

FIFTH DAY - JANUARY 14, 2020**LEGISLATIVE JOURNAL****ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION****FIFTH DAY**

Legislative Chamber, Lincoln, Nebraska
Tuesday, January 14, 2020

PRAYER

The prayer was offered by Pastor Raymond Wicks, First Baptist Church, Plattsmouth.

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 Senators M. Hansen and Slama who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the fourth day was approved.

CONFLICT OF INTEREST STATEMENT

Pursuant to Rule 1, Sec. 19, Senator Slama has filed a Potential Conflict of Interest Statement under the Nebraska Political Accountability and Disclosure Act. The statement is on file in the Clerk of the Legislature's Office.

MOTION(S) - Ombudsman Appointment

Senator Hilgers offered his report, found on page 231, to move the appointment of Julie Rogers as Public Counsel (Ombudsman), pursuant to section 81-8,241.

Senator Chambers moved for a call of the house. The motion prevailed with 26 ayes, 3 nays, and 20 not voting.

Senator Chambers requested a roll call vote on the motion.

Voting in the affirmative, 46:

Albrecht	Crawford	Hansen, M.	Lindstrom	Scheer
Arch	DeBoer	Hilgers	Linehan	Stinner
Blood	Dorn	Hilkemann	Lowe	Vargas
Bolz	Erdman	Howard	McCollister	Walz
Bostelman	Friesen	Hughes	McDonnell	Williams
Brandt	Geist	Hunt	Morfeld	Wishart
Brewer	Gragert	Kolowski	Moser	
Briese	Groene	Kolterman	Murman	
Cavanaugh	Halloran	La Grone	Pansing Brooks	
Clements	Hansen, B.	Lathrop	Quick	

Voting in the negative, 2:

Chambers Wayne

Excused and not voting, 1:

Slama

The Hilgers motion prevailed with 46 ayes, 2 nays, and 1 excused and not voting.

The Chair declared the call raised.

BILLS ON FIRST READING

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

LEGISLATIVE BILL 975. Introduced by Geist, 25.

A BILL FOR AN ACT relating to the Department of Health and Human Services; to amend sections 28-377, 28-378, 28-711, 28-716, 28-719, and 28-726, Reissue Revised Statutes of Nebraska, and section 28-372, Revised Statutes Cumulative Supplement, 2018; to provide immunity for providing information or assistance in connection with an investigation, a report, or a judicial proceeding resulting from child abuse or neglect; to change provisions relating to abuse reporting; to provide for access to records relating to abuse; to repeal the original sections; and to declare an emergency.

LEGISLATIVE BILL 976. Introduced by Bolz, 29.

A BILL FOR AN ACT relating to motor vehicle registration; to amend section 60-331.02, Revised Statutes Cumulative Supplement, 2018; to redefine a term; and to repeal the original section.

LEGISLATIVE BILL 977. Introduced by Bolz, 29.

A BILL FOR AN ACT relating to child welfare; to amend section 68-1212, Revised Statutes Supplement, 2019; to change provisions relating to the case management lead agency model pilot project; and to repeal the original section.

LEGISLATIVE BILL 978. Introduced by Murman, 38; Albrecht, 17; Brandt, 32; Briese, 41; Erdman, 47; Halloran, 33; Lowe, 37.

A BILL FOR AN ACT relating to incarceration; to provide for reimbursement of county, city, and village jail expenses as prescribed.

LEGISLATIVE BILL 979. Introduced by Morfeld, 46.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to the Department of Transportation for a high-speed commuter rail service study and report.

LEGISLATIVE BILL 980. Introduced by Brandt, 32; Briese, 41.

A BILL FOR AN ACT relating to the Nebraska Lottery and Raffle Act; to amend sections 9-426, 9-429, and 9-431, Reissue Revised Statutes of Nebraska; to change the duration of validity for a special permit; to change when the tax on gross proceeds is paid; to provide for online sales and purchases by certain payment card transactions; and to repeal the original sections.

NOTICE OF COMMITTEE HEARING(S)

Government, Military and Veterans Affairs
Room 1507

Wednesday, January 22, 2020 1:30 p.m.

Robert Phillip Sabin - Nebraska Tourism Commission

Kyle Keeling - State Emergency Response Commission

Rod Buethe - State Emergency Response Commission

Tonya Ngotel - State Emergency Response Commission

Kimberly K. Plouzek - State Emergency Response Commission

Polly Ann Jordening - State Emergency Response Commission

(Signed) Tom Brewer, Chairperson

GENERAL FILE

LEGISLATIVE BILL 287. Senator Hughes renewed his motion, [MO114](#), found on page 278, to recommit to the Natural Resources Committee.

SPEAKER SCHEER PRESIDING

PRESIDENT FOLEY PRESIDING

Pending.

BILLS ON FIRST READING

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

LEGISLATIVE BILL 981. Introduced by Hunt, 8; Hansen, M., 26; Lathrop, 12.

A BILL FOR AN ACT relating to state contracts for services; to amend section 73-502, Reissue Revised Statutes of Nebraska; to define and redefine terms; to provide for applicability of provisions to certain state constitutional offices; and to repeal the original section.

LEGISLATIVE BILL 982. Introduced by Hansen, M., 26; Hunt, 8; Lathrop, 12.

A BILL FOR AN ACT relating to state officers; to amend section 84-733, Reissue Revised Statutes of Nebraska; to change the prohibition on use of state funds for advertising or promotional materials as prescribed; and to repeal the original section.

LEGISLATIVE BILL 983. Introduced by Crawford, 45.

A BILL FOR AN ACT relating to motor vehicle operators' licenses; to amend section 60-4,182, Revised Statutes Supplement, 2019; to change provisions relating to the point system for violations; and to repeal the original section.

LEGISLATIVE BILL 984. Introduced by Hunt, 8.

A BILL FOR AN ACT relating to cities and villages; to amend sections 14-1813 and 71-1599, Reissue Revised Statutes of Nebraska, and sections 3-502, 19-5205, and 19-5305, Revised Statutes Cumulative Supplement, 2018; to provide deadlines for filling vacancies on certain boards, authorities, and agencies as prescribed; and to repeal the original sections.

LEGISLATIVE BILL 985. Introduced by Pansing Brooks, 28; Hansen, M., 26; Wayne, 13.

A BILL FOR AN ACT relating to crimes and offenses; to amend sections 28-111, 28-204, 28-320.01, 28-320.02, 28-929, 28-1205, 28-1212.02, 28-1212.04, 28-1463.04, and 29-2204.02, Reissue Revised Statutes of Nebraska, sections 28-201, 28-202, 28-416, 29-1816, and 83-1,122.01, Revised Statutes Cumulative Supplement, 2018, and sections 28-101, 28-105, 28-115, 28-813.01, 28-1206, and 28-1463.05, Revised Statutes

Supplement, 2019; to provide for new felony classifications; to change penalties; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 986. Introduced by Pansing Brooks, 28; Hansen, M., 26; Wayne, 13.

A BILL FOR AN ACT relating to postsecondary education; to prescribe requirements for publicly funded colleges and universities regarding the criminal history and juvenile court record information of applicants for admission and students.

LEGISLATIVE BILL 987. Introduced by Pansing Brooks, 28; Crawford, 45.

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-27,132, Reissue Revised Statutes of Nebraska, section 81-1429.02, Revised Statutes Cumulative Supplement, 2018, and section 77-2701.16, Revised Statutes Supplement, 2019; to impose sales and use taxes on dating and escort services; to provide for the use of the sales and use tax proceeds from dating and escort services; to harmonize provisions; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 988. Introduced by Hilgers, 21.

A BILL FOR AN ACT relating to professional services; to amend section 21-2202, Reissue Revised Statutes of Nebraska, and section 38-101, Revised Statutes Supplement, 2019; to provide restrictions on business entity ownership with respect to certain professional services regulated under the Uniform Credentialing Act; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 989. Introduced by Wayne, 13.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2701.16 and 77-2703, Revised Statutes Supplement, 2019; to impose sales and use taxes on digital advertisements as prescribed; to harmonize provisions; to provide an operative date; and to repeal the original sections.

LEGISLATIVE BILL 990. Introduced by Wayne, 13.

A BILL FOR AN ACT relating to gambling; to amend sections 28-1101, 28-1105, and 28-1113, Reissue Revised Statutes of Nebraska, section 79-1001, Revised Statutes Cumulative Supplement, 2018, and sections 9-1,101 and 77-3442, Revised Statutes Supplement, 2019; to adopt the Games of Skill Act; to redefine duties for the Department of Revenue; to provide a gambling exception for operating or participating in games of skill; to change a provision relating to the possession of gambling records; to change provisions relating to property tax levies; to change the Tax Equity and Educational Opportunities Support Act; to harmonize

provisions; to provide an operative date; and to repeal the original sections.

GENERAL FILE

LEGISLATIVE BILL 30. Title read. Considered.

Committee [AM302](#), found on page 578, First Session, 2019, was offered.

Senator Kolterman offered his amendment, [AM2050](#), found on page 146, to the committee amendment.

The Kolterman amendment was adopted with 39 ayes, 0 nays, 8 present and not voting, and 2 excused and not voting.

The committee amendment, as amended, was adopted with 41 ayes, 0 nays, 6 present and not voting, and 2 excused and not voting.

Advanced to Enrollment and Review Initial with 43 ayes, 0 nays, 4 present and not voting, and 2 excused and not voting.

BILL ON FIRST READING

The following bill was read for the first time by title:

LEGISLATIVE BILL 991. Introduced by Halloran, 33; Briese, 41; Murman, 38.

A BILL FOR AN ACT relating to sex offenses; to amend sections 28-311, 28-319.01, 28-320.02, 28-833, 28-1463.04, 29-2028, and 81-1850, Reissue Revised Statutes of Nebraska, sections 42-1203 and 83-174.02, Revised Statutes Cumulative Supplement, 2018, and sections 27-404, 27-412, 27-413, 28-101, 28-311.11, 28-318, 28-813.01, 28-1463.05, 29-110, 29-119, 29-4003, and 83-4,143, Revised Statutes Supplement, 2019; to change provisions relating to sexual assault under the Nebraska Evidence Rules, enhanced penalties for certain sexual offenses, and sexual assault protection orders; to create the offense of child enticement by a school official by means of an electronic communication device; to create the offense of sexual assault of a student; to define and redefine terms; to prohibit enticement by electronic communication device by a school official as prescribed; to provide a statute of limitations for sexual assault of a student; to change provisions relating to corroboration of victim testimony in sexual offenses; to add registrable offenses under the Sex Offender Registration Act; to change provisions relating to the Address Confidentiality Act, victim notifications, evaluation of dangerous sex offenders, and eligibility for participation in an incarceration work camp; to change and provide penalties; to harmonize provisions; and to repeal the original sections.

NOTICE OF COMMITTEE HEARING(S)
Banking, Commerce and Insurance
Room 1507

Tuesday, January 21, 2020 1:30 p.m.
Anthony Goins - Department of Economic Development
LB909
LB774
LB782

(Signed) Matt Williams, Chairperson

COMMITTEE REPORT(S)
Enrollment and Review

LEGISLATIVE BILL 153. Placed on Select File with amendment.

[ER137](#)

1 1. On page 1, line 2, strike beginning with "Reissue" through
2 "Nebraska" and insert "Revised Statutes Supplement, 2019".

(Signed) Julie Slama, Chairperson

UNANIMOUS CONSENT - Add Cointroducer(s)

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

Senator Hilgers name added to LB153.
Senator Hilkemann name added to LB752.
Senator McCollister name added to LB946.
Senator McCollister name added to LB949.
Senator Howard name added to LR294.

VISITOR(S)

Visitors to the Chamber were Allen Beermann, Jim Timm, and Dennis DeRossett; and Steve Jordon, Mike Holmes, Bridget Weide-Brooks, and Roger Humphries from Omaha.

RECESS

At 11:40 a.m., on a motion by Senator Briese, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:30 p.m., President Foley presiding.

ROLL CALL

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

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

LB/LR	Committee
LB746	Transportation and Telecommunications
LB813	Business and Labor
LB858	Natural Resources (rereferred)
LB879	Revenue
LB904	Natural Resources
LB938	Judiciary
LB939	Banking, Commerce and Insurance
LB940	Judiciary
LB941	Judiciary
LB942	Transportation and Telecommunications
LB943	General Affairs
LB944	Transportation and Telecommunications
LB945	Judiciary
LB946	Revenue
LB947	Transportation and Telecommunications
LB948	Banking, Commerce and Insurance
LB949	Banking, Commerce and Insurance
LB950	Education
LB951	Judiciary
LB952	Revenue
LB953	Agriculture
LB954	Banking, Commerce and Insurance
LB955	Health and Human Services
LB956	Health and Human Services
LB957	Urban Affairs
LB958	Judiciary
LB959	Judiciary
LB960	Urban Affairs
LB961	Transportation and Telecommunications
LB962	Business and Labor
LB963	Business and Labor
LB964	Judiciary
LB965	Education
LB966	Judiciary
LB967	Education
LB968	Judiciary
LB969	Judiciary
LB970	Banking, Commerce and Insurance

LB971 General Affairs
 LB972 Agriculture
 LB973 Banking, Commerce and Insurance
 LB974 Revenue
 LR285CA General Affairs
 LR294 Natural Resources
 LR295CA General Affairs

(Signed) Mike Hilgers, Chairperson
 Executive Board

GENERAL FILE

LEGISLATIVE BILL 93. Title read. Considered.

Committee [AM422](#), found on page 591, First Session, 2019, was offered.

Senator Wayne offered his amendment, [AM2089](#), found on page 280, to the committee amendment.

The Wayne amendment was adopted with 42 ayes, 0 nays, 4 present and not voting, and 3 excused and not voting.

The committee amendment, as amended, was adopted with 42 ayes, 0 nays, 4 present and not voting, and 3 excused and not voting.

Advanced to Enrollment and Review Initial with 43 ayes, 0 nays, 3 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 206. Title read. Considered.

Committee [AM430](#), found on page 592, First Session, 2019, was offered.

Senator Morfeld withdrew his amendment, [AM2066](#), found on page 229.

Senator Morfeld offered the following amendment to the committee amendment:

[AM2093](#)

(Amendments to Standing Committee amendments, AM430)

- 1 1. On page 2, line 5; and page 3, line 28, strike "or" and insert
- 2 "and".
- 3 2. On page 2, line 6, strike "ethical".
- 4 3. On page 3, line 29, after "standards" insert "as set forth in the
- 5 Society of Professional Journalists' Code of Ethics as such code existed
- 6 on January 1, 2020".

The Morfeld amendment was adopted with 29 ayes, 2 nays, 13 present and not voting, and 5 excused and not voting.

The committee amendment, as amended, was adopted with 27 ayes, 2 nays,

15 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review Initial with 27 ayes, 5 nays, 12 present and not voting, and 5 excused and not voting.

BILLS ON FIRST READING

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

LEGISLATIVE BILL 992. Introduced by Friesen, 34; Bostelman, 23.

A BILL FOR AN ACT relating to telecommunications; to amend sections 75-109.01, 86-127, and 86-577, Reissue Revised Statutes of Nebraska, and sections 86-579 and 86-1102, Revised Statutes Cumulative Supplement, 2018; to adopt the Broadband Internet Service Infrastructure Act; to state legislative intent; to provide for a state broadband coordinator; to provide duties for the Public Service Commission and Nebraska Library Commission as prescribed; to create the Nebraska E-Rate Special Construction Matching Fund Program; to change provisions relating to the lease of dark fiber; to terminate a fund; to provide a term of service for certain Rural Broadband Task Force members; to harmonize provisions; to repeal the original sections; and to outright repeal section 86-580, Reissue Revised Statutes of Nebraska.

LEGISLATIVE BILL 993. Introduced by Lowe, 37.

A BILL FOR AN ACT relating to city manager plan of government; to amend section 32-538, Revised Statutes Supplement, 2019; to change provisions relating to the number of members of the city council as prescribed; and to repeal the original section.

LEGISLATIVE BILL 994. Introduced by Murman, 38; Cavanaugh, 6.

A BILL FOR AN ACT relating to health; to adopt the Organ Transplant Fairness Act.

LEGISLATIVE BILL 995. Introduced by Gragert, 40; Wishart, 27.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to the Commission on Public Advocacy for Legal Education for Public Service and Rural Practice Loan Repayment Assistance aid; and to declare an emergency.

NOTICE OF COMMITTEE HEARING(S)
Banking, Commerce and Insurance
Room 1507

Monday, January 27, 2020 1:30 p.m.

LB902
LB775
LB908
LB939

Tuesday, January 28, 2020 1:30 p.m.

LB764
LB852
LB853
LB854

(Signed) Matt Williams, Chairperson

Health and Human Services
Room 1510

Wednesday, January 22, 2020 1:30 p.m.

Gary J. Anthonie - Division of Public Health - Department of Health and
Human Services

LB836
LB825
LB753

(Signed) Sara Howard, Chairperson

Revenue
Room 1524

Wednesday, January 22, 2020 1:30 p.m.

LB974

(Signed) Lou Ann Linehan, Chairperson

RESOLUTION(S)

LEGISLATIVE RESOLUTION 296. Introduced by Clements, 2; Erdman, 47; Hughes, 44; Lowe, 37.

WHEREAS, Dwight L. Clements was born in Elmwood on January 19, 1920; and

WHEREAS, his father, Guy, grandfather, Byron, and great grandfather, John were also from Elmwood; and

WHEREAS, John Clements staked claim to a homestead near Elmwood in 1868; and

WHEREAS, in 1938, Dwight graduated from Elmwood High School and went on to attend the University of Nebraska; and

WHEREAS, Dwight then joined the Army during World War II. Beginning in 1943, Dwight served as platoon sergeant with the Army Combat Engineers, building bridges across rivers on the border between France and Germany as the Germans retreated and continuing until the war ended in 1945. Dwight left the Army with an honorable discharge in February 1946; and

WHEREAS, Dwight returned to the University of Nebraska and graduated from law school in 1947; and

WHEREAS, Dwight married Marjory Horstman in June of 1948, the couple raised three sons, Greg, Richard, and Robert, and were married for seventy-one years before Marjory passed away in 2019; and

WHEREAS, Dwight practiced law in Elmwood while working at American Exchange Bank. He eventually became president of the bank where he worked for fifty years; and

WHEREAS, Dwight turns one hundred years old on January 19, 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SIXTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Legislature congratulates Dwight Clements on the celebration of his one hundredth birthday.
2. That a copy of this resolution be sent to Dwight Clements.

Laid over.

MOTION(S) - Print in Journal

Senator Bolz filed the following motion to LB904:

MO115

Withdraw bill.

GENERAL FILE

LEGISLATIVE BILL 230. Title read. Considered.

SENATOR LINDSTROM PRESIDING

Committee [AM450](#), found on page 594, First Session, 2019, was adopted with 29 ayes, 0 nays, 16 present and not voting, and 4 excused and not voting.

Senator Pansing Brooks moved for a call of the house. The motion prevailed with 30 ayes, 4 nays, and 15 not voting.

Advanced to Enrollment and Review Initial with 29 ayes, 2 nays, 14 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

LEGISLATIVE BILL 322. Title read. Considered.

Committee [AM271](#), found on page 598, First Session, 2019, was offered.

Senator Crawford offered her amendment, [AM2082](#), found on page 279, to the committee amendment.

The Crawford amendment was adopted with 36 ayes, 0 nays, 8 present and not voting, and 5 excused and not voting.

The committee amendment, as amended, was adopted with 33 ayes, 0 nays, 11 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review Initial with 38 ayes, 0 nays, 6 present and not voting, and 5 excused and not voting.

BILLS ON FIRST READING

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

LEGISLATIVE BILL 996. Introduced by Brandt, 32.

A BILL FOR AN ACT relating to the Nebraska Telecommunications Regulation Act; to amend section 86-101, Revised Statutes Supplement, 2019; to create the Broadband Data Improvement Program; to provide powers and duties for the Public Service Commission; to harmonize provisions; and to repeal the original section.

LEGISLATIVE BILL 997. Introduced by Morfeld, 46.

A BILL FOR AN ACT relating to insurance; to adopt the Out-of-Network

Emergency Medical Care Act; and to provide an operative date.

LEGISLATIVE BILL 998. Introduced by Murman, 38.

A BILL FOR AN ACT relating to schools; to amend section 79-2,146, Reissue Revised Statutes of Nebraska, sections 9-812, 79-2,144, 79-1001, and 79-1007.11, Revised Statutes Cumulative Supplement, 2018, and section 79-1017.01, Revised Statutes Supplement, 2019; to transfer money; to create a fund; to provide duties; to require behavioral awareness and intervention training and behavioral awareness and intervention points of contact as prescribed; to change the Tax Equity and Educational Opportunities Support Act as prescribed; to harmonize provisions; and to repeal the original sections.

LEGISLATIVE BILL 999. Introduced by Wayne, 13.

A BILL FOR AN ACT relating to criminal procedure; to amend sections 23-3402, 23-3404, 29-3906, 29-3911, 29-3918, 43-272, and 43-273, Reissue Revised Statutes of Nebraska, and section 43-253, Revised Statutes Cumulative Supplement, 2018; to require cities and villages to pay for the cost of appointed counsel for indigent defendants and juveniles in prosecutions of and adjudications for violations of city or village ordinances; to harmonize provisions; and to repeal the original sections.

NOTICE OF COMMITTEE HEARING(S)

Transportation and Telecommunications
Room 1525

Friday, January 24, 2020 12:00 p.m.

Jerome A. Fagerland - State Highway Commission

James W. Hawks - State Highway Commission

Douglas Leafgreen - State Highway Commission

(Signed) Curt Friesen, Chairperson

AMENDMENT(S) - Print in Journal

Senator Wayne filed the following amendment to LB68:

[AM2097](#)

(Amendments to Standing Committee amendments, AM334)

1 1. Strike amendments 1 and 2 and insert the following new amendment:

2 1. Strike the original sections and insert the following new

3 sections:

4 Section 1. Section 19-4021, Revised Statutes Supplement, 2019, is

5 amended to read:

6 19-4021 The mayor, with the approval of the city council, shall

7 appoint a business improvement board consisting of property owners,

8 residents, business operators, or users of space within the business area
9 to be improved. The boundaries of the business area shall be declared by
10 resolution of the city council at or prior to the time of the appointment
11 of the business improvement board. The business improvement board shall
12 make recommendations to the city council for the establishment of a plan
13 or plans for improvements in the business area. If it is found that the
14 improvements to be included in one business area offer benefits that
15 cannot be equitably assessed together under the Business Improvement
16 District Act, more than one business improvement district as part of the
17 same plan for improvements for that business area may be proposed. The
18 business improvement board may make recommendations to the city as to the
19 use of any occupation tax funds collected, and may administer such funds
20 if so directed by the mayor and city council. The business improvement
21 board shall also review and make recommendations to the city regarding
22 changing expansion of the boundaries or the functions or ordinance
23 provisions of the business improvement district under sections 19-4029.02
24 to 19-4029.05.

25 Sec. 2. Section 19-4027, Revised Statutes Supplement, 2019, is
26 amended to read:

1 19-4027 Whenever a hearing is held under section 19-4026 or 19-4029,
2 the city council shall:

3 (1) Hear all protests and receive evidence for or against the
4 proposed action;

5 (2) Rule upon all written protests received prior to the close of
6 the hearing, which ruling shall be final; and

7 (3) Continue the hearing from time to time as the city council may
8 deem necessary.

9 If a special assessment is to be used, proceedings shall terminate
10 if written protest is made prior to the close of the hearing by the
11 record owners of over fifty percent of the assessable units in the
12 proposed business improvement district. If an occupation tax is to be
13 used, proceedings shall terminate if protest is made by users of over
14 fifty percent of the space in the proposed business improvement district.

15 Sec. 3. Section 19-4029.01, Revised Statutes Supplement, 2019, is
16 amended to read:

17 19-4029.01 (1) At least ten days prior to the date of any hearing
18 under sections 19-4026, 19-4029, 19-4029.02, and 19-4029.03, notice of
19 such hearing shall be given by:

20 (a) One publication of the notice of hearing in a legal newspaper in
21 or of general circulation in the city;

22 (b) Mailing a copy of the notice of hearing to each owner of taxable
23 property in the proposed, modified, or expanded business improvement
24 district as shown on the latest tax rolls of the county treasurer for
25 such county;

26 (c) Providing a copy of the notice of hearing to any neighborhood
27 association registered pursuant to subsection (2) of this section in the
28 manner requested by such neighborhood association; and

29 (d) If an occupation tax is to be imposed, mailing a copy of the
30 notice of hearing to each user of space in the proposed, modified, or
31 expanded business improvement district.

1 (2) The notice required by subdivision (1)(c) of this section shall
2 be provided to any neighborhood association which is registered pursuant
3 to this subsection and whose area of representation is located, in whole
4 or in part, within a one-mile radius of the existing or proposed,
5 modified, or expanded boundaries of the business improvement district.

6 Each neighborhood association desiring to receive such notice shall
7 register with the city the area of representation of such association and
8 provide the name of and contact information for the individual designated
9 to receive notice on behalf of such association and the requested manner
10 of service, whether by email or first-class or certified mail. The

11 registration shall be in accordance with any rules and regulations
12 adopted and promulgated by the city.

13 (3) Any notice of hearing for any hearing required by sections
14 19-4026 and section 19-4029 shall contain the following information:

15 (a) A description of the boundaries of the proposed business
16 improvement district;

17 (b) The time and place of a hearing to be held by the city council
18 to consider establishment of the business improvement district;

19 (c) The proposed public facilities and improvements to be made or
20 maintained within any business improvement district; and

21 (d) The proposed or estimated costs for improvements and facilities
22 within the proposed business improvement district and the method by which

23 the revenue shall be raised. If a special assessment is proposed, the
24 notice shall also state the proposed method of assessment.

25 (4) Any notice of hearing for any hearing required by sections

26 19-4029.02 and 19-4029.03 shall contain the following information:

27 (a) A description of the boundaries of the area to be added to or
28 removed from the existing business improvement district and a description
29 of the new boundaries of the modified business improvement district;

30 (b) The time and place of a hearing to be held by the city council
31 to consider establishment of the modified business improvement district;

1 (c) The new public facilities and improvements, if any, to be made
2 or maintained within any business improvement district; and

3 (d) The proposed or estimated costs for new and existing
4 improvements and facilities within the proposed, modified, or expanded

5 business improvement district and the method by which the revenue shall
6 be raised. If a special assessment is proposed, the notice shall also

7 state the proposed method of assessment.

8 Sec. 4. Section 19-4029.02, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 19-4029.02 Upon receiving a the recommendation to change expand the
11 boundaries or the functions or ordinance provisions of an existing

12 business improvement district from the business improvement board, the
13 city council may change expand the boundaries or the functions or

14 ordinance provisions of one or more business improvement districts by

15 adopting an ordinance to that effect expand the boundaries of a district
16 or districts. Prior to adopting the ordinance, a hearing shall be held to

17 consider the ordinance.

18 Sec. 5. Section 19-4029.03, Revised Statutes Cumulative Supplement,
19 2018, is amended to read:

20 19-4029.03 If a ~~In the event that~~ the city council has not acted to

21 call a hearing to change the expand district boundaries or the functions
22 or ordinance provisions of an existing business improvement district as

23 provided in section 19-4029.02, it shall do so when presented with a
24 petition signed (1) by the users of thirty percent of space in a business

25 area proposed to be added to or removed from an existing business
26 improvement district where an occupation tax is imposed, (2) ~~or~~ by the

27 record owners of thirty percent of the assessable front footage in a
28 portion of a business area proposed to be added to or removed from an

29 existing business improvement district, or (3) if the recommendation is
30 to change the functions or ordinance provisions of an existing business

31 improvement district, by the record owners of thirty percent of the
1 existing business improvement district.

2 Sec. 6. Section 19-4029.04, Revised Statutes Supplement, 2019, is
3 amended to read:

4 19-4029.04 Whenever a hearing is held to change the expand business
5 improvement district boundaries or the functions or ordinance provisions

6 of an existing business improvement district under section 19-4029.02 or
7 19-4029.03, the city council shall:

8 (1) Hear all protests and receive evidence for or against the

9 proposed action;

10 (2) Rule upon all written protests received prior to the close of
11 the hearing, which ruling shall be final; and

12 (3) Continue the hearing from time to time as the city council may
13 deem necessary.

14 If a special assessment is to be used, proceedings shall terminate
15 if written protest is made prior to the close of the hearing by the
16 record owners of over fifty percent of the assessable units in the
17 modified business improvement district as proposed. If an occupation tax
18 is to be used, proceedings shall terminate if protest is made by users of
19 over fifty percent of space in the modified business improvement district
20 as proposed.

21 Sec. 7. Section 19-4029.05, Revised Statutes Supplement, 2019, is
22 amended to read:

23 19-4029.05 (1) The city council, following a hearing under section
24 19-4029.02 or 19-4029.03, may ~~change expand~~ the boundaries or the
25 ~~functions or ordinance provisions~~ of any business improvement district or
26 districts. If the city council decides to ~~change expand~~ the boundaries or
27 ~~the functions or ordinance provisions of any business improvement~~
28 ~~district or districts~~, it shall adopt an ordinance to that effect. This
29 ordinance shall contain the following information:

30 (a) (1) The name of the business improvement district whose
31 boundaries, functions, or ordinance provisions will be ~~changed expanded~~;

1 (b) (2) A statement that notice of hearing was given, including the
2 date or dates on which it was given, in accordance with section
3 19-4029.01;

4 (c) (3) The time and place the hearing was held concerning the new
5 boundaries or ~~changed functions or ordinance provisions~~ of the business
6 improvement district;

7 (d) (4) The purposes of the ~~changed boundary, functions, or~~
8 ~~ordinance provisions expansion~~ and any new public improvements and
9 facilities to be included in the business improvement district;

10 (e) (5) The description of the ~~changed new~~ boundaries, functions, or
11 ordinance provisions of the business improvement district;

12 (f) (6) A statement that the businesses and users of space in the
13 modified business improvement district established by the ordinance shall
14 be subject to the general business occupation tax or that the real
15 property in the modified business improvement district will be subject to
16 the special assessment authorized by the Business Improvement District
17 Act;

18 (g) (7) The proposed method of assessment to be imposed within the
19 business improvement district or the initial rate of the occupation tax
20 to be imposed; and

21 (h) (8) Any penalties to be imposed for failure to pay the tax or
22 special assessment.

23 (2) The ordinance shall recite that the method of raising revenue
24 shall be fair and equitable. In the use of a general occupation tax, the
25 tax shall be based primarily on the square footage of the owner's and
26 user's place of business. In the use of a special assessment, the
27 assessment shall be based upon the special benefit to the property within
28 the business improvement district.

29 Sec. 8. Original sections 19-4029.02 and 19-4029.03, Revised
30 Statutes Cumulative Supplement, 2018, and sections 19-4021, 19-4027,
31 19-4029.01, 19-4029.04, and 19-4029.05, Revised Statutes Supplement,
1 2019, are repealed.

Senator Vargas filed the following amendment to [LB477](#):
[AM2098](#)

1 1. Strike the original sections and insert the following new
2 sections:
3 Section 1. Section 77-2716, Revised Statutes Supplement, 2019, is
4 amended to read:
5 77-2716 (1) The following adjustments to federal adjusted gross
6 income or, for corporations and fiduciaries, federal taxable income shall
7 be made for interest or dividends received:
8 (a)(i) There shall be subtracted interest or dividends received by
9 the owner of obligations of the United States and its territories and
10 possessions or of any authority, commission, or instrumentality of the
11 United States to the extent includable in gross income for federal income
12 tax purposes but exempt from state income taxes under the laws of the
13 United States; and
14 (ii) There shall be subtracted interest received by the owner of
15 obligations of the State of Nebraska or its political subdivisions or
16 authorities which are Build America Bonds to the extent includable in
17 gross income for federal income tax purposes;
18 (b) There shall be subtracted that portion of the total dividends
19 and other income received from a regulated investment company which is
20 attributable to obligations described in subdivision (a) of this
21 subsection as reported to the recipient by the regulated investment
22 company;
23 (c) There shall be added interest or dividends received by the owner
24 of obligations of the District of Columbia, other states of the United
25 States, or their political subdivisions, authorities, commissions, or
26 instrumentalities to the extent excluded in the computation of gross
27 income for federal income tax purposes except that such interest or
28 dividends shall not be added if received by a corporation which is a
29 regulated investment company;
30 (d) There shall be added that portion of the total dividends and
31 other income received from a regulated investment company which is
32 attributable to obligations described in subdivision (c) of this
33 subsection and excluded for federal income tax purposes as reported to
34 the recipient by the regulated investment company; and
35 (e)(i) Any amount subtracted under this subsection shall be reduced
36 by any interest on indebtedness incurred to carry the obligations or
37 securities described in this subsection or the investment in the
38 regulated investment company and by any expenses incurred in the
39 production of interest or dividend income described in this subsection to
40 the extent that such expenses, including amortizable bond premiums, are
41 deductible in determining federal taxable income.
42 (ii) Any amount added under this subsection shall be reduced by any
43 expenses incurred in the production of such income to the extent
44 disallowed in the computation of federal taxable income.
45 (2) There shall be allowed a net operating loss derived from or
46 connected with Nebraska sources computed under rules and regulations
47 adopted and promulgated by the Tax Commissioner consistent, to the extent
48 possible under the Nebraska Revenue Act of 1967, with the laws of the
49 United States. For a resident individual, estate, or trust, the net
50 operating loss computed on the federal income tax return shall be
51 adjusted by the modifications contained in this section. For a
52 nonresident individual, estate, or trust or for a partial-year resident
53 individual, the net operating loss computed on the federal return shall
54 be adjusted by the modifications contained in this section and any
55 carryovers or carrybacks shall be limited to the portion of the loss
56 derived from or connected with Nebraska sources.
57 (3) There shall be subtracted from federal adjusted gross income for
58 all taxable years beginning on or after January 1, 1987, the amount of

1 any state income tax refund to the extent such refund was deducted under
2 the Internal Revenue Code, was not allowed in the computation of the tax
3 due under the Nebraska Revenue Act of 1967, and is included in federal
4 adjusted gross income.

5 (4) Federal adjusted gross income, or, for a fiduciary, federal
6 taxable income shall be modified to exclude the portion of the income or
7 loss received from a small business corporation with an election in
8 effect under subchapter S of the Internal Revenue Code or from a limited
9 liability company organized pursuant to the Nebraska Uniform Limited
10 Liability Company Act that is not derived from or connected with Nebraska
11 sources as determined in section 77-2734.01.

12 (5) There shall be subtracted from federal adjusted gross income or,
13 for corporations and fiduciaries, federal taxable income dividends
14 received or deemed to be received from corporations which are not subject
15 to the Internal Revenue Code.

16 (6) There shall be subtracted from federal taxable income a portion
17 of the income earned by a corporation subject to the Internal Revenue
18 Code of 1986 that is actually taxed by a foreign country or one of its
19 political subdivisions at a rate in excess of the maximum federal tax
20 rate for corporations. The taxpayer may make the computation for each
21 foreign country or for groups of foreign countries. The portion of the
22 taxes that may be deducted shall be computed in the following manner:

23 (a) The amount of federal taxable income from operations within a
24 foreign taxing jurisdiction shall be reduced by the amount of taxes
25 actually paid to the foreign jurisdiction that are not deductible solely
26 because the foreign tax credit was elected on the federal income tax
27 return;

28 (b) The amount of after-tax income shall be divided by one minus the
29 maximum tax rate for corporations in the Internal Revenue Code; and

30 (c) The result of the calculation in subdivision (b) of this
31 subsection shall be subtracted from the amount of federal taxable income
1 used in subdivision (a) of this subsection. The result of such
2 calculation, if greater than zero, shall be subtracted from federal
3 taxable income.

4 (7) Federal adjusted gross income shall be modified to exclude any
5 amount repaid by the taxpayer for which a reduction in federal tax is
6 allowed under section 1341(a)(5) of the Internal Revenue Code.

7 (8)(a) Federal adjusted gross income or, for corporations and
8 fiduciaries, federal taxable income shall be reduced, to the extent
9 included, by income from interest, earnings, and state contributions
10 received from the Nebraska educational savings plan trust created in
11 sections 85-1801 to 85-1817 and any account established under the
12 achieving a better life experience program as provided in sections
13 77-1401 to 77-1409.

14 (b) Federal adjusted gross income or, for corporations and
15 fiduciaries, federal taxable income shall be reduced by any contributions
16 as a participant in the Nebraska educational savings plan trust or
17 contributions to an account established under the achieving a better life
18 experience program made for the benefit of a beneficiary as provided in
19 sections 77-1401 to 77-1409, to the extent not deducted for federal
20 income tax purposes, but not to exceed five thousand dollars per married
21 filing separate return or ten thousand dollars for any other return. With
22 respect to a qualified rollover within the meaning of section 529 of the
23 Internal Revenue Code from another state's plan, any interest, earnings,
24 and state contributions received from the other state's educational
25 savings plan which is qualified under section 529 of the code shall
26 qualify for the reduction provided in this subdivision. For contributions
27 by a custodian of a custodial account including rollovers from another
28 custodial account, the reduction shall only apply to funds added to the
29 custodial account after January 1, 2014.

30 (c) Federal adjusted gross income or, for corporations and
31 fiduciaries, federal taxable income shall be increased by:

1 (i) The amount resulting from the cancellation of a participation
2 agreement refunded to the taxpayer as a participant in the Nebraska
3 educational savings plan trust to the extent previously deducted under
4 subdivision (8)(b) of this section; and

5 (ii) The amount of any withdrawals by the owner of an account
6 established under the achieving a better life experience program as
7 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
8 extent previously deducted under subdivision (8)(b) of this section.

9 (9)(a) For income tax returns filed after September 10, 2001, for
10 taxable years beginning or deemed to begin before January 1, 2006, under
11 the Internal Revenue Code of 1986, as amended, federal adjusted gross
12 income or, for corporations and fiduciaries, federal taxable income shall
13 be increased by eighty-five percent of any amount of any federal bonus
14 depreciation received under the federal Job Creation and Worker
15 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
16 under section 168(k) or section 1400L of the Internal Revenue Code of
17 1986, as amended, for assets placed in service after September 10, 2001,
18 and before December 31, 2005.

19 (b) For a partnership, limited liability company, cooperative,
20 including any cooperative exempt from income taxes under section 521 of
21 the Internal Revenue Code of 1986, as amended, limited cooperative
22 association, subchapter S corporation, or joint venture, the increase
23 shall be distributed to the partners, members, shareholders, patrons, or
24 beneficiaries in the same manner as income is distributed for use against
25 their income tax liabilities.

26 (c) For a corporation with a unitary business having activity both
27 inside and outside the state, the increase shall be apportioned to
28 Nebraska in the same manner as income is apportioned to the state by
29 section 77-2734.05.

30 (d) The amount of bonus depreciation added to federal adjusted gross
31 income or, for corporations and fiduciaries, federal taxable income by
1 this subsection shall be subtracted in a later taxable year. Twenty
2 percent of the total amount of bonus depreciation added back by this
3 subsection for tax years beginning or deemed to begin before January 1,
4 2003, under the Internal Revenue Code of 1986, as amended, may be
5 subtracted in the first taxable year beginning or deemed to begin on or
6 after January 1, 2005, under the Internal Revenue Code of 1986, as
7 amended, and twenty percent in each of the next four following taxable
8 years. Twenty percent of the total amount of bonus depreciation added
9 back by this subsection for tax years beginning or deemed to begin on or
10 after January 1, 2003, may be subtracted in the first taxable year
11 beginning or deemed to begin on or after January 1, 2006, under the
12 Internal Revenue Code of 1986, as amended, and twenty percent in each of
13 the next four following taxable years.

14 (10) For taxable years beginning or deemed to begin on or after
15 January 1, 2003, and before January 1, 2006, under the Internal Revenue
16 Code of 1986, as amended, federal adjusted gross income or, for
17 corporations and fiduciaries, federal taxable income shall be increased
18 by the amount of any capital investment that is expensed under section
19 179 of the Internal Revenue Code of 1986, as amended, that is in excess
20 of twenty-five thousand dollars that is allowed under the federal Jobs
21 and Growth Tax Act of 2003. Twenty percent of the total amount of
22 expensing added back by this subsection for tax years beginning or deemed
23 to begin on or after January 1, 2003, may be subtracted in the first
24 taxable year beginning or deemed to begin on or after January 1, 2006,
25 under the Internal Revenue Code of 1986, as amended, and twenty percent
26 in each of the next four following tax years.

27 (11)(a) For taxable years beginning or deemed to begin before

28 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
29 federal adjusted gross income shall be reduced by contributions, up to
30 two thousand dollars per married filing jointly return or one thousand
31 dollars for any other return, and any investment earnings made as a
1 participant in the Nebraska long-term care savings plan under the Long-
2 Term Care Savings Plan Act, to the extent not deducted for federal income
3 tax purposes.

4 (b) For taxable years beginning or deemed to begin before January 1,
5 2018, under the Internal Revenue Code of 1986, as amended, federal
6 adjusted gross income shall be increased by the withdrawals made as a
7 participant in the Nebraska long-term care savings plan under the act by
8 a person who is not a qualified individual or for any reason other than
9 transfer of funds to a spouse, long-term care expenses, long-term care
10 insurance premiums, or death of the participant, including withdrawals
11 made by reason of cancellation of the participation agreement, to the
12 extent previously deducted as a contribution or as investment earnings.

13 (12) There shall be added to federal adjusted gross income for
14 individuals, estates, and trusts any amount taken as a credit for
15 franchise tax paid by a financial institution under sections 77-3801 to
16 77-3807 as allowed by subsection (5) of section 77-2715.07.

17 (13)(a) For taxable years beginning or deemed to begin on or after
18 January 1, 2015, under the Internal Revenue Code of 1986, as amended,
19 federal adjusted gross income shall be reduced by the amount received as
20 benefits under the federal Social Security Act which are included in the
21 federal adjusted gross income if:

22 (i) For taxpayers filing a married filing joint return, federal
23 adjusted gross income is fifty-eight thousand dollars or less; or

24 (ii) For taxpayers filing any other return, federal adjusted gross
25 income is forty-three thousand dollars or less.

26 (b) For taxable years beginning or deemed to begin on or after
27 January 1, 2020, under the Internal Revenue Code of 1986, as amended, the
28 Tax Commissioner shall adjust the dollar amounts provided in subdivisions
29 (13)(a)(i) and (ii) of this section by the same percentage used to adjust
30 individual income tax brackets under subsection (3) of section
31 77-2715.03.

1 (14) For taxable years beginning or deemed to begin on or after
2 January 1, 2015, under the Internal Revenue Code of 1986, as amended, an
3 individual may make a one-time election within two calendar years after
4 the date of his or her retirement from the military to exclude income
5 received as a military retirement benefit by the individual to the extent
6 included in federal adjusted gross income and as provided in this
7 subsection. The individual may elect to exclude forty percent of his or
8 her military retirement benefit income for seven consecutive taxable
9 years beginning with the year in which the election is made or may elect
10 to exclude fifteen percent of his or her military retirement benefit
11 income for all taxable years beginning with the year in which he or she
12 turns sixty-seven years of age. For purposes of this subsection, military
13 retirement benefit means retirement benefits that are periodic payments
14 attributable to service in the uniformed services of the United States
15 for personal services performed by an individual prior to his or her
16 retirement.

17 (15) For taxable years beginning or deemed to begin on or after
18 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
19 federal adjusted gross income shall be reduced by the amount received as
20 a Segal AmeriCorps Education Award, to the extent such amount is included
21 in federal adjusted gross income.

22 Sec. 2. Original section 77-2716, Revised Statutes Supplement,
23 2019, is repealed.

VISITOR(S)

Visitors to the Chamber were Thelma Whitewater and Garan Coons; and Ilene Grossman and Tim Anderson from the Council of State Governments.

The Doctor of the Day was Drs. John Hallgren and Luke Lisherness from Omaha.

MOTION - Adjournment

Senator Slama moved to adjourn until 9:00 a.m., Wednesday, January 15, 2020.

Senator Cavanaugh requested a roll call vote on the motion to adjourn.

The Slama motion to adjourn prevailed with 28 ayes, 11 nays, 7 present and not voting, and 3 excused and not voting, and at 4:13 p.m., the Legislature adjourned until 9:00 a.m., Wednesday, January 15, 2020.

Patrick J. O'Donnell
Clerk of the Legislature