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FOLEY: Thank you, Senator Williams. I call to order the twenty-second day of the One Hundred Sixth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

FOLEY: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: No corrections.

FOLEY: Thank you, sir. Are there any messages, reports, or announcements?

CLERK: Mr. President, your Committee on Business and Labor gives notice of hearing, those signed by Senator Hansen as Chair. I have the report of registered lobbyists for this week to be inserted in the Legislative Journal. Series of reports received on file on the legislative website. They're available there for member review. Mr. President, the Transportation Committee will have a Executive Session today at 9:30 in Room 2022. Transportation, 9:30 in Room 2022. And that's all that I have.

FOLEY: Thank you, Mr. Clerk. Mr. Speaker, did you want to be recognized at this time or did you want to wait until later?

SCHEER: Thank you, colleagues. Thank you, Mr. President. It's Friday morning, so I will give you our little update. You will be receiving a memo from me outlining the deadlines for the priority bill designations and the procedures to follow. The deadline to provide a letter requesting me to select a bill as a 2019 speaker priority bill is prior to adjournment on March 14. I will only consider the bills for speaker priority for bills which I have received a letter for request from the principal introducer. So, please don't send me a note saying that you like somebody else's bill and you'd like to see it prioritized. It has to be from the introducer. The deadline for each senator and the committee to designate their priority bills is adjournment on Tuesday, March 19. And as

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I'm telling you this, please remember that we will still be in half-day session at that point in time, so adjournment will be approximately noon. So do not believe that you have until five o'clock or close of day. It is as an adjournment on that day. The process to designate involves your staff hand-delivering the original letter to my office and a copy of the letter needs to be hand-delivered to the Clerk's Office. If a senator committee-- if a senator or committee designates a bill for which the senator or the chair is not the principal introducer, you'll need to get the signature of the principal introducer on your designation letter. The memo will provide you with a much-more detailed information, so please have you and your staff read it carefully so that there are no surprises at a later date. The morning following the designation of senator and committee bills, Wednesday, March 20, I will announce my speaker priority bills. Also I would be continuing the speaker's procedure of not allowing speaker priority bills to be used as a vehicle for other bills. So do not request a bill to be a speaker priority with the assumption that you will be able to later use it to amend another bill into it. The memo provides more information about how I will implement this procedure, but please again, read it carefully. As we've had in the practice since 2005, our legislative past speakers, the scheduling and order of the priority bills will be at my discretion. It will not necessarily be on a first-in, first-heard basis. I try to work those from a time perspective and try to make sure that we have an amount of time between the larger bills that allow us to get back into a debating mode. So if there is any questions, again, I'm fully available at any time or you can contact either my staff members. And have a great weekend. Thank you.

FOLEY: Thank you, Mr. Speaker. We'll move right to the agenda. General File. Mr. Clerk.

CLERK: Mr. President, LB200, a bill by Senator Wishart. (Read title.) The bill was introduced on January 11, referred to Health and Human Services, advanced to General File. There are committee amendments, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Wishart, you're recognized to open on LB200.

WISHART: Thank you, Mr. President. Good morning, colleagues. I'm here today to introduce LB200, a bill that will ensure that essential drug and alcohol treatment programs are able to continue to perform their important mission. Since 1983, the Bridge Behavioral Health, which is located in the District 27 in the historic Haymarket, has provided civil protective custody

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services to Lincoln and Lancaster County offering a place where police officers can take people who have become a danger to themselves or others because of extreme intoxication due to alcohol or drugs. Last year, the Bridge received a letter from the Department of Health and Human Services indicating that licensure for the Bridge and other similar programs may be in jeopardy because of the use of locked rooms to secure individuals placed into civil protective custody. As I understand it, this issue arose from a new interpretation of old regulations. In response, 19 local elected and appointed officials sent a letter to Governor Pete Ricketts strongly supporting the CPC program as operated by the Bridge and expressing concerns about the threat to the program's license. LB200 was heard by the Health and Human Services Committee on January 24th. The committee heard from experts who have been on the front line of this issue and provided in-depth testimony on the program, the issue in how this legislation ensures that those needing the services of the Bridge Behavioral Health will continue to get the services that are needed. While ultimately there was a resolution that allowed for the Bridge to maintain its licensure temporarily, this legislation, if enacted, would ensure the Bridge and similar facilities keep their license moving forward. LB200 was advanced with a technical amendment unanimously by the Health and Human Services Committee and has no fiscal impact. Thank you for your time and I'd be happy to answer any questions.

FOLEY: Thank you, Senator Wishart. As the Clerk indicated, there are amendments from the Health Committee. Senator Howard, you're recognized to open on the committee amendments.

HOWARD: Thank you, Mr. President. As Senator Wishart noted, AM90 to LB200 is a technical amendment. It makes technical and clarifying changes and these changes were made at the request of the Department of Health and Human Services. AM90 strikes each occurrence of alcoholism center and replaces it with mental health substance use treatment center, which is a language change, a terminology change that we as a body made last year. It aligns with current statute and it keeps us consistent with existing law. It also inserts a new subsection A that cross references the meaning of mental health substance use treatment center that's found in Section 71-423. That's on page 3 after line 11 in the bill. AM90 was adopted unanimously by the committee and I would urge its adoption today on the floor. Thank you, Mr. President.

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FOLEY: Thank you, Senator Howard. (Visitors introduced.) Debate is now open on LB200 and the pending committee amendment. Seeing no members wishing to speak, Senator Howard you're recognized to close on the committee amendments. She waives closing. The question for the body is the adoption of AM90, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all vote voted who care to? Record, please.

CLERK: 41 ayes, 0 nays on adoption of committee amendments.

FOLEY: AM90, committee amendment is adopted. Is there any discussion on LB200 as amended? I do not see any. Senator Wishart, you're recognized to close. She waives closing. The question for the body is the advance of LB200 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 40 ayes, 0 nays on the advancement of LB200.

FOLEY: LB200 advances. (Doctor of the day introduced.) Next bill, Mr. Clerk.

CLERK: LB307 offered by Senator Albrecht. (Title read.) Introduced on January 15, referred to Natural Resources, advanced to General File. I have no amendments to the bill, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Albrecht, you're recognized to open on LB307.

ALBRECHT: Thank you, President Foley. Good morning, colleagues and Nebraska. I introduced LB307 on behalf of the Department of Environmental Quality and the bill passed out of the Natural Resources Committee unanimously with no opposition through testimony. The Department of Environmental Quality administers the Wastewater Treatment Facilities Construction Loan Fund and the Drinking Water Facilities Loan Fund, also known as the State Revolving Fund Program. These programs provide below-market interest loans, grants and loan forgiveness to eligible Nebraska communities developing projects to address current and future drinking water and wastewater infrastructure needs. The money in the State Revolving Fund comes from the federal grants and interest in administrative fees paid on loans. No General Fund dollars are used. LB307 updates State Revolving Fund statutes to be consistent with federal law

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that allows states additionally flexibility to administer the State Revolving Fund Programs. In accordance with federal law, the bill strikes an obsolete sunset date in the Drinking Water State Revolving Fund Act to update the department's authority to transfer funds between the two loan programs so that they could be used for projects in communities where the need and demand is the greatest. The Department of Environmental Quality anticipates high demand in wastewater infrastructure projects, while Drinking Water SRF demands have not used all their available federal funds. This change to match the federal flexibility will ensure that the available federal funds are efficiently used to meet as many needs as possible with as much below-market financing as we can make available. Likewise, money can be moved from the Drinking Water State Revolving Fund for future projects if more demand arises. LB307 adds new language requiring that any intent to transfer funds will be included in the Intended Use Plan. Prepared annually by the DEQ, the Intended Use Plan is a document that outlines the funding that is available in how the funds are planned on being used. The Intended Use Plan is presented to the Environmental Quality Control Council for review and approval each year. The final change that we are proposing in LB307 is to adjust the loan term for drinking water loans to match federal language. Current statute language only allows a maximum of 20-year loan terms for communities and 30-year loan terms for disadvantaged communities. LB307 extends the loan terms to 30 and 40 years, respectively. Colleagues, please support LB307 and advance this bill to Select File. Thank you.

FOLEY: Thank you, Senator Albrecht. Is there any discussion on LB307? I do not see any members wishing to speak, Senator Albrecht, you're recognized to close on LB307. She waives closing. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 37 ayes, 0 nays on the advancement of LB307.

FOLEY: Thank you, Mr. Clerk. Next bill, Mr. Clerk.

CLERK: Mr. President, LB256 is by Senator Arch. (Read title.) Introduced on January 14, referred to the Education Committee, advanced to General File. I have no amendments to the bill at this time, Mr. President.

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FOLEY: Thank you, Mr. Clerk. Senator Arch, you're recognized to open on LB256.

ARCH: Thank you, Mr. President. Good morning, colleagues. LB256, I believe, is a very simple piece of legislation and it authorizes a Community College Board of Governors to allow its members to participate in any hospitalization, medical, surgical, accident, sickness or term life insurance coverage offered to employees of such community college. Participation in an insurance plan requires the board member to pay both the employer and employee portion of the premium. Extending this option costs the taxpayers nothing. The bill has no fiscal note. It is much like the option we have as state senators to participate in the insurance plans offered to state employees. We have that choice, but it is at our own expense. As I mentioned at the hearing, this makes much sense. I was surprised it wasn't already in statute. The University of Nebraska Board of Regents policy allows both its current and former members to participate in the university group insurance plan at their own expense. In 2008, the Legislature passed a bill authorizing the governing boards of school districts, ESUs, and learning communities to allow their members to participate in those organizations' insurance plans at their own expense. At the hearing, Senator Groene, you asked if very many people took advantage of this. I contacted my ESU, ESU 3, and this is the information I was given. Two board members purchased the group life. One purchases vision insurance, and one member purchases both dental insurance and group life. I also contacted my local school district and was told none of the current school board members opt for these benefits. However, the administrator I spoke to did offer that she had worked in western Nebraska and said the availability of benefits was a draw to get people to run for the school board. Anyway, I hope that answers your question. This bill is not a mandate. It merely authorizes a Community College Board of Governors to allow its members to participate if it so chooses. Further, it is up to individual board members to determine if he or she wants to pay the premium to be part of the plan. LB256 was heard by the Education Committee on January 29 and advanced unanimously without any committee amendments or a fiscal note. I ask that you move the bill on to Select. Thank you very much.

FOLEY: Thank you, Senator Arch. Is there any discussion on LB256? Senator Erdman.

ERDMAN: Thank you, President Foley. Good morning, Lisco. Senator Arch, I appreciate what you're doing there. For many years I served on the school board and the school board at that time

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that I was serving on was getting health insurance provided by the district. And when we look up the statute, the statute said that we weren't eligible to do that. And so if I understand your bill correctly, you are striking that part of the statute and making it eligible for them to do that. Is that correct? This statute 15-809 or 805, whatever it was? Sorry, I should ask if he would answer a question. I'm sorry about that.

ARCH: Yeah, I'll try to answer it.

FOLEY: Senator Arch, will you yield?

ARCH: Yes, certainly. My understanding is there is no striking of any part of that statute. This is allowing members to participate as it reads in Section 2 of that bill.

ERDMAN: Okay. In the committee statement under Section 2 it said repeals the original Nebraska statute 85-1509. And I went and read that 85-1509 and that's where it prohibited us as board members from getting that insurance.

ARCH: Then I stand corrected. You are correct, Senator.

ERDMAN: I think that's what it does. I would throw my support to this bill. I appreciate him bringing that. I think that the hours that I put in as a school board member were quite extensive at sometimes and there was no compensation at all. And I would have liked to have joined that health plan, but I was not allowed to because of the statute, so I appreciate your efforts on this. Thank you.

ARCH: Thank you.

FOLEY: Thank you, Senators Erdman and Arch. Further discussion? I see none, Senator Arch, you're recognized to close on LB256. He waives closing. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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CLERK: 42 ayes, 0 nays on the advancement of LB256.

FOLEY: LB256 advances. Next bill, Mr. Clerk.

CLERK: Mr. President, LB111 is a bill by Senator Howard relating to certificates of title. (Read title.) Introduced on January 10, referred to Transportation Committee. That bill was reported to General File. I have no amendments to the bill, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Howard, you're recognized to open on LB111.

HOWARD: Thank you, Mr. President. This bill makes a simply and important change to our statute regarding who is allowed to obtain a certificate of title on behalf of their spouse. Currently, the statute does not allow many forms that are used by the state, including the Department of Motor Vehicles, to reflect current law regarding marriage. LB111 amends statutes regarding obtaining a certificate of title to use the words "married couple" instead of "husband and wife", as it is now. So I had a constituent, his name is mark, and he and his husband, Jay, were sort of starting to do some estate planning and they had-- they have three cars and they use one exclusively for gardening. They like to fix up their gardens quite a bit and so they have this like 1990 Mazda truck that they use to go pick up mulch. It's just kind of a grungier vehicle, but it turned out that it was only in Jay's name. And so Mark went down to the DMV to go get his name put on the certificate of title should anything happen to Jay and was informed that our statutes only allow for a husband and wife to get a title for each other. And so this would just changed the statute to say married couples and reflect that change. So I would urge its adoption by the body. Thank you, Mr. President.

FOLEY: Thank you, Senator Howard. Is there any discussion on LB111? Seeing no members wishing to speak, Senator Howard, you're recognized to close on the advance of the bill.

HOWARD: Thank you, Mr. President. I would just say that this would mean quite a bit to my constituent, Mark Shively. I know he's watching today. And so he was very excited to come testify. The Transportation Committee was wonderful to him. Thank you to Chairman Friesen for that. And with that, I would urge your green vote on LB111. Thank you, Mr. President.



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FOLEY: Thank you, Senator Howard. Members, the question for the body is the advance of LB111 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 32 ayes, 1 nay, Mr. President, on the adoption-- or excuse me, on the advancement of LB111.

FOLEY: LB111 advances. Proceeding to LB192. Mr. Clerk.

CLERK: LB192, a bill by Senator McCollister relates to motor vehicles. (Read title.) Introduced on January 11 of this year, referred to the Transportation Committee. The bill was advanced to General File. I do have an amendment to the bill, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator McCollister, you're recognized to open on LB192.

McCOLLISTER: Thank you, Mr. President. Good morning, colleagues. LB192 is being offered at the request of the Nebraska Reserves and National Guard members who asked that their home state allow them to be recognized for service in their country -- or to their country. Currently, a veteran designation may only appear on an operator's license or state identification card of individuals who served on active duty in the Armed Services in the United States other than active duty for training and were discharged with a characterization of honorable or general under honorable conditions. Under LB192, references in statute to the notation of the veteran on operator's license would be changed to veteran designation. Those eligible for veteran designation would be changed to individuals who have been discharged or otherwise separated with the characterization of honorable or general under honorable conditions from the U.S. Army or Army Reserve, U.S. Navy or Navy Reserve, U.S. Marine Corps or Marine Corps Reserve, U.S. Coast Guard or Coast Guard Reserve, U.S. Air Force or Air Force Reserve, or National Guard. Individuals who were commissioned as officers in the U.S. Public Health Service where the oceanic and atmospheric administration were detailed to any branch of the Armed Services on active duty from which they were discharged with the characterization of honorable or general under honorable conditions would also be eligible to have one of the designations provided for this bill. The language also appears-- the language that appears on

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page 15, lines 15 through 19, would make it clear the eligibility standards provided in LB192 would only be used to determine the eligibility for placement of the veteran designation on an operator's license and state identification cards and not to determine veteran status for any other purpose. The fiscal note shows no General Fund impact from LB192. The one-time cash fund impact for modifications to the driver's license system is minimal. To accommodate the administrative needs of the Department of Motor Vehicles, LB192 includes an operative date of January 1, 2020. However, the department provided technical comments about the need to extend that date to accommodate a production change for the operator's licenses and state I.D. cards as currently underway. We appreciate the department's courtesy and support the committee's need to adjust the operative date that appears in LB192 as introduced. LB192 was introduced on a clean vote by the Transportation and Telecommunications Committee and I ask that the bill be advanced to Select File in the same manner. Thank you.

FOLEY: Thank you, Senator McCollister. Mr. Clerk.

CLERK: Mr. President, I do have an amendment to the bill. But let me, before we go to that, indicate that the Transportation Committee will hold an Executive Session in a bit. Not right now as I previously announced. Mr. President, Senator Friesen would move to amend with AM213.

FOLEY: Senator Friesen, you're recognized to open on AM213.

FRIESEN: Thank you, Mr. President. The amendment, basically all it does is changes the operational date in order for the department to meet their different contracts they have with the licenses, so all we're doing is moving the date back. On page 15, line 20, it will strike 2020 and insert the year 2021. And I urge you to adopt this amendment. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Is there any discussion on LB192 and the pending amendment? I see no discussion. Senator Friesen, you're recognized to close on your amendment. He waives closing. The question for the body is the adoption of AM213. All those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 37 ayes, 0 nays on adoption of Senator Friesen's amendment.

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FOLEY: AM213 is adopted. Debate is now open on LB192 as amended. Senator Lathrop.

LATHROP: Thank you, Mr. President, and colleagues. I just have brief remarks. I support LB192 and I want to thank Senator McCollister for introducing this and the Transportation Committee for putting it out. When I was campaigning and going door to door, I ran into a guy in my district named Merwyn Pearson and he is a Reservist and asked me about this specific problem. And honestly, they felt like they deserved this honor and I agree. I intended to put a bill in and I found that Senator McCollister had. So I think this is a great way to recognize our Reservists and to honor their service to our state and our country, and I support LB192. Thank you.

FOLEY: Thank you, Senator Lathrop. Further discussion? I see none. Senator McCollister, you're recognized to close on the advance of your bill. He waives closing. The question for the body is advance of LB192 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who had care to? Record, please.

CLERK: 36 ayes, 0 nays, Mr. President, on the advancement of LB192.

FOLEY: LB192 advances. Proceeding to LB192A.

CLERK: LB192A is a bill by Senator McCollister. It appropriates funds to implement the provision of LB192.

FOLEY: Senator McCollister, you're recognized to do open on LB192A.

McCOLLISTER: Thank you, Mr. President. Good morning again, colleagues. LB192A would appropriate 55,000 from the Department of Motor Vehicle's Cash Fund to carry out the provisions of LB192. This is a one-time appropriation for increased computer programming expenditures. It would pay for changes that are needed in the driver's license insurance system in order to generate the two new designations. I ask the body for a green vote to advance LB192 to Select File-- LB192A to Select File.

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FOLEY: Thank you, Senator McCollister. Is there any discussion on LB192A? I do not see any. Senator McCollister, you're recognized to close and advance the bill. He waives closing. The question for the body is advance of LB192A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 37 ayes, 0 nays, Mr. President, on the advance of LB192A.

FOLEY: LB192A advances. Proceeding to LB80. Mr. Clerk.

CLERK: Mr. President, LB80 is a bill by Senator Friesen. (Read title.) Introduced on January 10, referred to the Transportation Committee. The bill was advanced to General File. There are committee amendments pending.

FOLEY: Thank you, Mr. Clerk. Senator Friesen, you're recognized to open on LB80.

FRIESEN: Thank you, Mr. President. And members of the Legislature, LB80 is a bill that creates an easier process for county sheriffs to inspect motor vehicle titles before vehicles can be registered. The inspection requirement applies only to vehicles that come to Nebraska from out of state. The bill was unanimously advanced to General File by the committee. There are two important points to this bill. First, in this process is voluntary for the county sheriff in his or her county of jurisdiction. And second, the system would apply only to franchise dealers and the vehicles to be inspected would have to be in the dealer's inventory and located at the dealer's property in the county where the inspection would be conducted. Instead of requiring a physical inspection of the vehicle by the sheriff, the sheriff could initiate a process where the franchisee would pay the inspection fee, provide documents of evidence of transfer and vehicle information. The vehicle information would include the make, model, VIN, odometer reading and photograph or digital image of the vehicle. The sheriff could conduct inspection using those documents and issue a statement required in statute that the inspection was completed. If the information was incomplete, or the sheriff believed further inspection was necessary, the sheriff would inform the dealer and if the dealer knowingly provided false or inaccurate information, the dealer would be liable for damages. The dealer would be required to keep records of those transactions for five

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years and we do have a committee amendment that makes minor changes that I'll explain later. I hope you'll advance this bill to Select File. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. As the Clerk indicated, there are amendments from the Transportation Committee. Did you need additional time, Senator, to discuss the Transportation amendments?

FRIESEN: Yes.

FOLEY: Please proceed.

FRIESEN: The amendment as it's stated, it is a committee amendment to kind of clarify LB80, and the amendment would allow county sheriffs to demand more than one photograph or digital image so they could include multiple photographs from the franchise dealer of that vehicle to be titled and I urge you to adopt this amendment. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Debate is now open on LB80 and the pending committee amendments. I see no members wishing to speak, Senator Friesen, you're recognized to close on the committee amendment. The question for the body is the adoption. He waives closing. The question for the body is the adoption of AM72, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 33 ayes, 0 nays, Mr. President, on the adoption of committee amendments.

FOLEY: The committee amendment is adopted. Is there any further discussion on LB80 as amended? I see no further discussion. Senator Friesen, you're recognized to close on the advance of the bill. He waives closing. The question for the body is the advance of LB80 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 35 ayes, 0 nays on the advancement of LB80.

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FOLEY: LB80 advances. Proceeding to LB81.

CLERK: LB81 was a bill introduced by Senator Friesen. (Read title.) Introduced on January 10, referred to the Transportation Committee, advanced to General File. There are committee amendments pending, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Friesen, you're recognized to open on LB81.

FRIESEN: Thank you, Mr. President, and members of the Legislature. LB81 is a bill I introduced to provide greater safety for railroad workers. Earlier this summer, one of my constituents contacted me about some concerns he had. He told me that the Nebraska Rules of the Road needed to be amended because although they required vehicles to yield the right of way to trains, the law did not necessarily require those vehicles to stop for train-like equipment that travels on the rails. So we researched his concern and drafted what became LB81. And we defined on-track equipment as any railroad locomotive or any other car, rolling stock, equipment, or other device operated upon stationary rails, either alone or coupled to other railroad locomotives, cars, rolling stock, equipment or devices. We amend the Rules of the Road to provide that a motor vehicle stop and yield to all on-track equipment. Other provisions we amend to incorporate these new requirements are the general provisions requiring stops at railroad crossings and specific provisions that relate to school buses, placarded vehicles and slow moving vehicles. I hope you will support LB81 and we do have a committee amendment. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. As the Clerk indicated, there are amendments from the Transportation Committee. Senator Friesen, you're recognized to open on the committee amendment.

FRIESEN: The committee amendment has two additional requirements relating to drivers required to stop before crossing a railroad track. The first requirement is that there is a stop sign present, and the second requirement is that there is a passive warning device located at the crossing and an approaching train or on-track equipment is audible or plainly visible and in hazardous proximity to the crossing. The federal definition of passive warning device is

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incorporated into the new language, so I ask that you add this committee amendment. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Debate is now open on LB81 and the pending committee amendment. I see no discussion to the amendment, Senator Friesen, you're recognized to close on the advance. He waives closing. The question for the body is the adoption of AM73, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 41 ayes, 0 nays on the adoption of committee amendments.

FOLEY: The committee amendment is adopted. Is there any further discussion on LB81 as amended? Seeing no members wishing to speak, Senator Friesen, you're recognized to close.

FRIESEN: Thank you, Mr. President. Again, this bill just makes the definition that railroad repair equipment would be considered the same as a train when it comes to stopping at railroad crossings on our Rules of the Road, so I ask that you please advance this. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Members, you heard the discussion on LB81. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 40 ayes, 0 nays, Mr. President, on the advancement of LB81.

FOLEY: LB81 advances. Items for the record, Mr. Clerk.

CLERK: Thank you, Mr. President. Senator Geist offers new resolution, LR21, that will be laid over. Natural Resources offers a confirmation report. That's signed by Senator Hughes. Enrollment and Review reports LB301, LB359, LB306 to Select File. Senator Hilgers would like to print an amendment to LB616. General Affairs, a confirmation report from the -- I'm sorry, confirmation report from the General Affairs Committee and General Affairs would report

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LB203, LB235 and LB624 to General File. Those reports signed by Senator Briese. Mr. President, the Transportation Committee will meet now in Executive Session, Room 2022. Transportation in 2022 immediately. That's all that I have.

FOLEY: Thank you, Mr. Clerk. Proceeding to the next bill, LB214.

CLERK: LB214 is a bill introduced by Senator La Grone. (Read title.) Introduced on January 11, referred to the Government Committee, advanced to General File. I have no amendments to the bill, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator La Grone, you're welcome to open on LB214.

LA GRONE: Thank you, Mr. President. LB214 is a bill to cede all criminal and civil jurisdiction in five tract of land within the fence line at Offutt Air Force Base to the federal government. On the Base there are currently two types of jurisdiction, proprietary and exclusive. Proprietary jurisdiction is when the federal government has ownership of the land but has not taken over the state's obligations for law enforcement. Exclusive jurisdiction is when land is owned by the federal government and they have taken over all law enforcement responsibilities on that land. All land within the fence line at Offutt already falls into the exclusive jurisdiction, except for these five tracts of land that the bill deals with. These tracts include the Kenney Gate, and one of the two main gates, a small portion of the second gate, the STRATCOM gate, and a portion of the Base dormitories. On these five tracts of land where there is proprietary jurisdiction, only civilian authorities, rather than military security, is able to respond to incidents. This causes responsibility of the Air Force and local law enforcement to become blurred, negatively impacting emergency response and post-incident prosecutions especially concerning the dormitories where the outdated jurisdictional boundaries split different dormitory facilities. Although the Air Force security patrols the dormitories, when crimes occur within the areas of proprietary jurisdiction, local law enforcement is required to be called out to respond. Therefore, the bill gives the federal government jurisdiction to deal with its issues on its land. And I also did just want to note a couple of things quickly. One, the mention on the fiscal note on the property tax issue, there is no property tax impact since the federal government owns this land already. And then second, I think it's so important to do what we can to make sure that Offutt has what it



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needs. It's such an important part of our state and our economy with this multibillion dollar a year impact. I think this bill really goes to show how much we care about that community and how important that Base is to us. So with that, I would urge your green vote on LB214.

FOLEY: Thank you, Senator La Grone. Debate is now open on the bill. Senator Wayne.

WAYNE: Thank you. Would Senator La Grone yield to some questions?

FOLEY: Senator La Grone, would you yield, please?

LA GRONE: Absolutely.

WAYNE: What approximately-- how many square footage exactly are we talking about inside this area?

LA GRONE: I don't know the square footage, but it's roughly 80 acres.

WAYNE: 80 acres. And where did you get that measurement from?

LA GRONE: That came from DAS.

WAYNE: And did you physically drive by there and check out this location to make sure it was actually inside the area?

LA GRONE: I did not physically drive by there, but Sarpy County assessor confirmed the tract of land in the bill.

WAYNE: So who all did you bring together to talk through and make sure that this was a good bill?

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LA GRONE: So this bill was requested by the U.S. Air Force and the legwork beforehand to ensure that these tracts of land within the Base were the correct ones, that were dealing with was done before the session.

WAYNE: So if there was a fire, walk me through kind of how that would work and how it works today versus how it works underneath your bill.

LA GRONE: So a fire might be a different situation because we're dealing specifically-- I'm not familiar enough with how fire emergency operations work to be able to answer that question. But if we change the hypothetical slightly to, let's say a criminal law violation.

WAYNE: Well, I'm not asking about a fire.

LA GRONE: Okay.

WAYNE: But, okay, we'll go with your hypothetical.

LA GRONE: Okay. So let's say that there's a crime committed. The Air Force security could mildly address the situation, make sure it didn't bleed over, but civilian law enforcement authorities would need to come out to be able to respond to the actual incident.

WAYNE: Okay. So what would happen if there was an earthquake?

LA GRONE: Again, I'm not familiar enough with -- so I can't imagine that you would have really much of a fault difference between these 80 acres and the rest of the Air Force Base--

WAYNE: Okay.

LA GRONE: --if there's an earthquake.

WAYNE: And if there was a tornado or a tsunami?

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LA GRONE: I don't think the Missouri gets that high, Senator Wayne, but playing that out, again, I think if it did, it would impact the entire Base, not just these 80 acres. So I would imagine that there would be a joint response of some sort.

WAYNE: And I just want to make clear for the record because of your predecessor, this bill has nothing to do with voter I.D.?

LA GRONE: No, Senator Wayne, this bill has nothing to do with voter I.D.

WAYNE: Thank you.

FOLEY: Thank you, Senators Wayne and La Grone. Senator Erdman.

ERDMAN: Thank you, President Foley. Senator Wayne, I appreciate your questioning of Senator La Grone, but I guess my answer would be if there is an earthquake, I think the ground would shake there. That would be the answer. Thank you.

FOLEY: Thank you, Senator Erdman. I see no further discussion, Senator La Grone, you're recognized to close on the advance of the bill. He waives closing. The question for the body is the advance of LB214. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 37 ayes, 0 nays, Mr. President, on the advancement of LB214.

FOLEY: LB214 advances. Proceeding to LB52. Mr. Clerk.

CLERK: Mr. President, LB52 is a bill by Senator Stinner relating to the state government. (Read title) Introduced on January 10 of this year, at that time referred to the Government, Military and Veterans Affairs Committee. There are committee amendments pending, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB52.

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STINNER: Thank you, Mr. President. Members of the Legislature, the intent of LB52 is to clarify the definitions of public and special purpose funds and to establish an enforcement mechanism to accomplish state accounting standards. LB52 requires state agencies to remit public and special purpose funds as defined under the bill to the state treasurer to enter those funds into the state accounting system. Failure to comply with the provisions of LB52 would result in the withholding of up to 10 percent of Appropriations. I will note, LB52 specifically excludes pensions interest funds. Trust funds would mean all funds pledged for the payment of bonds and all accounts held by a trustee related to a bond issue, a lease financing or other similar financing. Back in October, I called a special hearing to the Appropriations Committee to examine the state auditor's report published in August 14 of last year concerning the state treasurer at that time, Don Stenberg. In that report, a number of practices related to the Nebraska Education Savings Trust, or NEST, were revealed, which showed that the use of a bank account outside the state accounting system. In addition, certain requirements under state law were circumvented which provide for the investment of excess funds by the state investment officer. The outside bank account was first opened with First National Bank of Omaha in 2010 by then, treasurer Shane Osborn, and a management plan was agreed upon. Revenues from the administration fees were deposited into this account and ultimately totaled \$2.6 million at the end of 2017. These funds should have been maintained under the state accounting system. I want to point out the maintenance of funds under the state accounting system by the state agencies is important for a number of reasons. One, the funds in question were set up by statute. Two, it allows for budgetary reporting and spending controls under the oversight of the budget office, the Appropriations Committee, and the Fiscal Office's review process to ensure the funds are in compliance with the current law. Three, provides an investment of excess funds into the state with the state investment officer, and four, it is the duty of the state's treasurer to properly collateralize these funds. And what that means is there are pledging requirements over and above the FDIC limit of 250,000, so therefore, the treasurer has to maintain that pledging. However, due to these funds being operated outside the state accounting system, is estimated the state lost roughly \$52,000 in one year alone. There is also committee amendments for your consideration, AM120, which Senator Brewer will elaborate on. There are a couple of clarifications on the definition of trust funds and the use of three separate funds under the NEST accounts. I would just like to reiterate that responsible stewardship of state funds includes operating those funds under the state accounting system and investment with the state investment officer. However,

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without enforcement mechanism in place, there are a number of issues that result from a few actors violating the state accounting standards. I do want to also bring up the fact, LB151, which was passed last year, was the Auditor's Post Corrective Action Act and what that did was to task the Appropriations Committee to follow up on management letter items to ensure that there was appropriate follow-up and certainly compliance with the regulations and the exceptions. I don't mean to just point out the NEST account, but there was also a report issued back in October 9 of 2018, the Nebraska Board of Education Land Funds, \$2.2 million was not recorded on the books of the state. That's all part of our budget process on the Appropriations side. I certainly would encourage you to vote green on this proposal. Thank you.

FOLEY: Thank you, Senator Stinner. As the Clerk indicated, there are amendments from the Government, Military and Veterans Affairs Committee. Senator Brewer, as Chair the committee, you're recognized to open on the committee amendment.

BREWER: Thank you, Mr. President. AM120 is a committee amendment that makes a few technical changes that should help make the bill work as intended and promotes responsible stewardship of the public funds. I would ask for your support on both LB52 and AM120.

FOLEY: Were you finished, Senator Brewer?

BREWER: Yes, sir.

FOLEY: Thank you, Senator Brewer. Debate is now open on LB52 and the pending committee amendment. Senator La Grone.

LA GRONE: Thank you, Mr. President. I just want to go a little more in depth on why the amendment is necessary and a little bit of background on the situation. First, I really want to thank Senator Stinner for addressing an issue that has been around since the 1930s about what is the definition of a public fund versus something that's not a public fund. So I think it's really good that we're finally getting this into statute. But a little background of why the amendment is needed. So the reason that treasurer Osborn opened the account originally, because there was some concern in the 529 statute that the Legislature might take this money for other purposes.

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And there's a couple problems that that would cause as laid out by the Attorney General's opinion. Number one, there is an arguable taking issue. That means that, are we giving these folks just compensation for the money they're providing if we use those dollars on something other than providing the services which they're paid for? And that's arguable because really it's a denominator issue in taking. Is it a 100 percent taking of the dollars that were not used for it, or is it only a partial taking in the sense of they still were provided some services? The second issue is a much bigger issue and that is a violation of federal securities law. So as the Attorney General laid out, it is unlawful for any person in this case, the state treasurer, directly or indirectly, to use any means or instrumentality of interstate commerce, or of the mails of any facility, of any national securities exchange, basically to make an untrue statement when selling a security. And the participation agreement for the 529 account lays out the state administration fee is only used to administer, market, and distribute the plan. Therefore, if the Legislature were to take those funds and use them for something else, it would be a violation of federal securities law as laid out in the Attorney General's opinion, and that's a problem for a few reasons. Number one, we obviously don't want to violate federal law. But number two, it could open the state treasurer up to a \$10,000 fine and a possible five-year criminal penalty. And it lays out specifically in the federal statutes that states are not immune from violations of this provision. They're specifically included in the definition of person under the securities act. So with that, that's more on why the amendment is needed, and I really want to thank Senator Stinner for being willing to work on this language. And with that, I would urge your adoption of AM120 and advancement of the bill.

FOLEY: Thank you, Senator La Grone. Is there any further discussion on the committee amendment or bill? Seeing no members wishing to speak, Senator Brewer, you're recognized to close on the advance of the-- he waives closing. The question for the body is the adoption of AM120, Government Committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 38 ayes, 0 nays on the motion to adopt the amendment.

FOLEY: AM120, committee amendment is adopted. Is there any further discussion on the bill? I see no one wishing to speak. Senator Stinner, you're recognized to close. He waives closing. The

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question for the body is the advance of LB52 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 0 nays on the motion to advance to E&R.

FOLEY: LB52 advances. Proceeding now to LB152.

ASSISTANT CLERK: Mr. President, LB152 introduced by Senator Brewer. (Read title.) The bill was read for the first time on January 11 of this year. It was referred to the Government, Military and Veteran Affairs Committee. That committee placed the bill on General File with committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Brewer, you're recognized to open on LB152.

BREWER: Thank you, Mr. President. Good morning, colleagues. LB152 was introduced last session, advanced to General File under unanimous vote. The problem was that we literally ran out of time before we could act upon it. As many of you know, I spent many years in the Nebraska Army National Guard and through that, this bill has been requested. The five rights listed in this bill are not new. They exist in one form or another in other parts of the law already. There are times throughout my career where soldiers face situations where their membership in the National Guard caused one or more of these rights to be opened to question. The main reason I bring this bill is to codify all these rights in Chapter 23 of the law. I commanded the National Guard Counterdrug Task Force for four years. We provided direct support to law enforcement, local sheriffs, state patrol, federal law enforcement, to include the DEA and the U.S. Postal Service. In order to do that mission, we provided resources to law enforcement so that they did not have to purchase those. If you were a sheriff's office or the state patrol and you needed night vision, thermals, speech secure radios, long-range radios, those could be provided to you at no cost and the personnel to support that. All these assets were military, but used by law enforcement to help their mission. Using this for law enforcement not only helped the soldiers maintain their currency with the items, but it also provided support to local law enforcement. A win-win situation. This bill also allows the Adjutant General to establish policy that authorizes the National Guard to participate in law enforcement asset seizure programs with local, state,

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and federal law enforcement agencies, our National Guard that they currently work with. At present, we have a small group that participate in this mission, but their support, in order to use the federal asset seizure program, will provide additional resources that they can use in return. I would ask for your green vote on LB152. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. As the Clerk indicated, there are amendments from the Government Committee. Senator Brewer, you're recognized to open on the committee amendment.

BREWER: Thank you, Mr. President. AM96 narrows the public records exception to those members who are in law enforcement functions only, and assigns protections affordable that are additionally affordable to state personnel in similar roles such as law enforcement. I ask for your support on both AM96 and LB152. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. Debate is now open on LB152 and the pending committee amendment. Seeing no members wishing to speak, excuse me, Senator Wayne wishes to speak.

WAYNE: I'd like to ask Senator Brewer if he'll yield to a couple of questions.

FOLEY: Senator Brewer, would you yield, please?

BREWER: I will always yield to you, sir.

WAYNE: Oh, I appreciate that. I just wondering what NACO and the media's neutral testimony was about, just to establish it on the record.

BREWER: Their concern was that they thought that it was a across the board protection of all National Guardsmen in their information, and so by doing the amendment, it narrowed it to only those that are in direct support of law enforcement.

WAYNE: Thank you, Senator Brewer. Thank you, Mr. Speaker.



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FOLEY: Thank you, Senators Wayne and Brewer. Seeing no other members wishing to speak, Senator Brewer, you're recognized to close on the committee amendment. He waives closing. The question for the body is the adoption of AM96, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 37 ayes, 0 nays on the motion to adopt the committee amendments.

FOLEY: The committee amendments are adopted. Is there any further discussion on LB152 as amended? I see none. Senator Brewer, you're recognized to close on the advance of the bill. He waives closing. The question for the body is the advance of LB152 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 38 ayes, 0 nays on the motion to advance.

FOLEY: LB152 advances. Proceeding to LB186. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB186 introduced by Senator Lindstrom. (Read title.) The bill was read for the first time on January 11 of this year. It was referred to the Government, Military and Veteran Affairs Committee. That committee placed the bill on General File with committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Lindstrom, you're recognized to open on LB186.

LINDSTROM: Thank you, Mr. President, and good morning, colleagues. LB186 the Online Notary Act would allow registered notary public's commissioned in the state of Nebraska to perform notary duties, remotely through an authorized online platform. This could be done on a laptop, desktop, or through a smartphone as long as the user has Internet connection with video and audio capabilities. Traditionally, someone in need of a notarized signature would need to physically be present before a notary public to verify their identification. The state of Nebraska currently allows for an electronic notary which enables the user electronically to submit their documents for notary signature. However, physical verification of the citizen's identification is still required. The Online Notary Act would allow the identification verification to be done via

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an online platform. According to NationalNotary.org, there are currently five states that allow online notary, Virginia, Montana, Texas, Nevada, and Minnesota. These particular legislation -- this particular legislation is modeled after the Texas program. Several other states have enacted legislation that will become effective later this year and a handful of others states, including Nebraska, have proposed legislation. It is my intent with this bill to enable those in the state who are not physically near a commissioned notary, whether it be for a sale of property or for business purposes, to have the accessibility and convenience that an online notary allows. LB186 received broad support at the public hearing from industry leaders, including the Nebraska Land Title Association, Quicken Loans, the Nebraska Bankers Association, the Nebraska Realtors Association, and the Nebraska Association of County Officials, and Secretary of State, Bob Evnen. There were no opposition-- there was no opposition to this bill. LB186 was placed on General File with committee amendments, AM111, by the Government, Military and Veterans Affairs Committee on February 5, 2019. The bill came out of committee with six yeases, one absent, and one present not voting. Thank you, Mr. President, and I ask for your green vote on both the underlying amendment and LB186.

FOLEY: Thank you, Senator Lindstrom. As the Clerk indicated, there are amendments from the Government Committee. Senator Brewer, you're recognized to open on AM111, committee amendment.

BREWER: Thank you, Mr. President. AM111 makes some technical changes and delays the effective date. These changes in AM111 was brought to us by Senator Lindstrom to make the bill more workable. With that said, I support both AM111 and LB186. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. Debate is now open on LB186 and the pending committee amendment. Senator Wayne.

WAYNE: Since my dear friend, Mr. Chambers, is not here, I'm reading all the bills this morning and asking questions on them. Will Senator Lindstrom yield to a question?

FOLEY: Senator Lindstrom, would you yield, please?

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LINDSTROM: Yes, I will.

WAYNE: What is the thought process of the \$30 fee for a regular notary versus a \$50 fee for an online notary?

LINDSTROM: The increase will require just one extra step. There is one extra test that the individual will have to go through and the fee will have to be filed with the Secretary of State to accommodate that.

WAYNE: So do you think it would be-- I guess if you are a notary, of which I am one, would you-- do you have to apply two different ways or does my notary cover both?

LINDSTROM: You have to pay just an extra fee and take one extra test if you wanted to be a part of this particular program. We already have the electronic. We have the standard one we've used for decades. This one allows you to use, like I said, laptop, desktop, and your smartphone to accomplish this.

WAYNE: So if I do the \$50 fee, would I also be still with-- would that \$30 of that \$50 still cover my other?

LINDSTROM: The 50 is the all in covering everything.

WAYNE: So would it be simpler if we just simplified and made everybody 50 and that way they can all be covered all the way through? I'm just--

LINDSTROM: I don't think so. I mean, some people probably don't feel comfortable using devices in this capacity, so I don't think it would be prudent to increase the fee if someone is not going to be utilizing the next step.

WAYNE: I will support this through the first round. I just have questions about why if I decide to use electronics, there's an additional \$20 fee for notaries. That's my concern. I think it needs to be all or nothing as we continue to move into this digital age and I don't know that there is a

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necessity for a different-- I would prefer everybody be 30, but I understand if we have to charge for maybe new programmers or somebody at the Secretary of State's Office to administer this, but the distinction there is to me a problem. So with that, thank you, Mr. President.

FOLEY: Thank you, Senators Wayne and Lindstrom. Senator Erdman.

ERDMAN: Thank you, Lieutenant Governor Foley. I was wondering if Senator Lindstrom would yield to a question.

FOLEY: Senator Lindstrom, would you yield, please?

LINDSTROM: I will.

ERDMAN: Senator Lindstrom, the amendment says on page 2, line 8 that register of deeds or county clerk of any county shall provide one or more electronic recording devices for the purpose or recording electronically submitted real estate documents for recording. So does it somewhere in the bill explain what those devices are? Can they use whatever they want or what's the stipulation on that?

LINDSTROM: In the bill it does talk about the actual platform itself and it does include your laptop, desktop, and smartphone.

ERDMAN: Okay. So there would be no extra cost to the county?

LINDSTROM: No.

ERDMAN: Okay. Thank you very much.

FOLEY: Thank you, Senators Erdman and Lindstrom. Senator Brewer, I see no further discussion on the committee amendment, you're recognized to close. He waives closing. The question for the body is the adoption of AM111, Government Committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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ASSISTANT CLERK: 35 ayes, 0 nays on the motion to adopt the committee amendments.

FOLEY: The committee amendments are adopted. Is there any further discussion on the bill as amended? I see none, Senator Lindstrom, you're recognized to do close on the advance of the bill. He waives closing. The question for the body is advance of LB186 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 34 ayes, 0 nays on the motion to advance the bill.

FOLEY: LB186 advances. Proceeding now to LB186A. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB186A introduced by Senator Lindstrom. (Read title.) It was read for the first time February 7 of this year and reported to General File.

FOLEY: Thank you, Mr. Clerk. Senator Lindstrom, you're recognized to open on LB186A.

LINDSTROM: Thank you, Mr. President. And thank you, colleagues for the last vote. This is the A bill that follows LB186. There's two underlying costs in here. One dealing with the program specialist going from a half FTE to a full-time FTE. There is also a one-time charge or fee for the notary filing program to just update the system itself. So thank you for the underlying vote on LB186 and I ask for the green light on the A bill. Thank you, Mr. President.

FOLEY: Thank you, Senator Lindstrom. Discussion on LB186A. Senator Erdman.

ERDMAN: Thank you, Lieutenant Governor Foley. Over the years, as I served on certain boards and committees, one in particular that comes to mind is in the early '80s I started serving on the board of Panhandle Co-op. We did not have one computer in the facility anywhere. We switched over our system to computers because we were told that we were going to eliminate people in the administrative office and it would be cost effective and we'd be a more paperless organization. Neither one of those two things were true. We added people because of the technology. And Senator Lindstrom, I see in your bill that you're going to add one full-time employee to administrate this process. And I would wonder if you would yield to a question.

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FOLEY: Senator Lindstrom, would you yield, please?

LINDSTROM: I will.

ERDMAN: Senator Lindstrom, can you tell me why do you need another employee if you're going electronic, and it's digital, and you do those things, wouldn't that make the job easier, not more difficult?

LINDSTROM: It's not a full-time, it's a half. So you're going from half to a full-time in the A bill, so .5 to a 1 in FTE.

ERDMAN: Okay. Even if it was a half, why would you need another person if you're going digital?

LINDSTROM: You'd have to ask the Secretary of State on this. I think if there's a little bit-- when you're increasing or doing a different technology, there's a little bit of growing pains involved and I think that that's where that's coming from.

ERDMAN: Okay. Well, were you here-- I believe it was earlier this week when the Appropriations Committee Chairman talked about the budget and the General Fund and the revenue not being what we thought it was going to be?

LINDSTROM: I was.

ERDMAN: And you're asking for 80,000, almost, in General Funds. Is that correct?

LINDSTROM: That is true.

ERDMAN: You realize that if the budget turns-- the revenue turns south, that you may not be able to get that 80,000?

LINDSTROM: I'm willing to take the risk.

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ERDMAN: Okay. So just a fair warning that it may not happen because if the budget turns south, we may not be able to do some of these things.

LINDSTROM: I understand.

ERDMAN: All right. Thank you.

FOLEY: Thank you, Senators Erdman and Lindstrom. Any further discussion? I see none. Senator Lindstrom you're recognized to do close on advance of the bill. He waives closing. The question for the body is advance of LB186A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 27 ayes, 0 nays on the motion to advance to E&R.

FOLEY: LB186A advances. Proceeding now to LB223. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB223 introduced by Senator Albrecht. (Read title.) Read for the first time on January 14 of this year. It was referred to the Government, Military and Veteran Affairs Committee. That committee placed the bill on General File with committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Albrecht, you're recognized to open on LB223.

ALBRECHT: Thank you, President Foley. Good morning again, colleagues and Nebraska. LB223 relates to the National Guard state-sponsored life insurance program. I brought this bill on behalf of the National Guard Association of Nebraska. The National Guard state-sponsored life insurance program, which is already in place, provides group term life insurance exclusively for the National Guard members and their dependents. The insurance program is derived from the Veterans Insurance Act of 1974, which was created to encourage persons to join and remain in the National Guard. State-sponsored life insurance is an optional life insurance program offered to members of the National Guard. Currently, all service members carry a mandatory service members group life insurance. However, that insurance cannot be carried with a service

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member once they leave the military service. State-sponsored life insurance may be carried by a member after retirement or completion of his or her duty obligation. LB223 provides further guidance with the state law on the state-sponsored life insurance program and ensures that benefits provided under the federal law are protected for members of the Nebraska National Guard. LB223, as amended, directs the Adjutant General of the National Guard to allow the availability of the state-sponsored life insurance program to all National Guard members, provide an opportunity to purchase state-sponsored life insurance program products, and allow education briefings about the state-sponsored life insurance program for members. Following the introduction of LB223, and further discussions with the National Guard Association and the Adjutant General, we agreed to the changes outlined in AM61. The amendment simply removes some unnecessary provisions and ensures that no unintended responsibilities be placed on the Adjutant General or military department. AM61 also removes the fiscal note on this bill. In replacing LB223 with AM61 maintains the original intent of the bill by ensuring that all members of the National Guard continue to have access to information and the ability to enroll in the state-sponsored life insurance program. Please vote green on LB223 and AM61.

FOLEY: Thank you, Senator Albrecht. As the Clerk indicated, there are amendments from the Government Committee. Senator Brewer, you're recognized to open on the committee amendment.

BREWER: Thank you, Mr. President. AM61 is a committee amendment. Senator Albrecht brought it to us with the amendment language that was needed in order to correct issues with the stakeholder since the bill's introduction. The amendment removes some language describing the role of the Adjutant General. AM61 makes other clarifications to the original bill and still preserves the basic function of the bill to make the National Guard members aware of a life insurance program that is available to them. Recommend support for both AM61 and LB223. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. (Visitors introduced.) Debate is now open on LB223 and the pending committee amendments. Senator Clements.

CLEMENTS: Thank you, Mr. President. Would Senator Albrecht yield to a question?



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FOLEY: Senator Albrecht, would you yield, please?

ALBRECHT: Yes, sir.

CLEMENTS: When I was reviewing LB223, I had a couple of questions I wasn't sure about. Does the state pay any part of this premium on this new program?

ALBRECHT: You know, I don't believe they do. No. I'm looking to Senator Gragert. He says no.

CLEMENTS: All right. Thank you. Is this the same treatment that state employees get? Are we mirroring what the state employee would have for premium payments?

ALBRECHT: I could not answer that for you.

CLEMENTS: All right. We'll have to maybe research that one. And does this use the same life insurance company that's used by the state employees? It implied that, but I wasn't sure.

ALBRECHT: Well, it's my understanding, I asked if they went out to look for different insurance companies or do they use the same all the time. Their association has folks that decide who they're using through their association.

CLEMENTS: All right. I might want to do some more research, but thank you for your answers and thank you, Mr. President.

FOLEY: Thank you, Senators Clements and Albrecht. Is there any further discussion on the bill or committee amendment? Seeing no members wishing to speak, Senator Brewer, you're recognized to close on the committee amendment. He waives closing. The question for the body is adoption of AM61, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 0 nays on the motion to adopt the committee amendments.

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FOLEY: The committee amendment is adopted. Is there any further discussion on LB223 as amended? Seeing no members wishing to speak, Senator Albrecht, you're recognized to close on the advance of the bill. She waives closing. The question for the body is the advance of LB223 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 34 ayes, 0 nays on the motion to advance to E&R.

FOLEY: LB223 advances. Proceeding now to LB442. Mr. Clerk.

ASSISTANT CLERK: LB442 introduced by Senator McCollister. (Read title.) It was read for the first time on January 18 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator McCollister, you're recognized to open on LB442.

McCOLLISTER: Thank you, Mr. President, and good morning for a third time, colleagues. LB442 would enable individuals to better synchronize their medications so they can order and receive them on the same day each month instead of having to make multiple trips to the pharmacy. The bill would use a synchronizing approach, would enhance pharmacy efficiency, improve healthcare outcomes, and result in a decrease of medication, or an increase in medication adherence. The provisions of LB442 would ensure that a pharmacy would receive a full dispensing fee as determined by the contract it has with the customer's individual or group healthcare plan. At first glance one would think this concept would be opposed by the insurance industry. I was pleased to learn that patients, pharmacies, and the insurance industry all support this concept. In fact, Blue Cross Blue Shield of Nebraska was a leader in developing the concepts as proposed in LB442. At the hearing for LB442, the bill received strong support and there is no opposition testimony. The response demonstrates the overall health benefit LB442 would provide to Nebraskans. LB442 was advanced to the floor on a unanimous vote by the Banking, Commerce and Insurance Committee. I ask the bill be advanced to Select File in the same manner. Thank you.

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FOLEY: Thank you, Senator McCollister. Is there any discussion on LB442? Seeing no members wishing to speak, Senator McCollister you're recognized to close. He waives closing. The question for the body is the advance of LB442 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 32 ayes, 0 nays on the motion to advance to E&R.

FOLEY: LB442 advances. Proceeding now to LB536. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB536 introduced by Senator Pansing Brooks. (Read title.) This bill was introduced on the 22nd of January, referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Pansing Brooks, you're recognized to open on LB536.

PANSING BROOKS: Thank you, Mr. Lieutenant Governor, and members of the body. The Nebraska Uniform Law Commission is a prestigious and highly respected group of attorneys, including two former deans of the University of Nebraska Law School, Chancellor Harvey Perlman, and Steve Willborn who is currently on leave as the interim director of the national Uniform Law Commission, along with Nebraska's Revisor of Statutes, Joanne Pepperl, and retired attorney, Larry Ruth. I have been honored to work with this esteemed group on previous legislation, including a 2015 bill that saved our state over, yes, listen carefully, saved over 80 million annually. LB536 would establish the Nebraska Directed Trust Act, the NDTA, and would provide a statutory framework for the establishment and use of directed trusts in Nebraska. In a traditional trust, the responsibility for all aspects of the trust administration including custody, investment, and distribution belongs to the trustee. For centuries, this allocation of authority to a trustee has been a foundation of trust law. In a directed trust, however, a person other than a trustee has power over some aspect of the trust administration. Such a person may be called a trust protector, or in the terminology of the NDTA, a trust director. This division of authority between a trust director and a trustee raises a host of difficult questions for which the Nebraska Directed Trust Act provides clear, practical answers. As compared to a traditional trust, in a

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directed trust, a trust director is not a trustee, but has the power either to direct the trustee in the trust administration or to administer the trust directly. A trust director can have any power over a trust as outlined by the settlor, including the power to direct the trustee in the investment and distribution of trust property and the power to amend or terminate the trust. To provide a practical example of when a directed trust might be valuable, consider the following circumstance. An individual works closely with a financial advisor for many years, who manages their money and investments. In preparing their estate plan, the individual desires that the money be placed in a trust, continue to be invested and managed by the financial advisor, with whom the individual has a long-time relationship. By using a directed trust, the financial advisor could be named as the trust director and could continue to manage the money even after placing the money in trust. With the use of directed trust, however, some questions can arise about which party is responsible. The Directed Trust Act would provide answers to those questions. The Nebraska Directed Trust Act expressly validates terms of a trust that give certain duties to a trust director and prescribes a simple set of rules for allocating liability. The NDTA's basic strategy is to impose primary fiduciary responsibility for a trust director's action on the director while preserving a minimum core of duty in a trustee. A trust director has the same fiduciary duties as the trustee would have in a like position and under similar circumstances. But a trustee that acts subject to a trust director's directions is generally liable only for the trustee's own willful misconduct. The Nebraska Directed Trust Act authorizes a similar allocation of power and duty among co-trustees at the option of the settlor. In addition to this modified fiduciary scheme, the NDTA also offers solutions to many practical problems created by the presence of a trust director. Among other things, the Uniform Directed Trust Act deals with the sharing of information among a trustee and a trust director, and the compensation, succession, and appointment of a trust director. Ultimately, the Nebraska Directed Trust Act provides greater flexibility for estate planners to design trusts tailored specifically for each individual client. LB536 was brought to me at the joint request of the Nebraska Uniform Law Commission and the Nebraska State Bar Association. The bill came out of the committee 8-0 and there were no opponents. And I would also like to just mention that I appreciate your patience here, but I did want this all part of the record for future reference. So, thank you.

FOLEY: Thank you, Senator Pansing Brooks. Mr. Clerk, for an announcement.

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ASSISTANT CLERK: Thank you, Mr. President. Business and Labor Committee will hold an Executive Session at 10:45 in Room 2022.

FOLEY: Thank you, Mr. Clerk. Debate is now open on LB536. Seeing no members wishing to speak, Senator Pansing Brooks you're recognized to close on the advance of the bill. She waives closing. The question for the body is the advance of LB536. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 35 ayes, 0 nays on the motion to advance LB536, Mr. President.

FOLEY: LB536 advances. Proceeding to LB622. Mr. Clerk.

ASSISTANT CLERK: LB622 introduced by Senator Williams. (Read title.) This bill was introduced on the 23rd of January and was referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Williams, you're recognized to open on LB622.

WILLIAMS: Thank you, Mr. President, and good morning, colleagues. LB622 was heard on February 4 in the Banking Committee. It was voted out on an 8-0 vote and had no opposition testimony. LB622 would authorize the use of a single bank-pooled collateral method for the protection of public funds in excess of the FDIC insured amounts. Under current law, banks holding public funds in excess of the amount insured by the FDIC are required to furnish collateral, typically in the form of securities for each political subdivision and state agency placing deposits in the bank. Currently banks are required to keep the funds separate and thus are pledging collateral to each account held by the public depositor. Under LB622, the bank would be allowed to furnish collateral based upon the aggregate amount of public deposits of all political subdivisions and state agencies with deposits in the bank. Under the bill, the director of the Department of Banking and Finance would be responsible for oversight of the single bank collateral pool. They would designate an administrator to handle the day-to-day operations, including receiving reports from participating banks and remitting reports to custodial officials. The department would adopt rules and regulations and establish policies and procedures as

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necessary to accomplish the purposes of the Public Funds Deposit Security Act. Banks indicate that they tend to overcollateralize public deposits under the current pledging system and being able to pledge in the aggregate amount of all public deposits should result in banks being more efficient in their pledging and, therefore, have more dollars available to loan and help their communities grow. This would certainly free up assets for a more productive use. I want to thank the Department of Banking, in particular, Patty Herstein and Kelly Lammers; the Nebraska Bankers department staff, Bob Hallstrom and Jerry Stilmock; and committee staff, Bill Marienau and Dexter Schrodtr for all of their work in pulling this bill together. There were a lot of interested parties. Again, you will hear an amendment coming in just a minute that will help with the fiscal note, but with that, I would encourage a green vote on LB622.

FOLEY: Thank you, Senator Williams. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Williams would move to amend with AM225.

FOLEY: Senator Williams, you're recognized to open on your amendment.

WILLIAMS: Thank you again, Mr. President, and colleagues. The amendment contained in AM225 will make a few simple changes in order to eliminate the fiscal note, and that was right, eliminate the fiscal note. I would like to once again thank the Department of Banking and Banking Committee staff for helping draft AM225. The Banking Committee advanced LB622 knowing that this amendment was in progress. The amendment should be considered the practical equivalent of a committee amendment. The amendments do not alter the overall direction and substance of the bill. What they do is modify the provisions that have been given to the fiscal note. In particular, the amendments achieve this by trimming back the duties of the Director of Banking and clarifying that those duties will be handled with the designation of an administrator. The administrator, not the director, will oversee on an ongoing basis a deposit institution's pledged collateral to determine whether it is an amount that meets the requirements under statute for the protection of the political subdivision's public funds held in the depository institutions. Again, under the amendments, the director will have the ability to designate the administrator. The director will continue to have the duties already provided in statute and would come into play only in the event of a depository institution's insolvency. The amendments do

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specify that the single bank-pooled method cannot be utilized by a depository institution unless an administrator has been designated and is acting as the administrator. The administrator's duties cannot fall back on the Department of Banking. I urge adoption of AM225, and then a green vote on LB622. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. Debate is now open on LB622 and the pending amendment. Senator Clements.

CLEMENTS: Thank you, Mr. President. I stand in support of AM225 and LB622. As a small town banker, we do pledge securities to our local school district, to the county, other municipalities who exceed our \$250,000 FDIC limit. But occasionally, all we have is a \$500,000 bond that we have on our books. We pledge that whole thing and it more than exceeds what we really needed to. And so by pooling the different entities that we need to cover, especially as a farming community in the summertime, our loans go way up and our number of securities that we're able to pledge decreases. And so this will help us to be more efficient and be able to still cover our school district funds securely and give us a little more flexibility on our-- it's really a backroom operation, but it's going help us operate more efficiently and I urge your support of AM225 and LB622. Thank you, Mr. President.

FOLEY: Thank you, Senator Clements. Is there any further discussion on the bill or the amendment? I see none. Senator Williams, your recognized to close on the amendment. He waives closing on AM225. The question for the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who had care to? Record, please.

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of Senator Williams' amendment.

FOLEY: AM225 is adopted. Is there any further discussion on LB622 as amended? Seeing no members wishing to speak, Senator Williams, you're recognized to close. He waives closing. The question for the body is the advance of LB622 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 32 ayes, 0 nays on the advancement of the bill.

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FOLEY: LB622 advances. Proceeding now to LB4. Mr. Clerk.

ASSISTANT CLERK: LB4 introduced by Senator Stinner. (Read title.) The bill was introduced on January 10, referred to the Revenue Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB4.

STINNER: Thank you, Mr. President. Members of the Legislature, LB4 would change filing fees for appeals or petitions to the Tax Equalization and Review Commission based on the value of the parcels of real property and allow mileage and expense reimbursement for commissioners. The fees under LB4 would be \$40 if the taxable value of the parcel is less than \$250,000; \$50 if the taxable value of the parcel is at least \$250 and less than \$500,000; \$60 if the taxable value of the parcel is at least \$500,000, but less than a million; and \$85 if the taxable value of the parcel is at least one million dollars. For any other appeal or petition filed with the commission, the filing fee shall be \$40. The commission has two primary functions. One of these functions is conduct an estate-wide equalization where they review assessed to sales ratios for each class and subclass of real estate. The second is to hear appeals of individual property valuations, protests. I would like to point out that there is no filing fee required for an appeal by the county assessor, the tax commissioner, or the property tax administrator acting in his or her official capacity, or a county board equalization acting in its official capacity. The second component to this legislation is authorized -- is the authorization of expense and mileage reimbursement for commissioners. From 1996 until 2003, the law provided for mileage and living expense reimbursements. The idea was to accommodate the commissioners from the 3rd Congressional District who many times lived hundreds of miles from Lincoln. Since 2003, no commissioner has been appointed who live more than 92 miles from the State Office Building in Lincoln. Prior to the change, one commissioner had been from St. Paul and another from Chadron. The fiscal note for LB4 is close to zero with an estimated revenue impact of \$45,925 and an estimated expenditure of \$41,784, bringing us to a net positive of \$4,136. By advancing LB4 to allow the expense of mileage reimbursement, the Legislature can ensure that equal representation from across the state is encouraged and there is equity to pay to the commissioner for the 3rd Congressional District. I would urge you, colleagues, to vote yes on LB4. Thank you, Mr. President.



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FOLEY: Thank you, Senator Stinner. Is there any discussion to LB4? Senator Erdman.

ERDMAN: Thank you, Lieutenant Governor Foley. Senator Stinner did a nice job of figuring a way not to have a fiscal note and I appreciate that. But I read the bill and I see the provision is in there to pay mileage, round trip from hearings and also from their residence to the office. But I don't see any place in the bill where it says they're going to hold hearings in rural Nebraska, or western Nebraska, like Scottsbluff. They used to do that. So what this amounts to, because we are going to collect revenue to pay for the increase in mileage, this is an unfunded mandate on the taxpayer because those are the people who file the grievance with TERC and their fees are going to be raised to offset what the state should be paying for, the state's obligation. So this is another avenue for us as a state to push down on to the taxpayer more costs. And I appreciated it when a TERC board had hearings in Scottsbluff and then they had some in North Platte, which was even better for us than having them in Lincoln. And so the last several years we've had to travel to Lincoln and our county has had several of those TERC hearings and so we sent the county attorney, we sent the assessor, and then the taxpayer makes a trip to Lincoln and an overnight stay. So I was wondering if Senator Stinner would yield to a question.

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes, I will.

ERDMAN: Thank you, Senator Stinner. Senator Stinner, is there anything in the bill that says they should hold hearings outside of Lincoln?

STINNER: Senator Erdman, last biennium, we put a moratorium, the Appropriations Committee put a moratorium on any travel. So, now it's just in Lincoln. They do have some in Omaha. They did find a place when one commissioner could hear something in Grand Island, but separate issue is that, that we did put a moratorium on all travel by the courts. And actually 95 percent of TERC, of this court system is paid by General Funds and that's our tax dollars going to support people who are appealing. What I'm trying to do is to make it revenue neutral by a change of fees so that somebody can get reimbursed so we get more representation or equal representation in the 3rd District. As far as hearings throughout the state, that's a different issue. If we do have

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some additional funds and we're able to put that back in the budget, then we'll take that moratorium off.

ERDMAN: Okay. Thank you for the information. Perhaps we could amend this to say that if they had meetings in Scottsbluff, those people who file with TERC may not be as upset about paying more for the filing fee if they didn't have to pay 800 miles in mileage to come here and an overnight stay. Would you agree with that?

STINNER: I would agree with that.

ERDMAN: Even if it costs me \$100 to file with TERC and I could go to Scottsbluff instead of driving to Lincoln, I'd be tickled to death to do that. So maybe we need to look at something that has a provision in it so that rural people, like where you live, can have better access to TERC without having to spend a couple of days driving to TERC to have a 15-minute hearing. Would you agree?

STINNER: I would agree. I would hope that we could start to use technology so we could have remote hearings, then people would not have to drive and still be able to testify and protest.

ERDMAN: I would agree. I think we could also start having some testimony heard in the committee meetings, electronically as well, to save some time and effort. So I appreciate that. So according to what I read here, right now they're not getting mileage to their-- from the (inaudible) to the office. Is that correct?

FOLEY: One minute.

STINNER: Yes. Out of the third district, we-- yeah, they are not being reimbursed.

ERDMAN: I think the last person we had on TERC from out by us was probably lived-- you said Chadron, I think it was Alliance.

STINNER: Could have been. That's what the committee said.

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ERDMAN: So when she was on the TERC board she had to pay her own way to get to Lincoln.

STINNER: At that time, she got reimbursed.

ERDMAN: Oh, at that time. Okay. Thank you for the information. I appreciate it.

FOLEY: Thank you, Senators Erdman and Stinner. (Visitors introduced.) Continuing discussion on LB4. Senator Briese.

BRIESE: Thank you, Mr. President, and good morning, colleagues. I appreciate Senator Stinner's work on this. I was one of the not voting members of the committee when this came out of Revenue. And to me and my concern was that, you know, this is essentially a fee increase and it's a fee increase on our property taxpayers. Is this fee required of the assessor if he or she appeals? No. Is it required of the tax commissioner? No. Is it required of our property taxpayers that appeal? Yes. And so essentially, we're raising a fee on our property taxpayers to make this appeal simply to increase-- essentially increase compensation of these commissioners. Would Senator Stinner yield to a question, please?

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes, I will.

BRIESE: Thank you, Senator. And do you recall from the testimony what the approximate compensation is of these commissioners?

STINNER: You know, I really don't, I can't remember.

BRIESE: Does \$100,000 a year sound about right from one of the testifiers?

STINNER: I can't remember, but if that's your recollection.

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BRIESE: That's my recollection. I just wanted to confirm that. Thank you, Senator. And so essentially we're increasing their compensation by providing mileage reimbursement here. And I think instead of raising fees to further compensate these commissioners, we should look for efficiency. You know, we do live in the 21st century. Video conferencing should be an option. Teleconferencing should be an option. But mileage reimbursement, I don't believe is prudent, especially when funded by our property taxpayers. They should instead search for efficiencies. I may support this bill on first round, but I would request that we look for an amendment to make the bill more palatable and perhaps address some of the concerns I've expressed here. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Senator Friesen.

FRIESEN: Thank you, Mr. President. I'm going to give a little background on the TERC. A few years ago, had several meetings with the TERC board and part of the big complaint about the TERC filing, is that sometimes it takes up to a year, year and a half to get an appointment. And so, what was happening with the current fees when all you have to do is throw \$25 in and then you can protest. People, when they get their valuation, they're obviously upset because they think it's wrong and so they jump through the process quickly and for \$25 they can throw in an appeal to TERC. And the TERC board would schedule a hearing and they wouldn't show up because it's a year later. It's a year and a half later. They've forgotten how angry they are and so a lot of times, I thought at the time at least the fees were maybe too low. I don't know about the graduated rates because now if you look at the highest rate, basically that hits any farm ground appeal and targets them versus homeowners. But maybe we could take those brackets together a little bit more and maybe have two different levels of fees. But when I look at the fee structure, at least the \$25, it encourages a lot of appeals but in the end if they're not going to show up, \$25 is a small price for them to pay and yet the TERC board scheduled a hearing, they had time to do it and others were scheduled around that. You really can't jump ahead, you can't -- you have to sit there and twiddle your thumbs. And so I think in order to make the TERC board more efficient, we have to look at some way to make that appeal process different too if we're going to leave the fees as low as they are. So there's some inefficiencies there that need to be improved on because it takes way too long now to hear a process and appeal, and that has also created some difficulties when you're paying your taxes sometimes if you have filed for a homestead

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exemption, for instance, and it has to go through that long process too. You find out a year later that you didn't qualify. There were a lot of issues in the long appeal hearing wait times, and so I was thinking some of these fee increases may shorten those wait times, make that process a little bit more speedy, and make those appeals that are really needed out there happen more quickly. So I'm in favor of raising some of the fees. I'm not going to get into the mileage discussion. I think we need to make it so that someone in the 3rd District, though, doesn't get hurt by not being paid enough mileage to get back and forth to work because that's going to limit how far out in the 3rd District somebody is going to be. Maybe you don't have to travel that far out, but it sure limits who is going to apply for that job. So, with that, I'm in favor of changing fees. I'm neutral on the mileage and things like that right now, but I am looking for some changes also. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator Wayne.

WAYNE: Thank you. I'm in favor of the bill as it is, but I do since some people have brought up the issues with TERC, I just want to put on the record that this is not just a 3rd District issue. Recently in Omaha, a couple of years ago, TERC just randomly decided to increase what we would consider west Omaha 7 percent property tax base increase and then decided in north and south Omaha, particularly in north Omaha, they would randomly decrease it by 8 percent. I think one of the problems we have with property tax valuation and property tax in the state is our assessors locally in the TERC board. And at some point, we have to figure out as a body how we make it consistent across the state with the exceptions of the areas you may live in and the valuations you may have, but to appeal to a board who honestly, in my opinion, hasn't been to my house, hasn't seen what's going on and then to come down here and sit through a God-awful long hearing and wait and then go back, and you feel like you got a 15-minute of hustle through like cattle and not get anything done, it's a problem. Especially when you look at my evaluation of my house that's went up over \$80,000 in the last two years, although my deck is still not finished, in fact it's fallen down, and everything around my house seems to, since I'm been down here so much, not being kept up. But somehow my evaluation continues to go up. So I just want to put on the record that the issue with TERC, and it really, all property taxes is not just a 3rd District issue. That TERC has done injustices in Douglas County and, in fact, Douglas County has continued to fight and argue with TERC and I think it's something that this body needs to

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probably look at in how we evaluate our property and how we do things a little better. But I do know that if I move to the 3rd District, I'm going to run for county assessor on the idea that I'm going to lower your property taxes by lowering your property valuation. And if they appeal to TERC, it will take a couple of years and we'll figure it out later, but I'll already be elected by then. Have a good day.

FOLEY: Thank you, Senator Wayne. Is there further discussion of LB4? Seeing no other members wishing to speak, Senator Stinner, you're recognized to close on LB4.

STINNER: Yeah, and thank you for the commentary on the floor. As far as the fee structure, what we were trying to do is to make sure it was affordable at the low side, but a lot of the ones over a million dollars are very complex and they spend the majority of their time on those. So we tried to graduate the fees up. We were mindful of what the district court fees were and tried to make those concession. The other thing that I want to get across to the body is, right now 95 percent of this court is funded by your tax dollars. And by going to a fee system, at least you're in more of a user fee type of situation. So if, indeed, we wanted to put than reestablish, and I believe we should reestablish the reimbursement to make it more competitive for 3rd District people to be commissioners. If that's the case, I wanted to make it revenue neutral. I wanted to make it so that the users of the court would pay for this mileage reimbursement as opposed to the taxpayers for the state of Nebraska. So that was a fee structure and that is the idea behind trying to get the fees to a level that would actually pay for this bill. So on that, I would encourage everyone to vote green. Thank you.

FOLEY: Thank you, Senator Stinner. Members, you heard debate on LB4. The question for the body is the advance of the bill. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 33 ayes, 1 nay on the motion to advance the bill, Mr. President.

FOLEY: LB4 advances. Proceeding now to LB185. Mr. Clerk.

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ASSISTANT CLERK: LB185 introduced by Senator Friesen. (Read title.) The bill was introduced on January 11, referred to the Revenue Committee, placed on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Friesen, you're recognized to open on LB185.

FRIESEN: Thank you, Mr. President. As many of you-- if you've ever looked at the property tax issue and especially around the urban areas and the difficulty with farming near those urban borders, there was a greenbelt status that was put into law a while back and what it allows you to do is if you're truly farming, they valued it at farm ground instead of the commercial property prices. But what's happened recently is around some of the urban areas there's acreages now being built up into housing and they are claiming the greenbelt status when actually they're not. So what LB185 does, it creates an additional requirement that in order to qualify for that greenbelt status. And so, the current conditions are in LB7-- or in the code of 77-1344 and so LB185 would require the landowner or the lessee of the land to provide for an IRS Schedule F showing that they have a profit or loss from farming for two out of the last three years in order to qualify for that greenbelt status. Such land must consist of five acres or less and the five acres or less was just a number we arrived at. There's nothing scientific about it. There's all sizes of acreages out there, but we thought we would start with a reasonable number and down the road we'll look at what happens there and we could also make changes to that five acre size or not. But this proposal would ensure that those who are claiming a greenbelt status are actually engaged in the business of farming unless they would comply with the spirit of the intent of that special designation was originally created. Was unanimously advanced out of committee and it has minimal fiscal impact. It does put a lot of valuation, according to testimony, basically about \$18 million was the amount of revenue or the valuation that was being held down because it had the greenbelt status. And so what was happening, is you get a landowner that has a five acre plot. He hires the neighbor to come in and mow two acres of it and he puts a couple of bales of hay out there and he claims to be a farmer. And we all know that it is not a farm acreage, it is a residential acreage. And they're finding this greenbelt status, they're lowering the value of those four acres on to agricultural land, and so that valuation is lowered on that. The home, as you recall, all residential homes, the one acre underneath that home is valued at residential rates like everyone else. And so it has nothing to do with the home itself, it's those four acres that are

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declared that greenbelt status and it lowers the valuation on that. This would take that requirement out unless you can produce the Schedule F and shows that you're actually farming. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Discussion on LB185. Senator Crawford.

CRAWFORD: Thank you, Mr. President. I rise in favor of LB185. One of our Sarpy County Commissioners came to testify in favor of the bill, and he emphasized that our assessor has no means to dispute a landowner's claims by any kind of measurable metric, and the important part of LB185 is that it does provide some criteria that is a tangible criteria that assessors can use in determining whether the land should meet this greenbelt status. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Is there any further discussion of the bill? I see none. Senator Friesen, you're recognized to close on the advance of the bill. He waives closing. The question for the body is the advance of LB185 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 40 ayes, 0 nays on the motion to advance LB185, Mr. President.

FOLEY: LB185 advances. Proceeding now to LB372. Mr. Clerk.

ASSISTANT CLERK: LB372 was introduced by Senator Erdman. (Read title.) The bill was introduced on January 16 of this year, referred to the Revenue Committee, that committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Erdman, you're recognized to open on LB372.

ERDMAN: Thank you, Lieutenant Governor Foley. Colleagues, I come today to present LB372, which is a change in the way we classify ag land in our counties. Ag land has been classified incorrectly because of line class groupings, and I'll try to explain that as best I can without getting in the weeds. The hearing was held on January 30th. We had very good, in-depth discussion, and I believe the committee got their hands around what it was I was trying to do.



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Had good questions in the committee. I think the one question that probably was the most revealing about what this bill does was asked by Senator McCollister, and he asked the question if this was valuation neutral. He actually asked whether it was revenue neutral. And I can't determine whether it's revenue neutral because I have no control over what the counties and the cities and the schools set their mill levy, but the intention of this bill and the purpose of this bill is to be valuation neutral. So by that, I mean if a county has a billion dollars in ag value going into this process, when they come out the other side, they'll have a billion dollars in value, will not change the valuation. So what has happened over time is the property assessment division has been valuing grassland and irrigated land using dryland criteria. And so, consequently, it is not appropriate when used in the mass-appraisal approach because we're not correctly valuing ag land. So the soil classification has been used on ag land for sometime now, but it is not an accurate classification and, therefore, it doesn't meet the criteria in the mass-appraisal approach. This information has been presented to TERC. They understand that it has been misclassified because the statute was written like that, and so they agree that there was an error. So they have ruled on this and they have talked about this several times. And so there is no correlation between dryland farming capability and grassland production. The result is, if you use the dryland classification for grassland production or irrigated, it's a misclassification for those two. Here is an example. The Nebraska Sandhills soils are mostly classified in the bottom two classes of the eight classifications for grassland. These soils are in the bottom two classes because they're using dryland criteria to value grassland. So the Sandhills is a terrible place to farm because of the soil type there. Once you plow up the sod, the ground blows away and you raise absolutely nothing. But if you leave it in grass, because it is a very good place to produce forage, the grass production is quite good there. And so grassland in the Sandhills is the best thing to do. Grassland in Nebraska, or the Sandhills, and the Sandhills in Nebraska encompass about one-half of all range land in the state. And so one-half of all the range land is classified incorrectly. So what this bill will do, this bill will instruct the county assessor to use the NRCS information on the capability of the soils. And so, consequently, we will use the same information to value ag land, whether it's dryland, grassland, or irrigated so it's correctly classified. I had a discussion with Senator Lathrop earlier, and Senator Lathrop asked a similar question to what Senator McCollister asked, and Senator Lathrop, I didn't know when you asked me if I answered it correctly, so let me try to establish what I should have said if I didn't say it correctly. When we get the land classified correctly on the production capability in each county, the valuation for

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each parcel will be correct. There may be some parcels that the valuation will increase and some where they will decrease, but they will correctly be classified. And that's the goal to make it fair and equal. I will note that in the committee, we had NACO testify in favor of the bill, and Farmers Union came in and testified, and the most significant, I think, testimony was a letter sent in from a county assessor and that was in support. And so the county assessors understand that a reclassification of ag land is the correct way to do it because in our county when they send out a notice of what your valuation is on your grass, there are four classifications: LG1, LG2, LG3, and LG4 and they all have the same price. And it's because they've been unable to distinguish the value between one class and another. And so using the NRCS information and the productivity capability of their soil, they'll be able to determine the value based on the capability of that soil. So this will correct the valuation process for ag land whether it's irrigated, dryland, or grass. I handed out a map, and you may have gotten that, one of the pages handed that to you, and I want to call your attention to that third line clear on the left, the numbers 1895. And you look across that line, and at the top there's a category that says range production, pounds per acre per year. If you notice just adjacent to that on the right-hand side under spring wheat, dry edible beans, irrigated corn, or sugar beets there's no number there, and that is because that ground is not capable of producing those crops. But it does quite good at producing forage, 1,814 pounds per year. So that's what we're talking about. We're talking about classifying ag land in the correct category that it should have been classified in. So if you have any questions, I'll try to answer those, but it's a very straightforward, simple process to classify ag land correctly. Thank you.

FOLEY: Thank you, Senator Erdman. Debate is now open on LB372. Senator Vargas.

VARGAS: Thank you very much. I rise to take a point of personal privilege, and I did get to speak with Senator Erdman to let him know, so he graciously was okay with this. Colleagues, I rise today to honor my dear friend and mentor, Anne Boyle of Omaha. I just recently submitted a resolution that all 47 of the present senators signed in honor of her. I do want to thank Speaker Scheer for mentioning this and speaking so positively in honoring her life, and I just wanted to take a second to do the same. Anne passed away last Saturday, and it was in her home. She was around the age of 76. She was surrounded by her family and her husband, former mayor and former public service commissioner, Mike Boyle, county commissioner. Sorry, this is hard for me. Anne was a pioneering woman in Nebraska politics. She used her voice to advocate for

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marginalize Nebraskans and of uplifting thousands along the way. Anne was the first woman elected to Public Service Commission in its 130-year history. She bolstered the Lifeline Fund, helping low-income Nebraskans gain access to cell phone services in emergencies. She was a strong consumer advocate. She used her political skills to protect vulnerable Nebraska consumers. But I think many of us know Anne in addition to her mark of public service as a wonderful, caring, supportive, loyal, fierce woman. There are many in this body and across Nebraska that are involved in public service because of Anne, and Anne believed in them and knew how important their voice was. Now, without Anne I would not be here standing before you today. Anne taught us not only how important it is to use your voice, but also how important it is to send the elevator back down and lift up as many as you can. For those who would like to attend her funeral services, they will be held at the Heafey Hoffman Dworak Cutler Mortuary in Omaha tomorrow from 10:00 a.m. to 1:00 p.m. I hope to see many of you there. Thank you for allowing this time.

FOLEY: Thank you, Senator Vargas. Senator Lathrop.

LATHROP: Thank you, Mr. President. Would Senator Erdman yield to a few questions?

FOLEY: Senator Erdman, would you yield, please?

ERDMAN: Yes, I would.

LATHROP: Senator Erdman, this one-liner kind of got my attention, and we had an opportunity to visit a little bit, but I got pulled away, so I'd like to finish our conversation. I do have your handout, and I understand that we are going to try to take a particular property owner's property and value it more particularly based upon its soil type.

ERDMAN: All property owners, that's correct.

LATHROP: Right. And that's sort of the point of the bill. My question is more big picture, if I can. I heard you say that it will be valuation neutral.

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ERDMAN: That's correct.

LATHROP: Will it be revenue neutral? So at the end of the day after we go through this new process of assessing farm property in a particular county, will that county have the same revenue, or will revenue go down or up or change?

ERDMAN: I understand your question. That is exactly the same question that Senator McCollister asked, and the answer is, no, it will not change the value for the county. It should be revenue neutral. I can't guarantee the revenue part where you see the county sets the value. The county assessor sets the value, and then the college, the city, the county and all those people set their mill levy. So this does not limit any of that mill levy acquisition. Anything they want to do about their mill levy doesn't do anything with their budgets. This is only changing the way we value it.

LATHROP: So let's just take a school district or a county. Will they have the same valuation or is it possible the valuation for that school district, after we do this, will go down, and they'll have to raise the mill levy?

ERDMAN: No, sir, the valuation will be exactly the same for that school district, the county or anyone else who collects property tax. The valuation does not change.

LATHROP: Okay. Are there going to be winners and losers in this? So one farm may get a lower bill or a lower valuation, but the guy next door may have a little better soil, and so his is going to be higher?

ERDMAN: I wouldn't call it winners or losers. I would say it's a fair way to value ag land, but there could be instances where people are paying for more taxes now because their soil is not as capable of producing something as someone else's. So someone's value could go up and some could go down, yes.

LATHROP: But if somebody's goes down, somebody in the same county or school district, theirs is going up.

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ERDMAN: That is correct.

LATHROP: Will this new valuation process find its way into a discussion later on in the year with respect to valuing ag land or property tax relief?

ERDMAN: It very well may, but we have to first of all classify the ag land correctly as far as its capability of production.

LATHROP: So here's kind of what I'm getting at, which is, is this like step one and later on in the session we're going to see step two in a process to provide property tax relief for our friends in the agriculture community?

ERDMAN: Let me answer that in two ways. The first question is, first answer is no, it does not. This was brought to me by Dr. Jerry Green. Dr. Green owns land in western Nebraska. His family has had land for 100 years. His father started protesting valuations on his ag land when I first became a county commissioner in 2005. And his idea was to base the ag land value on production. His family owns some of the poorest grassland in Morrill County and here's my description of poor. He adds 25 percent--

FOLEY: One minute.

ERDMAN: --to the amount of rent he collects on an annual basis just to pay the taxes. That's how poor it is, and every year he would protest and asks us to change the way we value ag land because his neighbor down the road was able to pay about 30 percent of his property tax-- rent on his property tax for his property tax. So this is an instance where Jerry Green has made presentations to TERC and to several people in this room about the fallacies with the land class groupings. So this had nothing to do with the other bill. Now, I want to answer a question about your concern about the other bill that I've introduced. That bill, in my opinion, is a revenue neutral bill as well. It is not my intention to change the way we value ag land for taxation to lower taxes. That's not my goal. That's not the way to do it because lowering the value--

FOLEY: That's time, Senator.

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ERDMAN: --or raising the value, whatever you do doesn't change the taxes if you don't change the [INAUDIBLE].

FOLEY: Senator, time. Thank you, Senators Lathrop and Erdman. Senator Kolterman.

KOLTERMAN: Thank you very much, Mr. President. Colleagues, I heard this discussion in the committee. I supported the concept of moving this out of the committee. It's hard to believe that when I was a freshman in college I took a lot of agronomy classes at the University of Nebraska. And as we learned about soil's ability to grow plants, whether it's in a horticultural or whether it's in a row crop type of environment, a lot of it depended-- a lot of production depended on the kind of soils that you had. And as I've been around the industry in the insurance business working, and in real estate business working with soil types, you soon discover that for over 100 years we've been classifying soils on a national basis even in the state of Nebraska. And so as many of your farmers in this room can you tell, you can go to, I don't know whether it's called the Soil Conservation Service or the FCS Service, whatever it is today, and you can see what the type of soils that you own on your farmland, and some farmland soils produce much greater, have greater potential to produce than others. So when this came out as a possibility of reclassifying land, I thought this is the fairest way we can do so, and it is-- just based on this information, it will be revenue neutral. I don't believe it's the intent of anybody in revenue to try and change that. Now, at some point in time, will there be a bill that will say, well, you've got more productive land here, so are we going to tax you based on what the land will produce versus what it's valued at based on sales? That's a whole different issue. But let me give you an example of what's happened just this week in my district in Seward County. Three, four years ago irrigated crop land was selling from anywhere from \$14,000 to the high of \$18,000 in York County per acre. This week, 233 acres of crop ground irrigated, pivot irrigated land, sold for \$7,500 an acre. The price of land is coming down. The valuations are not coming down yet. So if we can find a better way to classify land and charge based on that classification down the road, I think that's the fairest way to do it. Because if we're basing it on production at some point in time, that's a lot fairer than trying to figure out who bought this land and who bought that land, and we all know that sometimes the land is inflated in value because a neighbor maybe has an eighty next to him and they want to increase their property and now they can put a pivot on it. So I really believe we're at the start of a good way to do this. It's a fair way to do it, and I understand

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what Senator Erdman's trying with that. Senator Lathrop, if you have some more questions I'll yield the rest of my time to you.

FOLEY: Thank you, Senator Kolterman. Senator Lathrop, 1:20.

LATHROP: Thank you. And I would like to take advantage of that if Senator Erdman would yield to questions. Senator Erdman, you used the example, you said you had a neighbor, Dr. Green, who has poor soil in Morrill County. Is his soil typical for Morrill County?

ERDMAN: His soil is the poorest soil. It's breaks and cliff areas in the north part of the county.

LATHROP: Okay. So if his valuation under the new system goes down, then does somebody's necessarily go up?

ERDMAN: Yes, it does. And what is happening, Senator Lathrop, is we have people who have very good meadow land that they're able to cut hay off that and bale it and they're paying the same property taxes he's paying. And so they make ten times the production and paying the same taxes doesn't seem fair and so there will be people that their valuation will go up based on the productivity of their soil.

LATHROP: Is it possible for an entire county that is now-- for an entire county, for example, to be misclassified and once properly classified everybody's valuation goes down?

ERDMAN: No, it's not because it's going to be based on sales. It's based on the sales of the land so the value will still be there. It will be just distributed differently.

LATHROP: Okay. I think that answers my questions, and I appreciate your courtesy.

FOLEY: Thank you, Senators Lathrop and Erdman. Senator Wayne.

WAYNE: Thank you, Mr. President. I'm slightly confused and just trying to get an understanding of this a little bit more. So who pays for the soil testing and how often is that done?

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FOLEY: Senator Erdman, would you yield, please?

ERDMAN: I would. The answer, Senator, is that information is already there, by the National Soil Conservation Service has already done all these qualifications and valuations and productivity.

WAYNE: And so underneath this bill, are we treating all of ag land the same?

ERDMAN: Yes, sir.

WAYNE: So all ag, no matter dry, wet, is being evaluated exactly the same?

ERDMAN: It's being evaluated correctly on the productivity capability of a soil, not what their guess is. Right now we have different land class groupings, and in a county one land class grouping in this part of the county can have different soils in it based to this on the other side of the county. So this is a way to make sure that every soil is classified to the capability of that soil producing something.

WAYNE: Now would this violate the uniformity of the proportionality clause of the constitution?

ERDMAN: I don't believe it will.

WAYNE: What is your reasoning for that?

ERDMAN: Well, because it's going to be everybody's soil. If you look on the map that I gave you, on that map, and you see the top number there, soil number 1889. So anybody in the state that has that soil will have the same valuation based on their capability of production because it also takes into consideration rainfall across the state. So I think it will be more fair and equal than anything we've done in the past.

WAYNE: So when you say capability of production, that's crops.



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ERDMAN; Correct.

WAYNE: So if our hemp bill passes, would that change the evaluation since hemp can grow in drier land?

ERDMAN: I don't believe it will.

WAYNE: But they're more productive than they would be currently, though.

ERDMAN: Well, what they're going to do-- Senator, let me explain the NCCPI. It's a soil productivity index, the numbers are based upon the productivity of the soil, and they're derived from the mean, annual yield of these soil types produced over a 10-year period in moderately managed crops. Understanding the soil productivity index is very helpful in developing the value of the land. And so I don't care what classification you use as far as growing a crop, it shouldn't change the soil productivity of the soil.

WAYNE: So then underneath this idea, this group who puts-- I don't know who they are, but the people who put out these soil productivity, they would be the ones changing and determining the valuation?

ERDMAN: The NRCS put these numbers out. These are readily available to everyone.

WAYNE: Right. So, wouldn't we be deferring local decision, not just that, but our decision as a body to somebody who's not elected and changes over time? I guess my question is, do we have to have a date certain in the law for it not to be unconstitutional?

ERDMAN: I don't know if we need a date certain. I don't know about that, but let's get back to your hemp question for a second.

WAYNE: Trust me, I want to talk about hemp, so that's good.

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ERDMAN: Okay. So, the question about the productivity of soil, what you raise there is up to you. All right. So if you're a farmer and you raise corn, and I'm a farmer next to you and I raise soybeans, my soil capability is still the same.

WAYNE: Okay.

ERDMAN: And if I choose to raise beans and you choose to raise corn that's your decision. But we're going to base the value on what is the capability of the soil to produce whatever it wants to produce? And I don't want to get into the case where we're looking at one farmer raises corn--

FOLEY: One minute.

ERDMAN: --so his taxes are this much, and one farmer raises hemp, and his taxes are this much. It's the capability of the soil to produce something, and we'll judge every soil on the same criteria, and they're not doing that now. It's like right now, if we was to go to your house and say, we're going to value your house based on the commercial property that sold down on main street, don't make a lot of sense. And that's what they're doing now, they're valuing dry land, they're using dry land criteria to value grassland. It doesn't work. It's apples and oranges.

WAYNE: Thank you. Thank you, Mr. President.

FOLEY: Thank you, Senators Wayne and Erdman. Senator Moser.

MOSER: Could I ask Senator Erdman a question, please?

FOLEY: Senator Erdman, would you yield, please?

ERDMAN: Yes, I would.

MOSER: Okay. So let's see if I have an understanding of what you're trying to say. Currently, assessors are assessing land and not differentiating between the production quality of the land?

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ERDMAN: That's correct.

MOSER: So they're lumping too many properties together in one classification without looking at the different soil types.

ERDMAN: Let me try to answer it this way, Senator. In one section of my county the land class groupings may contain four different soils than another section on the other side of my county, but they're all in the same land class grouping. And so it's disproportionate what they do. They're not the same soils, but they're classified the same in the county assessor's assessment now. And so what this does, if there's 1889 soil over here, and 1889 soil over here they have the same value, same production capability. And so right now, they're not differentiating between those.

MOSER: You said in response to Senator Wayne's question that the valuation would be the same across the state. That wouldn't necessarily be true.

ERDMAN: No, across each county. And it would be the same across the state at whatever the ag land value is now will be the same when we implement this because it's based on the sales of the land. This is not changing the way we value ag land for taxation. This is changing the way we classify the soil. This is changing the way we value each parcel. So we haven't changed the value yet based on production.

MOSER: So in the ground sells for a certain value even though it's more than what it may be able to produce, it's going to be taxed at all those similar classifications got to be valued at the same amount?

ERDMAN: The same value that that land-- our values now are based on sales. That's the way we do it now. And when we get done doing this, if this bill passes, we're still going to value it on sales. So whatever the counties has for a valuation based on the ag land it will be the same, but it may be differentiated a bit. Some people who have poor land will pay less, and some have better land will pay more.

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MOSER: When the ground sells they sell 80 acres more or less, 160 acres more or less. Who's going to assign a value to all those different soil types in there to make it average out?

ERDMAN: On that map I gave you, the soil types are there, and the county assessor will be able to determine how many acres of each class of soil is there, and they can correctly identify and classify that place or that parcel based on what they see on the production of the NRCS information.

MOSER: So they would have to apportion it so that it adds up to what the sale amount was?

ERDMAN: Correct. The sale amount is what the total value is and that's what it has to be when they're done. Doesn't change the value.

MOSER: Yeah, I think I understand. Thank you.

ERDMAN: I hope so. I'm sorry about the confusion.

FOLEY: Thank you, Senator Moser and Senator Erdman. Is there any further discussion on the bill? I see none. Senator Erdman, you're recognized to close on the advance of the bill.

ERDMAN: Thank you. What I hope we've accomplished is that I've shared with you that I'm not trying to do slight of hand, and I'm not trying to slip a valuation change in there that lowers somebody's taxes or the ability for a school district or a city or a county to collect taxes. What I'm trying to do is make it fair for everyone, and so consequently making this change does exactly that. It values the land correctly based on the productivity capability of the soil and it puts those people who are paying more property tax in the correct category, and those people who haven't been paying enough may pay a little more, but it's a fair way to do it. And so, I would ask for you to support this bill and if you have further questions between now and Select, I'd be more than glad to try to help you answer those. I'd appreciate your support. Thank you.

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FOLEY: Thank you, Senator Erdman. Members, you heard the discussion on LB372. The question for the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 0 nays on the advancement of the bill, Mr. President.

FOLEY: LB372 advances. Items for the record. Mr. Clerk.

ASSISTANT CLERK: Mr. President, the Committee on Urban Affairs report's LB160, and LB195 to General File, and LB124 to General File with committee amendments. Your Committee on Natural Resources reports LB127 to General File with amendments. Business and Labor reports LB139 to General File with amendments. Your Committee on Enrollment and Review reports LB122 was placed on Select File with amendments. LR1 placed on Select File. A Reference report from the Executive Board regarding appointments to the Nebraska State Fair Board. New resolution, LR22 by Senator Vargas and other members expresses sympathy to the family of Anne Boyle. An announcement. The Economic Development Task Force will meet on Monday morning under the north balcony at 9:30. Name adds: Senator McCollister to LB15; Senator Hunt to LB154; Senator McCollister to LB154, LB306, LB463 and LR1CA; Senator Dorn to LR1CA.

Finally, a priority motion. Senator Williams would move to adjourn until Monday, February 11, 2019, at 9:00 a.m.

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