

FIFTH DAY - JANUARY 15, 2019
LEGISLATIVE JOURNAL
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

FIFTH DAY

Legislative Chamber, Lincoln, Nebraska
 Tuesday, January 15, 2019

PRAYER

The prayer was offered by Senator Hilkemann.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Foley presiding.

The roll was called and all members were present except Senator Kolowski who was excused; and Senators Chambers, Linehan, and Wayne who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the fourth day was approved.

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

LB/LR	Committee
LB97	Revenue (rereferred)
LB136	Urban Affairs
LB137	General Affairs
LB138	Transportation and Telecommunications
LB139	Business and Labor
LB140	Health and Human Services
LB141	Judiciary
LB142	Transportation and Telecommunications
LB143	Judiciary
LB144	Government, Military and Veterans Affairs
LB145	Banking, Commerce and Insurance
LB146	Judiciary
LB147	Education
LB148	Government, Military and Veterans Affairs
LB149	General Affairs

LB150	Government, Military and Veterans Affairs
LB152	Government, Military and Veterans Affairs
LB153	Revenue
LB154	Judiciary
LB155	Natural Resources
LB156	Transportation and Telecommunications
LB157	Agriculture
LB158	Revenue
LB159	Banking, Commerce and Insurance
LB160	Urban Affairs
LB161	Education
LB162	Revenue
LB163	Government, Military and Veterans Affairs
LB164	Judiciary
LB165	Education
LB166	Judiciary
LB167	Judiciary
LB168	Judiciary
LB169	Health and Human Services
LB170	Revenue
LB171	Appropriations
LB172	Banking, Commerce and Insurance
LB173	Judiciary
LB174	Appropriations
LB175	Government, Military and Veterans Affairs
LB176	Judiciary
LB177	Natural Resources
LB178	Business and Labor
LB179	Judiciary
LB180	Education
LB181	Appropriations
LB182	Revenue
LB183	Revenue
LB184	Transportation and Telecommunications
LB185	Revenue
LB186	Government, Military and Veterans Affairs
LB187	Revenue
LB188	Banking, Commerce and Insurance
LB189	Government, Military and Veterans Affairs
LB190	Transportation and Telecommunications
LB191	Government, Military and Veterans Affairs
LB192	Transportation and Telecommunications
LB193	Urban Affairs
LB194	Urban Affairs
LB195	Urban Affairs
LB196	Urban Affairs
LB197	Urban Affairs
LB198	Judiciary
LB199	Appropriations

LB200 Health and Human Services
LB201 Agriculture
LB202 Appropriations
LB203 General Affairs
LB204 Government, Military and Veterans Affairs
LB205 Health and Human Services
LB206 Judiciary
LB207 Judiciary
LB208 Transportation and Telecommunications
LB209 Judiciary
LB210 Government, Military and Veterans Affairs
LB211 Government, Military and Veterans Affairs
LB212 Government, Military and Veterans Affairs
LB213 Judiciary
LB214 Government, Military and Veterans Affairs
LB215 Transportation and Telecommunications
LB216 Judiciary
LB217 Business and Labor
LB218 Revenue
LR5CA Education

(Signed) Mike Hilgers, Chairperson
Executive Board

NOTICE OF COMMITTEE HEARING(S)

Agriculture

Room 1524

Tuesday, January 22, 2019 1:30 p.m.

Bryan Tuma - Climate Assessment Response Committee
LB61

(Signed) Steve Halloran, Chairperson

Nebraska Retirement Systems

Room 1507

Tuesday, January 22, 2019 12:30 p.m.

LB33

(Signed) Mark Kolterman, Chairperson

ANNOUNCEMENT(S)

The Urban Affairs Committee elected Senator Hunt as Vice Chairperson.

The General Affairs Committee elected Senator Lowe as Vice Chairperson.

The Nebraska Retirement Systems Committee elected Senator Lindstrom as Vice Chairperson.

BILLS ON FIRST READING

The following bills were read for the first time by title:

LEGISLATIVE BILL 257. Introduced by Kolterman, 24.

A BILL FOR AN ACT relating to insurance; to change provisions relating to loss payouts and to provide for the addition of certain parties on loss payout checks as prescribed.

LEGISLATIVE BILL 258. Introduced by Williams, 36.

A BILL FOR AN ACT relating to finance; to amend sections 8-209, 8-218, 8-346, 44-915, and 76-2,121, Reissue Revised Statutes of Nebraska, sections 8-135, 8-143.01, 8-157.01, 8-167.01, 8-183.04, 8-1,140, 8-318, 8-355, 8-602, 21-17,115, 45-702, and 81-885.01, Revised Statutes Cumulative Supplement, 2018, and section 4A-108, Uniform Commercial Code, Revised Statutes Cumulative Supplement, 2018; to change provisions relating to the Nebraska Banking Act, the Nebraska Trust Company Act, building and loan associations, the Credit Union Act, the Privacy of Insurance Consumer Information Act, the Residential Mortgage Licensing Act, real estate closing agents, the Nebraska Real Estate License Act, and the Uniform Commercial Code, funds transfers; to update references to certain federal provisions; to revise powers of state-chartered banks, building and loan associations, and credit unions; to change executive officer's and loan officer's license fees; to eliminate and replace obsolete references to the Office of Thrift Supervision; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 259. Introduced by Lindstrom, 18.

A BILL FOR AN ACT relating to consumer protection; to amend sections 8-1704, 8-1707, 8-1726, 69-2103, 69-2104, 69-2112, and 69-2117, Reissue Revised Statutes of Nebraska, and sections 8-1101, 8-1101.01, 8-1103, 8-1108.02, and 8-1111, Revised Statutes Cumulative Supplement, 2018; to redefine terms; to change provisions relating to the Securities Act of Nebraska, the Commodity Code, and the Consumer Rental Purchase Agreement Act; to change or eliminate obsolete provisions; to adopt certain federal provisions; to restate Securities Act Cash Fund provisions; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 260. Introduced by Hansen, B., 16.

A BILL FOR AN ACT relating to the Medical Assistance Act; to amend section 68-974, Reissue Revised Statutes of Nebraska; to change provisions relating to recovery audit contractors; and to repeal the original section.

LEGISLATIVE BILL 261. Introduced by DeBoer, 10; Blood, 3; Cavanaugh, 6; Crawford, 45; Dorn, 30; Gragert, 40; Hunt, 8; Kolowski, 31; McCollister, 20; McDonnell, 5; Quick, 35; Vargas, 7; Walz, 15; Wishart, 27.

A BILL FOR AN ACT relating to redistricting; to require the use of maps drawn using state-issued computer software.

LEGISLATIVE BILL 262. Introduced by DeBoer, 10; Lathrop, 12; Pansing Brooks, 28.

A BILL FOR AN ACT relating to treatment and corrections; to amend section 83-4,114, Revised Statutes Cumulative Supplement, 2018; to change membership and duties of the long-term restrictive housing work group; to provide a duty for the Director of Correctional Services; and to repeal the original section.

LEGISLATIVE BILL 263. Introduced by Clements, 2; Bostelman, 23; Brewer, 43; Briese, 41; Gragert, 40; Lowe, 37.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-2716, Reissue Revised Statutes of Nebraska; to change provisions relating to the taxation of military retirement benefits; and to repeal the original section.

LEGISLATIVE BILL 264. Introduced by La Grone, 49.

A BILL FOR AN ACT relating to the Disposition of Personal Property Landlord and Tenant Act; to amend section 69-2302, Reissue Revised Statutes of Nebraska; to redefine the term premises; and to repeal the original section.

LEGISLATIVE BILL 265. Introduced by La Grone, 49.

A BILL FOR AN ACT relating to finance; to amend sections 45-901 and 45-1001, Revised Statutes Cumulative Supplement, 2018; to adopt the Unsecured Consumer Loan Licensing Act; to provide penalties; to create a fund; to clarify licensing provisions under the Delayed Deposit Services Licensing Act and the Nebraska Installment Loan Act; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 266. Introduced by Lindstrom, 18.

A BILL FOR AN ACT relating to the School Readiness Tax Credit Act; to amend sections 71-1962, 77-3603, and 77-3604, Reissue Revised Statutes of Nebraska; to redefine a term; to change provisions relating to a tax credit for child care and education providers; to harmonize provisions; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 267. Introduced by Bolz, 29.

A BILL FOR AN ACT relating to county government; to amend section 23-120, Reissue Revised Statutes of Nebraska; to provide a duty for the county board relating to deficient bridges and authorize a tax levy; and to repeal the original section.

LEGISLATIVE BILL 268. Introduced by Friesen, 34.

A BILL FOR AN ACT relating to the Nebraska Telecommunications Regulation Act; to amend section 86-136, Reissue Revised Statutes of Nebraska; to change a provision relating to the filing of an application for a certificate of convenience and necessity; and to repeal the original section.

LEGISLATIVE BILL 269. Introduced by Friesen, 34.

A BILL FOR AN ACT relating to the Motor Vehicle Operator's License Act; to amend section 60-4,124, Revised Statutes Cumulative Supplement, 2018; to change provisions relating to school permits; and to repeal the original section.

LEGISLATIVE BILL 270. Introduced by Friesen, 34.

A BILL FOR AN ACT relating to motor vehicles; to amend sections 37-1214, 37-1292, 60-3,162, 60-482, 60-4,146.01, and 60-4,155, Reissue Revised Statutes of Nebraska, and sections 37-1278, 37-1280, 37-1293, 60-119.01, 60-144, 60-149, 60-151, 60-171, 60-173, 60-174, 60-336.01, 60-386, 60-3,104.01, 60-3,122, 60-3,122.02, 60-3,122.04, 60-3,123, 60-3,124, 60-3,125, 60-3,126, 60-3,128, 60-3,187, 60-3,221, 60-3,224, 60-3,227, 60-3,231, 60-3,233, 60-3,235, 60-495, 60-4,118, 60-4,122, 60-4,158, 60-4,182, 60-501, 60-628.01, and 60-6,209, Revised Statutes Cumulative Supplement, 2018; to authorize the update of electronic certificate of title records as prescribed; to change and eliminate provisions relating to applications for certificates of title, applications for registration, salvaged motorboats and vehicles, low-speed vehicles, improperly registered certificates of registration, towing of trailers, renewal of state identification cards, the point system for traffic violations, and rules and regulations; to authorize temporary license stickers as prescribed; to define and redefine terms; to eliminate obsolete provisions; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 271. Introduced by Morfeld, 46.

A BILL FOR AN ACT relating to civil procedure; to amend section 25-21,185.11, Reissue Revised Statutes of Nebraska; to change provisions relating to the effect of releases, covenants not to sue, or similar agreements on joint and several liability; and to repeal the original section.

LEGISLATIVE BILL 272. Introduced by Morfeld, 46.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2715.07, 77-2717, and 77-2734.03, Reissue Revised Statutes of Nebraska; to adopt the Apprenticeship Training Program Tax Credit Act; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 273. Introduced by Hansen, M., 26.

A BILL FOR AN ACT relating to political subdivisions; to amend section 13-520, Revised Statutes Cumulative Supplement, 2018; to provide a restricted funds budget limitation exception as prescribed; and to repeal the original section.

LEGISLATIVE BILL 274. Introduced by Hansen, M., 26.

A BILL FOR AN ACT relating to the Uninsured and Underinsured Motorist Insurance Coverage Act; to amend sections 44-6410 and 44-6411, Reissue Revised Statutes of Nebraska; to change provisions relating to stacking of coverage; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 275. Introduced by Hansen, M., 26.

A BILL FOR AN ACT relating to firearms; to amend sections 69-2402, 69-2404, 69-2405, 69-2409, 69-2409.01, 69-2410, 69-2411, 69-2412, 69-2414, 69-2421, 69-2422, 69-2424, 69-2425, 69-2427, 69-2429, 69-2430, 69-2436, and 69-2439, Reissue Revised Statutes of Nebraska; to define terms; to require notification when a person prohibited by state or federal law attempts to purchase, lease, rent, or receive transfer of a handgun, apply for a permit or renew a permit to carry a concealed handgun under the Concealed Handgun Permit Act, or has such a permit revoked; to eliminate an obsolete provision; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 276. Introduced by McCollister, 20.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2716 and 77-2734.01, Reissue Revised Statutes of Nebraska; to change provisions relating to the taxation of income from certain small business corporations and limited liability companies; and to repeal the original sections.

LEGISLATIVE BILL 277. Introduced by McCollister, 20; DeBoer, 10;

Kolowski, 31; Lathrop, 12; Pansing Brooks, 28.

A BILL FOR AN ACT relating to the Board of Parole; to amend sections 83-189 and 83-190, Reissue Revised Statutes of Nebraska; to change membership provisions; and to repeal the original sections.

LEGISLATIVE BILL 278. Introduced by Bostelman, 23.

A BILL FOR AN ACT relating to motor vehicle operators' licenses; to amend section 60-4,189, Revised Statutes Cumulative Supplement, 2018; to provide a veteran notation for certain members of the United States Public Health Service or National Oceanic and Atmospheric Administration; and to repeal the original section.

LEGISLATIVE BILL 279. Introduced by Bostelman, 23; Brewer, 43; Gragert, 40.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-2704.10, Reissue Revised Statutes of Nebraska; to exempt food sold by veterans service organizations from sales and use tax as prescribed; to provide an operative date; and to repeal the original section.

LEGISLATIVE BILL 280. Introduced by Brewer, 43; Blood, 3.

A BILL FOR AN ACT relating to the Nebraska Political Accountability and Disclosure Act; to amend section 49-14,126, Revised Statutes Cumulative Supplement, 2018; to change a civil penalty for violations under the act; and to repeal the original section.

LEGISLATIVE BILL 281. Introduced by McCollister, 20.

A BILL FOR AN ACT relating to schools; to provide for posting a child abuse or neglect statewide toll-free number as prescribed; and to provide for creation of a poster.

LEGISLATIVE BILL 282. Introduced by Hansen, M., 26; Cavanaugh, 6.

A BILL FOR AN ACT relating to bail; to amend section 29-901, Revised Statutes Cumulative Supplement, 2018; to change provisions relating to granting of bail in cases involving certain misdemeanors or violations of city or county ordinances; to require appointment of counsel; to harmonize provisions; and to repeal the original section.

LEGISLATIVE BILL 283. Introduced by Pansing Brooks, 28.

A BILL FOR AN ACT relating to climate; to provide duties for the University of Nebraska; to transfer funds; to require reports.

LEGISLATIVE BILL 284. Introduced by McCollister, 20.

A BILL FOR AN ACT relating to revenue and taxation; to adopt the Remote Seller and Marketplace Facilitator Act; to provide an operative date; to provide severability; and to declare an emergency.

LEGISLATIVE BILL 285. Introduced by McCollister, 20.

A BILL FOR AN ACT relating to appropriations; to state intent to appropriate additional funds to the Nebraska Power Review Board for a study; to state public policy; and to declare an emergency.

LEGISLATIVE BILL 286. Introduced by McCollister, 20.

A BILL FOR AN ACT relating to criminal justice; to create the Coordinated Reentry Council; to provide powers and duties for the council; and to provide a termination date.

LEGISLATIVE BILL 287. Introduced by Quick, 35.

A BILL FOR AN ACT relating to game and parks; to amend sections 37-202, 37-317, 37-407, 37-409, 37-415, 37-426, 37-438, 37-447, 37-449, 37-450, 37-4,111, 37-527, 37-1214, 37-1215, and 37-1219, Reissue Revised Statutes of Nebraska, and section 37-201, Revised Statutes Cumulative Supplement, 2018; to define terms; to change and provide duties for the Game and Parks Commission relating to dissemination of promotional items, reduced rate permits and stamps, replacement permit fees, and adoption and promulgation of rules and regulations and issuance of orders; to change provisions relating to lifetime, multiple-year, and annual stamps and fees; to change annual permit fees and temporary permit fee minimums; to provide for resident and nonresident fees for preference points or bonus points in lieu of applying for certain permits for random drawings; to change provisions relating to hunter orange display requirements; to change motorboat registration fees as prescribed; to change provisions relating to fees for the Aquatic Invasive Species Program; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 288. Introduced by Linehan, 39.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2715.03, 77-2716, and 77-2734.02, Reissue Revised Statutes of Nebraska; to change income tax rates; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 289. Introduced by Linehan, 39.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-1311.03, Reissue Revised Statutes of Nebraska; to change provisions relating to county assessor inspections of real property for property tax purposes; and to repeal the original section.

LEGISLATIVE BILL 290. Introduced by Linehan, 39.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2701.02 and 77-27,132, Reissue Revised Statutes of Nebraska; to change the sales and use tax rate; to harmonize provisions; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 291. Introduced by Linehan, 39.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2701.13, 77-2701.16, 77-2701.32, 77-2705, and 77-2708, Reissue Revised Statutes of Nebraska; to redefine terms relating to sales and use taxes; to change provisions relating to sales and use tax permits and collection; to provide an operative date; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 292. Introduced by Vargas, 7; McDonnell, 5; Stinner, 48.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to the State Department of Education.

MOTION - Escort Governor

Senator Friesen moved that a committee of five be appointed to escort the Governor of the State of Nebraska to the Legislative Chamber to deliver his State of the State Address.

The motion prevailed.

The Chair appointed Senators Crawford, McDonnell, Geist, Bostelman, and Hughes to serve on said committee.

STATE OF THE STATE ADDRESS

"Our republic works best when we find areas of collaboration where we can put Nebraskans first."

"Over the past four years, we have strengthened Nebraska's place in the world with our four pillars for growth."

"Property tax relief is the number one priority Nebraskans want as I travel the state."

President Foley, Speaker Scheer, Members of the Legislature, Distinguished Guests, Friends, Fellow Nebraskans, and of course, our First Lady, my lovely wife, Susanne—good morning!

Once again, congratulations on the commencement of the 106th Nebraska Legislature. And congratulations to Speaker Scheer on your reelection. I look forward to working with you.

The Unicameral is a unique institution among legislative bodies in our nation. Each of you has a solemn responsibility as one of forty-nine citizen legislators to represent the best interests of your constituents.

As I begin, I want to take a moment to welcome the newest members of the body. Each of you brings significant experiences and perspectives. Senator Arch has a background in healthcare administration. Senators Brandt, Murman, and Dorn will be voices for agriculture as we work to grow our number one industry. Senators Cavanaugh and DeBoer have experience in higher education. Senator Gragert is a 40-year veteran of the Air Force and Nebraska National Guard. Senators Hansen, Hunt, La Grone, and Slama bring important perspectives as entrepreneurs, small business owners, and young professionals. Senator Lathrop returns as a seasoned legislator. And Senator Moser is a small business owner and a former local public servant as Mayor of Columbus.

Let's recognize this new class and welcome them again.

In the coming weeks and months, each of us will use our experience as we shape public policy and work together. Our republic works best when we find areas of collaboration where we can put Nebraskans first.

As we begin our work this year, I am happy to report to you that the state of the state is strong and growing.

Last week, I relayed in my inaugural address that Nebraska has achieved high marks over the past year. We are the number one state for fiscal condition; number two for cost of doing business and regulatory environment; we have the third highest wage growth since 2014; we have the fourth best workforce participation rate; Forbes says we are the fifth best state for business; and we have the sixth lowest unemployment rate in the country.

Over the past four years, we have strengthened Nebraska's place in the world with our four pillars for growth, which include developing our people; cutting the regulatory red tape; controlling spending so we can deliver tax relief; and promoting Nebraska both nationally and internationally.

This has led us to back-to-back awards for the most economic development projects per capita of any state in the nation.

In our work this year, it is important to remember that even as the state is employing record numbers of Nebraskans, our number one industry, agriculture, is grappling with low commodity prices. Since 2013, farm income in Nebraska has been cut by over 60 percent. Think about that for a

moment: When a family's income falls by over half, you are forced to make tough decisions that have a significant impact on your way of life. During this session and throughout the year, we must work to expand opportunities for our farm and ranch families.

We are doing that in the area of value-added agriculture, so more families can bring the next generation home to the family farm. Last year, we welcomed six new counties into the state's Livestock Friendly County program for a total of 49.

Layering livestock into the family operation is a game-changer for many families. Take for example the Schulz family of Seward County. Three generations of Schulzes have joined us today under the north balcony. They recently received approval to build a barn to raise chickens for Costco. Their new poultry operation will allow Joe, the third generation and a recent University of Nebraska graduate, to return to the family farm. Please help me welcome and congratulate Joe and the Schulz family.

As I worked on this two-year budget, I had one thing in mind: the people of Nebraska. We have a responsibility to the people we care for and the people who pay the bills, the taxpayers. Let's put Nebraskans first as we work on this budget.

In all my budgets, I have worked to keep the rate of growth at about 3 percent or less. The budget I am presenting to you today is no different, and keeps the rate of spending growth to 3.1 percent. A significant portion of this spending increase is attributable to Medicaid expansion and state aid to public schools. In my budget, state agencies continue to control spending growth with an average two-year operations increase of just 2.3 percent.

Even while controlling spending, we have prioritized new initiatives to help grow Nebraska, recognize the dignity of human life, and protect public safety.

With this budget, we can do more to help grow Nebraska in three ways.

First, we are doing more to help Nebraskans take great-paying jobs. Job creators across the state name workforce as a top priority. We have a low unemployment rate, a high labor force participation rate, and lots of great jobs.

With the right opportunities, the next generation of Nebraskans can find a pathway that gives them the career they need to stay in Nebraska and enjoy the Good Life. Take for example the story of Chris Nightser. Chris started high school with industrial arts classes. After graduation, he took a job in a fabrication shop, which then led to a career with Miller Electric starting as an apprentice. He has earned his Associate's Degree, Bachelor's Degree, and Master's in Business Administration while working thanks to tuition reimbursement programs and scholarships. This gave him over \$100,000

worth of education with relatively little debt. Today, he is the Pre-Fabrications Operations Manager at Miller Electric.

Chris' story is important because he was exposed to opportunities in this field at an early age, and he was able to take advantage of them because of an apprenticeship, scholarships, and tuition reimbursement. Please help me welcome Chris, who is in the north balcony.

To help more Nebraskans like Chris find great careers, I am making two new proposals. As previously announced, I am recommending the creation of the Nebraska Talent Scholarships program to help our community colleges, state colleges, and the university system attract even more students in targeted programs from engineering to healthcare with over 2,100 new scholarships.

Additionally, I am recommending the expansion of the Developing Youth Talent Initiative to connect more middle school students to opportunities in manufacturing and IT with an additional \$1.25 million annually. This program has already impacted 7,000 students, and this expansion will help reach even more.

Working together to create more pathways, we can help connect more Nebraskans with the countless great opportunities available in communities statewide.

Second, my budget also takes new steps to make state government more effective, more efficient, and more customer-focused. Over the past two years, we have worked together to successfully create a Department of Transportation and a unified veterans' agency. This year, Senator Hughes and I are proposing to bring together the Department of Environmental Quality and the Energy Office. Creating a Department of Environment and Energy that will allow the state to form a more unified vision and strategic plan for our work in these related areas.

Senator Lowe and I are also recommending moving three key safety inspection programs from the Department of Labor to the State Fire Marshal's Office to better align with its purpose of protecting public safety.

The third priority we are working on in this budget is tax relief. Thanks to our work on controlling spending over the last few years, we have been able to build new tax relief into this budget.

Property tax relief is the number one priority Nebraskans want as I travel the state. And many of you have shared similar stories with me from your districts.

I have three property tax relief proposals.

First, my budget provides \$51 million in new, direct property tax relief

through the Property Tax Credit Relief Fund each year. This is a 23 percent increase in property tax relief from this fund to all Nebraska property owners.

Second, Senator Lindstrom and I are recommending that we establish a statutory floor of \$275 million for the Property Tax Credit Relief Fund. This will give taxpayers more certainty about future relief.

Third, Senator Linehan and I are proposing to establish a three percent cap on property taxes levied by local governments. Over the past decade, local property taxes have risen over 57 percent. To deliver long-term, structural relief, it is important that we limit the growth of property taxes. Our proposal comes in the form of a constitutional amendment, which must be approved by the people after receiving your consideration.

These proposals, together, will help deliver immediate relief and structural reform.

Furthermore, I stand ready to work with all of you on additional property tax relief proposals, such as Senator Erdman's income potential valuation bill, which would help deliver much-needed reform to our property tax system. I know there will be many proposals introduced this year. As we work on property tax relief, any proposal should help control spending, fit in the budget, and cannot raise taxes on one group of people to reduce taxes on another group.

My last proposal in the area of tax policy delivers relief for Nebraska's veterans. Thank you to Senators Brewer, Blood, Bostelman, Clements, Crawford, Gragert, Linehan, and Lowe for your work on this initiative to help make Nebraska a better place to retire as a veteran. Our proposal is a 50 percent tax cut for all veterans receiving military retirement benefits. Five of our six surrounding states do not tax veterans' retirement benefits. This proposal is a step forward, which makes Nebraska more tax competitive, so we can keep more of our veterans and their families here after retirement.

Numerous veterans and representatives from the Nebraska National Guard have joined us here today and are sitting in the north balcony. Please help me recognize them!

Another important area that will be addressed this session is incentives. You all have already started an important conversation about the future of Nebraska Advantage and what the state's tax incentives should look like. Across the nation, incentives are an important tool for attracting new investments and jobs. As you work to reform incentives, I encourage you to keep in mind these goals. Nebraskans want tax policy that is simple; transparent; accountable; and attracts higher-paying jobs.

Finally, there are a few more items that I want to highlight in my budget.

My budget implements Initiative 427, fully funds state aid to K-12 public schools, recognizes the dignity of human life, and protects the public safety.

In November, voters approved Medicaid expansion, and my budget recommendation reflects the vote of the people of Nebraska. Right now, the Medicaid team is working to fulfill the direction of the initiative to file a state plan with the federal government by April 1st.

My budget provides new aid to K-12 public schools by fully funding the \$103.8 million TEEOSA increase. This means the formula will provide a record \$1.1 billion in annual school aid.

As I have noted before, Nebraska is a pro-life state.

My budget contains the pro-life budget language approved by the body last year. Furthermore, I want to commend Senator Albrecht for her continued work to protect the dignity of unborn life. I look forward to working with all of you this session as we represent pro-life Nebraska, and look for new ways to support expecting mothers and our unborn children.

We must also continue to protect public safety and Nebraska's communities. Each year, we have collaborated to bring about important change in our Corrections system. Together, we have completed sentencing reforms for non-violent offenders. We have invested in our prisons, and are upgrading the physical plant of our facilities to help deliver the programming we need to reduce the recidivism rate. We are assessing inmates more quickly to connect them to the right programming. And we have invested in additional staff and staff retention initiatives.

As you know, there is more work to be done. While the sentencing reforms helped to control population growth in our prisons, new felony admissions mean our population has not decreased at the rate expected. My budget recommends an additional 384 high security beds, which will help assist in bringing our prison population below the emergency level set by the Legislature.

I look forward to working with Chairman Stinner, the Appropriations Committee, and the entire body to pass this budget.

As we work together this session, many challenges and opportunities lie ahead. Let's roll up our sleeves to connect Nebraskans to great jobs, to control spending, to make government more effective, to deliver tax relief for our veterans, and to cut property taxes.

This session and this budget present an opportunity to put the priorities of the taxpayers and people of Nebraska first.

I ask for your help in enacting this vision to grow Nebraska.

God bless you all and God bless the great State of Nebraska.

The committee escorted Governor Pete Ricketts from the Chamber.

BILLS ON FIRST READING

The following bills were read for the first time by title:

LEGISLATIVE BILL 293. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to amend Laws 2018, LB944, sections 27, 43, 53, 66, and 109; and section 48-1,116, Revised Statutes Cumulative Supplement, 2018; to define terms; to provide, change, and eliminate appropriations for operation of state government; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 294. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to state intent; to define terms; to make appropriations for the expenses of Nebraska State Government for the biennium ending June 30, 2021; to transfer funds; to provide duties; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 295. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to appropriate funds for the payment of salaries of members of the Nebraska Legislature and payments to be made as provided by Chapter 68, article 6, for FY2019-20 and FY2020-21; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 296. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to appropriate funds for the payment of the salaries and benefits of certain state officers for FY2019-20 and FY2020-21; to define terms; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 297. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to define terms; to appropriate funds for capital construction and property acquisition as prescribed; to state intent; to require program statements and a request for funding; to provide an operative date; and to declare an emergency.

LEGISLATIVE BILL 298. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to amend sections 61-218, 71-7611, and 86-563, Reissue Revised Statutes of Nebraska, and sections 45-621, 81-15,175, and 84-1227, Revised Statutes Cumulative Supplement, 2018; to authorize, provide, change, and eliminate fund transfer provisions; to repeal funds; to harmonize provisions; to repeal the original sections; to outright repeal sections 81-1327 and 86-566, Reissue Revised Statutes of Nebraska; and to declare an emergency.

LEGISLATIVE BILL 299. Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to the Cash Reserve Fund; to amend section 84-612, Revised Statutes Cumulative Supplement, 2018; to authorize a transfer; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 300. Introduced by Lathrop, 12; at the request of the Governor.

A BILL FOR AN ACT relating to judges' salaries; to amend section 24-201.01, Revised Statutes Cumulative Supplement, 2018; to change judges' salaries; to provide an operative date; to repeal the original section; and to declare an emergency.

LEGISLATIVE BILL 301. Introduced by Lowe, 37; at the request of the Governor.

A BILL FOR AN ACT relating to state government; to amend sections 11-201, 48-719, 48-720, 48-722, 48-723, 48-724, 48-725, 48-726, 48-727, 48-728, 48-729, 48-730, 48-731, 48-732, 48-733, 48-736, 48-737, 48-738, 48-739, 48-740, 48-741, 48-742, 48-743, 48-1801, 48-1802, 48-1803, 48-1804, 48-1804.01, 48-1805, 48-1806, 48-1807, 48-1808, 48-1809, 48-1811, 48-1812, 48-1813, 48-1814, 48-1815, 48-1816, 48-1817, 48-1818, 48-1819, 48-2501, 48-2502, 48-2503, 48-2504, 48-2506, 48-2507, 48-2508, 48-2509, 48-2510, 48-2511, 48-2512, 48-2512.01, 48-2513, 48-2514, 48-2515, 48-2516, 48-2517, 48-2518, 48-2519, 48-2520, 48-2521, 48-2522, 48-2523, 48-2524, 48-2525, 48-2526, 48-2527, 48-2528, 48-2529, 48-2530, 48-2531, 48-2532, and 48-2533, Reissue Revised Statutes of Nebraska, and sections 48-721, 48-735.01, 81-401, and 81-405, Revised Statutes Cumulative Supplement, 2018; to transfer duties under the Boiler Inspection Act, the Nebraska Amusement Ride Act, and the Conveyance Safety Act from the Department of Labor to the State Fire Marshal; to change provisions of such acts; to eliminate obsolete provisions; to harmonize provisions; to provide a duty for the Revisor of Statutes; to provide an operative date; to repeal the original sections; to outright repeal section 48-1820, Reissue Revised Statutes of Nebraska; and to declare an emergency.

LEGISLATIVE BILL 302. Introduced by Hughes, 44; at the request of the Governor.

A BILL FOR AN ACT relating to state government; to amend sections 2-15,100, 2-3241, 2-4215, 13-1701, 13-2008, 13-2009, 13-2042.01, 37-806, 46-2,109, 46-602, 46-606, 46-704, 46-705, 46-706, 46-711, 46-721, 46-722, 46-723, 46-724, 46-725, 46-726, 46-728, 46-729, 46-730, 46-731, 46-732, 46-733, 46-743, 46-749, 46-750, 46-1102, 46-1108, 46-1109, 46-1217, 46-1301, 46-1502, 46-1642, 54-744.01, 54-2417, 54-2421, 54-2429, 57-705, 58-221, 60-6,363, 60-6,364, 60-6,367, 60-6,368, 66-203, 66-204, 66-301, 66-302, 66-303, 66-304, 66-489.02, 66-1004, 66-1009, 66-1105, 66-1344, 66-1504, 66-1518, 66-1529.02, 66-2001, 69-2011, 69-2502, 70-1003, 70-1032, 71-2433, 71-3503, 71-5302, 71-5316, 72-804, 72-805, 76-2602, 76-2608, 77-27,150, 77-27,151, 77-27,152, 77-27,153, 77-27,154, 77-27,187.01, 77-27,236, 81-1108.55, 81-1502, 81-1503, 81-1504.01, 81-1505.01, 81-1506, 81-1537, 81-1540, 81-1561, 81-15,118, 81-15,120, 81-15,123, 81-15,124, 81-15,124.01, 81-15,124.02, 81-15,124.04, 81-15,124.05, 81-15,125, 81-15,126, 81-15,127, 81-15,129, 81-15,159, 81-15,159.02, 81-15,166, 81-15,170, 81-15,177, 81-15,178, 81-15,179, 81-15,180, 81-15,183, 81-15,184, 81-15,185, 81-15,185.01, 81-15,185.02, 81-15,185.03, 81-15,186, 81-15,196, 81-15,210, 81-15,213, 81-15,229, 81-15,235, 81-15,242, 81-15,243, 81-15,245, 81-1607, 81-1609, 81-1611, 81-1612, 81-1613, 81-1616, 81-1617, 81-1618, 81-1620, 81-1625, 81-1635, 81-1636, 81-1637, 81-1638, 81-1640, 81-1641, 84-166, 86-570, and 88-550, Reissue Revised Statutes of Nebraska, and sections 2-969, 2-1501, 2-1507, 2-2626, 2-4604, 46-2,139, 46-683.01, 46-707, 46-1224, 46-1304, 49-506, 54-703, 57-1407, 57-1502, 57-1503, 81-2,294, 81-1316, 81-1504, 81-1505, 81-15,149, 81-15,159.01, 81-15,160, 81-1604, 81-1606, 81-1607.01, 81-3449, 81-3453, and 84-602.04, Revised Statutes Cumulative Supplement, 2018; to merge the State Energy Office with the Department of Environmental Quality; to rename the department, the director, and certain funds; to provide, change, transfer, and eliminate powers and duties; to provide for a permit for discharge of certain materials; to harmonize provisions; to provide an operative date; to repeal the original sections; to outright repeal section 69-2505, Reissue Revised Statutes of Nebraska, and sections 81-1601, 81-1602, 81-1603, and 81-1605, Revised Statutes Cumulative Supplement, 2018; and to declare an emergency.

LEGISLATIVE BILL 303. Introduced by Lindstrom, 18; at the request of the Governor.

A BILL FOR AN ACT relating to the Property Tax Credit Act; to amend section 77-4212, Reissue Revised Statutes of Nebraska; to change provisions relating to the amount of relief granted under the act; and to repeal the original section.

LEGISLATIVE BILL 304. Introduced by Crawford, 45.

A BILL FOR AN ACT relating to the Nebraska Pure Food Act; to amend section 81-2,245.01, Revised Statutes Cumulative Supplement, 2018; to exempt certain operations from the definition of a food establishment as prescribed; and to repeal the original section.

LEGISLATIVE BILL 305. Introduced by Crawford, 45; Cavanaugh, 6; Quick, 35.

A BILL FOR AN ACT relating to labor; to adopt the Healthy and Safe Families and Workplaces Act; and to provide severability.

LEGISLATIVE BILL 306. Introduced by Crawford, 45.

A BILL FOR AN ACT relating to the Employment Security Law; to amend sections 48-628.13 and 48-652, Revised Statutes Cumulative Supplement, 2018; to change provisions relating to good cause for voluntarily leaving employment; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 307. Introduced by Albrecht, 17.

A BILL FOR AN ACT relating to water; to amend sections 71-5316, 71-5318, 71-5325, and 71-5327, Reissue Revised Statutes of Nebraska, and section 81-15,151, Revised Statutes Cumulative Supplement, 2018; to update a reference to federal law; to provide for transfers between funds by the Director of Environmental Quality; to change authorized terms of loans; to eliminate a termination provision; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 308. Introduced by Lathrop, 12.

A BILL FOR AN ACT relating to civil procedure; to amend sections 25-217 and 25-516.01, Reissue Revised Statutes of Nebraska; to change provisions relating to commencement of actions, voluntary appearances, and waivers of defenses as prescribed; and to repeal the original sections.

LEGISLATIVE BILL 309. Introduced by Lathrop, 12.

A BILL FOR AN ACT relating to courts; to amend section 24-301.02, Revised Statutes Cumulative Supplement, 2018; to increase the number of district judges in the fourth judicial district; and to repeal the original section.

LEGISLATIVE BILL 310. Introduced by Vargas, 7; Howard, 9; Lindstrom, 18.

A BILL FOR AN ACT relating to the Nebraska Job Creation and Mainstreet Revitalization Act; to amend section 77-2906, Reissue Revised Statutes of Nebraska; to provide a deadline for the determination of the amount of tax credits; to change provisions relating to appeals; and to repeal the original

section.

LEGISLATIVE BILL 311. Introduced by Crawford, 45; Blood, 3; Cavanaugh, 6; Hansen, M., 26; Hilkemann, 4; Howard, 9; Hunt, 8; Lathrop, 12; McDonnell, 5; Morfeld, 46; Pansing Brooks, 28; Quick, 35; Walz, 15; Wishart, 27.

A BILL FOR AN ACT relating to employment; to amend section 48-652, Revised Statutes Cumulative Supplement, 2018; to adopt the Paid Family and Medical Leave Insurance Act; to change provisions relating to experience accounts under the Employment Security Law; to provide severability; and to repeal the original section.

LEGISLATIVE BILL 312. Introduced by Hansen, B., 16.

A BILL FOR AN ACT relating to the Dentistry Practice Act; to amend section 38-1130, Revised Statutes Cumulative Supplement, 2018; to define a term; to change and eliminate provisions related to functions authorized for dental hygienists as prescribed; to eliminate obsolete provisions; and to repeal the original section.

RESOLUTION(S)

LEGISLATIVE RESOLUTION 8CA. Introduced by Linehan, 39; at the request of the Governor.

THE MEMBERS OF THE ONE HUNDRED SIXTH LEGISLATURE OF NEBRASKA, FIRST SESSION, RESOLVE THAT:

Section 1. At the general election in November 2020, the following proposed amendment to the Constitution of Nebraska shall be submitted to the electors of the State of Nebraska for approval or rejection:

To add a new section 14 to Article VIII:

VIII-14 (1) Notwithstanding Article VIII, section 1 or 5, of this Constitution or any other provision of this Constitution to the contrary, the total amount of property tax revenue raised by a political subdivision in any fiscal year shall not be more than three percent greater than the amount raised in the prior fiscal year, except as provided in subsections (2) and (3) of this section.

(2) The total amount of property tax revenue raised by a political subdivision in a fiscal year may exceed the limitation in subsection (1) of this section by an amount approved by a majority of legal voters voting on the issue at an election called for such purpose upon the recommendation of a majority of the governing body of the political subdivision. Such recommendation shall include the amount by which the property tax revenue would exceed the limitation in subsection (1) of this section for the fiscal year. All costs of the election shall be paid by the political subdivision seeking to exceed such limitation.

(3) The limitation in subsection (1) of this section shall not apply to the amount of property tax revenue needed to pay the principal and interest on bonded indebtedness that has been approved according to law.

(4) For purposes of this section, property tax revenue means revenue raised from a tax that is assessed annually upon the value of real and personal property.

Sec. 2. The proposed amendment shall be submitted to the electors in the manner prescribed by the Constitution of Nebraska, Article XVI, section 1, with the following ballot language:

A constitutional amendment to provide that the total amount of property tax revenue raised by a political subdivision in any fiscal year shall not be more than three percent greater than the amount raised in the prior fiscal year, except for amounts approved by voters and amounts needed to pay bonded indebtedness.

For

Against.

NOTICE OF COMMITTEE HEARING(S)

Banking, Commerce and Insurance

Room 1507

Tuesday, January 22, 2019 1:30 p.m.

LB12

LB26

LB49

LB77

(Signed) Matt Williams, Chairperson

Transportation and Telecommunications

Warner Chamber

Tuesday, January 22, 2019 1:30 p.m.

LB79

LB82

LB117

LB190

(Signed) Curt Friesen, Chairperson

Education

Room 1525

Tuesday, January 22, 2019 1:30 p.m.

LB115
LB6
LB122
LB73

(Signed) Mike Groene, Chairperson

Urban Affairs

Room 1510

Tuesday, January 22, 2019 1:30 p.m.

LB85
LB67
LB194
LB193
LB196

(Signed) Justin Wayne, Chairperson

UNANIMOUS CONSENT - Add Cointroducer(s)

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

- Senator Hunt name added to LB5.
- Senator Hilkemann name added to LB7.
- Senator Hunt name added to LB12.
- Senator Hunt name added to LB13.
- Senator Williams name added to LB14.
- Senator Brandt name added to LB14.
- Senator Hilkemann name added to LB15.
- Senator Hunt name added to LB43.
- Senator Kolowski name added to LB212.
- Senator Briese name added to LR5CA.

ANNOUNCEMENT

The Chair announced the birthday of Senator McDonnell.

ADJOURNMENT

At 10:33 a.m., on a motion by Senator Crawford, the Legislature adjourned until 10:00 a.m., Wednesday, January 16, 2019.

Patrick J. O'Donnell
Clerk of the Legislature

