids are living. It still would, you might say, incentivize people if you lower the cost of that housing enough. It would lower the cost to the neighboring communities. I can...I'll have to live with that. But I think it would help level the playing field a little bit because now that community would have to decide if they want to divert those funds to the housing development or to keep their infrastructure up and maintain their current city structure. Any time you add a subdivision or anything to a city there's always more maintenance and upkeep to be done. There's always more maintenance and upkeep to be done. There's more police services to offer, so those costs go up, too, and they'll have to decide which is more important to them. But again, what this bill would do is just allow the city to divert their share of the property taxes levied on that new home. It would no longer allow them to divert the taxes that are levied for the school districts, the NRDs. Those would continue to go to the school district and the NRDs and so they would only be able to use the money that they levy to subsidize the work force housing portion. Thank you, Mr. Lieutenant Governor. [LB496]

PRESIDENT FOLEY: Thank you, Senator Friesen. Senator Brasch. [LB496]

SENATOR BRASCH: Thank you, Mr. President. Thank you, colleagues. From reading the amendment while Senator Friesen was speaking, I do find that as an amendment that would help make this a better bill perhaps, but I still have difficulty in supporting it and most likely will not. I just wanted to make very clear for the benefit of Senator Williams, when we spoke of our bankers and our builders, it was not in a demeaning fashion. It was in a matter of fiscal priorities on LB333, and that bill was to change provisions relating to custody, services, and assistance for persons with disabilities. And that reference, at least on my part, was made because we are in a fiscal time of limited revenues. And when we speak of revenues, we don't speak of some giant vault where money magically grows. The dollars come from sweat equity, comes from families, comes from income, from day-to-day expenses that are needed for taxpayers. As many of you left the campaign trail, I am certain you heard tax relief, not tax me more. And so that reference was made only in reference on my part to the limited dollars at this time which we must pick and

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choose who is able to move to the front of the line for assistance, whether it's those with disabilities or those builders and bankers looking to build homes. I believe that that has a time and a place and at this time when we look at people who are needing and the to be surviving in the survival mode we are going to need to take that into very serious consideration and realize that tax benefits are going to need to be very limited and tax credits will need to be very limited and that we perhaps just need to dial back, push the pause button, and ask what we are giving dollars towards. And at this point what catches I believe the concern of so many is their tax burden and then also those who are not able to care for themselves, those with disabilities, and those who are wanting assurance that they will be able to have the funding that they needed. And I'm not even certain that we have that full amount available. So my reference, which we need our realtors, we need our builders, we need everyone in our economy, but at this point we need to be very, very careful of what we are asking and where these dollars are going because any tax credit, whether it's TIF, you are pushing the tax burden on to someone else. And at this point, the priority should be relief and looking at what we can do for less. Thank you, Mr. President, and thank you, colleagues. [LB496 LB333]

PRESIDENT FOLEY: Thank you, Senator Brasch. Senator Williams. [LB496]

SENATOR WILLIAMS: Thank you, Mr. President. And when I left off last time, I was talking about my experience with the Community Redevelopment Authority and reviewing the contracts and asking the tough questions and I just wanted to make it clear, in my experience, I have yet to see a case where anyone has received any unjust enrichment through a tax increment financing project. And I think somehow we have gotten off the discussion that there is shysters out there. There are people, it was said yesterday by a Senator, making 33 percent on their investment into these projects. That's certainly not my experience. In fact, my experience when I began down this road many years ago in the community that I deal with, our entire assessed valuation of the community was slightly below \$40 million. After working diligently over a period of years growing our community with names that should be familiar to you--Frito Lay, Monsanto, Baldwin Filters, Parker Tech--four Fortune 500 companies and then the spin-offs and the additions, we have grown our community to where our valuation in our community is over \$220 million. That far exceeds the growth of other communities during that period of time, other communities in our geographical area. In addition to that, our school now enjoys the highest

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enrollment that it has had since the fifties and our community is growing in a rural area where population is generally declining. That demonstrates how this tool in the tool box really does work and how every problem doesn't look like a nail. What we do is find solutions. I would encourage you to vote against Senator Friesen's most recent amendment in that it, in essence, guts the use of tax increment financing and vote in favor of my amendment. And I yield the balance of my time to Senator Stinner. [LB496]

PRESIDENT FOLEY: Thank you, Senator Williams. Senator Stinner, 2:30. [LB496]

SENATOR STINNER: Thank you, Mr. President. Members of the body, really saddens me to hear some of the commentary on and perversion of facts and figures about TIF, about what we're trying to get done here, about growing Nebraska. I have received overwhelming support in e-mails from all over the state of Nebraska and I chose one to read to you. It says: your efforts to get more emphasis and helpful legislation in place on the acute work force housing shortage in rural Nebraska is greatly appreciated. Outstanding work. We want you to know that North Platte Chamber of Commerce and Development Corporation are 600 business members and North Platte employers are strongly supportive of your legislative bills, LB518 and LB496, as well as many other good things both of you do for rural Nebraska. It's a comfort to know we have our leadership and commitment to help grow Nebraska. You understand western and central Nebraska's unique challenges to grow our economies. We are so fortunate to have you in the Legislature. Now it's up to those of us in the grassroots trenches to utilize the effective housing development tools you are putting in place. [LB496 LB518]

PRESIDENT FOLEY: One minute. [LB496]

SENATOR STINNER: Folks, I...we talked about what our mission is here. It's a mission that's consistent with what the Governor says. He wants to grow in Nebraska. We've identified a problem. We talked about the two significant tools that we have to grow our towns and grow Nebraska--LB840 and TIF. And I've worked with TIF. I've done probably eight, nine, ten projects where we financed it. And, sure, those tax dollars were committed to pay off the infrastructure, parking lots, lighting, those types of things. But as they ran out, obviously that tax flow ended up going to the cities, schools and supporting them--sometimes 15 years, sometimes

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10 years, sometimes 7 years. But the spinoffs and what it did to the community, how the community felt... [LB496]

PRESIDENT FOLEY: Time, Senator. [LB496]

SENATOR STINNER: ...to see...thank you. [LB496]

PRESIDENT FOLEY: Thank you, Senator Stinner. Senator Schumacher. [LB496]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I really think you should let me use that state airplane to go back and forth to Columbus because I got simply too much time to think. And yesterday there was nothing good on the sixties channel. And so I thought about TIF. And it was kind of like driving a tractor in the field. And the roar goes on. And you hear a whine or a click or grinding sound that just doesn't fit and you know something is wrong but you have a hard time figuring out where the sound is coming from. Well, that's kind of like TIF. Something doesn't fit. Think about it a little bit. Here you have a situation under the TIF rules the way they've been applied that says a town with ten voters, ten, can declare a TIF project. And those ten voters can seize the taxing authority, the spending authority, the policymaking authority of an entire community college district. Counties, they can seize their county government's authority. They can seize their NRD's authority overriding the deployment of assets by any of those boards or entities and spend the money on their TIF project. Each of those dozen votes counts for a vote, but the votes in those other entities, the voters there get no vote, none whatsoever in the deployment of that government's resource. Now that being the case, how does that impact TIF? TIF is a creature of our Constitution of Nebraska and also of the rules of this body. What trumps that? The federal constitution. And what is clear in the federal constitution, one person, one voter, one vote. I don't know if I was a developer today if I would be so eager to use TIF because some smart, young attorney out there in listening land who might want to make a name for him- or herself and who might want to make a little money, too, may bring that federal lawsuit set aside the TIF I was going to rely on for 15 years. In fact, as I look at Senator Friesen's amendment, it may be the only constitutional amendment out there because it's restricted to TIFing only what is within the jurisdiction of that decision maker. It does not reach out and steal somebody else's vote, somebody else's participation in the decision, on spending



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their money off of their property taxes on their land--kind of a curious thing. I think Senator Friesen probably has got a very constitutional maybe the only constitutional application of TIF--interesting. And I yield the rest of my time to Senator Groene. [LB496]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Groene, about one minute. [LB496]

SENATOR GROENE: Thank you, Mr. President. To answer a comment on Senator Stinner's about my chamber of commerce, I don't give an F. They didn't elect me. I knocked on the working class people's door. I want to remind you folks I never took a dollar from a lobbyist. I got outspent \$200,000 to \$30,000 and I won because I talked to the working people. They're worried about their property taxes. I talked to the small businesses downtown who overwhelmingly supported me. My chamber is made up of the school, the community college, the bankers. Only a few bankers because half the bankers supported me too. They're fiscal conservatives, they're community minded. So if you think I'm impressed, Senator Stinner, because Mr. Person, who got fired at Sidney because of actions up there and got hired in North Platte, sent you a letter, I don't care. I don't run in the same circles you did, sir. I run with the workers, the people with calluses on their hands. [LB496]

PRESIDENT FOLEY: Time, Senator. [LB496]

SENATOR GROENE: Thank you. [LB496]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Lowe. [LB496]

SENATOR LOWE: Thank you, Lieutenant Governor. You know, I started this journey 14.5 months ago and I spent 8.5 months on the campaign trail. And I have to go back to remember what I told those people as I traveled around through Kearney, Gibbon, and Shelton and around the rural area. I said I was a true conservative. I believed in the people of Nebraska. I believed that we can do anything we put our mind to. We can develop Nebraska. We can do it without this. TIF is a very essential part of the way you develop a city. But I don't believe it needs to be put in to housing. I think infrastructure is good enough. You know, there are two trains of

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thought. One is government can solve all your problems. And the other train is I can solve my own problem. And I think that's the way we need to do it and that's the way I ran my campaign was I can solve my problem, I don't need government to help me. I've been contacted by lobbyists, I've been contacted by city officials, I've been contacted by investors and bankers. I have not been contacted by my taxpayers or the Governor. It was said that I was contacted by the Governor, but he hasn't said a word to me. We need to run our cities and our state the way we run our businesses and families. We need to do it when we can afford to do it. We don't need to do it when we can't afford to do it. This year we can't afford to do it. If Senator Friesen would like some more time, I'd be glad to yield him some time. [LB496]

PRESIDENT FOLEY: Thank you, Senator Lowe. Senator Friesen, 3:00. [LB496]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. Thank you, Senator Lowe. Again, this takes the burden again off the school districts. It makes them equal across whether you're an unequalized district or equalized district, there will be no impact to you. You bring in more housing, you bring in more students, you'll receive the tax revenue off that home. The homeowner all along has been paying his full burden of property taxes which are too high. So it has really no impact on the homeowner. But if we, through this subsidy program, lower the price of housing in the city, let's just say that now we're talking a \$250,000 house and if they can come up with a \$20,000 subsidy to lower that cost, are you lowering the cost of all the homes across the city because you've now lowered the cost of a new home so you're going to lower the cost of the used home and so you've impacted the market with your subsidy? And this again unintentional consequences when it comes to valuations in communities, how much tax revenue the school districts collect, so it will impact TEEOSA and we'll be bringing more kids to the school. And in this way if a city wants to do it, they can divert their own revenue stream into subsidizing housing if they want. It will no longer impact the school districts and the NRDs. It will no longer impact my property taxes which I am paying in an area where I can't vote. So it will not impact me and I would be more than happy to let them do what they please. But when they start diverting tax revenue from these new developments, that's when they start impacting the community colleges and everyone else. [LB496]

PRESIDENT FOLEY: One minute. [LB496]

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SENATOR FRIESEN: One minute? [LB496]

PRESIDENT FOLEY: One minute. [LB496]

SENATOR FRIESEN: Thank you, Lieutenant Governor. What this does, I mean when you bring in a housing with kids now, with 15 years of tax abatement on that property away from the schools, you can have a child in the home pass clear through the K-12 system and never contribute one dime to the school district. This amendment fixes that. Now they will support the schools and they will support the other entities that are dependent on that growth instead of placing it up on the other property tax owners who would be expected to pay more. Thank you, Lieutenant Governor. [LB496]

PRESIDENT FOLEY: Thank you, Senator Friesen. Mr. Clerk, you have a motion on the desk. [LB496]

CLERK: Mr. President, I do. Senator Stinner would move to invoke cloture pursuant to Rule 7, Section 10. [LB496]

PRESIDENT FOLEY: It's the ruling of the Chair that there has been a full and fair debate afforded to LB496. Senator Stinner, for what purpose do you rise? [LB496]

SENATOR STINNER: I'd like a call to the house. [LB496]

PRESIDENT FOLEY: There's been a request to place the house under call. Those in favor of placing the house under call shall vote aye; those opposed vote nay. Record, please. [LB496]

CLERK: 23 ayes, 1 nay, Mr. President, to place the house under call. [LB496]

PRESIDENT FOLEY: The house is under call. Senators, please check in, record your presence. Those unexcused Senators please return to the Chamber and check in. Thank you. The house is under call. Senator Hilgers, Morfeld, Wishart, Chambers, and Larson, please return to the Chamber and check in. The house is under call. Waiting for Senators Hilgers, Wishart, and

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Chambers. Senator Morfeld, you can check in. All unexcused members are now present. The question before the body is the...Senator Stinner. [LB496]

SENATOR STINNER: I'd like a roll call vote in reverse order, please. [LB496]

PRESIDENT FOLEY: A roll call vote has been requested. The question...the immediate question before the body is the motion of cloture. Mr. Clerk, please call the roll. [LB496]

CLERK: (Roll call vote taken, Legislative Journal page 1567.) 32 ayes, 9 nays, Mr. President, on the motion to invoke cloture. [LB496]

PRESIDENT FOLEY: The motion fails. I raise the call. Are there any items for the record, Mr. Clerk? [LB496]

CLERK: There are, Mr. President, if you'd allow me a moment. Mr. President, some items, thank you. A series of motions with respect to LB327 from the Appropriations Committee, from Senator McCollister, Senator Krist, Senator Morfeld, (also Senator Crawford); those all to be considered tomorrow. New Resolutions: LR252 is Senator Bolz, LR253 Senator Stinner, LR254 is Senator Linehan, LR255 is Senator Linehan. Those will all be laid over. I have an amendment to be printed by Senator Larson, LB632A. That is all that I have, Mr. President. (Legislative Journal pages 1567-1571) [LB327 LB632A LR252 LR253 LR254 LR255]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Proceeding on the agenda to legislative resolution. Mr. Clerk.

CLERK: Mr. President, LR251 was a resolution introduced by Senator Murante. Senator Murante offers LR251, Mr. President. The resolution was introduced yesterday. That is all that I have, Mr. President. [LR251]

PRESIDENT FOLEY: Senator Murante, you are recognized to open on LR251. [LR251]

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SENATOR MURANTE: Thank you, Mr. President; members, good afternoon. LR251 accepts a gift from the Norfolk Veterans Home Heroes Park Foundation to the Norfolk Veterans Home. The gift will allow for the addition of a World War II memorial and a Korean War memorial in front of the existing Memorial Flag Plaza at the entrance of the veterans home. The gift is valued at \$300,000 and will not result in any cost to the state. These memorials will serve as a constant reminder of the sacrifices our servicemen and women have made in the name of freedom. I urge your support of LR251. Thank you, Mr. President. [LR251]

PRESIDENT FOLEY: Thank you, Senator Murante. Debate is now open on the resolution. Speaker Scheer. [LR251]

SPEAKER SCHEER: A thank you, Mr. Lieutenant Governor. I do rise to support the resolution and acceptance of the gift. It should be noted that these were all private funds that were raised locally around the Norfolk area; some statewide, as a tribute to those individuals that are staying in the veterans home there and gives them a place to go out and reflect. And, again, there was absolutely no cost to the state or the federal government; this was all raised by private donations. It is a wonderful facility and it continues to be improved by the residents in and around the Norfolk area. So I would urge your green vote as well. Thank you. [LR251]

PRESIDENT FOLEY: Thank you, Mr. Speaker. Is there any further discussion? Seeing none, Senator Murante, you're recognized to close. He waives closing. The question before the body is the adoption of LR251. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LR251]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of LR251. [LR251]

PRESIDENT FOLEY: LR251 is adopted. Members, we are now going to move to Final Reading, if you could please proceed to your desks for Final Reading. Members, we would like to begin Final Reading, if you could please proceed to your desks. We will now commence Final Reading. First bill is LB10E. [LR251]

CLERK: (Read LB10 on Final Reading.) [LB10]

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PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB10E pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB10]

CLERK: (Record vote read, Legislative Journal pages 1571-1572.) 43 ayes, 3 nays, 2 present and not voting, Mr. President, 1 excused and not voting. [LB10]

PRESIDENT FOLEY: LB10E passes with the emergency clause attached. Next bill is LB10AE. [LB10 LB10A]

CLERK: (Read LB10A on Final Reading.) [LB10A]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB10AE pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB10A]

CLERK: (Record vote read, Legislative Journal pages 1572-1573.) 42 ayes, 1 nay, 5 present and not voting, 1 excused and not voting, Mr. President. [LB10A]

PRESIDENT FOLEY: LB10AE passes with the emergency clause attached. The next bill is LB268. Mr. Clerk, the first vote is to suspend with the at-large reading. All those in favor vote aye; those opposed vote nay. Record please. [LB10A LB268]

CLERK: 31 ayes, 5 nays, Mr. President, to dispense with the at-large reading. [LB268]

PRESIDENT FOLEY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB268]

CLERK: (Read title of LB268.) [LB268]

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PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB268 pass? Those in favor vote aye; those opposed vote nay. Record please. [LB268]

CLERK: (Record vote read, Legislative Journal pages 1573-1574.) 37 ayes, 11 nays, 1 excused and not voting. [LB268]

PRESIDENT FOLEY: LB268 passes. Next bill is LB268AE. [LB268]

CLERK: (Read LB268A on Final Reading.) [LB268A]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB268AE pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB268A]

CLERK: (Record vote read, Legislative Journal pages 1574.) 35 ayes, 10 nays, 3 present and not voting, 1 excused and not voting, Mr. President. [LB268A]

PRESIDENT FOLEY: LB268AE passes with the emergency clause attached. The next bill is LB289. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye, those opposed vote nay. Record please. [LB268A]

CLERK: 31 ayes, 2 nays, Mr. President, to dispense with the at-large reading. [LB289]

PRESIDENT FOLEY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB289]

CLERK: (Read title of LB289.) [LB289]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB289 pass? Those in favor vote aye; those opposed vote nay. Record please. [LB289]

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CLERK: (Record vote read, Legislative Journal pages 1575.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB289]

PRESIDENT FOLEY: LB289 passes. Next bill is LB289A. [LB289 LB289A]

CLERK: (Read LB289A on Final Reading.) [LB289A]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB289A pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB289A]

CLERK: (Record vote read, Legislative Journal pages 1576.) 48 ayes, 0 nays, 1 excused and not voting, Mr. President. [LB289A]

PRESIDENT FOLEY: LB289A passes. Next bill is LB512E. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye, those opposed vote nay. Record please. [LB289A LB512]

CLERK: 38 ayes, 4 nays, Mr. President, to dispense with the at-large reading. [LB512]

PRESIDENT FOLEY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB512]

CLERK: (Read title of LB512E.) [LB512]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB512E pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Record please. [LB512]

CLERK: (Record vote read, Legislative Journal pages 1577-1578.) 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB512]



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PRESIDENT FOLEY: LB512E passes with the emergency clause attached. Proceeding now to LB512AE. [LB512 LB512A]

CLERK: (Read LB512AE on Final Reading.) [LB512A]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB512AE pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB512A]

CLERK: (Record vote read, Legislative Journal pages 1578.) 46 ayes, 0 nays, 2 present and not voting, 1 excused and not voting, Mr. President. [LB512A]

PRESIDENT FOLEY: LB512AE passes with emergency clause attached. Next bill is LB519. [LB512A LB519]

CLERK: (Read LB519 on Final Reading.) [LB519]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB519 pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB519]

CLERK: (Record vote read, Legislative Journal pages 1579.) 46 ayes, 0 nays, 2 present and not voting, 1 excused and not voting, Mr. President. [LB519]

PRESIDENT FOLEY: LB519 passes. Next bill LB578. [LB519 LB578]

CLERK: (Read LB578 on Final Reading.) [LB578]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB578 pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB578]

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CLERK: (Record vote read, Legislative Journal pages 1579-1580.) 41 ayes, 0 nays, 7 present and not voting, 1 excused and not voting, Mr. President. [LB578]

PRESIDENT FOLEY: LB578 passes. Next bill, LB578A. [LB578 LB578A]

CLERK: (Read LB578A on Final Reading.) [LB578A]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB578A pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB578A]

CLERK: (Record vote read, Legislative Journal pages 1580-1581.) 41 ayes, 1 nays, 6 present and not voting, 1 excused and not voting, Mr. President. [LB578A]

PRESIDENT FOLEY: LB578A passes. Next bill, LB647E. [LB578A LB647]

CLERK: (Read LB647 on Final Reading.) [LB647]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB647E pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB647]

CLERK: (Record vote read, Legislative Journal pages 1581.) 42 ayes, 1 nays, 5 present and not voting, 1 excused and not voting, Mr. President. [LB647]

PRESIDENT FOLEY: LB647E passes with the emergency clause attached. Next bill is LB647AE. Mr. Clerk. [LB647 LB647A]

CLERK: Mr. President, Senator Chambers would move to return the bill for a specific amendment. [LB647A]

PRESIDENT FOLEY: Senator Chambers, you're recognized to open on your motion. [LB647A]

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SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, down through the years, I have had mixed emotions about salaries for judges. This is one of those bills which ordinarily I would struggle internally with, then vote for it. There have been some things that happened this session that trouble me, and those things relate to how a representative of the courts, Corey Steel, has conducted his affairs. I presume that everything he has done in the name of the court was authorized or even directed by the court, that it, or such things, be done. Usually, you get people's attention when you mess with their money. I know there's no way I can stop this bill from being passed. There's no way I could stop the A bill from being passed, but I can put some things on the record. The three branches are not co-equal in authority and power in my opinion. They are designed to be perceived that way. The notion of "not divide and conquer" but "check and balance" is the underlying principle we were taught in school. Those branches comprise the individuals who hold the positions that carry out the function of those branches. If an executive is very strong, or the other two branches are weak, then the executive is going to prevail. If the court is overreaching and the other two branches are virtually powerless to do anything about it, then the judiciary will have paramouncy. But my view is that no matter what the judiciary would like to see done, no matter what the executive tries to compel the Legislature to do, when it comes to the actual exercise of authority and power that counts, the Legislature, beyond question, has paramouncy. We enact laws that the court must obey unless the court decides to strike such law or laws down as being unconstitutional. If the court did that and it was something in one of those bills, or several if such is the case, that the Legislature really wanted and decided to punish the judiciary, the Legislature can do that on a bill like this. Don't give them some more money. That makes everybody pay attention. The same with the executive. But if you have a rich person like the Governor, the salary doesn't mean anything to him. But try to be in a position, to seek another term, and to build on those two terms a launching pad from which to seek a higher office, he could never be President, but maybe Senate. Seek a seat in the Senate, he would do certain things that would be like a slap in the face toward the Legislature. Then the Legislature could get even. If the Legislature were of a mind to assert itself in the way that the Legislature should when its integrity is called into question. No bills that the Governor wants should go through the body in the form that the Governor wants them to go through. Even if it comes to a budget, we could kill the Governor's bill and build a budget of our own and still have a budget enacted. This Legislature has chosen not to behave in that fashion. I have made a list, and since we're near the end of the session, it is not going to make anybody any difference if I do

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this, but I've been comparing these names with votes on subjects, and I wrote this list some time ago: Albrecht, Bostelman, Brasch, Brewer, Briese, Clements, Craighead, Erdman, Geist, Groene, Halloran, Hilgers, Hughes, Kuehn, Larson, Lindstrom, Linehan, Lowe, Riepe, Watermeier, sometimes Friesen, sometimes Murante. And if you think I'm off base, you get some of the Journals and look at some of the issues that I take issue with and run down that list. You can get a copy of it if you want to. And when you have that kind of predictability, then a person such as me who believes in certain principles knows that he is doomed to failure in terms of getting enough votes. But I push forward anyway. I am not the one who put people on that list. I just documented what the record shows, what the voting patterns show. That is why I can give a better estimate of how many votes are going to be where then you all can...when you go around with your little piece of paper, because they might tell you one thing, but I know that the whip-cracker is going to be able to get his way. And so I made that list, and I stand by it. Now there are others who will wind up voting with these people. Sometimes I do. But in that case, it's not me voting with them, it's that they happen to see the light and they vote with me. But I don't wait until after the fact, I lay it out there and I put it on the record because I believe in letting people know where I stand and what I am for Popeye and I. "Are what we are and that's all that we are." And you might wonder why I'm taking this time on Senator Pansing Brooks's bill. Because this is the last horse out of the chute today. You will be able to go home. But you'll have ringing in your ears the sound of my voice, which I know some of you get heartburn from. There were bills on this Final Reading list that I could have used to make some of the comments that I think ought to be made in the way that some of my rural colleagues have learned how to use other bills to express views that are not pertinent to the bill they are using for the purpose of discussion. Some people tell me, especially in the lobby, that I'm too good a teacher because I teach people how to do things, but I cannot teach them discretion regarding when to use it. There is a song that I touch on...I'm not going to sing it...by Bob Seger and it says something like--you say the trick...you say the cards have never done you wrong; you say the trick is never play the game too long. They just figure they can do it so they do it without rhyme or reason. Now that the session is winding down, people will have time to look back and meditate on what was done here. Whether that damaging action that was taken during the first days that solidified some people in certain unreasonable positions was really worth it all. I don't think it would have been...

[LB647A]

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PRESIDENT FOLEY: One minute. [LB647A]

SENATOR CHAMBERS: But I was not a part of that group. I'm not a part of any group. And that leaves me in a position to do what I think is right on each bill that comes before us, each amendment on each bill, each motion on each bill. And this talk of my constituents voted to send me here and therefore I've got to vote the way they tell me to vote? I'm not an echo. I am a voice. And I don't think anybody in my district or anybody on this planet is smart enough to dictate to me my actions and my conduct. Now, I got my light on. I'll probably speak that time and then I might stop or I might just be contrary and just irritate you all one last time today. But I have a few more days when I can do... [LB647A]

PRESIDENT FOLEY: Time, Senator. You may continue. [LB647A]

SENATOR CHAMBERS: Thank you, Mr. President. [LB647A]

PRESIDENT FOLEY: You may continue. You are next in the queue. You're recognized, Senator Chambers. [LB647A]

SENATOR CHAMBERS: Thank you, Mr. President. I would like to implicate Senator Pansing Brooks if she would respond to a question or two. [LB647A]

PRESIDENT FOLEY: Senator Pansing Brooks, will you yield please? [LB647A]

SENATOR PANSING BROOKS: Yes, I will. [LB647A]

SENATOR CHAMBERS: Senator Pansing Brooks, does it surprise you that I'm doing what I'm doing and saying what I'm saying? [LB647A]

SENATOR PANSING BROOKS: Really, nothing surprises me anymore about what you do or say, Senator Chambers. [LB647A]

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SENATOR CHAMBERS: As Fats Domino would say-- "ain't that just like a woman." But in reality, are these similar to thoughts that I have expressed to you in the past about my uneasy and shifting relationship with the judiciary when it comes to their salary increases? [LB647A]

SENATOR PANSING BROOKS: It completely aligns with what I have heard you say before. [LB647A]

SENATOR CHAMBERS: Thank you. That's all I will ask. I don't want anybody to think that I would ambush Senator Pansing Brooks. And I am going to vote for the bill. But I just have to get some things on the record. And I want the judges to understand that they are not supreme. The Governor is not either. But here is where they have the "ups" on me. They have sized up the people in this Legislature, and they know that the Legislature as a whole will not stand. There are things that can happen in the history of our people that should impel us to look out for other people similarly situated, but it doesn't work that way. And now I am not just talking about race, nationality, ethnicity, or even sexual orientation. I am talking about gender. The way women have been mistreated, have been stereotyped, have been disrespected, and even in this body, I hate to use the word surprise because that means something happened that I did not expect. But being somewhat of a student of human nature, I know that people who are oppressed will tend to identify with the oppressor. I know this from observing how my own people have behaved. Sometimes they identify with the oppressor more than they do with each other and identify with the wishes of the oppressor even more than with those things that will be to the benefit of us, those of us who are oppressed. Senator Wayne, the other day, invoked the name of Frederick Douglas who mentioned that education is the gateway to a better future. Frederick Douglas also said that the attitude of the slave holders is an educated slave is a good plow hand spoiled. So we as black people know how white people have always...not every white person...as far as I know, I might have my suspicions, but suspicion is not the same as fact...don't want us to have a decent education. That is why they talk about local control until that control would fall into the hands of black people or some other repressed, suppressed, oppressed group. Then they become the people who know better for those people what is in their best interest than those people themselves know. [LB647A]

PRESIDENT FOLEY: One minute. [LB647A]

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SENATOR CHAMBERS: It is very difficult to live under those circumstances when you are conscious all the time, keenly aware every waking hour of what is being done by those kind of people to my kind of people. But I do it anyway. Some of you all who get here early in the morning see me here early. Why should it even make me that much difference if you all pass an asinine bill, why should I try to stop it. Why should I be talking all the time about the quality and caliber of legislation we should enact. There are more of you all than there are of us, so bad legislation is going to hurt more of yours than hurt mine. I ought to relish these bad bills. [LB647A]

PRESIDENT FOLEY: Time, Senator. Time, Senator. [LB647A]

SENATOR CHAMBERS: And take delight in the fact it's going to hurt so many of you. [LB647A]

PRESIDENT FOLEY: Time, Senator Chambers. [LB647A]

SENATOR CHAMBERS: Thank you, Mr. President. [LB647A]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Kolterman. [LB647A]

SENATOR KOLTERMAN: Thank you, Mr. President. I was wondering if Senator Chambers would answer a question or two for me. [LB647A]

PRESIDENT FOLEY: Senator Chambers, will you yield please? [LB647A]

SENATOR CHAMBERS: He knows that I will. Certainly, Senator Hilkemann, "Holkeman" (phonetic) (Sic-Kolterman) whichever one. [LB647A]

SENATOR KOLTERMAN: Yeah. Say, yesterday about this same time, you asked me if this was my...how many times my bill had been on Final Reading. This is the first time Senator Pansing Brooks's bill has been on Final Reading. Are you aware of that? [LB647A]

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SENATOR CHAMBERS: I'm aware of everything that has happened with this bill as it happened, and even prior to it happening. [LB647A]

SENATOR KOLTERMAN: Okay. You did this to me last week on my bill, and I think you like my bill because you keep bringing it up. But my question to you is, last week you said something to the effect that you didn't have any...you didn't feel like you had any friends in this body. Was that taken out of context or did I hear that correctly? [LB647A]

SENATOR CHAMBERS: Say that again. [LB647A]

SENATOR KOLTERMAN: Last week you indicated, at some point in time when you were talking, you indicated that you might not have any friends in this body. You felt that way at times. Is that still accurate? [LB647A]

SENATOR CHAMBERS: Oh, yeah, the facts speak for themselves...res ipsa loquitur. [LB647A]

SENATOR KOLTERMAN: I just have something that I want to say to you then. [LB647A]

SENATOR CHAMBERS: I'm not going to believe you. [LB647A]

SENATOR KOLTERMAN: (Singing) You've got a friend in me. (Laughter) (Singing) You've got a friend in me. When the road looks tough ahead, and you're miles and miles from your nice warm bed, you just remember what your old pal said, (singing) you've got a friend in me. [LB647A]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Chambers. [LB647A]

SENATOR CHAMBERS: He said the cards had never done him wrong. He said the trick is never play the game too long. I'm folding my tent and stealing away. And I'll never forget what Senator Kolterman did to me. Thank you, Mr. President. [LB647A]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Groene. [LB647A]



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SENATOR GROENE: Thank you, Mr. President. I just wanted to explain my vote. Earlier on, I voted "no" on Select, too. When the Chief Justice, who I admire, stood up here and he said--you can't cut probation; \$500,000 would save the jobs of a lot of probation officers. The judges are paid well. Not as well as the high-paid lawyer, but it paid well and I just thought if we had \$500,000, let's keep some probation officers out there on the streets. Thank you. That was my point. [LB647A]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Chambers, your motion is still pending. [LB647A]

SENATOR CHAMBERS: Withdraw it. [LB647A]

PRESIDENT FOLEY: The motion is withdrawn. Mr. Clerk, please read the bill. [LB647A]

CLERK: (Read LB647A on Final Reading.) [LB647A]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is shall LB647AE pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please. [LB647A]

CLERK: (Record vote read, Legislative Journal pages 1581.) 42 ayes, 1 nay, 2 present and not voting, 4 excused and not voting, Mr. President. [LB647A]

PRESIDENT FOLEY: LB647AE passes with emergency clause attached. Members, we have a number of things to read into the record, but before doing so, Speaker Scheer, you're recognized. [LB647A]

SPEAKER SCHEER: Thank you, Mr. Lieutenant Governor. Colleagues, we will start at 9:00 tomorrow. The only thing on our agenda will be veto overrides. I don't know how long to anticipate that should take, but that will be the sole thing on the agenda tomorrow. And, more importantly, I need to thank Senator Chambers because I needed to blow some time here because we needed to get LB333 back from upstairs so that it could sit tomorrow and go on Final

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Reading Thursday. So there's not very many times that I will thank Senator Chambers for blowing time on us, but this afternoon it was duly noted. So thank you and have a nice evening. [LB333]

PRESIDENT FOLEY: Thank you, Mr. Speaker. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following legislative bills; LB10E, LB10AE, LB268, LB268AE, LB289, LB289A, LB512E, LB512AE, LB519, LB578, LB578A, LB647E, LB647AE. I also sign LR251. Other items for the record, Mr. Clerk. [LB10 LB10A LB268 LB268A LB289 LB289A LB512 LB512A LB519 LB578 LB578A LB647 LB647A LR251]

CLERK: Mr. President, Enrollment and Review reports LB333 is correctly engrossed. New resolutions: LR256, Senator McDonnell; Senator Chambers, LR257. Pursuant to the introduction of LR257, a communication from the Speaker directing it be referred Reference for referral of standing committee. Mr. President, Senator Erdman would like to add his name to LR242 as co-introducer. (Legislative Journal pages 1583-1585.) [LB333 LR256 LR257 LR242]

And Senator Blood would move to adjourn the body until Wednesday, May 17th at 9:00 a.m.

PRESIDENT FOLEY: Members, you heard the motion to adjourn. Those in favor say aye. Those opposed say nay. We are adjourned.