

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

Floor Debate
March 26, 2019

[]

HUGHES: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-eighth day of the One Hundred Sixth Legislature, First Session. Our chaplain for today is Pastor Ken Miller from St. Paul Lutheran Church in Auburn, Nebraska. He is in Senator Slama's district. Please rise.

PASTOR MILLER: (Prayer offered.)

HUGHES: Thank you, Pastor Miller. I call to order the forty-eighth day of the One Hundred Sixth Legislature, First Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

ASSISTANT CLERK: There is a quorum present, Mr. President.

HUGHES: Announcements, please.

ASSISTANT CLERK: I do, Mr. President. Legislation Resolution-- LR59 introduced by Senator Kolterman as well as LR60 introduced by Senator Lowe. Those will both be read and laid over. That's all I have at this time, Mr. President.

HUGHES: Thank you, Mr. Clerk. (Doctor of the day introduced.) Items, Mr. Clerk.

ASSISTANT CLERK: The first item on today's agenda is a committee report from the Health and Human Services Committee concerning the appointment of certain members to the Board of Emergency Medical Services.

HUGHES: Senator Howard, you're recognized.

HOWARD: Thank you, Mr. President. Good morning, members. Today I'm presenting six individuals who are being reappointed to the Board of Emergency Medical Services. These individuals came before the Health and Human Services Committee on Wednesday, March 20 and all individuals were advanced from the committee with a majority vote. Randy Boldt is a volunteer EMT from Omaha who has served on the EMS board for the past seven years. He's a nationally registered EMT who volunteers as an EMT for the Special Olympics. Dr. John Bonta, a resident of Lincoln, Nebraska, has been a member of the EMS board for six years. Dr. Bonta is a physician who provides oversight to several EMS providers and also works as an emergency

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

Floor Debate
March 26, 2019

medicine physician. Karen Bowlin is a volunteer EMT from Ogallala and is currently the EMS CPR coordinator for Mid Plains Community College. She's been an EMT in Nebraska since 1986 and an EMS instructor since 1989. Ann Fiala is from Ainsworth, serving as an EMT for 11 years alongside her husband who has been an EMT for 36 years. Michael Miller is from Omaha and currently works as the EMS program director with Creighton University. He has worked in EMS education since 1999 and in emergency medical services in some capacity since 1991. Carl Rennerfeldt-- Carl Rennerfeldt is from Blair and a 43-year member of the Blair Rescue Squad and Fire Department. He has served as the Blair rescue captain and rescue chief for their EMS services and was awarded the Instructor of the Year Award for the Nebraska Fire Fighters Association [SIC] in 1995. I would urge the body's adoption of all of these qualified candidates to the Nebraska Board of Emergency Medical Services. Thank you, Mr. President.

HUGHES: Thank you, Senator Howard. Is there any discussion on the report? Seeing none. Senator Howard, you're recognized to close on your report. Senator Howard waives closing. The question is, the adoption of the report offered by the Health and Human Services Committee. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 33 ayes, 0 nays on the advancement of the committee report.

HUGHES: Items, Mr. Clerk.

ASSISTANT CLERK: A second committee report from Health and Human Services concerning appointments to the Nebraska Rural Health Advisory Commission.

HUGHES: Thank you, Mr. Clerk. Senator Howard, you're recognized to open on your confirmation report.

HOWARD: Thank you, Mr. President. Good morning, members. Today I'm bringing you three confirmation reports for individuals to be appointed or reappointed to the Nebraska Rural Health Advisory Commission. These individuals were all advanced from the Health and Human Services Committee by a unanimous vote. Dr. Nasir is a physician who is the chairperson of the Department of Family Medicine at Creighton University and Dr. Nasir has taught family medicine globally and consults nationally on his chosen subject matter. Rebecca Schroeder is a clinical psychologist from Curtis, Nebraska. While currently an independent practitioner in rural Nebraska, she previously served as the clinical director of the in-patient psychiatric unit at Great Plains Regional Medical Center. Lynette Kramer is our new appointment to the board-- to the commission and she is a family medical physician and the chief medical officer at Boone County Health Center in Albion, Nebraska. She serves on several boards and nonprofits and is interested very much in fostering rural physician development. I would encourage you to vote yes on each

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

Floor Debate
March 26, 2019

of these nominations for the Nebraska Rural Health Advisory Commission. Thank you, Mr. President.

HUGHES: Thank you, Senator Howard. Is there any discussion on the report? Seeing none. Senator Howard, you are recognized the close on the report. Senator Howard waives closing. The question is, the adoption of the report offered by the Health and Human Services Committee. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 33 ayes, 0 nays on the adoption of the committee report.

HUGHES: Mr. Clerk, we will proceed to General File with LR14CA.

ASSISTANT CLERK: Thank you, Mr. President. LR14CA, introduced by Senator Wayne. (Read title.) It was read for the first time on January 23 of this year and referred to the Urban Affairs Committee. That committee placed the bill on General File with no committee amendments. When the Legislature last talked about LR14CA, there was a pending amendment from Senator Groene.

HUGHES: Thank you, Mr. Clerk. Senator Wayne, you're recognized to open on LR14CA and give us just an overview of where we left off yesterday, please.

WAYNE: Thank you, Mr. President. LR14CA would amend the Nebraska State Constitution to allow the Legislature to extend the TIF repayment period from 15 years to 20 years, but only in the-- only in cases where more than 50 percent of the project has been declared an extremely blighted area. Because the 15-year limitation is in constitution, there is no way to extend TIF repayments from 15 years to 20 years without first amending the constitution. The definition of extremely blighted is existing statutory definition put into law in 2018. "Extremely blighted" can be found in Section 18-2103(13) and it's defined as: an area which the average unemployment rate is at least 200 percent and the average poverty rate exceeds 20 percent. As demonstrated in the maps that were handed out yesterday, this definition only encompasses a small number of census tracts in the state and is extremely narrow. Importantly, LR14CA only deals with the maximum repayment period of TIF. That does not change any existing requirements that municipalities must meet including the checks and reporting requirements that were added last year with the passage of LB87-- LB874. Every TIF project including ones that are-- potentially meet the extremely blighted requirement must still meet the new restricter "but for" test, follow the new transparency, and the recordkeeper requirements, etcetera. Thank you.

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

Floor Debate
March 26, 2019

HUGHES: Thank you, Senator Wayne. Senator Groene, you're welcome to refresh us on your FA26.

GROENE: Thank you, Mr. President. My amendment, of course, is to change it to 100 percent from just over 50 percent. If we're truly, truly trying to help the extremely blighted areas that the municipalities have completely ignored in the real purpose of TIF in 1978 and instead decided it was a way to get a free steak dinner from developers and give them a tax break, then it should be 100 percent, because quite frankly I don't trust the economic gurus from the municipalities, that they will not use TIF again and that 49 percent exception to play the game and gerrymander the blighted and extremely-- extremely ger-- extremely blighted and substandard areas by drawing the map the way they see fit. So, anyway, I can go along with Senator Wayne. Him and I have had long discussions of what the true purpose of TIF is. And it's-- you can read it in his bill, what TIF was in 1978: for the purpose of rehabilitating, acquiring, or redeveloping substandard and blighted property in a redevelopment project as determined by law. Any city or village of the state may, notwithstanding any other provision in the constitution without regards to charter limitations incur indebtedness, whether by bond or loan. First part of that sums it up. Rehabilitation, acquiring or redeveloping substandard and blighted property in a redevelopment project. Redeveloping, not economic developing-- development. When we pass laws and the people in Nebraska vote on constitution amendments they expect the public servants that they entrust with enacting and upholding that law to do so. For some reason, in this instance it has not been done. It's been extremely abused with the excuse, we have to in order to get somebody to-- they don't believe in the free market system, probably because they're government employees and that's why they work there. They don't trust the job or an occupation or creating wealth in the free market system. But anyway, I-- if we go to 100 percent and Senator Wayne accepts that, I won't support the bill. But I would then let the people of Nebraska decide, all 1 million voters or how many there is out of the 2 million population across the state help the developers in Omaha and Lincoln and a few other small spots in the state, because it's not necessary. None of my constituents have ever talked to me about this. I can't find a senator where a constituent came up to them and said, you know, really, we need to expand TIF. I've had an awful lot of constituents-- the people who you represent, not the city employees in the economic development department. They have come up to me, plenty have said and thanked me for putting up a good fight on the expansion of TIF and trying hard to make sure it is done correctly and used correctly. Nobody has asked me to expand it. So, really, if you put it on the ballot I'm sure somebody will spend money to try to mislead folks.

HUGHES: One minute.

GROENE: But I would hope that citizens would be-- have common sense and say, why is this here? Why is this here? Hey, why by the way, didn't I have to sign a petition to get it on the ballot. That's how Senator Morfeld has worked lately. That's how I worked in the past. We put

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

Floor Debate
March 26, 2019

things on the ballot the people want. The Unicameral going around that method because a few individuals that have some influence can just buy their place on the ballot with a little influence with some senators. Meanwhile, the citizens have to go out and get 150 or 160,000 signatures to get something done. You know, there's two ways to put something in the constitution. There's this way, the end-around game where you put it on the ballot by the Legislature or there's go out and do the hard work of getting the signatures.

HUGHES: Time, Senator.

GROENE: Thank you.

HUGHES: Thank you, Senator Groene. Senator Wayne, you're recognized.

WAYNE: Thank you, colleagues. Let me start off by saying there was some conversation yesterday and some e-mails that I got regarding things defined in the constitution. Well, let me start off. This is not a good amendment. Let me start with that. The reason is, is we literally have census tracts that don't line-up with streets. So you can't have 100 percent of the project in a census tract when our census tracts that are defined federally do not follow local streets. There's no way to do it, so that doesn't make sense. And, in fact, in 2011 here in Lincoln, there was a census tract that went right down the middle of an apartment complex. And they had to redo the entire map for the legislative district to make sure that apartment complex was at least treated as whole. Whereas many of us have one side of the street on one district, another side of the street on another district, you can't have the middle of an apartment complex be cut in half. That's why census doesn't work or 100 percent doesn't work. But as it relates to the constitution, I'm not going to speak a whole lot on this bill, because I'm just going to sit back and watch. But if this is a nonfilibuster that lasts two or three hours, then every bill should have extended debate going forward for two to three hours. If we get up and have substantive conversation, I'm fine. But if we get up and just continue to rail on TIF in general and not the specific bill, then to me that's no different than a filibuster. And there isn't a topic that I don't feel about--especially coming out of Education-- that I can't spend three hours on every time, whether it's discipline-- I don't like discipline generally, especially how African-American males are suspended at much higher rates. So I won't even concentrate on the bill, I will just talk about discipline for three hours. I'm not filibustering, I'm having extended conversation and discipline, generally. I have no problem doing that. In fact, I have a lot of motion pads already filled out to cover all of that. We can spend all the time having fake extended debate and wasting time and that's no problem with me doing that. I learned from some of the best. But if you want to have a real conversation about what things really do, I'm open to that. But that's not what occurred yesterday and that's not what occurring now. So as it relates to the constitution and definitions, we rarely ever define anything in our constitution. But yet, when it comes to fixing some things in poverished areas we want to

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

Floor Debate
March 26, 2019

create a higher burden to put things in our constitution by saying, no, we need to define it. Yet in Article III, Section 30, the Legislature to pass necessary laws, it says: The Legislature shall pass all laws necessary to carry into effect the provisions of the constitution. That is because the constitution is about concepts and broad ideas. It's never about defining things. And let me give you a couple examples. In our lottery-- provision against gambling-- constitution, it says the Legislature shall determine the definition of lottery. And if you go into the statutes, it's defined. We are creating a higher burden than the prohibition against gambling. Think about this. In our constitution a felon can't vote-- he's got two years afterwards. A felon can't run for office. But yet, felonies are defined by statute. This Legislature theoretically could eliminate all felonies. And that deals with actual personal rights, but we're creating a higher burden because we want to do something to help poverished area. I've sat on this floor for two years and I've worked with everybody in this, including the freshman senators who are here. This year I worked with you guys on numerous bills.

HUGHES: One minute.

WAYNE: The reality is, everybody keeps asking me, what is needed for north Omaha? Well, this is one of the things, including LB86, which Senator Groene also voted against; including LB192, LB129, which is in Appropriations. Those are my top three priorities, because that's what's needed for north Omaha. So to me, a vote against this, you're not really serious about changing the conditions in my community and I have to start taking a long, hard look at people asking me to do things for their community, including property tax relief. If we want to go the distance and have extended debate, that's fine. But let's make it real debate. If we're just repeating the same things that's going to be a long session to come and I hope we don't go there. With that, I'll submit, Mr. President.

HUGHES: Thank you, Senator Wayne. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President. Good morning. Senator Wayne, I had listened to what you had to say and last evening when we were leaving or yesterday, you and I had a conversation about Senator Groene's 100 percent. Would you yield to a question?

HUGHES: Senator Wayne, will you yield?

WAYNE: I'd love to.

ERDMAN: Okay. Senator Wayne, I'm going to try to-- I'm going to try to talk about the bill, OK? That's my rule.

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

Floor Debate
March 26, 2019

WAYNE: Thank you.

ERDMAN: All right. So the conversation you and I had was, how do you prove it's 50-- over 50 percent? And then I had made the suggestion that 100 percent seemed reasonable. And then you shared with me what you had shared in your opening comments about those don't run on the streets, they go right through residential properties, and those kind of things. So in light of that, is that a fair assumption of what we talked about?

WAYNE: Yes.

ERDMAN: Okay. In light of that, how do you determine if it's greater than 50 percent? How do you make that determination?

WAYNE: You make that determination by looking at the overall project and where those dollars are going to. But, actually, that's a conversation we can have next year or this year when it passes. That's the beauty of it. We defined it in statute.

ERDMAN: So then if your bill-- in your constitutional amendment gets on the ballot and it passes, then coming back next year we would have to in statute determine how we place in statute the determination about the 50 percent or greater?

WAYNE: Correct. That would be a conversation, but it wouldn't happen until 2021 because the ballot won't be-- it won't be voted on until 2020.

ERDMAN: I see. I see. So Senator Groene's 100 percent is a problem in what way? Because of the fact it might divide not on street lines, is that what you're saying?

WAYNE: It's not just street lines, but we have no control over where those are defined at. So that's why we were using 51 percent to give us some leeway. So if a person is building an apartment complex and not all of it's in there, but like in Lincoln where it was divided down the middle, then that project wouldn't qualify-- but for TIF that project wouldn't have happened. It probably might not happen in the future.

ERDMAN: Okay. So you're changing the time restraint-- constraint from 15 to 20 years. In your opinion, that extra five years is going to get more economic development or redevelopment there?

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

Floor Debate
March 26, 2019

WAYNE: I believe, yes. Yes, I believe that.

ERDMAN: Okay. Thank you for answering my questions. I appreciate it.

WAYNE: I appreciate the dialog.

HUGHES: Thank you, Senators Erdman and Wayne. Senator Groene, you're recognized.

WAYNE: Thank you, Mr. President. Senator Wayne, I have a question for you.

HUGHES: Senator Wayne, would you yield?

WAYNE: Yes.

GROENE: First, I'll ignore your threats, because I've worked with you in the past and I will continue. But when I disagree on policy, I'm going to stand up and debate it and I'm not going to take threats about what you're going to do.

WAYNE: I agree with that. And I would love to have more conversation about school discipline for about four hours.

GROENE: Good. Let's do it. First, help me get it out of committee.

WAYNE: That's a problem in your committee, not mine.

GROENE: Anyway, you say we don't define things in law, all right? We don't define things in the constitution, direct definitions.

WAYNE: I'd say we typically don't, not everything. There may be an exception.

GROENE: All right. So-- well, 15 years, is that a dictate or should the constitution say they should do this project and then leave it open to the years and we put it in statute 15 years? Or how about 20 years, sir?

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

Floor Debate
March 26, 2019

WAYNE: Well, actually, 15 years could be calendar years or it could be something else from the date of the project starts, so there is some leeway. And we have defined that in statute to be calendar years.

GROENE: Thank you. Anyway, we do define things in the constitution. And 15 years is 15 years when I talk to anybody in development, 20 years is 20 years, 20 tax years. So, anyway, we do it and we do it for a reason. And, by the way, I don't believe I have my staff looking at it, but I don't believe the constitution says that you can vote after you've committed a felony in two years. It doesn't say that. That's in statute. And, actually, some may say it's unconstitutional because it says only the Parole Board and the Governor can commute a sentence and the right to vote through a com-- pardon. It depends on what you want to read and how you want to read it, but nobody has challenged that two years. By the way, which I agree with, after two years somebody should-- and they've kept their life together. But, anyway, let's be clear on that, too. That's not in the constitution. Let me first explain something. We did, for north Omaha, for areas of north Omaha and for highly blighted areas in LB496, you did, three other people who voted for it didn't come back. They got defeated because they didn't do-- one of the reasons was that, because they didn't do what the people wanted on TIF. And those three individuals changed their vote at the last minute and guess what? Because the bankers in the state chamber told them they wouldn't get funds. Well, those people only vote once. In LB496, we gave a big apple to north Omaha and to highly blighted areas by including construction costs. You've heard on the floor here that the average TIF is 8 years, 12 years, it doesn't go 15. And the reason was because we restricted it for infrastructure. Public tax dollars-- the public was willing to take it from the school and give it to the city for tax-- public purpose. Fix the streets, fix the sewers, fix the curbs, demolish an old building. So that amount of money was the limit of how much you could TIF, so it ran 8 years, 10 years, never ran 15. By putting construction cost in there for housing, every TIF in rural Nebraska for housing and for highly blighted areas in the urban ar-- urban cities, will run 15 years. That's a huge gift that they were given.

HUGHES: One minute.

GROENE: And, folks, friends, this hasn't even been enacted more than six months. We're going from enacting a law that hasn't happened-- where any city has even defined a highly blighted area to putting it in the constitution. Government shouldn't work that fast. It needs to slow down a little bit. Let's see if it actually is used. Thank you.

HUGHES: Thank you, Senators Groene and Senators Wayne. Senator Hilgers, you're recognized.

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

Floor Debate
March 26, 2019

HILGERS: Thank you, Mr. President. Good morning, colleagues. I appreciate the discussion on LR14CA. I appreciate, as I always do, Senator Wayne's thoughtful approach to policy in his-- the bills that he's brought forward. And this one is no different than all the others. And I would ask-- I would see if Senator Wayne would yield to a question or two.

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

HILGERS: Thank you, Senator Wayne. I've been listening to most of this conversation. I just wanted to maybe discuss a few items that you might have already talked about but maybe sort of focus it a little bit. So my understanding is extremely-- "extremely blighted" is one of the parts of this constitutional amendment. And that was put in the statute with-- which bill again was it?

WAYNE: LB496 last year.

HILGERS: And that was last year, right?

WAYNE: Correct.

HILGERS: And before that-- is-- and I was looking on-line-- and this isn't a trick question-- it may be-- I didn't see any other reference to that sort of concept of extreme blightedness anywhere in statute. Are you aware of any other?

WAYNE: No, it was first introduced last year.

HILGERS: And where did that-- what's the origination of that concept? Is that something other states have used? Can you just--

WAYNE: I am going to push my light, because this-- to give you more time if you need to talk, because actually this comes from a bar on our constitutional amendment that doesn't allow race. And there's no way to adequately deal with some of the past discriminations, particularly redlining in Omaha, which the Revenue Committees has maps when I passed out for LB86. So we had to come up with creative ways, looking at poverty and unemployment, to provide extra incentives for development, because I couldn't say a percentage of minorities. I couldn't say north and south Omaha, because it is special legislation. So because of the constitutional ban that the people voted for, we have to come up with creative ways like the university and other people

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

Floor Debate
March 26, 2019

when using public funds to figure out how to develop areas that were historically discriminated against. So that's where the word "extremely blighted" came from, because we had to define it in a way that would target areas that historically have been left behind and intentionally discriminated by our government.

HILGERS: Got it. That's very helpful. Is this concept one that you had seen them use in other states at all?

WAYNE: In other states, yes. So there's opportunity zones, which deal with some poverty levels. And then there's a 30-30-- 30-30-40 at the federal level. And even the SEB ordinance in the city of Omaha uses poverty and census tracts as a way to try to deal with some of this historical discrimination.

HILGERS: So the-- as the stat-- the current statute that we passed on our last-- in the last session, it uses that term and I'm looking at it here. Is there concern that the statute is curr-- I mean is the-- is this constitutional amendment necessary in order to conform the statute to the constitution? In other words, is the current statute-- is there any constitutional concern with the current statute without this?

WAYNE: No. So the issue of extreme blighting that we did with Stinner's bill, LB496, was about work force housing in western Nebraska. And they faced many of the same issues that north and south Omaha. So we used "extreme blighting" or "extreme blighted" and had it only apply to cities of the metropolitan class, which is Omaha. That's where that language came from.

HILGERS: Thank you, Senator Wayne. And as I understand the definition it's where 200 per-- what is it? It's twice the cur-- the statewide unemployment rate and 200 percent poverty level. Is that right? What-- re-- remind me of the definition of extremely blightedness.

WAYNE: Two hundred percent of the average unemployment rate in Nebraska and exceed-- and it also has to exceed 20 percent of poverty.

HILGERS: Twenty percent, yeah, that's right. Thank you, Senator Wayne. And I'm looking-- can you remind me on the maps-- the maps that you handed out, which are very helpful, the red is the areas that currently would be considered to be extremely blighted. Is that right?

WAYNE: Yes.

HUGHES: One minute.

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

Floor Debate
March 26, 2019

WAYNE: Yes. So the red would be-- the red would be extremely blighted and the rest of the state, anywhere else on any map, the regular TIF would still apply.

HILGERS: And you and I spoke yesterday. The map also has yellow. Can you remind me what the yellow is?

WAYNE: That yellow, meets that it meets one of the criteria. I think that's over 20 percent in poverty. And then the green would be over 200 percent. So it's kind of projecting that maybe in a future census that tract might also meet both definitions.

HILGERS: Okay. Thank you. I'm about out of time. I appreciate it very much, Senator. I will probably have couple more questions to unpack some of this. Thank you.

HUGHES: Thank you, Senators Hilgers and Senator Wayne. Senator Lowe, you're recognized.

LOWE: Thank you, Mr. President. If Senator Hilgers would like some time, I'd like to yield this time to Senator Hilgers to continue on with the conversation with Senator Wayne.

HUGHES: Senator Hilgers, you're yielded 4:45.

HILGERS: Thank you, Mr. President. Thank you, Senator Lowe. I was wondering if Senator Wayne would mind picking up where we left off on that conversation.

HUGHES: Senator Wayne, will you yield to some questions?

WAYNE: Yes.

HILGERS: Thank you, Senator Wayne. When we were la-- when we were last discussing a minute ago, we were looking through your map. One question I had was, the current-- this map was based on the current statewide unemployment rate, which is 2 percent, plus or minus? Is that right?

WAYNE: If that's the current unemployment rate, yes.

HILGERS: Well, do you know what the map was based on?

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

Floor Debate
March 26, 2019

WAYNE: It was based off of the 200 percent. I just don't know-- I can't remember if it was the exact current from right now or if it was from the census tract. I just got to go back and double check it.

HILGERS: I appreciate it. Did you look, by chance-- and I appreciate the work that you and your staff did to put this data together. If the unemployment rate were to, say, change, it would drop, you know, .4, .5 percent, would that-- do you know what the maps would look like over a range of unemployment rates as they currently exist?

WAYNE: No, I do not. And that's kind of the point of locking things in by using the census, that we lock them into the census tract for approximately ten years-- is how we do census-- so that way we can truly see if it's working or not. I mean, two years from now the census tracts theoretically could change. But we don't want a floating thing, because then they can move all around. What I'm trying to do is put the constraints around the issue Senator Groene and Briesse had around TIF and say if we used the current census definition every ten years, then for that ten-year block we'll see if it's really working or not.

HILGERS: So how does-- I appreciate that. That makes-- so in other words it's not a-- these are my words not yours, but it's not a fluid definition. There's some static nature to how we determine what census blocks would be extremely blighted. Is that right?

WAYNE: I'm sorry, could you repeat the question?

HILGERS: Well, so it's not-- one question I did have is whether or not-- and these are my, my term, but it's not fluid in the sense that it's-- it could change from year to year. Is there some static nature to it?

WAYNE: Yeah, that's the intention is to-- and, again, this could be more defined in statute. But the intention is to be static based off of that census block so for ten years we can see if it really works or not.

HILGERS: And so where is the-- so I'm looking at LR14CA. I know you're Chair of Urban Affairs. TIF is in your wheelhouse. This may be-- as a TIF expert it may be an easy to answer question or an obvious one certainly, but it isn't to me. So where-- that concept that you just described of this census-- this tying to the census block which has some static nature to it, I don't see that in the language of the constitutional amendment. So how does that tie in? I'm guessing-- is there some statute that, that ties into? How does that-- can you describe how that mechanism works?

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

Floor Debate
March 26, 2019

WAYNE: So the problem is-- yeah. So this would all be defined in statute. So if this were to be voted on by the people in past, we would as a body come in and do just that. We could put those limits on it. We could put the "every ten years." So this is conceptually. I'm telling you conceptually what I see this going forward. And so I did have a bill-- and I don't want to confuse anybody on it-- but I was trying to show the committee conceptually what it could look like. But the ideal is, you lock it in for ten years and next census tract you'll be able to determine one, as a body and as a municipality, did this extra five years do anything? And if it didn't, then we shouldn't do it. But right now, we have no way of knowing because, to Senator Groene's point, there's a lot of areas that are currently TIFed.

HILGERS: So that-- so in other words-- I appreciate that, Senator Wayne. So in other words, that's sort of how you envision this process best working and that would require some legislation. Would that require maybe a definition of one of these terms? And if you don't-- you may not know the answer to that question. But in order to get your census block concept, does that require a definition, a statutory definition of something in this amendment?

HUGHES: One minute.

WAYNE: Yes. It's in the statutory definition and then I also have LB86, which is my priority bill, that further defines how cities and municipalities would determine extremely blighted areas. So I do have legislation this year in my bill to help clarify and determine extremely blighted in the process of which local municipalities use, because last year on the floor when we did this amendment, it was a floor amendment, so we left out some important parts and this is where I'm trying to correct some of that.

HILGERS: Okay. Thank you, Senator Wayne. I'm probably out of time here, so I'll come back. I have a few more questions but appreciate the dialog. Thank you.

HUGHES: Thank you, Senator Hilgers and Senator Wayne. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. I spoke a lot about this bill with Senator Wayne off the mike yesterday. And an issue I have is-- with the bill is no fault of Senator Wayne's, and that's the fact that we're putting something so specific into the constitution. And I recognize we have to do that because it was already put there. Again, that's no fault of Senator Wayne's. He's exactly right that we can take a broad statement in the constitution and then add legislation onto it to effectuate that. And we do that in a lot of areas. But I do want to cover a little bit of the constitution as it currently exists, because I think it's important for how this bill affects that going forward. So would Senator Wayne yield to a question?

Floor Debate
March 26, 2019

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

La GRONE: Thank you, Senator Wayne. Senator Wayne, you're amending Article VIII, Section 12 of the constitution. And I was just wondering if you could you give us a little background on why we have-- and this has nothing to do with your changes to it. But why we have a provision that's so specific in our constitution and whether that is or isn't an issue.

WAYNE: So in the '70s we-- we were transitioning from creating a sales tax and a lot of tax issues and so we were trying to figure out how to deal with blighted areas. And so added in 1978 was Section 12, which uses tax increment financing. Now I will admit to you, Senator La Grone, that most states have it in statute. It's not in the constitution. But as we can see, this year property taxes and taxes are-- have always been a issue in Nebraska, so some things they do put in the constitution. But out of that redevelopment and the willingness to change what they deemed blighted and substandard areas, this was placed in the constitution because it wasn't just Omaha and Lincoln. But there were also other cities or villages who their urban core just cannot get the development that they needed and the rehabilitation that was needed. So that's why this was introduced and passed.

La GRONE: Thank you. And do-- would you think-- and I'm assuming this is why you brought the CA rather than repealing the whole section. Do you think that it would cause a problem to say, one, let's repeal this constitutional section since it should probably be in statute anyways, and try to effectuate that same goal through a statutory provision at the same time? I recognize there's some procedural obstacles there with the votes that are required and the time that takes. But I was wondering if you could just give us some thoughts on that.

WAYNE: Yes. So when doing a constitutional amendment-- I hope all my colleagues listen to this--this is truly a campaign. So you have to figure out how to sell something to the body and to the rest of this state. So we, literally, in our constitution have unconstitutional language that the Supreme-- United States Supreme Court struck down that is still in our constitution, and because we haven't been able to get our masses in Nebraska to actually vote it out. And we can-- and the message was-- particularly like around English being taught in public schools, the only language, that was struck down in the '20s by the United States Supreme Court. But when it goes on the ballot and you read that people say, well, no, I think English should be taught in schools. And so they're, they're, they're unwilling to strike that out, not understanding the whole concept because that's a campaign. It's a huge campaign. So striking out TIF, I'm pretty sure everybody in the League of Municipalities and every city would be against it, because there is no backup language to the constitution. It's either in there or it's not.

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

Floor Debate
March 26, 2019

HUGHES: One minute.

La GRONE: And I would definitely agree with you that that is an issue. And I think it's something that you and I would probably agree there are many provisions in our constitution that would be better through statute. That's obviously a larger problem there. I think the only way to do that is all at once. And that's something I know you and I have talked a lot about. Whether that-- obviously, that's not something we can do on this bill. That's why I really appreciate the goal of the bill. I think it's a good goal. My heartburn with the bill is merely that it's kind of perpetuating a problem that I think there's a huge underlying problem there that is no fault of Senator Wayne's. So with that, I'd yield Senator Wayne whatever remaining time I have.

HUGHES: Senator Wayne, you have 19 seconds.

WAYNE: Eighteen, seventeen, sixteen. No, I'm joking. Thank you.

HUGHES: Thank you, Senator La Grone and Senator Wayne. (Visitors introduced.) Thank you for attending. Senator Wayne, you're recognized.

WAYNE: In an unusual manner I'm going to yield Senator Hilgers my time to ask me questions.

HUGHES: Senator Hilgers, you're yielded 4:50.

HILGERS: Thank you, Senator Wayne. I think I still have to formally ask you if you'd be willing to yield to a question or two.

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

HILGERS: Thank you, Senator Wayne. So one-- and I appreciate the dialog we've had off the mike, on the mike. And I do-- it feels like sometimes in this body we either-- things fly through without any conversation or they take a long time. And I-- maybe we're in the sweet spot of working through some of these issues. One question we were just talking about is this-- the-- it relates to the definitional issue of not putting the definition to "extremely blighted" into the statute. And as I understand it, one of the-- the argument-- one of the arguments you would put in that is that currently the definition is tied to the consensus block system. And so if the government for some reason were to change that census block or how they do the census that

Floor Debate
March 26, 2019

could impact the definition in a way that would har-- maybe would suggest we wouldn't want to put it in the constitution. That's a sort of clumsy way of asking it. But could you--

WAYNE: Absolutely. So if the federal government decided that they wanted to say instead of "census" we'll call it "districts." Let's just say they wanted to change it from the word "census" to "districts." If it's in our constitution we would have to go back and change it from "census" to "district." So part of the reason we don't want to define it, because it's based off the census block, which at the federal level we might be able-- we may need to be able to change as a federal change or as maybe it's 300 percent, maybe it's 400 percent. As over ten years, we see things not working and working, we may need to change it and that's why it needs to be in statute.

HILGERS: So-- thank you, Senator Wayne. So the other side of that coin might be that-- not only the point that Senator Briese and Groene have made that if you have it in statute, there could be-- some future Legislature could more easily change it in a way that maybe would have consequences you didn't intend or we don't intend currently. Another way to look at it, and as I understand it how this would work, and correct me if I'm wrong, is that this would be-- it would be-- that static nature is sort of a snapshot in time. In other words, whenever that census tract comes out, whatever the stats are whenever the census is complete, '20, '21, whatever that date is, then that's how it will be for the-- until the next census. Is that-- is that how this is intended to work?

WAYNE: That's my intent, yes.

HILGERS: So if it's-- if a census tract as of the next census-- let's just say hypothetically it were to qualify as extremely blighted, but then two years later independent of any TIF project there was investment or there was-- there were money floating and capital floating or it was developed in a way that it would no longer be extremely blighted in reality, under the constitutional amendment it would still be-- would it still be extremely blighted because it was based in the census tract as it was determined at the census or not?

WAYNE: No. If there is a new census tract that came out, it would be the new census tract. And that's the whole-- that's the primary point, because then we get to analyze at the local level and at the state level what happened. If it wasn't TIF related, then to Senator Groene's point, maybe we don't need TIF. But if it was TIF related then how-- then maybe we need to focus in on areas like that through this mechanism.

HILGERS: So maybe there would be-- so maybe I have a misunderstanding about how the census tract works. So the census tracts are not-- they get set when we have a census.

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

Floor Debate
March 26, 2019

WAYNE: Correct.

HILGERS: And then my, my-- and maybe this is where I'm-- maybe I'm missing the-- missing it here. It's my under-- my thought was that they wouldn't get reset until the next census, so ten years later.

WAYNE: Yes, yes. I'm-- I'm so-- I'm sorry if I misspoke. That's what I'm saying. And we can clarify that, like I said, in LB86 coming up we can clarify that and say, as a census date of, and we can use the last census. And then in statute we can change it every ten years. It keeps us-- almost like a sunset provision to keep us engaged in the-- in the-- engaged at where it should go. But that's all defined by statute.

HUGHES: One minute.

HILGERS: So then how-- thank you, Mr. President. So how would it work then-- so in my hypothetical you're now-- let's say you're halfway through that census-- that census period of time. So you're 2026 and the-- in actuality-- so the census block would still say extremely blighted, because it was set in 2021. Right?

WAYNE: Correct.

HILGERS: It's sort of a moment in time, to a degree. Right? It's a snapshot.

WAYNE: Correct.

HILGERS: And that would be-- it would be quote unquote extremely blighted until the next census came along?

WAYNE: Yes.

HILGERS: So what happens if the data on the ground, five years in, independent of a TIF project says, this, this-- in realty, it's no longer extremely blighted. Would it still qualify for TIF under this constitutional amendment?

WAYNE: It wouldn't qual-- well, that's a different question.

HILGERS: Well, this TIF.

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

Floor Debate
March 26, 2019

WAYNE: Well, it wouldn't qualify underneath the constitution amendment, it will qualify in the statute if we put the statute to say, census every ten years, which is the intention. We can change that to say, census and then do a-- I think there is another census that comes along every five years to recheck it.

HUGHES: Time, Senators.

SENATOR WAYNE: Thank you.

HILGERS: Thank you, Mr. President.

HUGHES: Thank you, Senator Wayne and Senator Hilgers. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. Again, I am concerned about future years when the definition of "extremely blighted" comes into play. In the past we have watched what I would call a severe abuse of the TIF program. I am fully supportive of what Senator Wayne is trying to accomplish in his district. And if we could define that area in a more definite terms, but we cannot put that in the constitution. And right now the definition of "extremely blighted" is, to me, subject to whims of every city council out there. You're going to have some that operate under the general idea of how TIF is supposed to operate. The city of Grand Island recently has started looking at the impact that TIF will have on their school funding whenever they do a TIF project. They've reached a consensus with some of the developers that they can maybe use TIF on half their project but not on the whole project. But, again, it all relates back to how schools are funded and how, if you're an equalized district or you're a nonequalized district. And so it has an impact on state revenue and it has an impact on how schools are funded. And so on those nonequalized schools when a TIF project like this happens, there is no impact to school funding, so to speak, or there is a big impact because there is no state dollars coming in to make up that difference. But you get into the equalized districts and if they TIF millions of dollars of projects, hundreds of millions of projects like they have in Omaha, it has a direct impact on the TEEOSA formula and on our budget. So unless we can somehow lock in and define the very boundaries that this can operate under, I still cannot support it. And with that, I would yield the rest of my time to Senator Groene.

HUGHES: Senator Groene, you're yielded 2:50.

GROENE: Thank you. Thank you, Senator Friesen. I'm going to remind you, this is not nothing or everything. There's already TIF for these areas like every other area. Well, that's truly in my definition what's "blighted" and "substandard." So if a company wants to go into that area and

Floor Debate
March 26, 2019

build, they can get TIF for up to 15 years. And with LB496 passage, if somebody wants to go in and build a housing development or just a single house they can also do it for 15 years, but they can do construction costs also. I will remind you that this LB496 went into effect 90 days after April whatever it was, our last day. So somewhere in July. So you figure how long it's been in effect. No city yet has designated an area and outlined an area that they consider extremely blighted and defined it in their community redevelopment authority bylaws. Nobody has done it yet. So, we are way ahead-- and I give Senator Wayne credit. He's a deep thinker. He's a wonk on policy into the future and what's best, but he's got the cart way ahead of the horse on this thing. We don't even have one yet, a TIF project in one of these areas because they can't, because on the construction costs part of it because--

HUGHES: One minute.

GROENE: -- it's not been defined. And now we're saying, all right, all right, all right. Now we got to go 20 years because it hasn't happened quick enough. Remember now, they're going to be able to TIF for a solid 15 years with construction costs "thrown" in there because they'll have enough to throw against the bond. We don't have a project yet. I don't know of any that has been done that way. Well, I do, the one in North Platte that was done on housing. I don't believe they put construction costs on it. They still kept the old-fashioned way, of-- the correct way of just doing infrastructure-- public infrastructure. So we're going to put this in front of the people and they're going to go in the voting booth and look at this and say, where did this come from? What is this all about? I've been there. I've seen some of these things that have been on the ballot by the Legislature.

HUGHES: Time, Senator. Thank you, Senators Groenes-- Groene and Senator Friesen. (Visitors introduced.) Senator Hilgers, you're recognized.

HILGERS: Thank you, Mr. President. This might be the last time I speak on it. Let me say, I very much appreciate Senator Wayne, the dialogue we've had on the mike this morning, the work he's put into it. As I under-- I think I understand, we've had a number of conversations on the mike. I understand what he's trying to do and I understand that the solution for a lot of these things is to sort of flesh it out through statute. To some degree that gives me a little bit of pause, although I do-- because I do think that a Legislature could do things that maybe we don't intend now if it's in statute, whereas if it's in the constitution I think it makes it harder. At the same time, to Senator Wayne's point, it does provide I think some more flexibility for us to be able to respond to changing conditions or to tailor this in a way that I think it's most effective. So I do think there's sort of a balance of two competing arguments. And I was wondering if Senator Wayne might answer a final question or two.

Floor Debate
March 26, 2019

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

HILGERS: Thank you, Senator Wayne. I know you and I have talked off the mike about this, but I was wondering if you would put on the record just sort of how-- your thought process of how you came up with this bill and what will it mean to your community.

WAYNE: So, specifically, I look at 72nd and Dodge. And those who don't know, it's the Crossroads area. So, specifically, 72nd and Dodge gets the same TIF benefit and financing benefit that 16th and Emmet or 16th and State, and that's north Omaha. And so as a developer, if I got the same financing and I'm looking at risk, I'm looking at higher insurance, I'm looking all the things that go into risk factor, I'm going to go with 72nd and Dodge or I'm going to go with Aksarben Village, because I can get the same TIF there. So I was trying to create a way to create a subset and strengthen out our long-- make it longer for that TIF, by five years, to entice developers to develop an extremely blighted area. Now when I did this last year, to be very blunt, we did it over the lunch period and we weren't sure where everybody's extremely blighted throughout the state was. And it wasn't until after we did the map that I said, oh, there's some in the 3rd District, there's some in the 1st District. The intention was truly for my community, but we can't in the constitution single out this is for Douglas County.

HILGERS: Thank you, Senator Wayne. Was there any testimony at the hearing or maybe some of your conversation as the reaction of the developer community whether or not having the additional five years, how much that would sort of sway some of these investment development decisions?

WAYNE: Yes. The developers-- and I was looking for the letter. The developers and the real estate association, all them wrote letters in support because-- and the chamber of commerce testified in support because we're just looking for ways to create new development opportunities in this area.

HILGERS: Thank you, Senator Wayne. I appreciate the conversation this morning. I'll tell you, colleagues, I, I, I do intend to vote green at this stage on LR14CA. I see what Senator Wayne's do-- trying to do. I think he's been an expert and a leader on TIF since my time in the body. I will be very candid, though. I do have some concerns that by putting some of these definitions, relying on future Legislatures and making it easier for future Legislatures to make decisions that could fundamentally change the character of what this constitutional amendment tries to do, you could imagine even a small tweak to the definition of extremely blighted that might-- where it might create it such that extremely blighted projects are the rule and what we are doing is

Floor Debate
March 26, 2019

unintentionally trying-- creating a scheme on which all TIF projects rather than a narrow few have the 20-year payback period. That being said, I think this is a very good concept. I appreciate what Senator Wayne is trying to do. I understand also he has a separate bill he introduced that I also understand would be unconstitutional under the current system that would flesh out some of these things. So I look forward to reading that and having further conversations with him. I don't know-- I look forward to working with Senator Wayne on it. I don't-- not sure what I'll do at future stages of debate, but certainly at this stage, I intend to vote green. Thank you, Mr. President. Thank you, Senator Wayne.

HUGHES: Thank you, Senator Hilgers and Senator Wayne. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. President. I like the provision of FA26 with the 100 percent of the TIF area needing to be extremely blighted, but I do agree that it could be that particular wording might need to be improved, that the census tracts. I think, though, it could be defined adequately because of the potential for abuse where you don't end up really getting the extremely blighted new development, but you get it out on the edge somewhere where they draw a line, as Mr.-- Senator Groene has mentioned. And the-- also the extremely blighted definition with 200 percent unemployment and over 20 percent poverty rate. If our economy takes a dip, we could end up with quite a few more districts that qualify, although I believe the decennial census definition and the ten-year census, I support keeping that in so that we have a set area for ten years at a time where we're able to analyze what the effect is. But the restriction with 100 percent or narrowing it down into the actual blighted area I think is important so it doesn't get carved out outside of that. I was interested in the Douglas County map that had the red extremely blighted areas, and I was looking at the one to the left and it's more south and west-- excuse me, by the number 006. I see that actually the Crossroads is right by that 006, across the street east-- on the east side of 72nd Street. It is extremely blighted across the street from the Crossroads right now. That's an example I think of how things could change quite a bit and outside of the development outside of the north Omaha area that this is really targeting. And so I was just looking at that map and I noticed that Crossroads is right across the street from that one area on the-- on 72nd Street. So I do support FA26. We may need to improve the language of it if there are problems with how they define census tracts. But I support that and I think it's a good effort to try to improve the redevelopment in the extremely blighted area of north Omaha. And I-- with that, would yield the rest of my time to Senator Groene.

HUGHES: Senator Groene, you're yielded 1:45.

GROENE: Thank you. You know, there's always that temptation to just let it go. Sit down, let it be voted on. But here's the book. I'm not supposed to use a prop, so I won't hold up the

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

Floor Debate
March 26, 2019

constitution. It's got 84 pages in it. How many of you when you vote on this have been contacted by your constituents on this issue? How many have told you when you ran for election that this was an issue they wanted in their constitution? Think about it. Do we respect the document enough to say, no, Senator Wayne, this isn't important enough to change our constitution.

HUGHES: One minute.

GROENE: That's the way I look at this. His end results? Yes. But he should be going to his city council and raising a really loud voice and saying, why haven't you done anything here? Why hasn't your economic development department focused on this area? Where are you? We gave you the tools. The people gave you the tools. We've passed legislation to strengthen those tools. Why aren't you in my district fixing this, helping? We've got the Advantage Act. Where's the state at trying to bring somebody to those areas? Maybe that is where we need to go with the new ImagiNE Nebraska. Imagine north Omaha being redeveloped. We could add something in that law that focuses on extra benefits for a corporation that develops an area that's extremely blighted. That would be a better vehicle to do this than the constitution.

HUGHES: Time, Senator. Thank you, Senator Clements and Senator Groene. (Visitors introduced.) Items, Mr. Clerk.

ASSISTANT CLERK: Thank you, Mr. President. Committee report: The Revenue Committee reports to General File LB585 and LB610, both having committee amendments; the General Affairs Committee reports LB252 to General File. Additionally, amendments to be printed: Senator Hilkemann to LB558; and Senator Hilgers to LB583. That's all I have at this time, Mr. President.

HUGHES: Thank you, Mr. Clerk. Senator Moser, you're recognized.

MOSER: Thank you, Mr. President. Good morning, colleagues. Yesterday when we were talking about TIF, I was making some comments that I believed were correct, but after talking to Senator Williams, I learned there are some variations in how the process works that go beyond what I said yesterday. And so I'd like to ask Senator Williams a couple of questions about how TIF has been used in his community, if he would yield to a question or two.

HUGHES: Senator Williams, will you yield?

WILLIAMS: Yes.

Floor Debate
March 26, 2019

MOSER: OK. So typically when we use this economic devel-- this economic development tool, the developers must have been needing the bonds, because we floated bonds, they were sold through a bond broker. The proceeds of the bonds were used for the improvements that were permissible as to be subsidized. But-- and you were saying that they don't necessarily always have to sell bonds?

WILLIAMS: That's certainly the case in a number of the projects that, that I've been associated with. There were no bonds sold. The generation of the annual increase in tax based on the tax increment, that piece, was used annually to go to the project.

MOSER: OK. And then we were talking about the rates. And I said that they were set in the market. And I think that may have been incorrect also.

WILLIAMS: Well, I'm not suggesting that they couldn't be set in the market like your, your community did. Generally-- and this is a part of the whole explanation of the bonds that people need to understand. If the rate on the bond is increased, you decrease the amount of the principal of the bond. That's a function of the interest rate. There is a front-end calculation that is made that determines the cash flow that is available to pay the bond, both the principal and interest. So developers tend to want to have a low-interest rate, not a high interest rate on their bonds.

MOSER: So they can have more cash to apply to the project?

WILLIAMS: Correct.

MOSER: And so in that case it really doesn't matter so much what the interest rate is on the bonds or whether the fact that bonds are even underwritten and sold. The gist of the story is that the increase in the valuation times the tax paid that would be paid is paid to subsidize the project.

WILLIAMS: That's correct. It creates a cash flow and that is either used annually or it's used as a bond repayment plan.

MOSER: Or for that matter, the developer could use it to help make his payments on the project.

WILLIAMS: It would have to be a qualifying use of the tax increment.

MOSER: Oh, yeah, OK. So he couldn't-- not on the capital improvement part, but-- necessarily, but on the infrastructure, parking lot, lighting, all those are permissible things.

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

Floor Debate
March 26, 2019

WILLIAMS: Correct. Correct.

MOSER: OK. Well, anyway, after that discussion yesterday where I, you know, spoke how we had done it in the past. The way we did it was OK, it was done correctly, but there were variations in how it could be done. And so I wanted to ask you questions about that to make sure that we had that correct in everybody's mind. I didn't want part of what I said to be wrong and have people think everything I say is wrong, so. Well, that's a critical part of listening to a witness. If you think one thing they say is wrong, you may think everything they say is wrong. How much time do I have?

HUGHES: 1:10.

MOSER: OK. Would Senator Groene respond to a question?

GROENE: Yes.

HUGHES: Senator Groene, will you yield?

GROENE: Yes.

MOSER: Good morning. I just have a question about your amendment. Is your amendment to try to delay the object at hand here? Are you actually trying to improve the bill or are you just trying to obfuscate it?

GROENE: It's one of those when you fear you might be losing a battle, you draw another line. You take a couple of steps backwards. In other words, in the worst-case scenario, I could-- this would make a bad bill better.

MOSER: Well, how about would it make a bad bill better if you changed from 100 percent to something that would be more palatable to Senator Wayne, say 75 percent or something?

GROENE: I haven't seen yet from Senator Wayne or anybody else-- I've had a claim that you can't define a census bureau and they go through apartment buildings, but I haven't seen the fact.

MOSER: But would 75 percent accomplish what you want more or less anyway?

GROENE: No. No. If we--

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

Floor Debate
March 26, 2019

HUGHES: Time, Senators.

MOSER: OK. Thank you.

HUGHES: Thank you, Senators Moser, Senator Williams, and Senator Groene. Senator Groene, you're recognized.

GROENE: Thank you. Yeah, I'm looking at the census tracts. I see no reason you couldn't define them by census tracts. That's what we do in the statute, an existing statute already. We-- in LB496 it says: If the average poverty rate in an area exceeds 20 percent of the total federal census tract or tracts or federal census block group or block group in the area. So right now we, we define in statute that you can go and get construction costs in an extremely blighted area and the statute now says it's defined by a census tract. But now I'm hearing this statute was written wrong in LB496. I'll read it to you again. Extremely blighted area means: a substandard and blighted area in which the average rate of unemployment in the area during the period covered by the most recent federal census is at least 200 percent of the average rate of unemployment in the state during the same period; and (b) the average poverty rate in the area exceeds 20 percent for the total federal census tract or tracts or federal census block group on the block groups in the area. We're already defining it by census tract, but now we said we can't do that in the constitution. So LB496 should be rewritten. Somebody needs to bring a bill to define what a-- that we need to do something outside 75 percent has to in a census tract. That's why debate-- extended debate is good. This isn't a filibuster. This is extended debate on a very important issue. This idea that you just rubber stamp stuff, well, let's mail in our votes then, folks. This is putting something in the constitution that will be here long after we leave. Long after we leave. And we're just going to willy-nilly put it out there and throw it on the ballot and let the citizens vote on something because some of them might say, well, look at that. My elected official down in Lincoln said this was fine. Yeah, and I can see the fliers now from the state chamber and whoever else, the League of Municipalities out to a district where somebody voted for this because they're just being nice and saying, well, folks, it's OK. Out there in rural Nebraska, your senator voted for this so-- and he did the extended debate and he thought it was a good deal. This isn't just a simple high school endeavor in a government class, folks. You are changing the constitution of Nebraska, who's existed over 150 years. You are attempting to do that by putting it on the ballot. By putting it on the ballot over-- which I was told needed no more than a half hour debate on floor of the Legislature. Is that how we operate here? I don't think so. I think most of you agree with me. And an issue like this when you're changing the constitution should have full and fair debate. And if that takes six hours, then that's what it takes is six hours. I'm not willing to change the constitution over a little book that's too thick for me in the first place of 83 pages presently and change it just because somebody had a bright idea. Constituents out there, citizens of Nebraska didn't bring this. I have a relative that lives in that area in Omaha. They never asked me about it. They never said, hey, I got a bright idea.

Floor Debate
March 26, 2019

HUGHES: One minute.

GROENE: I agree with Senator Wayne. Was that time or one minute? Thank you, President. Well, anyway, like I said, present law says the average poverty rate in the area exceeds 20 percent of the total federal census tract or tracts of federal census block group or block group in the area. So if I was a city council and one that actually followed laws on-- in the constitution read that said, well, we can only do this in this census tract. You read it yourself, folks. You read it yourself, folks, it's in there. But now we can't define it. We can't define a census tract. Somebody's got to explain that to me. We can or we can't. Anyway, I don't know if this will go to three hours. I'd appreciate some people put their lights on because this is a very serious issue. We are attempting to change the constitution of the state of Nebraska.

HUGHES: Time, Senator. Thank you, Senator Groene. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. This will be the last time I'll speak on this. I'll ask Senator Wayne an open question and then I'll give him the remainder of my time so that he can answer it and then speak to whatever else he wants to speak to. So I did have a question about the census and I'll give a real quick overview. So census obviously takes place every ten years. And then in between those ten years, the American Community Survey happens, which is essentially they survey 20 percent of the households to get updated data. So my question for Senator Wayne is, would the American Community Survey numbers that show us more updated data on these census tracts, would that impact the designations of extremely blighted in anyway? And I would also-- I would yield Senator Wayne the remainder of my time.

HUGHES: Senator Wayne, you are yielded 4:14.

WAYNE: It could. That's the purpose of having a statute. And to my colleagues, Senator La Grone just gave the perfect reason why we cannot put definitions in the constitution. I want to repeat that. Senator La Grone just put the perfect reason why we cannot put definitions into the constitution. If in the definition of a census and they come out and federal government decides to strike questions, that makes this entire process that we're going through irrelevant because our constitution won't matter because maybe, Senator La Grone, to your point, we need to use the American Survey, because maybe in the census tract in 2020 or 2030 may not have the information we need anymore to get to 200 percent and 30 percent. So maybe we need to use that. But if we put it in the constitution, then we have to go back out for a vote at the next election. So while people may have concerns about future Legislatures, I want to remind this body that when I got here and learned about TIF, the first thing I learned was there was a Groene day and an anti-Groene day in Urban Affairs. Since he's been here he's been trying to constrain TIF and there are other people who are trying to expand TIF. And it took six years in the making

Floor Debate
March 26, 2019

for us to come up with a compromise that just added some reporting requirements to some other constraints. So this idea that a Legislature is going to runaway and change all the definitions after we pass this-- and by the way, after the people vote on it, is absurd to me. I hear the same thing, Senator Halloran, on the Articles of Convention, runaway. But that's what I'm hearing from the colleagues who support the Articles of Convention, that the Legislature now is going to runaway and going to change every definition. I just don't believe that. I am giving an example that we have in statute current language. It is hard to change TIF, TIF statutes. I know because I traveled the state and met over hundreds of hours with senators just trying to get a bill done to deal with reporting requirements and to put a little bit of constraints around TIF. To think that somebody is going to come in and say, this is going to be completely different, I just don't see that. Now, I was told this wasn't a filibuster from the beginning. I was told that we were going to get to a vote. But I just heard Senator Groene say we want to go three hours. See, that's where I am kind of done with playing nice. Because when somebody looks at me and gives me their word and say, this isn't a filibuster, I stand by that because they looked me in my eye and said, this is-- we just want to have a conversation. And now I'm seeing things differently. We've been on the brink this whole legislative session around whether we're going to split. And I've been the one running around this floor trying to hold it together on everybody's bills. But if we don't get to a vote today, I know not only I was lied to--

HUGHES: One minute.

WAYNE: --that changes this body and changes how I operate in this body. And nobody's heard me say that on this floor. I've always been the bigger person and said, let's figure out how to work together. But I was told multiple times this isn't a filibuster, this isn't a filibuster, that we're going to get to a vote. But now I'm hearing this is going to go three hours. I am against this bill-- amendment for one simple reason. Census tracts are not defined by streets. If you have a project come in and they want to build two warehouses and one is across the street, it doesn't meet the 100 percent requirement. That makes no sense to me. That's why we use 51 percent. We're trying to create some language that gives flexibility for people to develop across the census and across maybe the street. It makes no sense. I was supposed to yield to Senator Hilgers some time, but I I've only got--

HUGHES: Time, Senator.

WAYNE: --time.

HUGHES: Thank you, Senator La Grone and Senator Wayne. Senator Hilgers, you are recognized.

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

Floor Debate
March 26, 2019

HILGERS: Thank you, Mr. President. I was wondering just briefly if Senator Wayne would yield to a question.

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes, sir.

HILGERS: Thank you, Senator Wayne. I wasn't going to speak again on this and I do not intend to take five minutes. I am not filibustering. I do-- we have not had the chance to dialogue on FA26 at all. When I first read FA26 it seemed to me that it was an attempt to narrow and heighten the restriction on this use of extreme blightedness, which to my mind seemed reasonable. I know you have a different viewpoint, so can you explain why you are a no on FA26?

WAYNE: This is a poison amendment.

HILGERS: And how so?

WAYNE: Because-- let's take a warehouse development. I have Airlite Plastics in my district who built across street. That is out of their census tract, it's not all in the same census tract. Not every development follows these arbitrary lines of census tracts and census tracts do not follow streets. I give the example, in 2011 right here in Lincoln there was a census tract that literally went down the middle of an apartment complex. So they actually went back and redrew the district to make sure they didn't go off of census tracts. So census tracks, themselves, are arbitrary in the sense that they're defined by the federal government, but they don't always match up to the streets that we have in our cities. So I'm trying to figure out a way to give local control and some flexibility around this 51 percent to make sure projects that benefit their area can still happen.

HILGERS: Thank you, Senator Wayne. I was trying to pull the language up while you were speaking. OK. When I had several conversations with Senator Groene, I don't think he views it as a poison bill, maybe he does. I think he might have a question for you, so I will yield him my time to ask him that question. Senator-- can I yield my time to Senator Groene?

HUGHES: Senator Groene, you are yielded 2:56.

GROENE: Thank you. This is not a poison pill. I think you'd trust me after two and a half years with me. When I tell you something, I tell you the truth, and I think your area of town has been

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

Floor Debate
March 26, 2019

shafted by your chamber of commerce and your economic development people since 1978. They should have been focusing on that area with TIF. You made a comment, sir, that a part of a warehouse could be outside of the census tract. Here's my question. Could that warehouse complex be built 100 percent on the 49 percent that's not in the census tract?

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes. I-- can you repeat the question?

GROENE: Let me explain. This extremely blighted area that's defined by a line has to have at least 50.1 percent extremely blighted, 200 percent unemployment. So now you got 100 acres-- let's do it simple math-- 50.1 percent is in a tract that says it's extremely blighted, 49.9 is not. Can your warehouse complex be built and get the benefits of 20 years on the 49 acres?

WAYNE: Not the way it's currently-- not the way the statute currently reads and my LB86 currently reads. It would have to have 51 percent of the project area, 51 percent of the project, 51 percent of the where the dollars are going need to be in the extremely blighted. And Senator Groene, I will add that to the statute in LB86 to make sure we make sure that doesn't happen if you vote green on my bill and red on your amendment.

HUGHES: One minute.

GROENE: That isn't what the constitution amendment reads. It reads, except that the Legislature may allow cities and villages that plead such tax-- pledge such tax for a period not to exceed 20 years if more than one half of the property in the project area is designated as extremely blighted. Let me tell you how they do TIF when they say project. They'll do the 100-- call the whole 100 acres a project. And then within that 100 acres when another-- somebody wants to build something there, there is no hearings, there's no nothing, the city council just approves it because the project itself has been approved. They will build on the 49 acres. They will build on the 49 acres. Senator Wayne, would you take another question?

HUGHES: Senator Groene, you have five seconds.

GROENE: I'm up in the queue.

HUGHES: Thank you, Senator Hilgers, Senator Groene, and Senator Wayne. Senator Lowe, you are recognized.

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

Floor Debate
March 26, 2019

LOWE: Thank you, Mr. President. And, Senator Wayne, if this goes over you can blame me. I'm sorry, but I do believe we have enough time to get this in. But I'd like to yield my time to Senator Groene.

HUGHES: Senator Groene, you are yielded 4:45.

GROENE: Thank you. I don't want to filibuster this. You've been-- Senator Wayne, you have been approached by many in the body saying-- and on the mike, would you accept that we define extremely blighted in the constitution? So my question to you is if we take the regular vote on this, those who believe in it vote the way they should and against it vote the way they will, including myself, that you will accept amendment and on Select File that defined in constitution what extremely blighted is? Would you take that question?

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes, I will yield. My answer is, La Grone made the case for me why we shouldn't, because maybe in ten years from now we don't want to use the census because that's no longer questions being asked on the census. So you can't define it, because we have to define it because things-- better data may become available later. So, thank you, Senator La Grone, for pointing that out.

GROENE: That wasn't the question. The question was, that in the area designated as extremely blighted that is 20 years, we put in the constitution a definition of extremely blighted.

WAYNE: Again, the answer is no. We should not put in the definition of extremely blighted in the constitution, because we can't change it because we would be relying on the federal government to ask that question every time when they've just announced they're stopped asking so many questions this year.

GROENE: Thank you. Thank you, Senator Wayne. He just answered why I am frustrated with the use of TIF in the state of Nebraska, because we don't use a definition. It's in the eye of the beholder what blighted and substandard is. And how much is the price? How much is a city council person willing to vote for TIF when they know the area isn't blighted or substandard, but the price is high enough. The bribe is high enough from the developer that they don't want to say, no, and fear losing that development and ignore the law, ignore the constitution. If we can't define it, as someone said, this thing could be defined as 50 percent, 50 percent of poverty, 50 percent of over extreme blighted could be 50 percent of the average unemployment rate. Could be 75 percent, if they want the development bad enough. You have to define it and you cannot

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

Floor Debate
March 26, 2019

leave it to the future, because we're defining 20 years. I keep hearing we can't define it, but we are defining 20 years, clearly 20 years. Let's take 15 years out, let's take 20 years out. Boy, I can hear them out in the lobby yelling and screaming, thank you, thank you, Senator Groene. Let's just run it for 50 years. Let the city council decide how many years. Why are we putting this limitation of 15 and 20 years in here? That argument don't hold water that we don't define stuff. We don't put in sentencing of felons, that certain ones are ten years and some are five. We put parameters around it. We don't do any of that in a constitution. But in this one, we do. Why? Anyway, this is unnecessary. I'm not going to take it to filibuster 'cause-- and that's not succumbing to threats.

HUGHES: One minute.

GROENE: I'm not going to threaten anybody. I'm going to stand up here on every bill and fight it on its merits, somehow saying if you don't go along with me I don't go along with you is not good, mature politics. Just fight the issue one at a time. Vote for what's good and don't vote for what you think is bad. But, anyway, my amendment stands. I want to vote on it and unless somebody else wants to follow this to a filibuster, I'm with you, but I'm not leading it anymore. Let's send a message, let's make sure we get 21 votes against this thing, because in final reading to be put on the constitution on the ballot, it has to have 30 votes. This is not necessary. This is really minor and absolutely does not qualify-- rise to the occasion that it needed to be added to our constitution.

HUGHES: Time, Senator.

GROENE: Thank you.

HUGHES: Thank you, Senator Lowe, Senator Groene, and Senator Wayne. Speaker Scheer, you're recognized.

SCHEER: Thank you, Mr. President. Would Senator Wayne engage just in a few comments, please?

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

SCHEER: Thank you, Senator Wayne. And you and I have had that conversation off the mike and I just wanted to perhaps share some of that because of the concern I have with the

Floor Debate
March 26, 2019

legislation. And I respect your thoughts as far as not having specifics into the constitutional amendment, but here are my concerns and then I will allow you to express what you've expressed to me and we do have a position here where we're agreeing to disagree, I think. But, essentially, my concern is without the definition of the area and the process that we're talking about, the 200 percent and the-- it has to be 51 percent or whatever in the census. If those are in statute in four or five years, then the Legislature-- although our intent, all the discussion we have right now, our intent is to help those specific areas that you've talked about. But if it is not defined in the constitutional amendment, one year, five years after that takes place, all those in statute can be changed. So they can completely waive the 51 percent. We can drop the census portion out of statute. If we want to leave the definition the same and we can change the unemployment from 200 percent of the average unemployment of the state down to 50 percent. And now those are extreme changes, but they're done by statute and none of that would follow the intent of the discussion we're having now. And without having some type of parameters set on this from the constitutional basis, all of a sudden this now changes, essentially the TIF, from a 15- to a 20-year period and may even make it more available in more areas that truly don't need the development that you're talking about. And that is a concern. I want to see this be able to help the areas that you're talking about and, as you and I discussed, it's not just in north Omaha. There are areas across the state right now as it is currently written using the statute as it's currently written that will help those areas. My concern is if it is not shown in the constitution, those parameters can be changed and then it would take away from the benefit of those areas having that and it make a broad base so the rest of the state has that available, we've lost incentive for those areas that you're trying to develop. And I'll let you respond to those comments.

WAYNE: So I appreciate the dialogue, but the reason why-- and I'll even go to the modern, modern reasons why we shouldn't put this in the constitution. And I don't like to use things for political purposes or to get gains, but it's a reality that we face today. In Sidney, Cabela's left. We have massive floods that we don't now how it's going to impact operations in the next 10 to 15 years. And if we put it in the constitution census tracts and we define it, then maybe we don't reach the areas we need to help. By leaving it in statute, we at least give this body the opportunity to move the times that it needs to move. That same argument about constitution and definitions and not trusting future Legislatures--

HUGHES: One minute.

WAYNE: --that applies to every single bill we have. Property tax relief, let's not do it because the next Legislature can repeal everything we do. So the only true property tax relief we can do is in the constitution, based off of that argue because every Legislature can repeal it the next year. We have to have faith that future bodies can do something great for this state. That's what I believe and I hope everybody else does. But the reality is by putting it in the constitution, we are

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

Floor Debate
March 26, 2019

confining this body and the state of Nebraska to federal census data, and that may not be the best answer 20 years from now. It may not be the best answer ten years from now. That is why we have to put it on the-- without definition and this body decides how we do it because maybe there's a carve out that we have to have a county with under 100,000 to really--

HUGHES: Time, Senator.

WAYNE: Thank you.

HUGHES: Thank you, Speaker Scheer and Senator Wayne. Speaker Scheer, you're next in the queue.

SCHEER: Thank you, Mr. President. Senator Wayne, I'll allow you to continue, but I do want to respond before I allow you to have some additional time. To the extent that I don't disagree with some of what you've said, but my problem is we are discussing this because of a specific intent. We are trying to gear this to that specific areas that need the help. And I don't perceive that-- you talk about, well, in 20 years there may be a carve out of a county or something else. But that then would be specific legislation or changes in legislation. And if we are indeed trying to do this with the intent of helping those specific areas that you've outlined, then that part of the constitution would still hold. There can be bills introduced in 5 or 15 years that would address those specific needs at that point in time. But if this body at this time is looking at a constitutional amendment to facilitate the change so that specific areas within the state have the ability to utilize something as an advantage over those that are more able to attract development, then I would hate to see this changed and utilized in a different format when all of our discussion has truly been about trying to help those underserved, neglected areas. For you to say that this can all be changed or we're locking ourselves, we are, because that's what the discussion is about is what you brought forward. I'm not interested in making this available for 168th and Dodge or 27th and O street. And that's my concern that this can be changed into those type of facilities. I don't-- I've never looked to see how this may help those in my district, but I do know that there are areas in rural Nebraska that by these confines, it will be helped. But if you-- if those do not become stabilized by the constitution amendment, then they can be changed and the very people that we're trying to help, those areas we're trying to regenerate could be put at a disadvantage. And I'll let you respond. I just wanted to make sure that I've got those points in. And I would yield the rest of the time to Senator Wayne.

HUGHES: Senator Wayne, you're yielded 2:20.

WAYNE: Thank you. Thank you, Speaker Scheer. We do have to agree to disagree. And it's a fundamental issue of what we believe is in the constitution and should be in the constitution.

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

Floor Debate
March 26, 2019

Most states, TIF is not a part of their constitution. Most states, many things in our constitution are not a part of a constitution. And this is the conversation Senator La Grone and I were having about what should be and should not be in a constitution. But the biggest issue I have with defining it today is I don't know what tomorrow holds. And it's so hard to run a constitutional amendment. It's so hard. We have on the ballot right now in 2020 constitutional amendments in slavery. And that may or may not pass. We are talking about statutes. TIF is currently defined in statute. TIF is currently defined in statute. I'm not doing something new. I'm keeping the definitions in statute where they currently are. What we're trying to do is set a higher bar for particular areas that I care about than we did for the rest of the state, that we're going to put in the constitution that in order for north and south Omaha to have some development, it has been to be in the constitution and federally defined, but everywhere else it's just defined by statute. I have a huge problem with that.

HUGHES: One minute.

WAYNE: I would ask for you to vote red on Senator Groene's amendment and vote green on LR14CA. Thank you.

HUGHES: Thank you, Speaker Scheer and Senator Wayne. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. Senator Wayne made some comments about how this body down the road can do things. It brought up a lot of questions again about what I look at as this body didn't do when it should have. It should have looked at TEEOSA and how it was impacted. It should have looked at a lot of other things in the past that it is easier to kick the can down the road and ignore them. And so when you say, and as I've watched TIF progress, we have constantly been changing it and amending it and trying to make it easier to use. And at the same time, we ignore the impact that it has on school funding. And so it's always easy to say that this body will address those issues and will take care of it, but I don't see that happening. Again, I, I look at this and the definition is not there. And down the road, city councils, this chamber, and as the population of our state changes and we again lose more rural representation, I don't see this body addressing those issues. It's a lot easier to ignore them and just let everything coast and then we'll-- we can blame it on past legislators. Term limits kick us out. Our institutional knowledge is gone and the new senators will just let it go. And this is what-- this whole thing is with term limits and everything else and when we depend on this body to look at changes that need to be made in the next few years or the next five years or ten years, nobody has convinced me that, that will ever happen. It does concern me. And so I do think we need to continue to look at those issues. Somehow we have to define this so that it cannot be changed and expanded even further down the road. And with that, thank you, Mr. President.

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

Floor Debate
March 26, 2019

HUGHES: Thank you, Senator Friesen. Speaker Scheer, you are recognized.

SCHEER: Thank you, Mr. President. We have reached our allotted time on this. However, I do want to comment that I do believe that this has the potential to be amended and put some type of protections that we've talked about with the rest of the body. And my hope is that in the next several days, if not a week, that Senator Wayne and others can resurrect some type of an amendment that would facilitate those wanting to produce this. And I will make this comment to Senator Wayne, I am not trying to kill this. But I do want to have the-- some type of amendment, whatever that might be, that can possibly have the controls that many of us are looking at as far as trying to move forward and not letting it dilute into areas that were not originally intended. So, with that, Mr. President, we will move on to the next item.

HUGHES: Thank you, Speaker Scheer. Clerk for items.

ASSISTANT CLERK: Thank you. Thank you, Mr. President. LB556A introduced by Senator Howard. (Read LB556A by title for the first time.) Notice of committee hearing from the Revenue Committee. And amendments to be printed: Senator Linehan to LB288. That's all I have at this time, Mr. President.

HUGHES: Thank you, Mr. Clerk. Moving back to General File.

ASSISTANT CLERK: Mr. President, LB169, introduced by Senator Hunt is a bill for an act relating to public assistance, changes provisions relating to eligibility for Supplemental Nutrition Assistance Program benefits, as prescribed, and repeals the original section. Bill was read for the first time on January 11 this year. It was referred to the Health and Human Services Committee. That committee reported the bill to General File with committee amendments. There is an amendment pending to the committee amendments from Senator Groene.

HUGHES: Thank you, Mr. Clerk. Senator Hunt, you're recognized to open on LB169.

HUNT: Thank you very much, Mr. President. We're back to LB169, which is my bill to allow people with drug convictions to receive SNAP benefits. I believe that when you're done serving your time, when you've paid your debt to society, you should be able to live life like anybody else. I had 30 votes on my original bill, which just shows the strong unity that we have in this body to bring fairness and parity to our SNAP laws for formerly incarcerated people. And I want to thank Senator Arch so much for bringing me the language in AM922, for being open to conversation through this whole process, and I have to extend my sincere gratitude to him and to Senator Geist for being a part of that conversation to find a compromise that got me to 36 votes

Floor Debate
March 26, 2019

on this bill with AM922. So thank you to Senator Arch and Senator Geist for taking the time to take the lead in building that compromise, which is what AM922 accomplishes. I filed this amendment, AM922, the comprise amendment that I've been talking to so many of you about on the floor, to Select File, so that amendment will be the first thing up when we get to Select File. And to summarize what that amendment does as well, people convicted of possession or use would be eligible for SNAP benefits if they are serving a term of parole, probation, or postrelease supervision. A person would be ineligible for SNAP under this compromise amendment and if they have three or more felony convictions for possession or use or have been convicted of a felony for distribution. This is a much more conservative amendment, you know, than the original bill that I initially brought, but I was willing to make this comprise to get over 33 votes and make it veto-proof. I thought that was really important for us to move forward. And from conversations I've had with my colleagues, I know that there is heavy support for this legislation in the body. There's no fiscal note. It advanced unanimously out of committee in its original version. And with this comprise amendment, AM922, that we have coming up on Select File, I'm certain that we will move this bill forward to help people who have completed their sentences, who have paid their debt to society, and just want to be able to access benefits and live life like everybody else. Thank you very much.

HUGHES: Thank you, Senator Hunt. Senator Howard, would you refresh us on the committee amendment, please?

HOWARD: Certainly. Thank you, Mr. President. AM710 modifies the language to say that if drug-- any person with a drug felony may only be eligible for SNAP if he or she has completed his or her sentence, including any term of parole, probation, or postrelease supervision, or they're serving a term of parole, probation, or postrelease supervision for such felony. I believe this language will be modified by the pending compromise amendment, and so I would urge the adoption on the floor. Thank you, Mr. President.

HUGHES: Thank you, Senator Howard. Senator Groene, you're recognized to open on your amendment.

GROENE: As we-- you all know-- thank you, Mr. President. As you all know, the reason I dropped this is what I said on Senator Wayne's bill. We need extended debate on this because this is a major change from what policy-- what was done in the past and has worked well. The present policy has worked well. And this amendment was just giving us an opportunity to discuss-- discuss it. At one point I was leaning towards the amendment Senator Hunt was going to drop because it was reasonable, but in no way am I going to stand here and vote for this bill and not keep talking on it unless that amendment is passed on General File. A lot of things can happen between here and Select. But I think after reasoned people, reasoned, wise senators have

Floor Debate
March 26, 2019

had a better chance to listen to debate on the first three hours and have been approached by individuals at HHS and Parole, who've lived this and deal directly with these individuals, I don't think there's a clear majority anymore that support this bill. We all understand now that this exception to a privilege of receiving food stamps, not a right, a privilege, there's a reason for it. There's a reason for it. And we also understand there's a reason individuals who continually dunk drunk-- do driving while intoxicated can't get a driver's license and lose that privilege. We also understand that, depending on the issue, sex offenders, even though they have paid their dues, can't live anywhere near a public school, where a drug dealer can and maybe a felon, drug dealer felon can. Maybe we ought to change that, too, that they can't live near a school. But we do, do exceptions to the rules on privileges. We all have rights. We can't take rights away, to a point. It's guaranteed in our constitution. But privileges are privileges. You earn privileges. And we have an absolute right when it's for the better good of the community and better good for society to remove those privileges from individuals. And that's what existing law does. Drug dealers have money the day they're arrested in their pocket, and they have money buried in a coffee can somewhere when they get out. It's a business, very profitable business. Those individuals don't need food stamps. Present language of LB169 gives them food stamps. Repeated possession addicts, after three times-- that could be over a 20-year period or a 2-year period or whatever-- but after three times they no longer get or allowed the privilege of food stamps. Why? As we discussed the first three hours, they will sell. It's a given. It is not, not presumption; it is a given, proven, that they sell their food stamps. They might have \$1,000 food stamps for a month for a large family. They will sell it for \$50 when their addiction hits them hard enough. Those individuals--

HUGHES: One minute.

GROENE: --exist because they-- they don't exist but food stamp-- I mean food kitchen, soup kitchens, food pantries exist for those individuals because they don't sell a bowl of soup. The system works. We cannot give them food stamps. We harm them. We do them no good. So anyway, I stand by my amendment, AM804. We will see where the debate goes and from there on. Thank you.

HUGHES: Thank you, Senator Groene. Senator Moser, you're recognized.

MOSER: Thank you, Mr. President. When bills come before us here in the Legislature, I have kind of a process where I consider where I stand on them. And the first thing I look at is the initial reaction. You know, the one-liner, does that strike me as plausible or positive? And then from there I try to review it to see if my initial reaction is correct. You know, do I understand what we're trying to do and do I agree with where it's going? And then the third kind of criteria is if I can explain it to my citizens in my district when I-- when I go back home and get feedback

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

Floor Debate
March 26, 2019

from them about what we're doing here. And this particular bill, I think, flunks all three of those tests for me. Basically, what we're talking about here is an improvement or an increase in food stamps for felons. And I don't see any way that I can, in a few sentences, explain this to citizens in my district why we should be spending more tax money to feed felons. If you want to spend money to teach them a talent, a job, you know, job training, supervision so they don't get into more trouble, increase the probation budget, those things I think we could talk about. But I don't think we should be spending citizen tax money further in taking care of feeding the people who got into trouble. There should be nonprofits. I know one senator talked about his pastor having a program to help felons get back into the community and to stay out of trouble. I think that's the best way to handle it. I think people who have that urge to help their fellow man should step up and fund that rather than taking tax money to support it. So that's why I'm going to be voting no on the underlying motion and why I'm going to vote no on AM710. And I don't really have an opinion on Senator Groene's AM804. Thank you.

HUGHES: Thank you, Senator Moser. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. I was hoping Senator Hunt would yield to a question if she was on the floor.

HUGHES: Senator Hunt, will you yield?

HUNT: Yes, I will.

SLAMA: Great. So I was optimistic to see the amendment that was brought up last week. Could you just explain what your reasoning was on introducing it on Select File rather than in this round?

HUNT: So I got some advice from Senator Hansen and also from Patrick, the Clerk, because my question just procedurally was how do we get to a vote on this comprise amendment that we all worked so hard on if we're facing a filibuster. So the advice that I got was to file the amendment to Select File so that it would be the first thing up when we get to it and to file a placeholder amendment on General so that if we got to that amendment, which is if we had a "grote"-- a vote on Groene's amendment or if he withdrew it, we would get to my placeholder amendment, which I would replace with the compromise amendment.

SLAMA: OK. Thank you.

HUNT: Yep.

Floor Debate
March 26, 2019

SLAMA: So I have concerns about the timing of the introduction of this amendment. I'm now opposed to advancing the bill to Select File for that reason. I've just been through my first filibuster and I know that the fact that we have three hours is plenty of time to get to the amendment, which would be the next one up, especially when the amendment in front of that amendment brought by Senator Groene, that amendment's introducer was open to this amendment as well. So I think that bringing AM922 on Select File is kind of a procedural game that I'm not supportive of. I've been through this process and I know that she would have-- Senator Hunt would have had enough time to get to this compromise amendment. So I still have some questions about the timing and, as such, I'm now opposed to the advancement of this bill to Select File. And with that, I would like to yield the remainder of my time to Senator Geist if she would like it.

HUGHES: Senator Geist, you're yielded 2:45.

GEIST: Sure, I'll take that time. I did have a plan to speak and I might not have quite enough time, but I will take that. And I just want to address something that I think many of us, maybe not all, but many of us have been talking about and I'll tell you even my constituents are talking to me about. So I think it's time and probably way past time to address some things that are happening with regularity, not just nationally but, sadly, they're going on here locally and that is what happens when we have robust debate here on the floor and then that robust debate is taken outside of the floor and put on social media. Then it goes beyond the debate. It singles out senators by name, sometimes by profession. It encourages ridicule. It allows followers to verbally eviscerate that senator. Colleagues, I think this practice is going too far. It's getting out of hand. And in Nebraska we pride ourselves in not being like Washington. Well, this is like Washington. It does not reflect the values of most of Nebraska and it certainly doesn't "refell"—reflect the values and the reason I was voted in this office. I've made a commitment to my constituents that I will not participate in this kind of debate, and I plan to--

HUGHES: One minute.

GEIST: --uphold that. As I said, when I'm out in public, my constituents have addressed this issue to me and asked that I would address it, and I'm doing that right now. It discourages people from getting involved in the political process. It discourages people by our lack of civility with our colleagues. It also discourages those who may be considering running for office, and they no longer want to do that because they don't want to be involved in this kind of behavior. And to go further, I think it is destructive to the body. It stirs up incivility among us. It's good that we disagree. It's good that we debate. That's what we're elected to do, but we weren't--

HUGHES: Time, Senator.

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

Floor Debate
March 26, 2019

GEIST: Thank you, Mr. President.

HUGHES: Thank you, Senator Slama and Senator Geist. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. I was going to speak about some stuff on this bill, but I can do that in a minute. So that-- so she can finish her comments, I'll yield the remainder of my time to Senator Geist.

HUGHES: Senator Geist, you're yielded 4:50.

GEIST: I appreciate that, Senator La Grone. Thank you. Like I said, it's good that we debate. That's healthy. That's what we're elected to do. But to publicly ridicule each other is wrong and it's the beneath the office we're elected to. So I urge you to consider replacing that tactic with building relationships with people on the floor, building relationships of trust. That does not mean you have to agree, but you do need to stand by what you say on the floor, stand by what you speak to each other privately, work on developing that trust in this body. We need that. That's the heritage of this institution and it's one we all need to be committed to continue. Thank you, Mr. President.

HUGHES: Thank you, Senator La Grone and Senator Geist. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President. And good morning, colleagues. I would like to ask Senator Groene a question if he will yield.

HUGHES: Senator Groene, will you yield?

GROENE: Yes.

M. HANSEN: Senator Groene, when you first spoke at the microphone, first off, thank you for yielding. Senator Groene, when you first spoke at the microphone, you said you would like to vote on Senator Hunt's amendment on General File. Was that correct?

GROENE: I said if I even consider, consider that the bill that was coauthored actually by Senator Arch it would have to be on General File.

M. HANSEN: OK.

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

Floor Debate
March 26, 2019

GROENE: That's what I said.

M. HANSEN: OK. Thank you for the clarification. Would you be willing to withdraw your AM804 and allow Senator Hunt to introduce her amendment?

GROENE: Let me discuss that with-- as Senator Geist just said, in this body you work with others. I'm not the only one standing here. I'm standing with a lot of other senators. I would have to, have to discuss it with them, Senator Hansen. But I appreciate you're-- you're on the floor, out in the public asking that question. I do "balee"-- I do thank you.

M. HANSEN: All right.

GROENE: We'll get back to you.

M. HANSEN: All right. Thank you, Senator Groene. And so, colleagues, just to give you an update, Senator Hunt mentioned she did discuss the procedures with me on how to best ensure a vote on LB-- sorry, AM, I believe it's AM922, which is the amendment that has been talked about in concept a lot and yet to be introduced on the floor. Procedurally, we're just kind of at a point where Senator Groene's AM804 is on the agenda and has the ability to stay there for a while. I know there's some optimism that we could get past it, and maybe we will. My suggestion and which, after discussions with Senator Hunt, was to have her file amendments in two different places so that she could be the first after the AM804 and after on Select File, should we need to do there. It was definitely my intent to not encourage her to play games and mislead, and I would apologize if anything has been taken or perceived that way. But my conversation with Senator Groene was kind of my concern as to why we might need multiple amendments filed in multiple places. AM804 I think has been acknowledged as not a substantive amendment this whole time and yet it is the only thing we could debate and vote on at the moment. So that is why having multiple amendments in multiple places, allowing us to substitute when needed, was a recommendation that we came up with. And so that's just where we're at. I'm optimistic that we'll either get a vote on AM804 or Senator Groene will choose to withdraw it after discussions and allow us to move on to future amendments that have been worked on with stakeholders. Thank you, Mr. President.

HUGHES: Thank you, Senator Hansen. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. I'm opposed to LB169, even, even with the amendment, and here's why. When I look at a bill and I think about-- the first thing I think about is who does this impact. And when I look at this bill, to me, the people that it impacts are the people who pay

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

Floor Debate
March 26, 2019

taxes that end up paying for these benefits. And I know there's some discussion about, oh, this is federal money, this isn't state money. We still pay into that federal tax base, so that's why I have an issue with this bill. Because, to me, this is about the single mother who's trying to get by, who this takes away an opportunity to, say, take her kid out to McDonald's when she doesn't want to have to go home and cook a dinner after working two jobs. Those are the type of people I'm concerned about when I look at something like this. The additional money that goes into these programs is tax dollars that I don't think we necessarily need to take from our citizenry. And I know this doesn't deal with tax rates. That's still coming out. But I think we need to treat those dollars with respect. We need to recognize that every dollar that we deal with here, whether it be through an increase in federal funds or whether it be through an increase in our own funds, or just staying stagnant, any dollar that we spend here is a dollar that someone earned through time away from their family, that someone earned through their own hard work and that they can't put to use for whatever purpose they see fit. And obviously, we have to have a functioning government, so we have to have some of that. But I think we need to treat every dollar with that respect because it really is about the people behind those dollars and that's who I'm concerned about. That's who I have on my mind when I'm voting on legislation like this. And with that, I would yield the remainder of my time to Senator Geist if she would like it.

HUGHES: Senate Geist, you're yielded three minutes.

GEIST: I thank you. Thank you, Senator La Grone. Actually, I've pretty much said my piece today. So I appreciate that but I do not-- I will yield the rest of the time back to the Chair. Thank you.

HUGHES: Thank you, Senator Geist. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. So I think that Senator Geist brought up a fantastic point about the difference that some of the folks in this body have with their conduct in person versus how they present themselves on-line. There are people in this body who will greet others with a smile each day, play nice, get their way on the floor, then hop onto social media, especially I've noticed Twitter, and openly disparage them. Maybe it's because they don't think that the person they're disparaging has Twitter. But I can assure you that those posts get back to them and we're watching. And we need to realize that the next generation of Nebraskans are watching us and how we conduct ourselves in public, and that includes on social media. None of us here are perfect people, but we have complete control of how we present ourselves on-line and the messaging we include. And if we're open-- openly respecting or disparaging our colleagues on-line, this is something that I'm very passionate about and it's been something that has been incredibly eye-opening to me during my time here. And it's concerning to me because I've seen where this ends up. I went to a college where my political beliefs did not align with the majority

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

Floor Debate
March 26, 2019

of kids on campus, and we had the same attitude of a lack of acceptance towards others, sometimes, which disagreed with us. And I was a target of a lot of attacks, personal, just because of the political beliefs that I harbored. And you could not have a productive debate with some of these people. You could not go back and forth, explain your position, explain why you think that way. That political dialogue has been lost with a lot of kids already who had grown up in an environment where politicians openly disparage each other on-line. So I wouldn't call people out by name, yet, on this floor, but this can serve as warning that if you plan on disparaging others on social media that will get brought to light in the body. And we are watching and so are the younger generations of Nebraskans who will be running this state someday, and how we act now influences how they conduct themselves when they make it to this body. Thank you, Mr. President.

HUGHES: Thank you, Senator Slama. Senator Lowe, you're recognized.

LOWE: Thank you, Mr. President. Once again I stand up and speak on this bill that I'm willing to give a hand up, not a handout. We have gone too far many times about giving handouts. It continues and it continues. There's no incentive for people to find a place to work. We must incentivize these people to get back to being productive citizens and not somebody who is willing to take a handout. A hand up is very important. It goes all the way back to biblical times of helping people. So I'm against LB69 [SIC]. And with that, I'd like to yield my time to Senator La Grone.

HUGHES: Senator La Grone, you're yielded four minutes.

La GRONE: Thank you, Mr. President. Would Senator Erdman yield to a question?

HUGHES: Senator Erdman, will you yield?

ERDMAN: Yes, I would.

La GRONE: Thank you, Senator Erdman. I was wondering if you could just briefly walk me through your position on the amendment.

ERDMAN: The AM804?

La GRONE: No, the AM710 or the compromise amendment, either of the substantive amendments.

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

Floor Debate
March 26, 2019

ERDMAN: OK. Let me-- let me start with, if you would, if I could I would start with my issue with the whole situation of LB 169. I think that as we proceed down the road we're going to find out that there are people who are going to continue to do what they do in their life and not change their lifestyle to get-- take advantage of the SNAP program. And I mentioned this last week when we talked about it. There was an issue that I shared with-- or a question I asked Senator Hunt. If one does treatment once and then reoffends, and they do it again and reoffends, what do you think the third time's going to do? And so I'm all in favor of giving people, as Senator Lowe just commented about, a hand up. But the old saying goes, if you teach a man to fish he eats every day; if you give them a fish he eats today. And so consequently I just have trouble understanding why we should enhance somebody or enable somebody to continue to do what they've always done.

La GRONE: Thank you. And would you agree with my concern about ensuring that we provide adequate respect to the tax dollars that both come in to this building and to the federal government, about recognizing those as dollars that our constituents earned? They had to take time away from their family to earn, that it-- that money doesn't belong to us.

ERDMAN: Right.

La GRONE: That's their money. We simply have to use that to effectuate government. Would you agree with that concern?

ERDMAN: I would. And sometimes what happens, Senator La Grone, is we think that because we receive federal dollars, those come from the federal government. But the federal government, the state government doesn't have any money that they haven't taken from somebody. I have a sign in my office, says no government has given you anything that they didn't first take from somebody else. So that answers that, I think.

La GRONE: Thank you, Senator Erdman. Would Senator Moser yield to a question?

HUGHES: Senator Moser, will you yield?

MOSER: Yes, I will.

La GRONE: Thank you, Senator. And really, I just wanted to ask you the same question about respect for taxpayer dollars I just asked Senator Erdman. I was wondering if you could talk about the fact that although these are federal dollars, they're still coming from our constituents and we need to be respectful that that's time that they spent away from their family.

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

Floor Debate
March 26, 2019

MOSER: Well, pondering the question a bit about spending, you know, for years our budget had 7 percent increases when inflation was around 3 percent or thereabouts.

HUGHES: One minute.

MOSER: So we had 4 percent real growth in spending in those years, and now we're paying the price for those years of increase because we're having problems even sustaining the inflationary growth that we need to keep those programs at those same levels. And that's my objection to this bill. It's not that people don't deserve a second chance or third chance or fourth chance. I think, you know, we should, in our Christian belief, give people, you know, a thousand chances. But when it comes to spending people's tax money, I think that we have to draw the line. We can't let it be death by a thousand cuts. You know, we spend a little bit here, we spend a little bit here for a good cause, spend a little bit more for a good cause, and in the end we wind up spending too much and we-- we can't pay the credit card bill when it comes due.

La GRONE: Thank you, Senator. How much time do I have remaining?

HUGHES: Three seconds.

La GRONE: Thank you, Mr. President.

HUGHES: Thank you, Senators Lowe, Senator La Grone, Senator Erdman, and Senator Moser. Senator Hilgers, you're recognized.

HILGERS: Thank you, Mr. President. Good morning again, colleagues. I'm going to give-- I don't think Senator Wayne's engaging in this debate, but I'm going to ask him a question here in a second. I'll give him a little bit of a heads up. I do appreciate some of the comments about how this body works. I've been here two-- while I wait for Senator Wayne to come over, I will say that I've-- this is my third year and-- and I think we do have a special institution here in Nebraska. I do think that other bodies, in particular in Washington, D.C., tend to devolve into factions and groups and people who don't talk to each other, they don't work together. And I'm proud of the work that we do here every day in the Unicameral here and the relationships that I've had and the work that I've-- that I've been able to accomplish with a number of my colleagues who maybe on paper might appear not to have the same ideology or ideological perspective but who we've been able to-- with whom we've been able to find common ground and get really important things done for the state of Nebraska. So I-- I think it's an absolute honor to be in this institution and I'm proud to be here. Appreciate some of the comments on the

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

Floor Debate
March 26, 2019

floor this morning. I think Senator Wayne now is over here. I would ask Senator Wayne a question if he would yield.

HUGHES: Senator Wayne, will you yield?

WAYNE: Yes.

HILGERS: Thank you, Senator Wayne. So I'm asking with your-- your attorney hat on and not your TIF hat, this bill, as I understand the amendment, AM-- I'm looking at AM9-- AM922, but part of this is to provide benefits for those who have had a felony possession charge or conviction of a felony, a felony possession or use of a controlled substance. We've been talking about possession, use, and distribution. And I think when I-- maybe a lot of Nebraskans, when they think possession, use, they initially think maybe a small quantity of marijuana or cocaine or something like that. Could you just describe, and I don't know the precise answer, but could you describe sort of the boundaries of felony possession or felony use?

WAYNE: Well, felony use is a arbitrary number so we don't distinguish between somebody with 5 pounds of marijuana versus 400 pounds. They're still considered distribution. So it's a hard question because, at a certain amount, it depends versus by whether it's weight or-- depends on the classification of weight, it becomes a burden or a presumption that you're a distributor. And our-- ours is very low. But the prosecution can always charge you with possession. So it's really not a fair question, not because it's not a fair question. It's because once you have more than like a pound, you're considered to be a distributor but they can charge-- they-- you can plead to a possession.

HILGERS: I appreciate that. That makes sense. So maybe asking it from a different way, what would be the dividing line between, say, a misdemeanor and I know for some drugs I don't think there is a misdemeanor possession, but say a marijuana. What's the misdemeanor possession of marijuana versus a felony possession? Is there a dividing line there?

WAYNE: There is, and I did a bill on this, this year and I should know it. I'm kind of working on hemp right now, so I'm going to push my light and I'll give you the exact numbers here in a second.

HILGERS: And there's no, for other drugs, such as meth or cocaine, there isn't such a misdemeanor and felony dividing line. Is that right?

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

Floor Debate
March 26, 2019

WAYNE: There's-- no. No, for other drugs there's not. It's only marijuana, less than an ounce, is a-- is a misdemeanor. So it's an infraction and "ticketable."

HILGERS: Uh-huh.

WAYNE: You do have a Class I misdemeanor I believe up to two ounces-- no, it's a ounce or less. But I'll give you the exact when I go over here and pull up my bill that I did.

HILGERS: Thank you. Thank you. Thank you, Senator Wayne. How much time do I have left, Mr. President?

HUGHES: 1:30.

HILGERS: OK, thank you. I've got a few other comments to make but I have under a minute left. So I'll-- maybe next time on the mike I'll talk about that. Thank you, Mr. President.

HUGHES: Thank you, Senator Hilgers and Senator Wayne. Senator Howard, you're recognized.

HOWARD: Question.

HUGHES: We still have two, four, six, eight people in the queue that have not-- I rule it out of order. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. President. I do stand opposed to LB169 and I think that the current statute is adequate and currently it supports felons to a point. I think we do need to have a balance and have some consequences. I know that taxpayer dollars are-- you know, we've been talking about use of taxpayer dollars and giving two chances is reasonable. The constituents I've been talking to are telling me they are opposing this bill and that current law is good enough. Currently, you can still receive SNAP benefits after two convictions. And after the third conviction, if you're-- if you're in a household, the other people in that household are still eligible. It doesn't exclude the rest of the family if a person returns to a family after serving their felony. An example I saw with a family of four receiving \$500-- who could receive \$500 a month of SNAP benefits. If the one felon is excluded then they could still receive, say, \$420 a month in SNAP benefits. And so that felon could still be getting food that way. Now if that person is not in a household, there was a claim that eligible felons would not be able to eat. I did a search for food pantries in some of the Nebraska cities. I was surprised how many I found. Here in Lincoln I found-- I did a Google search for "food pantry Lincoln, Nebraska." In Lincoln I found nine. And there's Matt Talbot Kitchen, there's some churches, Catholic Social Services.

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

Floor Debate
March 26, 2019

In Omaha I found 20: Food Bank of the Heartland, Heartland Hope Mission, Project Hope, another Lutheran Church, United Methodist Church, Salvation Army, Catholic Charities, then some Baptist Church. There were 20 in Omaha. I went to Grand Island, even in Grand Island I found nine food pantries: Salvation Army, United Way, a couple of churches, a community foundation. In Scottsbluff, six food pantries. Have Catholic Church, United Way again, a Community Action Partnership, Methodist Church. And so I-- I am concerned the people be able to be fed, but I think there are alternatives, that we aren't just wanting to starve anybody. And I-- so I think the current law, statute on the books is reasonable and I support current bill-- the current law, but I'm opposed to the concept of LB169. And how much time do I have? Mr. President?

HUGHES: One minute.

CLEMENTS: I'll yield my time to the Chair.

HUGHES: Thank you, Senator Clements. Mr. Clerk for items.

ASSISTANT CLERK: Thank you, Mr. President. Series of amendments to be printed from Senator Wayne to LB675, LB147, LB148, and LB606. Additionally, LR61, introduced by Senator Arch; LR62, introduced by Senator Bolz; and LR63, introduced by Senator Linehan. Those will be read and laid over. Additionally, the Government Committee will meet in Executive Session under the south balcony at 11:30; Government Committee, Executive Session, 11:30, south balcony. It's all I have at this time, Mr. President.

HUGHES: Thank you, Mr. Clerk. Those in the queue are Senator Halloran, McCollister, La Grone, Moser, Bostelman, and others. Senator Halloran, you're recognized.

HALLORAN: Thank you, Mr. President, colleagues, Nebraskans. I do stand in opposition to LB169. I would ask Senator Hunt if she'd be willing to yield to a question.

HUGHES: Senator Hunt, will you yield?

HUNT: Yes.

HALLORAN: Thank you, Senator Hunt. As I understand the bill as it stands, as it might stand amended, that it eliminates drug treatment requirements to qualify for SNAP for first- and second-time offenders, and only three-time convicted drug felons would have to successfully

Floor Debate
March 26, 2019

complete drug treatment programs to qualify for SNAP. My question is, why would you eliminate the treatment for first- and second-time offender?

HUNT: Senator Halloran, I'm really glad you asked that question, because in statute, in 29-2262, it states that in all cases in which the offender is guilty of violating, of having a drug offense, a condition of probation shall be mandatory treatment and counseling as provided by such section. The same thing is true of probation, parole, and postrelease. So actually, under this bill, people are more likely to receive drug treatment and counseling than in current statute.

HALLORAN: OK, thank you, Senator Hunt.

HUNT: Uh-huh.

HALLORAN: I stand opposed to this bill for a number of reasons. One example I gave the other day and that was an example, firsthand example, of a family who was eligible for SNAP and they were-- grandparents were unwilling-- unable to receive foster care of grandchildren. And they admitted that their daughter was a drug abuser, her boyfriend was a drug dealer. And the father ultimately said that she wanted those children, three children, and they all suffered from birth issues with fetal alcohol syndrome, meth addition, and she wanted those three children in her care and custody so that she could have the SNAP cards so that her boyfriend could cash those in for cash to buy drugs. It may be anecdotal but it was a firsthand conversation I had with a constituent. This reminds me a little bit of-- of parents who use the strategy of, when a child doesn't mind them on whatever the issue might be, that they count to three. And if-- with-- with the ultimatum that if at the end of the count of three, something was going to happen, some kind of punishment of some kind, a spanking, sent to their room, whatever it might be. So the parent will count down 1, 2, 3, and the child doesn't do anything. The child doesn't do as the parent instructed them to do, and there's no punishment as a result. So what's that child going to do from that lesson? That child has learned from that lesson that there is no repercussion for bad behavior. So first-time, second-time offenders will receive some kind of rehabilitation to try to help them get off their addiction. That's good and as well it should be. But ultimately, there has to be some sense of personal responsibility on the-- on the felon who after two times recommit a crime, the third time, dealing with drugs. So when do we put that burden back on to that felon? I think we need to keep the law in place as it is. I think it's only-- it's only just that they have had two opportunities.

HUGHES: One minute.

HALLORAN: And the third time they need to not be able to receive SNAP benefits. Another anecdotal story I have is a couple months ago I was in a convenience store. A man and a woman

Floor Debate
March 26, 2019

with two children came in. They bought hot dogs, potato chips, soda pop. That was their meal apparently for the day. She used a SNAP card. That's fine. Not the most nutritious meal use for SNAP cards, but that was her choice. Her husband pulled out, after that was done, pulled out a roll of bills, thick wad of bills, and he peeled off some of them and he bought lotto tickets and Powerball tickets. And I speak to that because that comes to the point, the issue of abuse of SNAP cards. Thank you, Mr. President.

HUGHES: Thank you, Senator Halloran and Senator Hunt. Senator McCollister, you're recognized.

McCOLLISTER: Good morning, Mr. President. Thank you, colleagues. After listening to some of these old, stale arguments that the opponents are making, I felt compelled to get up on the mike. I think we discussed earlier this bill is a penny wise, pound foolish kind of proposition. You know, we can go after those people on food stamps, SNAP benefits, but yet if a felon comes out of prison and has no food, what do you suppose that poor person is likely to do? They're likely to end up in prison once again, costing the taxpayers in excess of \$35,000 a year. How smart is that? What is the fiscal impact of this bill? I think we all know that with SNAP benefits the state only pays 50 percent of the administrative cost. That is the only amount. The federal government picks up the remaining full cost of the-- of the program. I think we also know that the federal government picks up one-third, one-third of the state government. So for us to identify SNAP payments as the-- the thing that's breaking the federal government, it just ain't so, just ain't so. Now if this had been a proposal relating to roads or something like that, do you think we'd be having this debate? Highways? How about-- how about aid, the aid that we're seeing the federal government give Nebraska now? No, we would not be having this debate. But since it's related to food stamps and SNAP benefits, we're having this, this debate. I think we all know that food stamps or SNAP is part of the farm program. The other half of the program goes to entitlements and farm programs that many of the folks in this state depend on. So I think the food stamp portion of it is also something that we need to support. Senator Clements talked about the food pantries. I work the food pantry that our church sponsors and I know for a fact there are people that are food insecure. They come to our pantry every month and they depend on food stamps as well as the food they also get from our pantry. Hungry people are not productive people, and that is particularly true with kids. You want a kid going to school hungry? They just don't learn. So I think it's-- it's good for the state and good for our-- every citizen here in order for us to support food stamps. Lastly, the money that comes into the state related to food stamps benefits the entire economy of the state. When we did the fiscal impact for the bill that I have in front of the-- the HHS Committee, every dollar that comes in to the state turns out to have the effect of \$1.83. It rolls around and helps the economy of the state. It boosts the-- the economy of the state. It ends up helping people with wages and ends up helping folks in grocery stores. So it has a positive, beneficial effect in the state. So I-- I think we need to vote down AM804, proceed to the vote on AM710 and then vote green on LB169.

Floor Debate
March 26, 2019

HUGHES: Thank you, Senator McCollister. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. And I-- I just want to reiterate the-- the tax dollar point I made previously that even if it's federal money it's still tax dollars. It's still money that people earn by spending time away from their family. Some of those may be Nebraskans; some of those may not. But I think we need to agree, be respectful of those dollars regardless of whether or not they came from the state. With that being said, again, I'll yield to remainder of my time to Senator Moser.

HUGHES: Senator Moser, you're yielded 4:30.

MOSER: Thank you, Senator. I appreciate that. I repeat what he said. I would agree with what he said about federal tax dollars being real tax dollars as much as state tax dollars. There's a-- a book written by Jared Diamond-- he's a philosopher and a university professor-- and it's called "Collapse: How Societies Choose to Fail or Succeed." And the gist of the book is-- because it's a thick book and I-- I'm sure some of you are going to find something else more entertaining than this to read. But the gist of the book is societies make decisions along the way as they age and they make them sometimes the easy way instead of the smart way. And then it gets to a point where they can't recover from their mistakes and they-- they fail. You note in the word "choose" in the description, I think that's a-- an operative word. We have the choice here to make a decision to move us toward more conservative governance or more progressive governance. You know, where would we draw the line? You-- there are thousands, hundreds of thousands of people in Nebraska that could use help with their groceries, could use help with their healthcare, could use help dealing with their families. But at some point we have to respect those who are paying the taxes to make all of these things possible. Some people have to be profitable and productive in order for the rest of the-- the state do to well. You've seen this progression in all the great societies that have existed throughout the history of the world. You know, the Roman government had a long life and then they lost their discipline. They went down the tube. You-- I-- I'm not a student of history detail. That's one class I probably should have spent more time working on. But I learned enough about it to know how it works and we're at a point, as a state, as a-- as a country where we're in our 60s maybe in our lifetime, or maybe our 70s if we don't start working out here and paying attention to what we're doing. And then back to the-- the question of being held accountable for what we say, sometimes when we go out and speak to people, we-- we think we know our audience. We think we're talking to friends and we say some things that we think our friends are going to agree with but it may disparage somebody else. And you have to remember that everybody has a few other friends and that my friends are not necessarily just my friends. They have other circles of friends. So the more inflammatory thing that you say, the quicker it gets around. So if you say something kind of flip and disrespectful to people who you think are just your friends, there's a really good chance that's going to get around, especially with social media today.

Floor Debate
March 26, 2019

HUGHES: One minute.

MOSER: I-- I can think back to one group that supported me in the election and I thought I agreed with them on the principles that they stood for. But since I'm a Facebook friend of this person who represents their group, I've seen some really nasty things said in there that he would never say to my face, not about me but about the federal government and how the state and the federal government spends money, things that I totally disagree with. So, you know, it's not just an admonishment for us as senators but everybody who's got a leadership position and a cause that they speak for, be mindful that when you speak it could come home to roost and you could be called into question for what you've said. Thank you.

HUGHES: Thank you, Senators La Grone and Senator Moser. Senator Moser, you're next in the queue. Senator Moser waives. Senator Lowe, you're recognized.

LOWE: Thank you, Mr. President. There is nothing stopping these people from getting jobs. My wife has always said that there are-- you must live by your consequences. On our refrigerator are plastic magnets and it is A, B, and C, the three letters. They stand for actions and-- well, actions causes your consequences. Actions and belief causes consequences. I have decided to work most of my life in law-abiding jobs. Those getting out of prison have done something to cause themselves to be there-- their consequences. Their actions caused their consequences. Their behaviors causes consequences. When they get out we will give them a hand up, as we do. There's nothing stopping them from getting a job to make a living for themselves and to better-- to betterment our communities. With these storms that are coming or that have happened and the recovery that is coming, there are jobs out there. All they have to do is show up and say, I want to work. We don't need to give them anything. It's already there. Work is there for them. Let's give them a hand up with work. It was brought up earlier today that this money that is coming in is going to better our state. This money was taken out. This money was taxed from working people. This money was already here. It would have already been earning money if it was kept here. It would have been earning money many times over than what the benefit is that it is now coming back. Thank you, Mr. President.

HUGHES: Thank you, Senator Lowe. Senator Howard, you're recognized.

HOWARD: Question.

HUGHES: Out of order.

HOWARD: [MICROPHONE MALFUNCTION].

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

Floor Debate
March 26, 2019

HUGHES: There's-- Senator Howard, you're welcome to open on your motion to overrule the Chair. Each senator can speak once on the motion and then you will have the ability to close.

HOWARD: Thank you, Mr. President. May I ask, how many people were in the queue?

HUGHES: There were seven at the time.

HOWARD: Had they all spoken before?

HUGHES: I do not believe so.

HOWARD: OK. Thank you. I just-- I tried to call the question earlier. We've actually been on AM804 for about five hours now. And so not to stymie debate, but I wanted to make sure that we could get to the committee amendment that I had presented previously so that we could actually talk about the committee amendment. I was listening to the debate and it sounded like we had sort exhausted all of our conversation about AM804 and so I wanted to make sure that we could actually speak to the amendment that the committee itself had prepared. With that, I would urge the adoption of the motion to overrule the Chair and to allow us to call the question on AM804. Thank you, Mr. President.

HUGHES: Thank you, Senator Howard. Senator Hilgers, you're recognized on the motion to overrule the Chair.

HILGERS: Thank you, Mr. President. So as I understand it and there was a-- I was in the queue to talk, speak on the underlying bill. But as I understand it, there was an attempt to call the question. That question was ruled out of order. And now the question is whether or not the Chair should be overruled. I'll repeat what I said the last time this issue came up. I do think it's contextually a little bit different in the sense that I think the initial-- when we dealt with this the time before and I was not in favor of overruling the Chair in that context because I think the Chair has the discretion. The rules give the Chair the discretion. And in that instance I thought that the Chair exercised his discretion as we-- we provided under the rules. In that context, the bill-- I think the vote to call-- to call the question was on the underlying bill itself, and so the concern I had was if you're calling the question early on this bill, all that will do is encourage additional dilatory amendments to help encourage a filibuster. I thought that wasn't right. Now this, the context is factually different here because here we actually have some amendments. And the question is whether or not calling the question would be appropriate. Candidly, if I was in the Chair, if I was making that decision, I may have ruled it in order. I wasn't but Senator Hughes is in the Chair and I support his ability to make that decision within the discretion of the rules. So I

Floor Debate
March 26, 2019

would encourage-- I would encourage you to vote red on the motion to overrule the Chair. I think-- I think it should be an extreme example when we take the discretion away from the President. That's the decisions they make. They are able to monitor debate, see who's in the queue. They watch the flow of debate in a way that we, as individual senators, often don't have that same perspective. We get pulled in different directions. You might get pulled out of the glass. You might be having a conversation with a colleague. I think the President, we give that discretion to the President because they are uniquely positioned to "jay"-- to gauge the flow of debate. I think in this instance it was well within the President's discretion to make that decision to determine that it was out of-- out of order. I support that decision. We might-- we might disagree on whether or not the decision should have been made but, regardless, that's a discretion we give to the Chair. That's a discretion we give the President. I support it and I'd encourage you to vote red on the motion to overrule the Chair. Thank you, Mr. President.

HUGHES: Thank you, Senator Hilgers. Senator Slama, you're recognized.

SLAMA: I, too, was in line, intending to speak on the bill and the amendment. But now that we're up on the motion to overrule the Chair, I have to agree with Senator Hilgers though the fact pattern in this situation is different than the last time it's come up in this session. I stand with Senator Hilgers and encourage a red vote on the overrule the Chair motion because I do believe that overruling the Chair should be saved for extreme circumstances. There were seven people in the queue at the time the motion was made. We had confirmation that some of them had not had the chance to speak on the bill yet. And I just do not think this is a case that merits overruling the Chair and setting the precedent in this session. So thank you, Mr. President.

HUGHES: Thank you, Senator Slama. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. President. I speak in favor of the Chair's ruling. I speak against the motion to overrule. I was in the queue and I had a couple of more points that I had not been able to make in my previous time on the mike. And so I would appreciate continued debate on this bill and ask you to vote red on the motion to overrule. Thank you, Mr. President.

HUGHES: Thank you, Senator Clements. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. President. I, too, was in the queue to speak on the amendment. I would encourage you to vote red. There are a couple things that I haven't spoke, had a opportunity to speak about on this amendment and on this bill yet. I think Senator Clements had some-- some key points as far as our church, our community as well provides food through food banks and other resources that people have reached out to, talk a little bit more along those lines. But I do believe that there is more conversation that needs to be had on this bill. And as I was in

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

Floor Debate
March 26, 2019

the queue waiting to have that conversation, talk a little bit more about SNAP benefits, who qualifies, how much they are, I do believe I would like to have that opportunity to have that conversation on the mike. And I would urge you to vote red on the motion to overrule the Chair. Thank you, Mr. President.

HUGHES: Thank you, Senator Bostelman. Senator Brewer, you're recognized.

BREWER: Thank you, Mr. President. I was in the queue on the same. I hadn't had a chance to speak on it yet so I just wanted my opportunity to say my piece. So I concur with the Chair.

HUGHES: Thank you, Senator Brewer. Senator Cavanaugh, you're recognized.

CAVANAUGH: Thank you, Mr. President. You mentioned that the call the question that there were seven people in the queue. I was one of those seven people and I was fine with the call the question because we've already had three hours of full debate on this bill. And I think that it is important that we have the opportunity to at least vote on the call to question. And with that, I yield my time.

HUGHES: Thank you, Senator Cavanaugh. Senator Groene, you're recognized. Senator Groene waives. Senator La Grone, you're recognized.

La GRONE: Thank you, Mr. President. I just wanted to briefly say why I-- never mind, Mr. President, I'll waive.

HUGHES: Thank you, Senator La Grone. Senator Howard, you're recognized.

HOWARD: I will withdraw my motion.

HUGHES: Senator Groene, you're recognized.

GROENE: Thank you. I agree with Senator Howard. Let's discuss AM710. So I will withdraw my amendment and let's spend some time discussing the committee amendment, AM710.

HUGHES: Mr. Clerk for items.

ASSISTANT CLERK: Thank you, Mr. President. Amendments to be printed: Senator Morfeld to LB352; committee report from the Government, Military and Veteran Affairs Committee on

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

Floor Debate
March 26, 2019

certain gubernatorial appointments to the State Emergency Response Commission. The Agriculture Committee will meet in Executive Session at 1:30 in Room 1003; Agriculture Committee in Executive Session at 1:30 in 10-- in Room 1003. A series of name adds: Senator Moser added to LB15; Senator Kolterman to LB657. Finally, an adjournment motion: Senator Howard would move to adjourn until Wednesday, March 27, 2019, at 9:00 a.m.

HUGHES: The question is, shall the Legislature adjourn? All those in favor say aye. All those opposed say nay. We are adjourned.