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Floor Debate  
April 09, 2019

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FOLEY: [RECORDER MALFUNCTION] ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifty-sixth day of the One Hundred Sixth Legislature, First Session. Our chaplain for today is Pastor Dan Wiese of the Mt. Calvary Lutheran Church in Holdrege, Nebraska, Senator Murman's district. Please rise.

DAN WIESE: (Prayer offered.)

FOLEY: Thank you, Pastor Wiese. I call to order the fifty-sixth day of the One Hundred Sixth Legislature, First Session. Senators please record your presence. Roll call. Mr. Clerk, please record.

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

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

CLERK: I have no corrections.

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

CLERK: There are, Mr. President. I have an amendment to be printed to LB138 from Senator Pansing Brooks. That's all that I have.

FOLEY: Thank you, sir. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following legislative resolutions: LR64, LR67, LR68, LR69, LR70, LR71, LR72, LR73, LR74, LR75, and LR76. We'll now proceed to the first item on the agenda, General File, 2019 senator priority bills. Mr. Clerk.

CLERK: Mr. President, LB510 [SIC--LB512] offered by Senator Linehan. (Read title.) Senator Linehan presented her bill on April 5. The committee amendments by the Revenue Committee were offered at that time. There was an amendment to the bill from Senator Erdman that he

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offered. Senator Chambers, subsequent to that offering, moved to bracket the bill. That failed. Senator Chambers moved to reconsider that vote. That motion is pending.

FOLEY: Thank you, Mr. Clerk. I wonder if Senators Linehan, Erdman, and Chambers would give us a couple minutes each to refresh us on where we left off. Senator Linehan.

LINEHAN: Good morning, Mr. President. Good morning, colleagues. This is the Department of Revenue's cleanup bill. And I went through the sections, which I think most everybody was here. I don't want to read-- I don't think it's necessary to read through it all again. Then we had an amendment, a committee amendment to the bill, which actually this is confusing. So to go back, the original bill we got from Department of Revenue had basically the same idea of Senator Erdman's amendment. We Execed on this bill before the flooding. And the-- first, the committee amendment actually removes the language that Senator Erdman is putting back, so we need to pass Senator Erdman's amendment, then the committee amendment because it also fixes another issue with the bill, and then I would ask for your support of LB512. And if there are concerns with Senator Erdman's amendment exactly how it is, I have told people, and I think Senator Erdman is in agreement, that we'll work between General and Select to fix those, to address those issues. So thank you.

FOLEY: Thank you, Senator Linehan. Senator Erdman, a couple minutes.

ERDMAN: Thank you, Lieutenant Governor. Good morning. This is an opportunity for us here in the Legislature to make a difference in people's lives, especially in some of those most damaged areas, like Senator Walz's district. That is an issue that is before us now. I had intended to do this bill long before the flood. The Revenue Committee heard this bill, LB482, long before the flood happened. It just happens to be a coincidence that the flood did happen when it did. What this does, it gives an opportunity for people who have lost property in a flood, fire, or a natural disaster, to pay property tax only to the portion of the year that the property was available to them, was functional. So this makes some common sense. This allows us to give people a chance to lower some property tax, which we don't do very often in this body, and it's an opportunity for people to pay on what they can actually use as far as their property goes. So we are, as Senator Linehan had alluded to, we're working with NACO trying to come up with what

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would work best for everyone. And we're still working on that, and so that's kind of the explanation of what the bill does. Thank you.

FOLEY: Thank you, Senator Erdman. And, Senator Chambers, if you'd like a couple minutes.

CHAMBERS: This motion-- thank you, Mr. President. Members of the Legislature, this motion that's pending is a reconsideration motion and I will discuss that motion when I'm recognized for that purpose. I don't need to say much other than to make that comment. Thank you, Mr. Chair.

FOLEY: Thank you, Senator Chambers. Members, debate is now open on LB512, the pending Revenue Committee amendment, the pending Erdman amendment, and the reconsideration motion from Senator Chambers. Those wishing to speak, Senator Chambers.

CHAMBERS: Thank you. Mr. President, members of the Legislature-- excuse me-- this is my first speaking on this bill, and I spoke for a good amount of time when it was before us. The fact that it's back indicates that Senator Linehan has 33 votes, I suppose, because that's the only basis for returning a bill in this fashion, I thought. I had stated that you all have morality which is compartmentalized, you have compassion which applies to what you consider your own kind. Nobody in that clique that I'm describing, and since I haven't called any names, if you put this hat on that I'm making, then you have self-identified. Those people are so hardhearted, so cruel, so tightfisted with other people's money which is available to help, that I'm shocked that an amendment of this kind would be presented today, except that hypocrites of a feather, like birds, flock together. There are people who committed crimes. They were convicted. They were sentenced, imprisoned, served their time. But that did not take away that sensation of hunger when you lack food. There are people on this floor who, like Marie Antoinette when she was told that the people are hungry, she said, well, let-- they need bread? Let them eat cake. There are people on this floor who are so unaware of the realities in this state that they can say work is out there for people who have been convicted, I suppose that person means, of any crime. That is not true. The Legislature has a Judiciary Committee. I have sat on that committee ever since I have been in this Legislature. An issue that was around at that time, and continues now, pertained to the difficulty of people with a felony conviction to procure employment. If a bill were brought to do something about that, the very ones who say there is plenty of work out there would oppose

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such a bill, and therein lies the hypocrisy. I don't feel the way you all feel. This dude that you call Jesus is somebody, as I've said, that I could hang out with if there were such a dude as that and if he were alive today. The things he talked about are things that I believe in. I'm not talking about a pie in the sky in the sweet by-and-by. I'm not talking about bringing people back alive after they've been in tomb, dead, or supposedly dead, for three days. That could have been a matter of suspended animation, or, and this is what really impresses me, bringing a child back alive. That impresses me.

FOLEY: One minute.

CHAMBERS: Telling people that if you offend against these little children, it were better for you that a millstone be hanged about your neck and you drown-- be drowned in the depth of the sea. Somebody with that concern for children impresses me. So I need to take these moments that are provided to say what I've got to say, and that I intend to do. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Moser.

MOSER: Good morning, colleagues. Thank you, Mr. President. Good morning, Nebraska. Just a couple of comments about this amendment that we were offering to the bill. A couple people have mentioned it as a property tax bill, and I don't really look at it in that sense. I think it's more of a sense of they've lost their property and we're taxing them on something that's not there, and so we're really kicking them when they're down. It's not that we're trying to give somebody tax relief. That's not-- that's not at all what we're talking about, in my opinion. They've lost property, the property's not there, and because of a technicality in the law, we're making them pay property tax on property that's not there. The value's not there. It may be legal to do. A couple of the attorneys I asked, because it didn't seem fair, but they said it's legal. And again, I think we're kicking people when they're down. OK, a comment about some of us only addressing things that-- that serve us or serve our constituents. When we talked about the TIF bill that Senator Wayne was so passionately proposing, it got 40 votes, and that's not going to help people in my district. I don't have anybody that's going to qualify for that, nobody. So if I was just going to vote for what was my district and if I was a selfish SOB, then I'd have voted no. But I voted for him because I want to help him. He wants to do something for his district, even though it could,

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in my opinion, it could accidentally spread and make TIF go to 20 years throughout the whole state, which I think would be a big mistake, at least with the way current TIF laws are written. So I'd say we all vote for what moves us, and I think that we showed compassion for what Senator Wayne wanted to do, and I think we should show compassion for people who have lost property, not just in these floods, but they could be blown down by a tornado, they could be burned in a-- in a huge fire, could be lots of possibilities. But I don't think we should be taxing people on property that's not there. Thank you very much.

FOLEY: Thank you, Senator Moser. Senator Chambers.

CHAMBERS: Thank you. Mr. President, members of the Legislature, because Senator Moser was responding to things I said, people may think that I use the term "SOB" to describe people who disagree with me on certain issues. That was strictly Senator Moser's interjection. I am not a Christian, so I don't use that kind of language. You will never hear me use profanity anywhere, in private, on this floor. What I'm tempted to do, though, is to quote your President, who thrives on vulgarity, hatred, profanity, and all of the things that America supposedly does not stand for, all of the things you all say that flag does not stand for. But based on the calls I still get, the mail I receive, it indicates what those who believe in that flag are about. But here's what is amazing to me. That pledge [SIC] says, "the land of the free and the home of the brave." Or is it the other? Or is it the song? I mix them up. They are free to use profanity, issue threats, racial slurs. They're free to do that. But they're not brave enough to put a return address or call without it being an anonymous call. That's what brave flag wavers are. That's the freedom they believe in. But when it comes to the people I'm concerned about and think everybody ought to be free to work who wants to work, and you all don't want that to happen because you're so hidebound, so bigoted, so sham religious that you think if they belong to the LGBTQ community, they should not be protected when it comes to trying to get a job and work to make an honest living in the land of the free, the home of the brave, that has liberty and justice for all. Obviously, LGBTQ members are not included in that "all." Black people are not included in that "all." Latinos are not included in that "all." Native Americans are not included in that "all." And I want you all to know-- and you notice I said "you all"? I used "all" because it applies to you. There is a metaphor that I put into the letter of response to the racist who will include a return address, and here's the way it goes. I have to keep it brief because their attention span is not too broad. Were I a slave and you

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a slaveholder, although we would live on the same plantation, our experiences would be so markedly and vastly different that a space alien would be hard pressed to comprehend how two who lived in the same space could have such irreconcilable differing accounts to present.

FOLEY: One minute.

CHAMBERS: Now, the slave master, the slaveholder might be included in that "all" who have liberty and justice and freedom, but certainly not the slave. And people invite me to go where they're going to go if their "Bibble" is right, which is Hell, and the language that they use guarantees them a trip there. But when I respond to them, this that I say about basic human dignity requires that I show respect toward them unlike the disrespect they show toward me, and I try to educate them and appeal to that bit of humanity that they may not have lost. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Chambers, you're recognized for your third opportunity.

CHAMBERS: Thank you, Mr. President. So in these letters, I will send them different pieces of information and acknowledge that they are not likely to read it. But when somebody writes to me and includes a return address, I will respond no matter what they write unless, as I'd say it, it's totally beyond the pale. And I think what I'm going to do is put together a packet and let you Christians, let you flag-waving, so-called patriots see what your kind send, how they hide behind anonymity. They don't even know how to spell the n-word, and you got some fool out here at the veterans home, for which I voted, trying to use the n-word to insult me and doesn't know how to spell it. So I'm going to put that in a packet and give it to you all, and I say to you what I'd say to those bigots and others who contact me: You probably won't read it, but I'll make it available to you. You can scan it. Oh, the f-word is used, obviously. That's what Americans thrive on. So when you bring bills of this kind, I'm not swayed. I'm not in favor of stepping on somebody who is already down. And that is not what I'm going to do on this bill. There are probably more than 33 votes, but there are also-- also some problems with the bill itself. But you all have all the geniuses working on it, so I'm not going to deal with that. I'm going to let you all deal with it. But at some point before it's read on Final Reading, I will have some comments to make, and

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some observations, and they will not be based just on my opinion. You need to read these bills, you need to pay attention to the constitution, and you need to know that 33 votes, 40 votes, 49 votes cannot abrogate the constitution. But you do things that make a big splash, that will catch the public's attention, that will make it seem like you are good people, which is not the case. None of this that you're offering takes money out of the State General Fund. You're not putting together an aid package at all. Why don't you do that, if you really want to do something? This has the earmarks, the appearance, the sound and the fury of something very heartfelt, something very empathetic, something very sympathetic, but it really is next to nothing. Even Senator Clements, who is speaking in favor of it, speaks of only \$12 that neighbors will have to give to help neighbors. So if it's \$15 or less, do it! Fifteen dollars? Fifteen dollars, I tip more than that in three days. People who work with the public have one of the hardest jobs imaginable, and they're entitled to any amount of a tip that they get. But when the people who run these restaurants are so hardhearted and stingy, they'll never be fairly compensated. An adequate or living wage should not depend on the roll of the dice.

FOLEY: One minute.

CHAMBERS: And the dice are in the hands of somebody who has loaded them against the worker who is entitled not only to the tip but to a decent, basic floor wage below which he or she will not fall. This is America! [SINGING] God bless America / Land that you all love. I could probably sing opera! [LAUGH] You wait until I decide to cut loose on Pagliacci. You just wait. I might even do an aria, the "Ave Maria." How would you all like that? How would you like it? I'm free to conduct my presentations on this floor any way I choose. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Kolterman.

KOLTERMAN: Thank you very much, Mr. President. Senator-- I was wondering if Senator Chambers would yield to a question or two.

FOLEY: Senator Chambers, would you yield, please?

CHAMBERS: Always from Senator Kolterman, yes.

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KOLTERMAN: Senator Chambers, before you start singing those beautiful songs, don't embarrass yourself. That's all I've got to say. Thank you. [LAUGHTER]

CHAMBERS: Thank you.

FOLEY: Thank you, Senator Kolterman. Senator Chambers, you're recognized to close on your reconsideration motion.

CHAMBERS: Thank you. Mr. President, there are people who get on television who sing worse than I do. They're not worried about embarrassing themselves. They think that what they do is singing, as good as any that they've heard, and a lot of times it is. But I've said before, when I'm sad, I sing, then the whole world is sad with me. But here's the difference between me and others. When I'm trying to communicate, anything other than profanity, obscenity, and vulgarity I won't use, because there are people with different minds, different capabilities, who are touched, or whose attention is grabbed by things which would not have that effect on others. With 48 people here, there's not a single approach that I can take that will be of the same impact on every one of those people. But one thing I can do is unite you all against me. That's when I can bring you all together, just like Jesus brought all the religious people together to kill him. You all need to read those stories, those yarns that you have in the "Bibble," and feed to people as the truth, but the fact that you don't practice them show that-- shows that you don't believe them yourself. You don't even know what is in there. So I have to remind you, and I can do it so persuasively, I could bring you something from the Book of the Dead and you would accept it as something coming from the "Bibble." Oh, you don't know what the Book of the Dead is? It's not a manual for undertakers. This is a place where every manner of wrongfulness is indulged in. You would not pull a gun in here and shoot somebody. You would not pull a knife and cut somebody to death. You know how you all do it? You all kill people softly. You bring this kind of trash legislation, and I say that and use that term advisedly compared to other things that you don't bring, and be very proud of it and act as though you're doing something so wonderful. But how is it that certain people, based on how you view your religion or whatever it is you claim to have, are worthy of food when they're hungry for which they did not work, but others, you make a difference? And I reminded you all that when Jesus allegedly, according-- according to the yarn, fed all of those people, he didn't tell his disciples, go out there and see who's been locked



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up in prison, find out who used narcotics, and don't feed those people, let them go to work. And you all call yourselves Christians? What do you feel every time a preacher comes in here and prays over you all? I watch you on television. And it's like stand-up comedy, and a comedian is up there, knowing that he or she is talking to a bunch of hypocrites. And that person prays to you all, tries to remind you what your job is, the oath that you took, the things you said you would do, the people you said you would help. And you all have it every morning, and it has no impact on you whatsoever.

FOLEY: One minute.

CHAMBERS: And here I am, unbeliever, nonbeliever, hell-bound, but I'm a better person than you all collectively could ever be. And I don't just spend other people's money. And for Senator Kolterman, [SINGING] I'm a man of means, by no means. But what little I have, I'm willing to share. You all ought to follow my example. And you know what you'd wind up saying? It's easier to follow Jesus, but you're not going to follow either one of us, so follow your own conscience, if it hasn't become seared and you no longer feel. Why should anybody have to stand and talk to people like you who took an oath to do the things I'm reminding you about? I didn't put that oath on you. You knew what it was, and you lied when you took it. You violated that oath when you said--

FOLEY: That's time.

CHAMBERS: --when you said, yes, you do.

FOLEY: That's time, Senator. Time, Senator Chambers.

CHAMBERS: I would ask for a call of the house and a roll call vote in reverse order.

FOLEY: There's been a request to place the house under call. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, please.

CLERK: 19 ayes, 4 nays to place the house under call.

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FOLEY: The house is under call. Senators please return to your desks and check in. The house is under call. All senators please return to the Chamber and check in. The house is under call. Unauthorized personnel please leave the floor. The house is under call. Senators Wayne, McDonnell, and Brewer, please return to the Chamber and check in. The house is under call. All unexcused members are now present. The question before the body is Senator Chambers' reconsideration motion regarding to bracket the bill. There's been a request for a roll call vote in reverse order. Mr. Clerk, please call the roll.

CLERK: (Roll call vote taken.) 1 aye, 39 nays, Mr. President.

FOLEY: The reconsideration motion is not adopted. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator Chambers would move to recommit the bill to the Revenue Committee.

FOLEY: Senator Chambers, you're recognized to open on your recommit motion.

CHAMBERS: Thank you, Mr. President. Members of the Legislature, were I concerned only about my district, I wouldn't even discuss this bill today. Many of the things I get involved in, I would not. But in quoting Abraham Lincoln, the promise being made, must be kept. I told you that we're in part two of the session now, and that is my territory. I told you while you were doing it that you were writing the rules regarding how we will proceed when we've reached this point. You refuse to allow a vote to be taken on bills which may not have had enough juice to be passed anyway. But you wanted to show your contempt, you wanted to show your power, you wanted to show your unwillingness to give any ground. So having learned that from watching it, I'm adopting it as my tactic, as I told you I would. These new senators will think I'm as full of hot air as these other hypocrites running around here if I promise to do something, then I did not do it. Maybe they don't like what I'm doing, but at least they know that if I make a promise, I will keep it. And that's partly what I'm doing here today. At some point, a cloture motion can be made. I'm sure there will be the votes to get that motion adopted. This is one bill. This is one bill. Total up the time taken on it, and this is a bill I don't even care about, really, and you think that I'm as weak-minded as you all are, and I let ugly faces sway me from what I intend to do? How

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many bills can I do this on? All of them, I could. Which ones shall I do it on? You'll just have to wait and see. So prepare to be in a situation where you can do a lot of work in your offices as the time continues to move. Time will not cease its flight. And I'm going to make the use of it that I choose. You all were flying high. Now you can deal with the swoop of the falcon. You reaped, now you can-- I wondered if anybody would catch it. Even Senator Lowe didn't catch it. You have sown, now you shall reap. Not on every bill-- that would be too predictable. How much did you all get done yesterday? Quite a bit compared to what you had not gotten done on other days, huh? And one of the bills I even had things to say about the bill. But they were on point. There are some bills that I believe should be discussed, and those I will discuss. But I will not do so, nor refrain from doing so, because of some attitude that people not worthy of respect, but who will get it from me anyway, would want to dictate. What did you come down here for? I'll bet some of you didn't even know when you came. You certainly didn't come down here for this. But to show my collegiality, and to further instruct, I'm going to withdraw, when I get through, the motion I put up there without taking it to a vote. But I need the opportunity to say a few things so that you will know what it is that I'm doing. I believe that since you all want to put this in a certain form, namely, by adopting Senator Erdman's amendment, then I will remove myself from that track so that you can adopt Senator Erdman's amendment and put the bill in the form you want it to be in. Then I can offer my motions, if I choose to. But I may decide, instead of just offering motions, to offer amendments, to give you another lesson, a bit more instruction how to engage in obstruction. And that is what I'm doing these days. I say again, give me what I want, and you'll be through with me doing this the rest of the session. Give me what I want. And you know why I put it like that? Because I know you won't. But in case you've forgotten, give protection in the workplace to the LGBTQ community, allow food stamps to be made available to all of the hungry, so that they will at least be able to obtain what child rapists, murderers, wife beaters, kidnappers, mutilators are able to get. Despite what Senator Groene said, people who have drug problems and convictions are not worse than that catalog that I laid out to you. Who would you rather have, if you had to have somebody in your community you had to, somebody who abused drugs, who possessed drugs, or somebody who rapes little children? You give it to the rapist. That tells me what you are. You take care of your own. You take care of your own. Manslaughter is murder, but people who commit manslaughter get out. Man killer, women killers get out. But somebody who committed a drug crime cannot get what the man and woman killers get, the child rapists, those who produce and possess and dispense child pornography?

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What are you all saying about this Legislature, a bunch of hypocrites of the worst kind? You call yourselves Christians. That is a sickening term to me, because I look at you all who wear it. In fact, there might be some people who really believe in that. I'm going to call you all the so-called Christians. Think about yourselves. You will give a child rapist something, a murderer something, a kidnapper something, a false prisoner something, a child pornographer something, but somebody who got caught by drugs, no. What about alcoholics? Should any public money be spent to provide treatment for people who get cirrhosis from-- of the liver from too much alcohol? How about cancer treatment? Should there be any public money going for the treatment of cancer if the ones who got it, got it from smoking? They chose to do that. They chose to drink. You all's so-called values are so skewed, it is impossible to find any logic to it. And that's what you all do, and then you pray every morning and salute that flag. You ought to be ashamed of yourselves. You know why I'm willing to talk to you all? Jesus talked to people worse than some of you, and he knew from the beginning which ones would listen and which ones wouldn't, but he did it anyway. That's why I say he's a cat I could have hung out with.

FOLEY: One minute.

CHAMBERS: If he was in one corner of the Chamber and I in the other, we would have had you hypocrites surrounded. But, see, Jesus a the man who would go quietly and unresistingly to his death. And you might put me away, but you'd have a fight doing it. What will I do if I pull this amendment, this motion? I'm going to show you all how to amend or offer amendments to bills. And since you've made it up in your minds that none of you are going to speak on the bill, I'm prepared to take us the distance by offering amendments to the bill. And I will put no more thought into crafting an amendment than the thought you put into trying to do something for the people who really need the help.

FOLEY: That's time, Senator. That's time, Senator.

CHAMBERS: I would withdraw that motion, Mr. President.

FOLEY: The recommit motion has been withdrawn. Is there further discussion on LB512 and the pending amendment? Senator Chambers.

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CHAMBERS: Yes. Now, Mr. President, members of the Legislature, I'll begin to speak on Senator Erdman's amendment, then I'll speak on the bill, then I'll go back to the Madison, which means doing what I want to do and what I do so well and do better than anybody else. Unlike Senator Groene, I don't need help when I'm going to try to kill a bill softly, and with kindness, and I also will admit and acknowledge that I can't kill this bill, and then make a confession. I don't even want to kill it. You all might, with this tiny, tiny bit of consideration being shown, even though it's for publicity purpose. Each little thing might lead to something that's a bit bigger. I've been told that a snowball, if you can start it rolling where there's fresh snow, and it will not stop rolling, can trigger an avalanche. I find that hard to believe, but I don't go into those circumstances, so I will accept what other people say. Compared to an avalanche, the snowball is infinitesimally tiny. You couldn't even find it, but it started with that. I don't know if you all know what a match is, because you have cigarette lighters and things of that kind, but a match is a piece of wood with phosphorus on the end of it, and if you rub it on an abrasive surface, it will spring into flame. A match, a little match, can start a conflagration. A little match can set off a wildfire that will burn thousands, tens of thousands, maybe someday hundreds of thousands of acres of trees, underbrush, and whatever else is consumable, such as houses, businesses, automobiles, and even human beings. Big things from small things grow. What is smaller, we're not talking about atoms now, than a microbe or a virus? Think of what viruses can do. What does HIV stand for? Human immunodeficiency virus. So when they say "HIV virus," they're being redundant. HIV, that "V" stands for virus. So it's like saying a pneumonia virus virus. Look how tiny that virus is, but what it can do? Great things. A little acorn, and a huge oak tree will wind up growing from that little-bitty acorn. That's amazing to me. So letting those things be metaphors, or analogies, I will act in accord with those notions. Maybe I will drop a word at the right time, and it will lead to somebody deciding that all that hypocritical, so-called religion may have some validity. Maybe it's something to be followed, rather than to just be held up and boasted and bragged about. I understand some of you all have Bible class. Who do you all study when you all read of--

FOLEY: One minute.

CHAMBERS: Oh, there's a lot of sex in the Bible. There's incest in the Bible. Ah, wars, killing, carnage, rivers of blood, hatred in the Bible. In fact, it's a bloody book, that's what it's been

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called: human and animal sacrifices, people taunting each others' gods and wanting to have contests to see whose god is going to come out on top. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. You're recognized again, Senator Chambers.

CHAMBERS: Thank you, Mr. President. I ought to read this incident from the "Bibble" and give you the citation, because it's fantastic. And I'll leave out some of the buildup to it, but there's one of these old guys called a prophet, not profiteer, but a prophet, and some people didn't like him. Prophets had a way of saying things that people didn't like. They had a way of upsetting the rulers. They even said bad things to kings. Can you imagine that, some guy running around in a tattered robe, flip-flops, long whiskers, long hair, eyes that make him look like he's insane, talking bad to the king? What kind of nonsense is that? But it's in the "Bibble." And if you want to look up one example, David was a king. There was a prophet. I think his name was Sam-- Samuel, I believe. But this particular one was named Nathan. Or was it? Who knows? I know. Other people have to take my word for it. It could have been Elvis Presley when it's translated. And Elvis would have come up to the king. He'd say, King, you're the king, but when I get through with you, you're going to be all shook up. What about little David when he hit Goliath in the head with a rock thrown from his slingshot? What did that lead to? Goliath was dressed in iron clothes. You've heard the term "shake, rattle, and roll"? You didn't know that little David created that, did you, with a little rock? He took this little rock and there was an opening in Goliath's helmet, a little-bitty opening up by the forehead. And David threw that rock right into that opening, hit Goliath in the head, and Goliath shook, his armor rattled, and when he hit the ground, his head rolled because David cut it off. That's where you got "shake, rattle, and roll" from. You didn't know that, did you? Bible's the source of everything. And that's an interesting story, but the one that I started out, because you think old people start talking and then they forget their way, this old prophet, the first one I was talking about, who shall remain nameless unless I decide to share his identity with you, issued a challenge to these people: You don't believe in my God, Jehovah. You believe in the force. Well, in this contest, may the force be with you. But it won't help you. So here's what we're going to do. We're going to set up an altar. We're going to dig a trench around that altar. We're going to fill it with water. And you have a god and I have a god. And we're going to see whose god answers with fire. So because the ones who wrote the "Bibble" are on the prophets' side, and as propagandists do--

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FOLEY: One minute.

CHAMBERS: --he said that his prophet was ridiculing the god of these other people: Where is your god? Is he asleep? You're making enough noise. You're cutting yourself. Your blood is flowing. Can your god not see? Has your god gone on vacation? Now, that having failed, let me show you what my god can do. Shazam! And there was a bolt of lightening and a boom and everything was consumed, the altar, even the water. I'll have to give you the rest of it when I'm recognized again. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. And you are recognized for your third opportunity.

CHAMBERS: Thank you, Mr. President. Here's what I got from that. That is what I say to you people. That's what I'd say to all you so-called Christians. Where is your Jesus? Where's your god? Show me a thing or two. Show me your Jesus! Oh, has Jesus gone on vacation? Is Jesus deaf? Has Jesus lost-- lost his power? Jesus, where are you? Come out, come out, wherever you are. You don't like that? That's in your "Bibble," making fun of another god. I'm giving you back what I read in your "Bibble," and that's what I'm supposed to do. I'm supposed to use that to try to stimulate your minds, but it's not working. It's not working. I hear laughter. I know it, Jesus. We both knew they weren't going to pay attention. If they don't pay attention to you, I know they're not going to pay attention to me. Oh, I talked out loud. That was supposed to be a private conversation. I forgot that I don't have to speak out loud and Jesus can hear me. Show me. Show me what Jesus is about. Don't tell me. Your words mean nothing. And you all have the power not only to show me, but you took an oath that you would. You knew that at some point in your life you'd come across somebody like me, and now you've met me and now I'm among you. I don't think Jesus would come to a place like this. Oh, he's streaming another message. He doesn't go to you all's churches, either. That's why your churches are some of the most segregated places on Sunday morning. That's why people who are in these churches support a man who's been married multiple times, who grabs women's crotches and jokes about it, who has dealt with prostitutes and tried to pay them off so they wouldn't tell on him, and the Christians support him. They're the strongest supporters he's got. So I think I'm going to leave Senator Erdman's amendment alone. I'm not going to offer any amendments, which I couldn't because his is an amendment to an amendment, and I cannot offer an amendment to that amendment. But if his is

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adopted and added to the committee amendment, then I can offer an amendment to anything in the committee amendment. And that's how I can get another shot at his, if I want to. But I haven't offered an amendment to his. I'm using this opportunity to praise the lord. And I know some of you pistol carriers are saying, and I wish he'd pass the ammunition. See what kind of Christian you are? Jesus has a hard job. I think he'd rather go up on the cross and get it over with than be tortured by you all down through the decades, through the centuries, through the millennia. You still torture him. But that first time around when he was dragging that big old cross and nobody would help him and the big, black Simon the Cyrenian came and took the cross off him, said, little fella, I can't save your life, but I'm not going to let them treat you like they're treating you here.

FOLEY: One minute.

CHAMBERS: So at least at this point, you're going to have somebody to help you. So maybe I'm Simon today, trying to take that suffering off your Jesus. You're killing him. You don't hear him crying out? You don't hear it? Are you deaf or is your heart so hardened that you choose not to hear, your conscience is so seared that it cannot react anymore? You still have the time and the opportunity to redeem yourselves. You can make atonement. And you don't have to do it by confessing sins or anything to all these people. Just let your conduct comport with what it is you say you believe. Let us feed the hungry, and don't say let them go get a job. Let us help those who want to work obtain that employment without being discriminated against. Let us help those who are working, are working, I emphasize--

FOLEY: That's time, Senator.

CHAMBERS: --get a decent minimum wage. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Lathrop.

LATHROP: Thank you, Mr. President. Good morning, colleagues. I 100 percent appreciate the Erdman amendment, what it's trying to accomplish. I do have a couple of questions about the practical effect of it, and I've had a conversation with Senator Linehan. I would like to continue



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that or maybe-- maybe do it on the mike just so that we can talk about what happens if you are Pilger and your town is wiped off the map and now you want to rebuild and this essentially takes away the very revenue they may need to build their town. And so with that, I would ask if Senator Linehan would yield to a few questions.

FOLEY: Senator Linehan, would you yield, please?

LINEHAN: Certainly.

LATHROP: Senator Linehan, can you tell us how this amendment would work in the event we had a Hallam or a Pilger, one of these towns that are, you know, bigger than an intersection with a gas station in it but smaller than a Class I where they sustain one of these monster tornadoes come through and, like Pilger or Hallam, and cause significant damage to the homes in that town and to the infrastructure? And for my hypothetical, let's say the school, too, and the fire station.

LINEHAN: That's an excellent question, and thank you. Here, we know that the bill is not perfect as drafted. I think Senator Erdman, we all know that and we have agreed that we will work with the counties and others on the floor that have concerns about definitions between now and Select. So to that specific question, I've not talked to Bill Drafting or not talked to anybody about actual legislation. But what I thought might be a possibility is if you have a whole community like Pender [SIC] that was wiped out, we might-- we could do a thing where they can raise the levies up-- because the land is still there, right, so they still own property, so we could have a-- a fix for that particular, we have to define it well, situation where they-- you would allow the city, would most likely be a city or small town, allow them to raise their levies above the maximum levy, if the people in the town agreed that's what they were going to do. But you would have to have buy-in from the community if that's what they wanted to do.

LATHROP: Aren't we creating winners and losers in that circumstance? And in this respect, if-- if it comes through and wipes out half the houses in town, the following year, because we pay in arrears, half the town won't be paying any taxes or they'll pay very little taxes based upon the land and not the structure, because that had been wiped out, and the other half of the town then

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would have their levy raised because the half of the town that was wiped out is having their taxes forgiven or significantly diminished?

LINEHAN: I would say-- I would say the tornado decided who the winners and losers were. If-- if you've got a town with half the homes who aren't harmed by the tornado and the other half are wiped out, as I said the other day, in Elkhorn, I live-- yeah, I don't. I'm above, so I wasn't affected at all by the flood. But I drive out to Valley and Waterloo and see all the damage. It doesn't bother me that my levy might go up or my-- up a cent or two or whatever to help those people. That doesn't bother me. I am a winner because I did not have flood damage.

LATHROP: But is it a cent or two?

LINEHAN: I'm sorry?

LATHROP: If you take-- is it a cent or two? If half of the, in our hypothetical village, if half of the-- if half of the homes are completely destroyed and half of them are left untouched by this tornado, right--

FOLEY: One minute.

LATHROP: --now what this amendment would do would-- would say during the period of time that your house was destroyed, we're going to basically value you and tax you on the land but not the house that was destroyed.

LINEHAN: That's right. That's what it does--

LATHROP: OK.

LINEHAN: --and that's what I think we should do.

LATHROP: I'm not arguing with that.

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LINEHAN: OK.

LATHROP: I just want to make sure this works. And the-- so now the houses are gone but you can't make up for that loss in revenue for all those houses that are gone by getting a couple of cents out of the ones that remain.

LINEHAN: I think it would depend, obvious, on a lot of things, and that's why we have local control, and that community would have to figure out the best way for them to go forward. But if you've got half the homeowners with no-- no destruction and the other half with destruction, those homeowners who are living there know that that community depends on them to stay there and rebuild, I think it would be in everybody's interest to help the people that are trying to decide whether they're going to leave town and not come back.

FOLEY: That's time, Senators. That's time.

LINEHAN: Thank you.

FOLEY: Thank you, Senator Lathrop and Senator Linehan. Senator Friesen.

FRIESEN: Thank you, Mr. President. So, Senator Lathrop, when we were-- we were discussing this in Revenue, so to speak, when that bill came before us, but come January 1, if-- if those homes have not been rebuilt, they're still going to go to the value of the land. So it's-- it's a matter of timing more than anything else if-- if those people choose not to rebuild. Or even in a small town, you can-- if you've lost three-fourths of your homes, there's not builders that can build enough homes in that short amount of time, even if they want to, so come January 1, those properties that are gone, they're still gone, and they'll be gone for the whole year. Now maybe if we're going to appropriate it in arrears or so, maybe-- maybe if a house gets built in February, it should go on the tax rolls immediately, I won't argue that, because now they're given a nine-month free time, so to speak, until the next January 1 and then their property goes on the rolls. But in the end, you're-- all you're talking about here is a six-month time period where those taxes are going to be forgiven-- or not forgiven but taken off the rolls because the property is gone. To me it's-- again, it goes back to a car. You-- you crash your car and you take plates in and turn

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them in, they give you your money back for the unused portion. The car is gone. This is just a-- it's going to be for that short time period. But come January 1, they're still gone. And I-- there is no process where they could rebuild in that quick of time frame that I can see. So I don't see that this has a huge impact. I mean, again, it's-- it definitely is going to have an impact. There's the strain on communities and you know as well as I the federal dollars, even if there is federal aid down the road, it comes in two to three years later. There is a struggle in between, and I think that's what we're going to see with the flood relief. It's-- there's going to be an influx of federal dollars to help, but there is coming two to three years in arrears, and so for these next couple years they're going to be struggling, there's no doubt. But I-- I do think in the end, to the fairness issue, to me, I do support the bill. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Senator Lathrop.

LATHROP: Thank you, Senator Friesen, for those comments, and I agree with the principle here, I really do. It makes no sense to have somebody pay taxes for a building that's been destroyed by some kind of a calamity, whether it's a tornado, which is a common way of taking out a lot of property, or a flood. I just want to make sure that the-- because when this happens in Omaha, we have enough taxpayers that we can, if they need to, say, well, we're going to bump it up while we-- because we have a whole bunch of houses that are not going to be on the-- assessed at the full value. But it's the smaller communities and whether-- whether we're making it more difficult for them to rebuild with a policy that isn't well crafted or hasn't been thought all the way through. If we're going to do this work between General and Select, I'm fine with that, I'll support it. I'd be a little more comfortable if we had the whole plan in the amendment and then adopted it on Select File. But what I will commit to is that when LB512 comes back on Select File, I'd like to have the Pilger conversation and say, how's this going to work? And it's probably-- most certainly, it's a bigger deal for you guys. I suppose it could be if some big, wide tornado went through Ralston. But it's more likely to be something that happens out in what I'd call the third district, right? And when it happens, have we done something here today that makes rebuilding that community difficult, if it hits the fire-- fire department and it hits the school and now-- and town hall and you go, we need some revenue and by the way, we just had this thing kick in and our revenue is down. And I'm not a Revenue Committee person. You guys probably think of this stuff all day long. And I'll look forward to whatever solution that we can craft, but I'll-- but I'll

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also want to, I think, have a conversation about it to make sure 49 people have thought this through and that it works. And with that, I'll yield the balance of my time.

FOLEY: Thank you, Senator Lathrop. Senator Albrecht.

ALBRECHT: Thank you, President Foley. I rise in support of AM1217. Senator Erdman has put a lot of thought into this. And again, it was before the floods ever happened that this bill was something that was in the works. And I do have an e-mail here from Jeff Curry, who happens to be the assessor in Dakota County, and he has had several conversations with I think a lot of you folks here on the floor. And I appreciate all of the energy that he's put into this as well. But you know, back in 2011, Dakota County was part of a flood event, and he said it was very difficult, not only for him, he had damage himself, but so did those in his office. And he said that Dakota County stands in support of LB512 and obviously AM1217, Senator Erdman's. And of course, he-- he cautions with the department and the NACO's added ensuring that there's fairness in that. But Sitting as a county commissioner for four years in Sarpy County, one of the largest counties in the state at the time, and I really feel like when you have-- these taxes are paid in the rear anyway, and you would know what's coming at you in years ahead. So, you know, what we had all agreed to, even with Senator Dorn having an issue with-- with his Beatrice Six and what this floor has done and knowing that-- that we are Nebraska strong, we will figure out what we need to do, and I don't think there's any one of us in this room that wouldn't pay that added amount to keep our schools, our fire departments, our buildings in town, as well as our homes and structures, what they need to be. So again, I thank Senator Erdman for bringing this bill and Senator Linehan and the Revenue Department for putting it in their committee bill. Thank you.

FOLEY: Thank you, Senator Albrecht. Senator Clements.

CLEMENTS: Thank you, Mr. President. As-- going to start off talking about the Hallam and Pilger situations. As I've said before, I'm 68 years old and in that many years, I think those are the only two villages that I've experienced in Nebraska, as I've lived here that long, that have been completely destroyed, so I think we're talking about an extremely rare situation. I knew the pastor at the church in Hallam. It's a woman who then found that the other churches in the state came to their aid. The homeowners who lost their houses, their insurance restored much and was

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able-- restored them and was able-- they were able to rebuild. And the Norris school was pretty much destroyed. I know that Senator Baker was one of the leaders there that helped it rebuild and it built back better than ever. I think that donations, volunteers, FEMA, the Governor's Emergency Fund, would be able to help many of these. He's had a \$5 million fund that the Appropriations Committee is working on restoring. In the last few days we've been discussing how much we need to fund that. And in these circumstances the Legislature is very willing to also step in and do our part. And if you still have the spreadsheet that I handed out, in the more common situation, like-- well, our situation isn't that common, the flood event that we had, but it was widespread and not localized, completely damaging a whole county. I did calculate what I think my county would experience and probably the worst case is if 6 percent of our houses in Cass County were destroyed, that would be 616 houses. The effect of percent tax increases would be 1.7 percent. And a homeowner, an average home value is \$120,671 and that would increase the tax per house of the surviving houses \$38 in Cass County. And a farm of 160 acres would increase \$188 for the following year and most likely just for one year. And the rest of the people in most situations and in this current flood situation will be able to contribute a small amount, make up for the loss that this bill would create by exempting the completely damaged homes from May 5-- March 15 for the rest of the year. And so I think there-- I probably will support an amendment to look at a complete devastation situation, but I think that's very rare and that there are other sources of funds and support for complete devastation situations that I think it's important to continue to support Senator Erdman's AM1217 and-- and also the Revenue AM423 and eventually the bill, LB512, and so I just urge us to not get distracted by a couple of very rare situations and continue to support the Erdman amendment. And I thank you, Mr. President. I yield my time to the Chair.

FOLEY: Thank you, Senator Clements. Senator Briese.

BRIESE: Thank you, Mr. President. Good morning, colleagues. I rise in support of Senator Erdman's AM1217 and AM423, LB512. I want to thank Senator Erdman for bringing this. With the recent flood event, this is very timely legislation. Nebraskans are hurting. We should be doing anything we can to help and this will-- is one measure of relief that we can offer. And even-- but even without the recent disaster, this is still simply good legislation. It boils down to this. If your property is destroyed, should you be paying, forced to continue paying property

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taxes on its full, predestruction value? And I would suggest that any way you slice it, the answer should be no. It's about fairness to our taxpayers. It's about doing what's right for our taxpayers. It's about showing our commitment to the taxpayers who have recently suffered devastating losses. Nebraskans need our help. This is one way we can help them. And are there some tweaks needed? Yeah, there's perhaps a few that could be addressed. And I want to thank Senator Lathrop for bringing up that point, and others have also, about, you know, in the event, the unusual event of very substantial destruction, what is a political subdivision to do? But I disagree with the argument that, well, we're creating winners and losers. As Senator Linehan said, Mother Nature created that loss and we're trying to rectify that loss to some small degree. And as Senator Friesen mentioned, we're only talking about limitation of taxes for a limited period of time. And as I mentioned the other day, I think right now there's only one county up against this levy limit. And we have to remember, you know, LB7-- or, excuse me, 77-3442 provides levy limits for cities and counties. But 77-3444 provides the subdivisions with the ability to exceed those levy limits with a vote of the people for limited periods of time. And so there are ways around financial concerns for these political subdivisions and I don't think this is a huge concern on this bill. And I would ask your support of AM1217, the other amendment, and LB512. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Senator Walz.

WALZ: Thank you, Mr. President. I am still listening to the conversation and would like to have Senator Erdman yield to a question, please.

FOLEY: Senator Erdman, would you yield to a question, please?

ERDMAN: Yes, I would.

WALZ: Thank you. First of all, I want the body to know that I really feel that if your house is completely destroyed, burned down, taken away with a flood and all you have left is the property, that you should not have to pay taxes on a ghost home. So I was wondering if you could just give me your definition of what "destroyed" is.

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ERDMAN: Thank you for the question, Senator Walz. I think one of the things that needs to happen between General and Select is that we work on those definitions. And I had visited with the people from NACO about those issues and talked about how we determine that. And so I think those are the questions we're going to have and we have to make sure we answer those before we come back. But the point is, if the house or the facility that you are using, whether it be a-- a repair shop or a gas station, whatever it is, we need to have a provision put in place so that we know exactly what that means. And consequently, we need to describe that in a way that people can understand what it means. So I don't have a specific definition today, but I hope that between now and Select File we can come up with a resolution that would be very descriptive and people would be able to understand it.

WALZ: OK. And just another question, today, does that include homes that are red tagged today?

ERDMAN: Today they're red tagged, so that home is uninhabitable because it had water damage, it may have mold, or something of that degree, is that what you're saying?

WALZ: Or the furnace needed to be replaced, or the electrical.

ERDMAN: That doesn't-- that doesn't sound like that would be destroyed, to me, and so we need to make sure that we understand what destroyed means. And so that's why I think it's important that we come up with a definition that makes some sense, because if you just need a new furnace or you need to change the drywall or whatever it is, that's a not a significant distraction from you being able to live there. And so we have to make sure that this is applied to the people who actually have suffered a loss, a significant loss.

WALZ: All right. And then just my last question is, does-- so it does include barns and storage sheds and things like that at this point?

ERDMAN: It does. Yes, it does.

WALZ: All right. Okay. Thank you.



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ERDMAN: Thank you.

FOLEY: Thank you, Senator Walz and Senator Erdman. Senator Cavanaugh.

CAVANAUGH: I wonder if Senator Erdman would yield for a follow-up question.

FOLEY: Senator Erdman, will you yield, please?

ERDMAN: I'd be glad to.

CAVANAUGH: Thank you. I'm sorry. I was listening to your conversation and the-- so I wasn't familiar with the red tag. But Senator Walz did bring up if a home has mold. I understand like a furnace is replaceable, but if a home has mold and is not habitable, would we be including those sorts of homes in this?

ERDMAN: My initial response to your question would be I don't believe that's the case because mold can be mitigated and you can solve that issue quite quickly, I should-- should add. So I think that the description of destroyed needs to be defined so that we can understand what it is.

CAVANAUGH: OK, because I-- I'm just thinking that there seems like there's probably A few opportunities where there's a lot of things wrong with homes that would--

ERDMAN: Right.

CAVANAUGH: --make them uninhabitable and if they can't be fixed by the people that own the property, would it be a matter-- I mean if your house is destroyed in one avenue or another, I guess I'm just trying to think through, and you can't afford to fix it--

ERDMAN: Right.

CAVANAUGH: --whether it's rebuild it or mitigate the mold.

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ERDMAN: Can I share an example with you? I'll give you an example that we had happen in our county. About ten years ago, we had a property that had black mold, and they had tried everything possible to rid the house of the black mold--

CAVANAUGH: Yeah.

ERDMAN: --and they could not. And their last option was to burn it down and start over, and in that case I would consider that home to be destroyed because it couldn't be fixed. But that's a rare occasion. I've not seen it happen since, but it did happen once. And that very possibly could happen, so that would be an issue we'd have to make sure we put in the description.

CAVANAUGH: OK, thank you.

ERDMAN: Thank you.

CAVANAUGH: Thank you. I yield the remainder of my time.

FOLEY: Thank you, Senators. Senator Erdman, you're recognized to close on your amendment, AM1217.

ERDMAN: Thank you, Lieutenant Governor. I appreciate the conversation this morning. I am- I am glad to answer those questions. I'm glad that people are listening and people are engaged in the conversation. As I said earlier, as we move forward with this bill from General to Select, there is work to be done on this bill and I think that with the help of NACO and those others involved, the cities that are going to be impacted by this as well, I think there's a way to solve and come to a resolution on what this bill should finally say. But one of the things that I think we need to keep in mind, we seldom have an opportunity here on this floor to vote for a property tax relief bill of any kind. WE have tried for many years to do that. This is an opportunity, even though it may be slight in some cases, but getting back to Senator Lathrop's comments, I just may conclude with this, Senator Lathrop, most of the time, when those tornadoes happen, it's either May or June. That's generally the tornado season. And in that case, their property tax would still be paid up until the time of destruction, which would be a half of a year. And so I

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think that we're concerned about some of these things. As Senator Clements had commented, in his 68 years, he's seen it happen twice. That doesn't mean it can't happen again. But I think we do a lot of things here that we don't take into consideration what may happen, but I think it's important that we take an opportunity to be concerned once for the people who pay the taxes. And those people who didn't lose everything will have an opportunity-- have an opportunity to help those who need to recover to recover. And I think Nebraska people are very kindhearted and very giving. And Senator Clements alluded to that, what happened in-- when those towns were destroyed by tornadoes. So this is an opportunity for us to advance this bill, to make it a better bill coming back on Select, and I would encourage you to vote green on AM1217 and the underlying bill, LB512. Thank you.

FOLEY: Thank you, Senator Erdman. Members, you heard the debate on AM1217. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record vote has been requested. Record, please.

CLERK: (Record vote read.) 41 ayes, 0 nays, Mr. President, on the adoption of the amendment.

FOLEY: AM1217 is adopted. Further debate on LB512 as amended? Senator Groene.

GROENE: Thank you, Mr. President. I haven't spoken on this bill. I'm on the Revenue Committee. I voted it out. If you read the original bill of LB512, it's just cleanup language. It makes government more efficient. It gives the government employees the ability to be used for more projects. It's-- it's a good cleanup bill and unlike some, it's not lengthy, it's easy to understand, and then the addition of-- as I've said before, the only mistake we made was to take the disaster out of the bill. When we thought we were wrong, we were actually right and Senator Erdman puts it back in there and this just helps average people. This isn't just disaster folks. There's folks who lose their businesses or their homes in a fire or a tornado might just hit their-- their house. Those individuals, I've known businessmen who have lost their business to a fire. Their business stops. They have to add an expense to rent another place to work out of and then they're burdened with that property tax for that destroyed property until it gets replaced. This is just good common sense. We tax people on wealth and if your wealth is gone, has been destroyed, you shouldn't be taxed on it. So I'm in full support of LB512. Thank you.

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FOLEY: Thank you, Senator Groene. Senator Chambers.

CHAMBERS: Thank you. Mr. President, members of the Legislature, I would like to ask Senator Linehan a question.

FOLEY: Senator Linehan, would you yield, please?

LINEHAN: Certainly, thank you.

CHAMBERS: Senator Linehan, with the adoption of Senator Erdman's amendment, the committee amendment that would have been there has absorbed into his, but at any rate, if his amendment is adopted-- his amendment has been adopted. That now is the bill, is that correct?

LINEHAN: It's part of the bill. It's not the whole bill.

CHAMBERS: What is left after his is adopted?

LINEHAN: I have to get my glasses on. Okay, so Section 1 to 9 and 30 repeals Section 66-739 and harmonizes nine other sections within the motor fuels tax statutes to reflect this outright repeal. The statute currently requires separation of motor fuel tax auditing and collection from other parts of the department. Motor fuel staff are funded through a cash fund as opposed to the General Fund. Repealing this statute would allow auditors and collections personnel to work on more than one tax program, and creates efficiencies within the department. Section 10: Current law requires county boards to publish a list of delinquent taxpayers and forward it-- forward the list to the Property Tax Administrator.

CHAMBERS: Excuse me. You answered the question. His amendment, if you don't mind, so that you don't have to say more than is necessary, his amendment struck the committee amendment and it--

LINEHAN: Part of the-- I'm sorry.

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CHAMBERS: Right. And the committee amendment did not replace the whole bill. It just struck certain specific sections from the bill.

LINEHAN: Two parts.

CHAMBERS: Okay, whichever. But much of the original bill would still be-- much of the green copy still would be before us.

LINEHAN: Yes, sir.

CHAMBERS: OK. That's what I needed to ask. Thank you. Senator Erdman, I'd like to ask you a question if you would yield.

FOLEY: Senator Erdman, would you yield, please?

ERDMAN: Yes, I would.

CHAMBERS: Senator Erdman, in your amendment, on page 11, is a definition of destroyed real property. I will let you be sure that I am talking about your amendment before I proceed.

ERDMAN: OK.

CHAMBERS: Is that starting in line 28, on page 11, part of your--

ERDMAN: Correct.

CHAMBERS: OK. Destroyed is not defined.

ERDMAN: That's correct.

CHAMBERS: People have discussed what might be affected. Destroyed, in my mind, and these might just be synonym, it'd be obliterated, completely gone. It doesn't mean a house where all of

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the windows are gone, the floor is gone, but the foundation remains. That house has not been destroyed. Maybe it's uninhabitable. But destruction would be total in my mind. And I'm not asking you to remedy that, but I wanted to be sure that this definition is the only definition of real property-- destroyed property. Is that correct?

ERDMAN: Yes, sir.

CHAMBERS: Thank you. If those of us, Mr. President and members, could have questions about what this means, then the term is vague. If it means totally obliterated, which is what destroyed in its ordinary sense would mean, mold doesn't mean anything. If it's been rendered uninhabitable and it must be burned down or torn down, that doesn't fit the definition. The only word in here that relates to it is "fire."

FOLEY: One minute.

CHAMBERS: It doesn't say flood, it doesn't say hurricane, it doesn't say tornado. It says natural disaster. I'm going to turn on my light because I have some genuine questions about this but I'm not going to try to remedy them. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. You may continue, Senator Chambers.

CHAMBERS: I'd like to ask Senator Erdman a question or two--

FOLEY: Senator Erdman--

CHAMBERS: --and this is for the record.

FOLEY: Senator, would you yield, please?

CHAMBERS: Senator Erdman, what does the term "natural disaster" mean?

ERDMAN: Well, for the sake of a definition that you may not agree with, is an act of God.

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CHAMBERS: Well, sending you to hell is an act of god. So if you go to hell, then that's a natural disaster?

ERDMAN: If you go to hell, is that a natural disaster, is that your question?

CHAMBERS: It would be a personal disaster, of course.

ERDMAN: It is a personal disaster.

CHAMBERS: OK.

ERDMAN: I don't know it's a national [SIC] disaster.

CHAMBERS: But what I would like to know, what-- see, saying "act of God" is still an undefined term. So what are those activities, actions, or whatever, that would qualify under the term "natural disaster"?

ERDMAN: I think that definition would be expansive-- it would be a great expanse to explain all those and I think that it would be an opportunity that we would have to take a significant amount of time to define all of those things. I don't know that we can describe everything in the bill what a natural disaster is, but those things beyond your control.

CHAMBERS: But what I'm doing is-- I'm not asking you to define them. I'm asking you to list some of them so that I know--

ERDMAN: OK.

CHAMBERS: --what is being talked about.

ERDMAN: A flood, a tornado, hail storm, a wind storm, a hurricane [INAUDIBLE]

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CHAMBERS: But a hailstorm would not fit under this bill because it wouldn't totally destroy the-- the house. But I understand what I'm asking for and you're giving that.

ERDMAN: Right, right, right.

CHAMBERS: Thank you. Members of the Legislature, I know what people generally mean. We can say people generally would understand. But you're now talking about tax law, you're talking about forgiveness as far as paying taxes, and it wouldn't be, to me, unreasonable to specify the kinds of what you all call natural disasters that would occur in Nebraska. Extensive hail damage would be a natural disaster, perhaps, but it wouldn't qualify under this bill. If a flood came and washed away two-thirds of the house, that is not-- that house has not been destroyed. If a fire burns the top two floors of a three-story house, that house hasn't been destroyed. It has been damaged severely. But there is something that remains. When something is destroyed, it's gone. I'm not going to offer to improve this bill. I think there are other more serious constitutional matters connected with it. But those are things that I have to do some more study on. And since what I say is so little regarded, if it's like I think it is, I may just keep it to myself, then mention, if I'm correct and doomsday comes, that's when I would say it didn't have to end this way. But there is such a bad relationship between me and the rest of you all, that I don't feel a responsibility to save you from yourselves. And if a piece of legislation is not in accord with the constitution, all I will have done is to save the public from bad legislation. You all are the geniuses. You all know everything.

FOLEY: One minute.

CHAMBERS: Talk to each other and satisfy yourselves that this language is tight enough. Now if a word is understood in its ordinary meaning, destroyed is not the same and uninhabitable. But a good lawyer would argue that for the purpose of a house, there is no house. That wouldn't do. Destroyed means destroyed. And if while you're looking at the legislation, you're dealing with it, you've had questions raised by others than myself but you choose not to do anything about it, then whatever the consequences of that will be are the consequences that will be borne. I'm not going to try to stop this bill today. I wanted--



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FOLEY: That's time. That's time, Senator.

CHAMBERS: --a record vote to show that I did not vote to adopt the amend--

FOLEY: That's time, Senator.

CHAMBERS: Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Moser. Senator Moser, you're recognized.

MOSER: Sorry about that. Thank you, Mr. President. I was just checking with Senator Erdman, see if he might respond to a question.

FOLEY: Senator Erdman, yield, please?

ERDMAN: Certainly would.

MOSER: Good morning.

ERDMAN: Good morning.

MOSER: Aren't we just talking about a fraction of a year here? Once the next tax year rolls around, the property is revalued on January 1 or 15, whatever that date is. Correct?

ERDMAN: That's correct. January 1, at 12:01 a.m., whatever is on the property, that's be what-- the assessed value for the following year.

MOSER: So the property is not going to go to zero and stay there. We're just talking about that fraction of a year.

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ERDMAN: The property will never go to zero, Senator, because there will be value there on the lot or whatever, whatever is there. But the value will never go to zero and it'll be the value on January 1. In this example, it would start on January 1, 2020.

MOSER: OK. On the question of destroyed, might a reasonable amendment be to-- if the value of a property changes by 50 percent or 75 percent or something on that order from natural disaster, that the people could apply for relief with their property tax? Might that be a way of looking at it?

ERDMAN: That very well could be. One of the issues that we have with the bill, one of the conceptions is that you make an application with the county assessor and then it'll be up to the Board of Equalization to approve or disapprove of that designation. And then if you're not-- if the decision is not acceptable to you, you can appeal that to TERC.

MOSER: OK.

ERDMAN: --so it'll have an opportunity for appeal process.

MOSER: Great. Thank you very much, Senator. Thank you. And then just one comment about who we listen to in the Legislature, I think we all listen to everybody. I don't grossly discount anything anybody says. There are a lot of good minds in this Legislature, all the way from the most experienced all the way down to those of us who have only been here two months. And every once in awhile, a fool has a good idea. And every once in awhile, the smartest people in the room has [SIC] a good idea. So hopefully we'll move forward and vote for the things that in our heart we feel are right. Thank you very much.

FOLEY: Thank you, Senator Moser. Senator Chambers, you're recognized, your third opportunity.

CHAMBERS: Thank you, Mr. President. I'm going to continue to be that itch you cannot scratch. I appreciate Senator Moser's efforts to pour oil on troubled waters, which he has attempted several times this session to do, and I respect him for that and that's not said

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sarcastically. I've been one who said that people ought to participate in the debate because everybody brings something and it can be added to what we're trying to get done. But when you start talking about a moving target, a sliding scale, something, when we're talking about taxation which is left to the discretion of somebody who's using a pencil and a piece of paper and has a certain individual in front of him or her and can be affected by those kind of considerations, then you introduce arbitrariness into your taxing system. You're putting it in the statute. Either destroyed means destroyed or it does not. If it does not mean destroyed, then you're going to have to work with something like Senator Moser might have suggested where an individual, one individual, makes calculations to determine what percentage or what percent of value remains, I guess for taxing purposes or for purposes of that structure, or for what, of what? A court is not going to say, well, I know that people in the Legislature are not all experts, they're not consultants. They're certainly not appraisers, so we'll take into consideration their lack of knowledge and supply meaning to a word that they did not supply and rewrite the statute. That's not going to happen. If it's challenged, it'll simply be struck down. You mean destroyed or you don't. Destroyed means something to me, but obviously there are Senators who have wonderings about whether certain conditions of property would fit under the rubric "destroyed property." But that's for you all to work out. It's your bill. You've decided you want to do some good. Now if you're trying to do good to those who need food, I would spare no effort. I'd be willing to take whatever time is necessary to help us reach that goal in a way that's constitutional and can withstand a challenge in court. If we were trying to guarantee a decent minimum wage to tip workers, I would work assiduously to make sure we do that in a way that could withstand a legal challenge. If we were going to protect all people, we shouldn't even have to carve out what are called protected classes. Classes means you've separated and set aside different human beings because they're not all the same, they're not on the same footing, so there are these classes. And a class will come into existence based on whether or not a majority of the Senators agree that that particular group of people will qualify as a protected class. Why can't every human being be protected under the constitution? Why cannot every human being have a right to work without facing discrimination? Why cannot every human being who is hungry have access to food? That's why I get upset with you all.

FOLEY: One minute.

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CHAMBERS: And it's hwy I'm not going to try to bail you out on some of this legislation that you bring like this. And you might ask me, if you're trying to help everybody, then what about now? I'd say this bill does not include everybody. The everybody that I'm talking about includes the ones that you all care not one whit about. I wanted some things on the record. So if my inquiry further into this, not on the floor, is correct, then I will know something and I will give you all hints, but I won't give you the answer. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Linehan, you're recognized to close on the Revenue Committee amendment.

\_\_\_\_\_: You can close if you want.

FOLEY: Senator Linehan--

LINEHAN: I'll waive close.

FOLEY: --waive closing. The question before the body is the adoption of AM423, the Revenue Committee amendment to LB512. Those in favor of the Revenue Committee amendment vote aye; those opposed vote nay. Record vote has been requested. Have you all voted who care to? Record, please.

CLERK: (Record vote read.) 41 ayes, 0 nays, Mr. President, on adoption of committee amendments.

FOLEY: Revenue Committee amendment is adopted. Is there any further discussion on LB512 as amended? Senator Linehan, you are recognized to close on the advance of the bill.

LINEHAN: I just want to thank everybody for this morning's debate, including Senator Chambers. And again, Senator Erdman, the committee, we'll all work between now and Select to address the concerns that were brought to our attention this morning. So with that, thank you very much and I appreciate your green vote on LB512. Thank you.

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FOLEY: Thank you, Senator Linehan. Members, you've heard the debate on LB512. The question before the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Record vote has been requested. Have you all voted who care to? Record, please.

CLERK: (Record vote read.) 42 ayes, 0 nays, Mr. President, on the advancement of LB512.

FOLEY: LB512 advances. Items for the record, please.

CLERK: Yes, Mr. President. Thank you. Enrollment and Review reports the following bills to Select File, some having E&R amendments: LB556, LB556A, LB570, LB570A, LB445, LB222, and LB180. Mr. President, the Government Committee will have a meeting and Executive Session this morning at 11:00 underneath the south balcony. That's the Government Committee. And I have an amendment to be printed from Senator Howard to LB570A. That's all that I have, Mr. President.

FOLEY: Thank you, Mr. Clerk. Proceeding on the agenda, General File, 2019, committee priority bill, LB334. Mr. Clerk.

CLERK: (Read title.) The bill was introduced on January 16, referred to the Appropriations Committee for public hearing. Advanced to General File. I have committee amendments, as well as amendments to those committee amendments, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB334.

STINNER: Thank you, Mr. President, members of the Legislature. LB334 would provide intent language to increase the appropriations to the Department of Economic Development for the Business Innovation Act by \$4 million through cost savings from the elimination of the Angel Investment Tax Credit. Regulations under DED for the purpose of planning and development regions would also be made permissive. This legislation is an important piece of what has become an incredibly successful number of programs under the Business Innovation Act, which is essential to Nebraska's economic growth. Since 2011, there have been 81 R&D projects, 208

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prototype projects, 95 small business innovation research and small business technical transfers, and 52 seed investments, and various other investments and microloans dispensed. Under the act there are five programs. There is the Nebraska Seed Investment Program; the Nebraska Small Business Innovation Research and Small Business Tech Transport or SBIR, STTR grant program; The Nebraska Innovation Fund Prototype Grant program; the Nebraska Academic Research and Development Grant; and the Microenterprise Loan and Technical Assistance program. Next, I would like to give you a brief breakdown of how each of these programs work and some of the successes that we have seen so far. First is the Seed Investment Program. It provide up to \$500,000 of financial assistance for the commercialization of product process or service to high-growth, early-stage companies with potential to raise private capital. The state has awarded \$13 million to 52 projects and leveraged over \$88 million in matching funds. After this initial investment, these same companies have gone to raise a combined total of \$133 million of capital. Second is the SBIR, STTR grant program, which is a matching grant that provides financial assistance to Nebraska businesses that have received a federal SBIR or STTR grant. The state has awarded \$4 million to 95 projects and leveraged up to \$16 million in federal funds. The third is the Innovation Fund Prototype grant program, which is a matching grant that provide financial assistance for product development to businesses operating in Nebraska. The state has awarded \$10 million to 208 projects and leveraged nearly \$9 million. Fourth is the Academic Research and Development grant program, which is matched competitive grant for research and development activities done in conjunction with a Nebraska college or university. The state has awarded \$10 million in 81 projects and have leveraged over \$8 million. And lastly, the Microenterprise Loan Fund, which has provided loans up to \$100,000 to provide for grants for microloan delivery and technical assistance. The state has dispersed over \$12 million in microloans and assistance. I would just like to reiterate how essential it is that we as legislators invest in Nebraska's continuing economic growth. In order to do so, we need to address the lack of capital to help high-growth businesses, especially technically-related businesses, get started in Nebraska. These early-stage businesses are not bankable and lack accessible capital in Nebraska's entrepreneurial ecosystem without a continued commitment from these investments by the state. With your consent, Mr. President, I would request that we move on to the committee amendment, AM801.

FOLEY: Please proceed, Senator.

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STINNER: AM801 was brought to the committee to address a number of adjustments needed in the bill. It would strike the original language and add a number of modifications. The first I would like to address is an offset of \$100,000 to balance the fiscal note to zero. As you will see in the fiscal note, the Department of Revenue reported a fiscal impact of \$101,831 for reprogramming costs to be paid to the office of the Chief Information Officer to carry out the provisions of this bill. The second modification would be to adopt similar language to Senator Erdman's AM742, with a slight revision. In sum, the language would require DED to put out a bid on the valuation assessment component in Section 8, Subsection (2) of the bill without requiring request for proposal, which can be lengthy and a costly process. And finally, AM801 would remove the investment, Angel Investment Tax Credit from the list of performance audits required under the State Statute 50-1209. Thank you, Mr. President.

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

CLERK: Mr. President, I now have a series of amendments to the committee amendments. The first is by Senator Erdman, AM742.

FOLEY: Senator Erdman, you are recognized to open on AM742.

ERDMAN: Thank you, Lieutenant Governor, and good morning again. As you heard in Senator Stinner's opening, that I had-- I dropped this amendment because I wanted to give an opportunity for other nonprofits, other organizations who may be able to do this analytical work for us. And when you do not have a bid process, sometimes you don't get the best deal. So when I presented my amendment to the committee, the committee agreed that we could do that. And I do not understand, and maybe I never will, on how it could cost \$20,000 to do an RFP. But that was the information that came back, if we did the RFP it would cost \$20,000. I'm not sure what that means, and maybe someone could help me with that. So I appreciate the committee amending what I was trying to do into the bill. And therefore, I want to withdraw AM742. Thank you.

FOLEY: AM742 is withdrawn. Mr. Clerk.

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CLERK: Mr. President, the next amendment to the committee amendment, Senator Clements, AM1185

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

CLEMENTS: Thank you, Mr. President. I want to thank you Senator Stinner for adding this amendment to the Appropriations Committee priority bill, LB334. AM1185 adds my LB452 into LB334 by amending the committee amendment, AM801. AM1185 amends Section 13-901 to change the boundaries of two Nebraska planning and development regions, moving Cass County from Region 6, Southeast Nebraska Development District; to Region 8, Metropolitan Area Planning Agency. The map handout shows the district boundaries and how Cass County would move north with Washington, Douglas, and Sarpy. This will allow Cass County to more effectively take advantage of the current planning and development connections that already exist with the Sarpy County metro area. Cass County commissioners and city officials asked for this change. They want to be more involved in the development coming toward them from the Omaha metro area. The Metro Area Planning Agency, MAPA, directors support this change. LB452 advanced from the Government, Military and Veterans Affairs Committee with an 8-0 vote. There was no testimony in opposition. AM1185 includes a provision requested by the Nebraska Regional Officials Council. It creates a one-year moratorium on future development boundary changes while they develop a process for future changes, but still allowing Cass County to move to Region 8 now. AM801 to LB334 opened up 13-907, which allows the promulgation of economic development rules and regulations by the Department of Economic Development, which fits with the subject of my AM1185. Thank you for your consideration of AM1185, and I encourage your green vote to adopt it to LB334. Thank you, Mr. President.

FOLEY: Thank you, Senator Clements. Debate is now open on LB334, committee amendment, and Senator Clements' amendment to the committee amendment. Senator Kolterman. Is Senator Kolterman on the floor? I do not see him. Is there any member wishing to speak on the bill or the committee amendment or Senator Clements' amendment? Senator Clements, you are recognized to close on AM1185. He waives closing. The questions before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please.



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CLERK: 39 ayes, 0 nays on the adoption of the amendment to the committee amendments.

FOLEY: AM1185 is adopted. Mr. Clerk.

CLERK: Senator Linehan would move to amend with AM1220.

FOLEY: Senator Linehan, you're recognized to open on AM1220.

LINEHAN: Thank you, Mr. President, colleagues. First, I want to thank Senator Stinner and the Appropriations Committee for their work on the bill. Obviously they have done a good job. What I'm trying to, what I would like to do, I think, we're in a situation where our funding-- we're not going to know until close to the end where we are on money. So I am introducing AM1220 to LB334 to redirect the \$4 million in savings from ending the Angel Investment Credit. First, I would like to say that I understand why the Appropriations Committee wants to direct it to the Business Innovation Act. It's a very good program. The report done by the University of Nebraska shows that this program has positive impact on the state. Businesses using this program have contributed to our economy by creating new jobs and making new investments. I applaud the work done by the Department of Economic Development to make this a successful program. However, I think the recent flooding and other natural disasters in our state requires us to direct additional money toward the relief efforts across the state. That is why I brought the amendment, to redirect the \$4 million in savings to the Governor's Emergency Cash Fund, which we all know the Governor has been using to help mitigate the disaster that we have experienced this spring. The fund is used to pay eligible costs related to the state emergency disaster declarations and is administered by the Nebraska Emergency Management agency. I believe the money we are saving by terminating the Angel Investment Tax Credit should go to the Governor's Emergency Fund at this point. As I said in the beginning, I think the Business Innovation Act is a very good program. The program is currently receiving \$6 million in funding and I hope we can find some additional funding for it in the future. I would ask for your green vote on AM1220 to LB334. Thank you, Mr. President.

FOLEY: Thank you, Senator Linehan. (Visitors introduced.) Debate is now open. Senator Kolterman.

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KOLTERMAN: Thank you very much, Mr. President. I apologize for a few minutes ago, but I was getting some copies printed and I thought I had punched out of the queue. So anyway, I can still talk about what I was going to talk about. I rise in opposition to AM1220 and rise in support of LB334 and AM801. I understand what Senator Linehan is trying to do with her amendment, but I think we need to allow the committees that are working on the bills that they're working on and that understand the budgeting process to do their work. I know it's hard to talk about giving flood relief to people, and I'm not talking about doing that. I have not heard anything that says that we're not making our budget and we're not taking care of the people out there. I think we need to let the Appropriations Committee work their magic and, and because they're the ones that deal with how the money is appropriated. More importantly though, I received several e-mails from an individual by the name of Michael Dixon. He's a doctor, he spent 15 years at the University of Nebraska helping to identify, protect, and commercialize new discoveries and innovations created at the University of Nebraska Medical Center and the University of Nebraska at Omaha. He served on the board of directors of Invest Nebraska from 2008-2016, and he led the board as chair in 2015 and 2016. And he continues to support the Invest Nebraska and Ameritas' director. In the past five years, they've had more than 400 new investors-- inventions created at UNMC. And these inventions and ideas have generated 80 new partnerships ranging from new drugs to diagnostic medical devices. Currently, the majority of the new discoveries are developed by companies outside of Nebraska, but the intent of LB334 was to further support and develop the Business Innovation Act and it will allow more university innovations to be developed along with other businesses throughout the state, create more high-wage job opportunities for our residents. So his recommendation is that we continue to work this plan and strengthen the Innovation Act. I support Senator Stinner and the work of the Appropriations Committee. I think we need to allow the committees to do their work. Again, I'm not against flood relief. But I think that the Appropriations Committee has that well in hand. And would ask you to support LB334 and AM801 and vote against AM1220, even though it's meant well. Thank you very much.

FOLEY: Thank you, Senator Kolterman. Senator Stinner.

STINNER: Thank you, Mr. President. First of all, I want to apologize to Senator Linehan. We've had a couple of conversations about this. I know there was one conversation about including the

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\$4 million in her package for property tax relief. I'm going to chalk it up to my bad hearing on the-- and when you get older, you do have bad hearing. So get ready, young kids. So I did not hear-- so this caught me a little bit flat-footed today. But that all said, with the proposal is, sure, we want to direct it into the emergency fund. What you're doing is taking it out of the Angel Tax Credit and repurposing it to General Funds. General Funds, that's all part of the emergency fund that the Governor has. We're assessing that emergency fund as we speak. Right now, we try to keep \$5 million in the emergency fund at all times. That's kind of the watermark or the amount that we use. Right now it's down to \$400,000. We will probably put up \$5 million and \$5 million allocation to keep the Governor's fund in the next budget to the level of \$5 million. And plus, there apparently is another 12.5 percent of what we have to contribute from the state side or 3.5 million that we'll probably include in our budget proposal. This all has to be discussed. There's numbers that are still coming in. The question today is, do we put \$4 million and repurpose it into the Business Innovation Act or do you want to put it into the General Fund. That's the question. And all I want to do is bring up the Business Innovation Act was really a function, in 2010 the Department of Economic Development and the Nebraska Department of Labor partnered with the Battelle partnership to become what was to become known as the Battelle study. It was introduced as, by Galen Hadley in 2011. The main purpose of the bill was to address the lack of capital to help high-growth businesses, especially technology-related businesses, get started in Nebraska. And if you understand the anatomy of a business, many times you have to go-- there is different phases. The discovery phase is the one that says, hey, here's an idea, we need to put an application together, we need to put a business plan, then you got to proof of concept time and product design and then product development. That covers that span. And of course when you go into mass manufacturing, then banks and other lenders will get involved along with venture capital. So that's kind of the anatomy of this things. Interestingly, at the time they passed it, it passed 100 percent. It was a unanimous vote. Everybody thought that this was a good idea. Now, \$7 million was allocated to the fund, of which we cut 10 percent off the last time in order to make our budget work. So we're at \$6.3 million. They're oversubscribed by at least \$4 million that we're trying to put into this fund, we're trying to restore it. But interestingly, in 2011, we were 51st, last, in the country in this type of capital. I call it venture capital, maybe even start-up capital, as a state. Because of this fund, we actually have varied, we went to 45th to 42nd to 34th. We're 31st in the country. So it has moved the dials, it has presented us to the nation as a place where you can come, start a business, and have availability

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of programs in which to build that small start-up business. The research and development side, again, with the universities and state colleges, are an important piece of taking ideas, taking research and moving those along so that at some point in time it too becomes a business and a marketable product. So for my mind, the \$4 million in my mind is best purposed--

FOLEY: One minute.

STINNER: --with the Business Innovation Act. I appreciate the fact that everybody is concerned about balancing the budget and the floods and the rest of that stuff, but to repurpose it outside the Business Innovation Act I think is ill advised at this point.

FOLEY: Thank you, Senator Stinner. Senator Ben Hansen.

B. HANSEN: Thank you Mr. President. I do stand in support of Senator Linehan's AM1220. I think right now in this current atmosphere with the flooding, I personally would like to see the \$4 million that we're going to be getting from the removal of the Angel Investment Act used for property tax relief. But I understand with the climate of the state right now, and where we're at with all the destruction, I think reinvesting it into the Governor's emergency fund would be appropriate. I just had one question for Senator Linehan. If she would yield to a question, please?

FOLEY: Senator Linehan, would you yield, please?

LINEHAN: Yes, thank you.

B. HANSEN: Thank you. I noticed in your amendment it says that we would reinvest this \$4 million into the Governor's emergency fund in fiscal year '20-21 and every year thereafter?

LINEHAN: That clear, that should be fixed. We'll do a fix. What I'm trying to do here, is we are going to have X number of dollars to spend on the floor, and that's spending for property tax relief and all the other things we might want to do this year. And I just, I don't agree with the idea that we take one program outside of the whole conversation of what we're spending our budget conversation and beef it up by \$4 million when we have got a lot of other things that we

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need to pay for. So, again, I agree this program is a good program, I don't want to hurt the program. Senator Stinner has made that clear. But this is \$4 million that we're not using the way it used to be used and we could-- I think it should be part of the bigger conversation. And the emergency fund, we know we've got to fill that back up, so I thought that was a good place to park the money.

B. HANSEN: Thank you. And I do agree, and I agree with also Senator Stinner's comments about the business climate in the state of Nebraska, how well I think we have done over the years. I believe we got the Governor's cup for economic development again this year. So it seems like we're on the right track. And so when we're talking about dire straits and where we want to spend our money, we got \$4 million out there. I personally would like to see it for property tax relief, but I think also using it because of the flooding, because of what's going on with all the people's homes, I think using it for the Governor's emergency fund with roads I think is much more appropriate this year, and then being reevaluated again for next year again. Thank you very much.

FOLEY: Thank you Senator Hansen. Senator Williams.

WILLIAMS: Thank you, Mr. President. And good morning again, colleagues. First of all, Senator Stinner has done an excellent job talking about the Business Innovation Act and the successes of that. And many of us have seen that happen. I've had the opportunity to be involved with Innovation Campus. We see it there on a daily basis, the 40 partners that we have out there, many of them are there with the new incentives, the start-up, the technology because of the Business Innovation Act. For those that want property tax relief, the quickest property tax relief we can have in this state is continuing to find ways to grow our state. You've heard me say that every time I stand on the mike and talk about economic development. That's what additional reinvestment in the Business Innovation Act leads to, is continuing to grow our state further. But I would like to talk briefly about process. Because I believe the process that we follow in here is of extreme importance. LB334 was referenced to the Appropriations Committee. The Appropriations Committee held a hearing on this, the hearing was on the bill. The bill was about redirecting the Angel Tax Credit \$4 million to the Business Innovation Act. There was no opposition testimony in the hearing to taking those funds, closing the Angel investment and

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allocating those \$4 million to the Business Innovation Act. The committee then, on a 9-0 vote, voted that out of committee for this body to consider. And now we have an amendment to a committee priority bill to completely change the allocation of those dollars. That wasn't considered by the Appropriations Committee, there was not testimony at the Appropriations Committee concerning that particular issue. Now, does that mean we can't take it up? No. It doesn't mean we can't take it up. But it does cloud that issue, certainly it clouds it for me. Especially when, now, Senator Linehan just talked about this, but under the amendment it allocates that \$4 million each year into the future into a fund that sometimes we use, and we're going to use it this year. And some years we don't use that fund because we're fortunate enough not to have those kind of circumstances happen. The Appropriations Committee, the budgeting process has been able to handle the Governor's Emergency Fund cash fund dollars in a prudent manner for years. And I trust the process for them to be able to continue doing that this year, next year, and into the future. Therefore, I think it is the best situation to follow the process that was established, follow the committee's amendment and the underlining bill, and vote red on Senator Linehan's AM1220. Thank you, Mr. President.

FOLEY: Thank you, Senator Williams. Senator Linehan. You're next in the queue, Senator Linehan.

LINEHAN: Thank you very much. Again, on the process of this, if we want to go there, it's a tax credit that one could argue should have come to the Revenue Committee. It went instead to appropriators. At the time it was happening early in the session, I did not catch that there should have been at least a discussion in executive where this bill should be referenced. If I recall, I was fighting over keeping another bill from being referenced to, I think, Senator Hughes' committee. So maybe in that I missed early on, and that's on me, that I didn't see this early on. But I think there's a danger when we take any money, whether it's this \$4 million or \$10 million for something else, when we're in a situation where we don't know what our funding is going to be. We don't know if we're going to have to-- we don't even know if we're going to have any money to spend on the floor. We hope we do. The Governor's budget has some money, I think the appropriators are going to try to have some money to spend on the floor. But since we don't have any idea whether we're going to have any extra money, it seems odd to me that we would take this \$4 million that we could save, since the decision was made to kill the Angel Tax Credit

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program, that we wouldn't save it until we're looking at the whole big picture of what we're trying to do this year, including property tax relief and any other kind of tax relief that we're looking at this year. So that's my concern, is somehow this \$4 million gets slid over without being part of the bigger process we're all going to be involved in before we get out of here in June. So I would ask you to support AM1220. I have talked to Senator Stinner. The amendment should be adjusted so the money goes back to the General Fund after, I don't-- I'll negotiate with Senator Stinner, if he wants it one year or two years. That is his, he does know the money, so I agree that we could-- it shouldn't be forever and ever. Because hopefully, at least we hope we don't have a disaster every year. So but right now we know, we all know we have no option but to put the Governor's Emergency Fund back at \$5 million. We all know that. And right now, there's \$4 million that we can use to help close that hole. So thank you.

FOLEY: Thank you, Senator Linehan. Senator Albrecht.

ALBRECHT: Thank you, President Foley. I just have a few questions for Senator Stinner, if I can?

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes.

ALBRECHT: I appreciate you looking into LB334, because I know the interim study we had we were looking to look at a lot of the different acts that are out there that are going to be sunseting, and the Angel was part of one that we talked about. What is the current funding in the Angel account at this time? What, how are--

STINNER: It was capped at \$4 million.

ALBRECHT: It was capped, so every year we put the \$4 million in. Is that all that's in there right now?

STINNER: Yes, and it's always been oversubscribed the first day.

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ALBRECHT: OK, so you're going to add another \$4 million to it, so they would have \$8 million in there for this year? This next year?

STINNER: No.

ALBRECHT: No?

STINNER: No. The Angel Tax Credit will be gone-- excuse me. Four million dollars is what we have allocated every year for the Angel Investment Tax Credit, so that \$4 million is gone. The Angel Tax Credit is gone. Those dollars that are in this bill would repurpose that \$4 million to the Business Innovation Act. Given the Innovation Act right now is \$6.3, we give them another \$4 million, it would take them to \$10.3 that they could use for the five different--

ALBRECHT: OK, so that's what I was going to ask. So the Business Innovation Act has been around for how long?

STINNER: It was passed in 2011.

ALBRECHT: 2011. So if they currently have \$6.3 in there and we're going to bring it up to \$10.3, I would like to see-- I mean, if we're going to be having a choice of where this money is going to be drawn from-- at this point, real quick, where is the General Fund today? Are we in a negative or a positive?

STINNER: Where are the total General Funds? We are in the process of trying to figuring out that. But we are short right now, period.

ALBRECHT: Do you, is \$25 million or \$20-- I mean, do you know how much approximately?

STINNER: After we were given the news on the forecasting board, I'll just take you from the preliminary budget that did balance, we lost about \$40 million of appropriations for this biennium. So we start \$40 million down from there. And all of the money that normally would have gone in, \$70 million, into the rainy day fund is gone. So if we're going to have a discussion,



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we going to need to have a discussion about rainy day fund, along with what this body believes is important.

ALBRECHT: And again, I appreciate all the answers. It helps me to try to make a decision for myself on AM1220. Because not only do we not have that rainy day set up, but with this disaster we just had, and we're not out of flooding season just yet. So, you know, knowing that the Business Innovation Act currently does have \$6.3 million, we're going to add another \$4 to it, that, I feel like that would be easier to swallow to move that than to-- and it's for one year, right? It's not actually going to be every year. So if this is an area that is obvious to most on the floor, that maybe this is the way we need to go to protect the Governor's fund as well, I would rise to support AM1220. Thank you.

FOLEY: Thank you, Senator Albrecht. Senator Arch.

ARCH: Thank you. And I just have a couple of questions for Senator Stinner, if he would yield.

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes.

ARCH: Thank you. You and I have had conversations about this bill, and you know how strong I support economic development. And the Business Innovation Act has been one of those things where you can demonstrate the results and it's all been, it's all been very good. As I have been reading the papers and seeing the estimates of the damage, you referenced a number of \$3.5 million for emergency. I can't recall the exact words you used, but when I see the \$100 million that has shown up as a very gross high-level estimate of the damage and you mention the 12.5 percent, so the state has 12.5 percent responsibility; counties, 12.5; federal, 75, as I understand the formula. So the 12.5 percent, could you help me, I guess, understand as you look to the future how those funds will come out of our budget as it relates to this particular disaster. If you understand my question.

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STINNER: Right now, the number we have been given in Appropriations is there's about \$12.5 million number that is individual losses that we would have to cover-- actually, it's 75-25, 12 percent would go to local, and 12.5 percent would be the state's obligation. So with that estimate, we feel that there needs to be dollars, \$3.5 million over and above the \$5 million to replenish. So now we're going to look at \$8.5 million plus another \$5 million just in case, because this will run out over a period of about three years. So we're-- and actually we haven't come down with an exact number. The committee hasn't voted on it, but I have talked enough with the folks involved that I think that's a prudent number.

ARCH: So your estimate then is \$8.5 million then for the-- so it was \$3.5 above the \$5. So an \$8.5 million total for the state's obligation estimate, of course, for this particular disaster?

STINNER: It will be a total that we're going to allocate, impact on our biennium budget of \$13.5 million. Right now.

ARCH: Thirteen point five, OK. OK, so, and then as we relate to this, obviously you have a much better handle on the total numbers and how it all plays out. And I guess at this point, you're saying that the \$4 million we're discussing now is not necessary for that replenishment?

STINNER: It would be nice to have about \$40 or \$50 million to tell you the truth. But that is not going to happen. I mean, this is, this is policy, OK? Do you want the \$4 million in economic development or do you want the \$4 million in General Funds of which Appropriations will say X amount will go to-- and I just gave you the emergency fund numbers. And we have got other requests, we've got, you know-- we still haven't solved our prison problem, our overcrowding problem. You know, Medicaid expansion, all the rest of that stuff that comes in.

ARCH: Sure.

STINNER: It is challenging and it's complicated.

ARCH: Well, I appreciate your work on that and your knowledge of that. So thank you. Thank you for the answers.

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FOLEY: Thank you, Senators Arch and Stinner. Senator Stinner, you are next in the queue. Senator Stinner. Senator Stinner, you are next in the speaking queue. You are next in the queue.

STINNER: Oh, I saw that. Well, one of the things I want to make abundantly clear is we're going to take care of the flood victims, and make sure that we appropriate enough dollars as we see it during the budget time. I can assure you Appropriations is highly involved in the process right now. Still very fluid, very moving targets. I get that. We're trying to build in buffers and we're trying to take care of things. So whether we want to repurpose this \$4 million out of economic development and put it in there, that's your decision as you vote for this thing. My preference would be to stay with the program that builds jobs, that builds industry, that provides capital for start-ups. That's my opinion. So thank you.

FOLEY: Thank you, Senator Stinner. Senator Slama.

SLAMA: Thank you, Mr. President. I rise today in support of AM1220, and I'll be brief with my comments. The hearing for LB334 was held on Wednesday, March 13. This was before we had the costliest and most widespread disaster in our state's history. Right now we're at an unprecedented time in our state where we need to juggle property tax relief and rebuilding after the devastation we have seen across broad swaths of the state. So yes, there's been a lot of references to processes and building jobs in Nebraska, but we also have \$4 million sitting here that could be used to help rebuild the state. And I'm going to vote in favor of rebuilding the state and giving the \$4 million to the people who desperately need it. I rise in support, again, for AM1220, AM801 and LB334; and appreciate Senator Linehan's efforts to bring this amendment so that we can get direct aid now to these flood victims. With that, I yield the rest of my time to Senator Erdman, if he'll take it.

FOLEY: Thank you, Senator Slama. Senator Erdman, 3:40.

ERDMAN: Thank you very much, Senator Slama. Thank you Lieutenant Governor. So this morning, just a moment ago, I heard Senator Stinner talk about the federal, state, and county or local match. And I was wondering if Senator Stinner would yield to a question.

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FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes, I will.

ERDMAN: Senator Stinner, in your comments you said it would be 75-25 match. Have you information to validify [SIC] the fact that we have been notified that we're going to get a 75-25 match?

STINNER: I have not, I do not have the information that we have been officially notified. I think we're doing projections because we're in a budget period and we have got to project out what needs are.

ERDMAN: OK. So if we get a 90 percent match, is what we have actually applied for, if we were to change from 12.5 percent obligation to 5 percent, how many dollars is that, do you know?

STINNER: No, but I would do a happy dance, I'll tell you that.

ERDMAN: Say that again?

STINNER: I'd do a happy dance.

ERDMAN: OK. But it very well could be, it very well could be that we get a 90 percent match. And if we do, that obligation for the state would be less or more than half of what we're asking for, would that be a fair assumption?

STINNER: Out of the, out of the \$3.5 million, it would be reduced considerably, yes.

ERDMAN: Yeah. So we just need to keep that in mind, even though we have applied for the 90 percent, we may not get it. But there's a chance that we might. So it depends, I guess, how much disaster aid they give to Puerto Rico to get our funding approved. But things happen different in

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D.C. than they do here, I would assume. But just wanted to bring it to your attention we haven't been denied of the 90 percent yet. Thank you.

FOLEY: Thank you, Senators Erdman and Stinner. Senator Gragert.

GRAGERT: Thank you, Mr. President. Hey, I rise in support of AM1220 for the simple fact of the devastation that has just happened in Nebraska. You know, property tax relief is a priority of ours, and it should be. Economic development is certainly valuable and needs to be continued. However, once again, I believe that our priorities have changed in the last bit of time here, at least for the short run. And, yes, once again, especially in the time of this devastation that we have never have-- has, have happened in the state of Nebraska. So, I hope we can take this all into consideration and vote green on AM220 at this time. Thank you.

FOLEY: Thank you, Senator Gragert. Senator Crawford.

CRAWFORD: Thank you, Mr. President. I rise in opposition to AM1220 and in support of LB334. I was chair of the Economic Development Task Force over the past two years, and one of our tasks is to look at our different economic development programs and to see what ones appeared to be effective and what we could learn about which ones appeared to contribute to the growth of the state. And the Business Innovation Act was clearly a rock star in those evaluations. I mean, we have clear evaluations to demonstrate how effective it is and what a return on investment receive from the Business Innovation Act. And it stands out as an outstanding economic development program. And so in terms-- I hate to see the Angel Investment Act go, but in terms of making sure that we're spending our economic development dollars on things that we have clear evidence that we're getting a strong return on investment on, LB334 is a great change to make. And I appreciate the fact that we do need more dollars in our Business Innovation Act. Colleagues, we have, in terms of the money we spend on economic development, we forgo millions of dollars of revenue in terms of our incentive programs. Meanwhile, we have some of these small economic development programs that we do cap at small amounts, and the Business-- and they have often been very effective. And again, the Business Innovation Act is an example of one of the programs that's really had a very strong return on investment. And I appreciate the concern that we need to make sure we're taking care

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of our needs in our state, our road needs, our community needs. That's a very important part of our conversation that we're having over this entire session, and we just had part of the conversation in what to do with assessments with property taxes. And so I appreciate that we're raising the question for this bill as well. However, I do think that we-- it's important that while we make sure we're investing sufficiently to help recover from the flood, that we don't lose sight of the long-term needs in terms of growing the state. And the Business Innovation Act is an important tool that really helps our entrepreneurs. And I think another important benefit of Business Innovation Act, is it really does target those smaller businesses and the entrepreneurs who are getting started. And I've heard many of you in conversations say that was really an important economic development priority for you, is to really focus on investing in those folks who are in Nebraska and wanting to grow something in Nebraska. And the Business Innovation Act is a great tool to do that. And so I think it's very important that we continue to invest in the Business Innovation Act, and I appreciate the opportunity to put more money in that Business Innovation Act because, again, it's one of our strongest-- one of our really strong economic development programs that has strong evidence of return on investment. And so being able to put a little bit more money in that I think is appropriate for us to do. Even in light of the needs we're going to have to address flooding concerns, it is still critical that we continue to invest in economic development. And this is \$4 million. I think it's a good investment for \$4 million to expand our Business Innovation Act because it is such an effective program and is underresourced program. And so I think it's an important priority to make sure we can provide more funds for the Business Innovation Act. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Senator Linehan.

LINEHAN: Thank you, Mr. President. I would be willing, or if we get this passed, I think, because we have a great Speaker, and he's helped us this morning. I changed the amendment, Linehan amendment, AM1220 to just have it go for a year. And then we can-- and then after that go to the program that the bill would have it go to now. So I would like to ask Senator Stinner a question please.

FOLEY: Senator Stinner, would you yield, please?

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STINNER: Yes, I will.

LINEHAN: Senator Stinner, would you be agreeable if we change the amendment or between now and Select, we worked on an amendment that puts the money, the \$4 million in the emergency fund now, but then going forward brings it back to the Economic Development Fund?

STINNER: Yes, that's a good compromise. Thank you.

LINEHAN: Thank you very much. And thank you, Mr. Speaker.

FOLEY: Thank you, Senators. Senator Williams. He waives the opportunity. Senator Bostelman.

BOSTELMAN: Thank you, Mr. Speaker, Mr. President. And I support Senator Linehan, in the sense I brought, I was going to bring up the same situation or time line as what Senator Slama did. Because as we looked at this, the hearing was four days before the flood and the blizzards. So we had no idea that this need was going to be there. We had no idea what, where we may need to look at funds and where the funds may go or need to go. So how could we address the areas that Senator Linehan is trying to address now in her amendment before the event actually happened? So back to what Senator Williams was talking about, process, committee priorities, those type of things. I hear what he's saying, and I understand it. But I also think we need to take a little pause there and look at time lines. The time line was, the hearing was prior to, no one had the opportunity or knew that this was going to happen, we were going to have a disaster. So no one came in to testimony in that area. So with that, I do support Senator Linehan and her amendment. I think maybe it should be two years, but if it's a year with a compromise, I would support that. But that would just give us a little extra time there to make sure we cover the needs of our counties, our individuals that may be out there. Because there is some concern that this could-- there's over two foot of snow that's being predicted in South Dakota today. That moisture is coming this way at some point in time, in addition to what's already in Montana. So this could be an extended disaster that may occur to us once again. We may see flooding again, and I just want to be sure that we have the opportunity to look at these funding mechanisms and with the glasses on that provide funding in the right areas, so that our state can recover and individuals can recover in an appropriate time frame. Thank you, Mr. President.

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FOLEY: Thank you, Senator Bostelman. Senator Groene.

GROENE: Thank you, Mr. President. I stand in support of AM1220, I like the original one. I personally would like to see it go in there for this biennium, both years and then sunset it. And that's the Appropriations Committee or the Revenue Committee decide what to do next biennium. But the point I wanted to make is, folks, property tax relief, tax relief is economic development. It is the best stimulus, proven over and over again, to grow an economy. Tax cuts work. So any time we can lower the property taxes and across the state of Nebraska freeze up funds that multiplies 5, 10 times on main street, government doesn't do that. Any time we can even cut income taxes it helps. As far as the Business Innovation Fund, sometimes if everybody is running to get it and there's a lot of applicants, you might got to ask the question, is it happening anyway? Is the business innovation start-up companies happening and this is just gravy? Or is it the other way around? Most of the credits we do, you have a slow start because the economic development people have to go out and sell it to people for seed money. But when it's all gone the first week, you got to ask, is it necessary? We put money into the emergency fund, that's going to go right back out, it's going to multiply itself by matching with federal grants and that's money that goes into the economy through the construction, the materials, the fixes. It's the bright side of a disaster in America with all that money flowing into an economy. We'll get a quicker results with this money into the economy if we put it in the emergency fund than we would through a business incentive. And right now we need a quicker stimulus. So I stand in full support of the original AM1220. I'll do whatever the compromise is, and AM801 and LB334. Thank you.

FOLEY: Thank you, Senator Groene. Senator Crawford, you're recognized.

CRAWFORD: Thank you, Mr. President. And good morning, again, colleagues. I appreciate the work that Senator Linehan and the Speaker and Senator Stinner have worked on together to come up with a compromise to address immediate flood needs but make sure we're not depleting our resources for economic development going forward. Again, I think the Business Innovation Act is an important tool that we have in our state and we want to make sure that we're able to provide resources for that tool as effectively as we can. And an opportunity to provide \$4 million more a year to that program I think is a wise investment of that \$4 million. I just wanted to raise



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on the record one concern I have with AM801, that I wanted to be on the record and alert members to, so that we can all be attentive in our oversight role as legislators for these economic development programs. One of the things that AM801 does is it changes language in terms of the regulations that the department puts together. And it changes the "shall" adopt rules and regs to "may" adopt rules and regs for some of these economic development programs. Now, in talking to someone on the Appropriations Committee, they thought that many of these rules and regs have already been promulgated and so they were not as concerned about this language change. However, I think it's very important for us to be very attentive to this change. Because basically, when the department must have rules and regs, then when they shall have rules and regs, when they must go through the rules and regs process, it means that there's a very public process that determines what the rules of these economic programs are going to be. So we pass the law that provides the parameters, but the specific, you know, devil is in the details rules about how they work are really often ironed out in the department. And the rules and regs process is a way for the public to see that and to comment when there are changes in those processes. And since these programs are ones that are competitive and people are trying to get those resources, I think it's important we're as transparent as possible in terms of how those programs are run. And keeping those rules and regs in place is a key part of that. Now, it does say "may." So it is still the case that we can have pressure on that department to have those rules and regs. But I am concerned any time we change the may to a shall, if it's not the case that we're sure we have enough details in the statute to make sure that we're being transparent about who gets these resources. And so, if there are already rules and regs in place for the programs, one of the implications of changing a shall to a may does mean the department could choose to have a hearing to eliminate those rules and regs. So I would just want us to be on, have on watch in terms of watching for any changes in those rules and regs that happen in these economic development programs; because again, so often in these programs the devil is in the details, and how they actually work depends on those more detailed instructions that often happens in the rules and regs. So I will support AM801 but with that caveat and concern that we're all very attentive and watchful for what happens in the terms of rules and regs tied to these economic development programs, so that we can make sure that we keep them transparent to the public in terms of how they work and what the rules and regulations are to receive these, to receive the benefits from the economic development programs, and what the rules are in terms of the competition for those resources. Thank you, Mr. President.

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FOLEY: Thank you, Senator Crawford. Senator Linehan, you are recognized to close on AM1220.

LINEHAN: Thank you, Mr. President. So, what I'm going to do here, after talking to the Speaker and Chairman Stinner and listening to the debate, I'm going to pull AM1220 down. And between now and Select, Senator Stinner and I-- he is shaking his head yes-- Senator Stinner and I will bring back an amendment that will address hopefully concerns on both sides that uses the money for the emergency, and then in the future it goes back to economic development. Does that-- can I ask would Senator Stinner yield for a question?

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes.

LINEHAN: Does that sound agreeable to you, sir?

STINNER: Yes, it is.

LINEHAN: OK, thank you. With that, I'll be done. Thank you.

FOLEY: Without objection, AM1220 is withdrawn. Senator Stinner, you're recognized to close on AM801. He waives close. The question before the body is the adoption of the committee amendment, AM801. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please.

ASSISTANT CLERK: (Record vote read.) 40 ayes, 0 nays on the motion to adopt the committee amendments.

FOLEY: The committee amendments are adopted. Is there any further discussion of the bill? I see none. Senator Stinner, you are recognized to close on the advance of the bill to E&R Initial.

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STINNER: Thank you, Mr. President. I want to thank Chairperson Linehan for working with us on this, on the amendments. This is an important bill, but I can assure everybody in the Legislature top priority is taking care of flood victims. We're definitely not going to short them as it relates to appropriations. So the public needs to know and the Legislature needs to know it's top priority. So with that, thank you, and I appreciate your green vote on LB334.

FOLEY: Thank you, Senator Stinner. The question before the body is the advance of LB334 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please.

ASSISTANT CLERK: (Record vote read.) 41 ayes, 0 nays on the advancement of the bill.

FOLEY: LB334 advances. Items for the record, please.

ASSISTANT CLERK: Thank you, Mr. President. The Appropriations Committee will be having exec session at noon in room 1003. They will have another exec session this evening. Senator Lindstrom would move to recess the body until 1:30 p.m.

FOLEY: Members, you heard the motion to recess. Those in favor say aye; those opposed say nay. We are in recess until 1:30.

RECESS

FOLEY: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

ASSISTANT CLERK: There's a quorum present, Mr. President.

FOLEY: Thank you, Mr. Clerk. Do you have any items for the record?

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ASSISTANT CLERK: I do, Mr. President. Your Committee reports to General File LB-- your Committee on Government reports to General File LB626. That will be placed on General File with committee amendments. Additionally, amendments to be printed: Senator Bolz to LB600. That all that I have at this time, Mr. President.

FOLEY: Thank you, Mr. Clerk. Members, we will now proceed back to the agenda, LB334A. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB334A introduced by Senator Stinner. (Read title.) The bill was read for the first time on March 27th of this year, and placed on General File.

FOLEY: Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB334A.

STINNER: Thank you, Mr. President. And members of the Legislature, LB334 is the A bill to LB334 which would provide an increase in appropriations to the Business Innovation Act by eliminating the Angel Investment Tax Credit. The A bill would appropriate 100,000 to the Department of Revenue from the General Fund for 2019-20 for a one-time cost incurred under the provision of LB334. This cost is offset from the original four million transferred from the Angel Investment Tax Credit bringing the fiscal impact of LB334 to zero. If you will recall, we discussed from the discussions on the committee amendments, 3.9 million will be allocated for tax credits, thereby offsetting the costs incurred from the Department of Revenue. And if you recall earlier today, we reached a compromise which will be another A bill that will come in to amend this A bill. The original dollars of 3.9 then will go to the Governor's emergency fund. The second part or the four million will then go into the-- will be amended into the Business Innovation Act. On that, I would ask your green vote on LB334A.

FOLEY: Thank you, Senator Stinner. Is there any discussion of the bill? I see none. Senator Stinner, you're recognized to close. He waives closing. The question for the body is the advance of LB334A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 33 ayes, 1 nay on the advancement of the bill.

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FOLEY: LB334A advances. Proceeding on the agenda to General File, 2019 Speaker priority bills, LB356. Mr. Clerk.

ASSISTANT CLERK: Thank you, Mr. President. LB356 introduced by Senator Scheer. (Read title.) The bill was read for the first time on January 16 of this year and it was referred to the Transportation and Telecommunications Committee. That committee reports the bill to General File with committee amendments.

FOLEY: Thank you, Mr. Clerk. Speaker Scheer, you're recognized to open on LB356.

SCHEER: Thank you, Mr. President. LB356 is a simple bill to reallocate funding received through the sale of the Sammy's Superheroes Pediatric Cancer Research plate. Currently, all the money going through the plate purchases go to either the Highway Trust Fund or the DMV. LB356 would reallocate 85 percent of that revenue to the University of Nebraska Medical Center to be used for pediatric cancer research. However, this process has been changed via the committee amendment which I agree with, AM731, and Senator Friesen's AM1167. Senator Friesen will be speaking immediately after me on the amendments and I will yield the rest of my time to him to do so. Thank you.

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

FRIESEN: Thank you, Mr. President, and thank you, Speaker Scheer. The committee amendment to LB356 makes changes to the Sammy Superheroes bill. As introduced, makes changes to existing law, adds portions of provisions of introduced bills LB128, LB215 and LB691. The community undertook a study of existing license plate law and this amendment is a good effort to bring uniformity and consistency to Nebraska license plate provisions. As LB356 was introduced, the bill would have provided for an organizational plate to distribute proceeds from the sale of plates to public entity. We believe this was a bad precedent, and this amendment converts Sammy Superheroes plates from an organizational plate, type of plate to a specialty plate. It changes the price of the application fee from \$70 to \$40 for a message plate, and \$5 for

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an alphanumeric plate which is consistent for these types of plates. Pediatric Cancer Research at UNMC would receive the entire \$5 from the sale of the alphanumeric plates and \$30 from the sale of message plates with \$10 going to the Department of Motor Vehicles Cash Fund. Again, this is uniform with this type of plate. LB128 was Senator Hughes' bill that would have created three new wildlife plate designs, including bighorn sheep, Sandhill cranes and the cutthroat trout designs. The amendment replaces the cutthroat trout design with an ornate boxed turtle design as was introduced in LB691 by Senator Cavanaugh. Proceeds from the \$5 alphanumeric plate and \$30 of the \$40 message plate would be distributed to the Wildlife Conservation Fund with \$10 of the message plate would go into the DMV Cash Fund, and again, we're being consistent with the plates. LB215, was introduced by Senator Linehan to create a prostate cancer specialty plate. The price of the application fee would have been \$40 for the message plate but no application fee for the alphanumeric plate. The amendment provides a \$5 fee for the alphanumeric plate and earmarks \$5 from that plate and \$30 from the \$40 from the message plate to the Nebraska Prostate Cancer Research Program at UNMC. The remaining \$10 would go to the DMV Cash Fund. All new plate applications and distributions would be effective January 1, 2021. With respect to the existing license plate law, the amendment would make the following changes. First, it would adopt a standard division of proceeds from sales of standard message plates, which is \$40. Husker spirit plates with their \$70 and organizational plates which are \$70. The committee amendment would adopt a standard 70/30 split between the Highway Trust Fund and the DMV Cash Fund. However, we found out after we adopted the committee amendment that the numbers we were using were inaccurate. Therefore, an amendment to the committee amendment is pending that will change that proposed split between the Highway Trust and DMV. You will note that no distributions to any organizations are made from sales of these types of plate. Second, the amendment provides consistency in application fees for specialty plates by charging \$40 for message plates, \$5 for alphanumeric plates, and because there's currently no application fee for the breast cancer alphanumeric plate, the amendment adds a \$5 fee and designates the UNMC Breast Cancer Navigator Program as the beneficiary of the \$5 alphanumeric fee and \$30 of the \$40 message plate fee, with DMV Cash Fund receiving the remaining \$10. Third, the amendment provides consistency for one license plate program by-- the one license plate program that was charging \$50 for both the special interest motor vehicles and the one plate plus-sticker program. Finally, the amendment provides that DMV shall discontinue the issuance of certain specialty plates if there are no more than 250 plates issued of

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that type for two consecutive years beginning no earlier than the year after the initial issuance of the plates. The Gold Star, Purple Heart, Ex-POW, Pearl Harbor Survivor and Disabled American Veteran plates would be exempt from this provision. As indicated, there's an amendment to the committee amendment that I would ask you to adopt in addition to the committee amendment and I'm happy to answer any questions you may have. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. (Visitors introduced.) Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Wayne offers FA38. I have a note that the senator wishes to withdraw.

FOLEY: FA38 is withdrawn.

ASSISTANT CLERK: Senator Friesen would offer AM1167 to the committee amendments.

FOLEY: Senator Friesen, you're recognized to open on AM1167.

FRIESEN: Thank you, Mr. President. As I indicated in my opening on the committee amendment, we have an amendment to the committee amendment. AM1167 changes the division of proceeds between the Highway Trust Fund and the DMV Cash Fund from the sale of standard message plates. Husker plates and organizational plates to 60 percent to DMV, 40 percent to Highway Trust. This reflects the historical allocations from the sales of these types of plates and I stated earlier, no organization receives any money from the sale of these plates, and second, we clarify the language in DMV's mandate to eliminate slow-selling plates to provide that the time for discontinuing will be in the year license plates are reissued. Currently, we reissue license plates every six years and the next reissuance will be in 2023. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Debate is now open on LB356, the committee amendment and the amendment to the committee amendment. Senator Chambers.

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CHAMBERS: Thank you, Mr. President. Members of the Legislature, I had not discussed this with Senator Scheer because I just became aware of the fact that his bill is up, and I will not attempt to do this on his bill, but just to alert him of what I have in mind to make it a matter of record and to serve notice to the Game and Parks Commission. When I offered a bill to create a mountain lion conservation plate, the Game and Parks Commission came over and spoke officially against the bill. I emphasize, they spoke against it. Without being aware of the types of funds, legitimate funds, and a slush fund, which they call this education fund, I, under the bill directed the money to the wrong fund thinking that they would use it to educate about the mountain lion and conservation. They have not used it for that purpose. Instead, they have established not only a mountain lion hunting season, but a supplemental one, and in some instances they allow dogs to be used and the only person that I've read in the paper about them calling to Nebraska to talk about conservation was a guy from Colorado. Not a person from Nebraska to talk about birds and that came out of the mountain lion conservation money which I think is somewhat over \$200,000. I think it's probably the best-selling plate that the state has. So I'm going to do some checking about the ways that they have spent that money and want it documented, but regardless of what they tell me, I would intend to divert it to a different fund where there is more accountability, no slush funding, and that is what I have in mind. But before attempting to do it, I intend to talk to the Speaker. And this serves a second purpose. How would you all feel if on almost every bill that comes up I have something to say, then because the bill is the Speaker's bill, I sit silent as the Rock of Gibraltar. So I've put what I want into the record and I will pursue it other than on the mike. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator Cavanaugh.

CAVANAUGH: Thank you, Mr. President. Thank you, Senator Chambers, for speaking on this bill and the mountain lion. I actually have mountain license plates and thought the money was going towards something else, so I appreciate the transparency of that. And I encourage everyone to support the committee amendment and Senator Friesen's amendment and this bill because it does do a lot in the way of cleaning up the process of how we do license plates in Nebraska. And I appreciate the committee's work on this and I just encourage everyone to support it. Thank you.



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FOLEY: Thank you, Senator Cavanaugh. I see no further discussion on the amendment. Senator Friesen, you're recognized to close on AM1167. He waives closing. The question for the body is the adoption of AM1167. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 0 nays on the adoption of the amendment.

FOLEY: AM1167 is adopted. Further discussion on LB356 and the pending committee amendment. I see none. Senator Friesen waives closing on the committee amendment. Those in favor of the committee amendment, AM731, vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 37 ayes, 0 nays on the adoption of the committee amendment.

FOLEY: Committee amendment is adopted. I see no further discussion on the bill as amended. Speaker Scheer waives closing. The question for the body is the advance of LB356 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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

FOLEY: LB356 advances. Our next Speaker priority bill is LB6. Mr. Clerk.

ASSISTANT CLERK: Thank you, Mr. President. LB6, introduced by Senator Blood. (Read title.) The bill was read for the first time on January 10 of this year and referred to the Education Committee. That committee reports the bill to General File with committee amendments.

FOLEY: Senator Blood, you're recognized to open on LB6.

BLOOD: Thank you, Mr. President. Fellow Senators, friends all, today I rise to bring forward LB6, which allows a dependent of an active-duty member of the armed forces, who is assigned to duty out of state and has received a letter of acceptance from a Nebraska college, to be

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deemed an in-state resident for purposes of determining tuition and fees as long as the dependent remains continuously enrolled in the institution of higher learning. I thank the Speaker for making this bill one of his priority bills this year. As you all probably know, the cost of going to college continues to grow, and those prices are even more-- prices are even more prohibitive if you're talking about paying to go to someplace outside of your home state. Oftentimes, out-of-state tuition can be two to three times more than in in-state rates. A change in status before enrollment places that student in a situation where they must then find another college at the last minute-- may I get the gavel, please? --at the last minute or pay higher tuition. If you've ever talked to me about our military members, you know that I truly believe that the family also serves. The families are asked to move across the country at a moment's notice, usually every two to three years. They don't have any more say in the Matter than the service member. It can be a burden, especially when we're talking about children. The children really have no choice. I believe it is out responsibility to try and lighten that burden. It is an obvious stressor that grows when your child is planning on attending college in a great place like Nebraska only to find out that the cost to attend the school has suddenly increased because they won't be a resident when it's time to enroll. We can make it easier for them by allowing the in-state tuition rate, as long as they are stationed here when they receive the acceptance letter. They will then get to keep that in-state rate if continuously enrolled, even if their family has long since moved to another state or two. Currently there are at least five other states that have adopted this type of legislation: California, Arizona, New Mexico, Texas, and Virginia, and it's my guess that you're going to see plenty more in the next few years as this is really about fairness to the students who are placed in a situation that they really can't control. This issue is also one of the key personnel and readiness issues meant to support our service members and their families that are put forward each year by the Department of Defense. Should we pass LB6 this year, Nebraska will have met all ten requests from the DOD either through legislation or by working behind the scenes to change existing policy. When it comes to our military families, Nebraska has done an excellent job of joining together in bipartisan unity to protect our state's number-one employer and its highly educated work force that we hope will choose to retire in Nebraska, where they will live, work, play, and pay taxes. I will add that while the community colleges had originally submitted a fiscal note that said it would cost them as much as \$36,000, they have since looked at the issue again, have submitted a new fiscal note reflecting a minimal impact. This new fiscal note will be reflected once the bill goes to Select File. With that said, the Education Committee does have an

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amendment, AM381, that cleans up some of the language in the bill to make it a bit more clear, and I fully support that amendment and previously met with Senator Groene on that amendment. I hope that you will vote green on the amendment and green on LB6. Thank you.

FOLEY: Thank you, Senator Blood. As the Clerk indicated, there are amendments from the Education Committee. Senator Groene, you're recognized to open on AM381 committee amendment.

GROENE: Thank you, Mr. President. I applaud Senator Blood for checking off those, all ten of those. She's worked big, long, hard on those ten requests from DOD, and this is her shining moment, I guess, number ten. When committee counsel looked over the bill, they seen some redundancy that Bill Writing [SIC] had done. Active-duty soldiers already, by federal law and our state statute, do have in-state tuition and it follows them when they become a veteran. So what we basically did with the amendment was remove that so it wasn't redundant in our state statutes and to clarify the real intent by Senator Blood to extend those benefits to the-- the spouses and dependents. It makes for better reading and clears up the statutes and it does what Senator Blood intended Bill Writing [SIC] to do in the first place. So I'd appreciate a green vote on AM381 and LB6.

FOLEY: Thank you, Senator Groene. Debate is now open on LB6 and the pending committee amendment. Senator Crawford.

CRAWFORD: Thank you, Mr. President. I rise in support of LB6 and the committee amendments. And I want to commend Senator Blood for her work on this issue and so many other issues dealing with our military families. It's an honor to have our military families in our state while their families are serving here, and this bill is an important step to make sure that if the family has to be relocated, that the student still is able to stay involved in our wonderful institutions of higher learning. And it's an important step to make sure that we're serving those families that serve all of us. And I also want to commend Senator Blood for her work on meeting the-- the requests of the Department of Defense. This is our-- one of our biggest employers and a huge economic impact on the state. And so being attentive to their concerns is important to our-- to not only being a good host for this-- for those military families, but also being attentive to our

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economic development concerns as well. And so I thank her for her hard work on those issues for military families and urge your support of LB6 and AM381. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Senator Chambers.

CHAMBERS: Thank you. Mr. President, members of the Legislature, my seatmate, Senator Blood, I, as a volunteer and recipient of an honorable discharge from the army, I think it's only appropriate, in view of how much Senator Blood has done for the military families and the concept of the military, that there should be an honorary induction service making her a member of the military. [LAUGH] That's-- I really do appreciate it. She has been consistent ever since she has been here. She has raised issues that I didn't even know were issues. It's even done to a greater extent here than I've seen the congressional delegation do. So I'm appreciative of what she has done and I hope that a day will come-- I'm going to digress. This morning I said I'm going to be an itch you cannot scratch based on the issues that I intend to bring up throughout the session from time to time. There is an itch I have that I cannot scratch, and it's based on the idea that there have been people who did everything they could to avoid entering military service, including the President. When I went in, there were a lot of people fleeing to Canada, which I never would have thought about doing. I wasn't aware of how many ways had been formulated for draft evasion and dodging by the so-called better classes. But the itch I cannot scratch is the insult paid not only to the ones affected by it, but by all those who have served. And I don't have any war stories, I didn't go overseas, nobody shot at me, I didn't shoot at anybody, I didn't get an Article 15, I was not court-martialed, none of that. I just went in and did what I had to do to get it out of the way. But when the President determined that transgender people were unfit to be in this military, I was extremely offended by that action. They volunteered. They were willing to assume an onerous task that many of the better people would not consider for a moment doing. Some are even fighting in court to retain the right, as they call it, to serve in the military, whereas others consider it a burden. So when that injustice is corrected, when the harm done to those people, the insult visited upon them will be erased, then a part of me can rest which at this point cannot. I will not speak on this particular subject on every bill that comes up relative to the military. But this was the time, this was the place, this was the day. Thank you, Mr. President.

FOLEY: Thank you, Senator Chambers. Senator La Grone.

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La GRONE: Thank you, Mr. President. I rise in support of LB6 and I, too, want to thank Senator Blood for bringing the bill. I do want to echo Senator Crawford's comments about exactly how important Offutt and the military is to Nebraska, but especially to Sarpy County. And I really think that it's important that we do whatever we can to make sure that our military members, including their families, have what they need to make Nebraska a great place to live for them. I think that keeping them here is a great thing that we can do, not only for those values that we hold dear and supporting them, but also for our work force development issues. So again, I just want to reiterate that I, too, support the bill and thank Senator Blood for bringing that. With that, I'd yield the remainder of my time to Senator Arch.

FOLEY: Thank you, Senator La Grone. Senator Arch, one minute-- [INAUDIBLE] 2:30.

ARCH: Thank you, Senator La Grone. I was just reflecting on the progress that has been made in identifying these ten things from Department of Defense. And prior to meeting in session today, Senator Blood and I had a conversation as well because we know that there's-- there's more to do, and in particular as it relates to retirees. We want to see the retirees stay in the state of Nebraska, not live in Iowa and commute to Nebraska. So we have more work to do, but I congratulate Senator Blood on this bill.

FOLEY: Thank you, Senator Arch. Senator Brewer.

BREWER: Thank you, Mr. President. Actually, it was twofold, first to thank Senator Blood because she's put a lot of work in, not just on this but all veterans' issues, so I'd be remiss if I didn't say that AM 361 and-- and LB6 are-- are just yeoman's work when it comes to-- to making sure that-- when the government puts enough red tape in front of you, sometimes it just becomes almost daunting to try and get through and she's done it. But with that said, and I wouldn't do this but since he-- he got on the mike, some of you may have got a copy of Senator Chambers' honorable discharge, part of his official records, but you may not have taken the time to read the letter. And-- and I think it's probably fitting now, especially with the comments he just made. This letter is from his commanding officer of Delta Company, 1st Battle Group, 1st Brigade, 1st Training Brigade, Fort Ord, California, which no longer exists. The date is 5 November 1959, so 60 years ago. "SUBJECT: Pvt. Ernest W. Chambers. TO: Commanding Officer, Co "E", 2nd

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Battalion, 355th Infantry." So it's to the company-- commander of the company that he's going to from the company that he's leaving: On September 15, 1959, Private Ernest W. Chambers joined this Company to complete his eight weeks of infantry training. From the first day of training he has proven himself to be an outstanding soldier. This soldier has continually [SIC] demonstrated outstanding character. He has demonstrated a willingness to learn and to get the job done which is in keeping with the highest standards of military service. During his second eight weeks of infantry training, this Company has been extremely fortunate to be able to have him as a soldier. Private Chamber's [SIC] caliber and as he graduates, we-- let's see-- we are indeed sorry to see this young man leave but, at the same time, we're happy to have him go on to his next unit. It is a well known fact in this Company that Private Chambers does-- when Private Chambers does something, he gives it 100 percent of his mental and physical energies. This attitude towards military life is indeed most compatible [SIC]. I highly recommend promotion of this soldier and would do it myself if he continued in this position. Signed, Marshal A. Burdick, Captain, Commanding Infantry. So anyway, because he never gets the credit that he's due, I thought you should read that letter of commendation. Thank you, Mr. President.

FOLEY: Thank you, Senator Brewer. Is there any further discussion of LB6 or the pending committee amendment? Seeing none, Senator Groene, you're recognized to close on committee amendment. He waives closing. The question before the body is the adoption of AM381, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 0 nays on the adoption of the committee amendment.

FOLEY: AM381, committee amendment, is adopted. Further discussion on LB6 as amended? I see none. Senator Blood, you're recognized to close on the advance of the bill.

BLOOD: Thank you, Mr. President. I want to thank my colleagues for the statement of-- statements of affection. When I say "friends all," I know that that is often the brunt of many of a joke, but I sincerely mean it when I say "friends all." And I truly believe in my heart that when it comes to our military families, there is not much better bipartisan policy that we can all rally

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behind than our military families and our veterans. And so I thank you for the kind and surprising words, and I thank you in advance for your green votes.

FOLEY: Thank you, Senator Blood. The question before the body is the advance of LB6 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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

FOLEY: LB6 advances. Proceeding to the next Speaker priority bill, LB524, Mr. Clerk.

ASSISTANT CLERK: LB524 introduced by Senator Dorn. (Read title.) The bill was read for the first time on January 22 of this year and it was referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Senator Dorn, you're recognized to open on LB524.

DORN: Thank you, Mr. President. Welcome, colleagues. LB524 is a bill intended to move the deadline for annexations to be reported to the county assessor so that the changes and boundary lines can be included in the valuation that is certified to taxing entities. Currently, real and personal property annexed by a political subdivision on or after August 1 is considered within the taxable evaluation of the affected subdivision in the following year. Annexations occurring before August 1 are included within the valuations assessors certify to the taxing entities on or before August 20. This 20-day period provides very little time for assessors to recalculate the new valuations following an annexation and to certify it to the affected entities. LB524 would change the reporting deadline to on or before June 20th and set out the process for annexing entities to provide notice to the county. Annexations reported after that day would be included in the following year's valuations. NACO worked with the city of Omaha to carve out an exemption for cities of the metropolitan class. Omaha asked to keep their reporting date the same. This appears in the white copy that is amended-- amendment, white copy amendment, AM332, to replace the green copy. The amendment borrows language from Section 18-3301 requirements

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about how municipalities give notice to county officials of annexations to make the notice process clearer in this section. I would be glad to answer any questions. Part of why this bill now has the white copy of the 322 amendment is that in Government as it was coming out of there and everything, this amendment was not originally included, so we brought this about through the process of a Speaker bill, and at that time then, this amendment has become part of that and now the bill is the AM332.

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

ASSISTANT CLERK: Mr. President, Senator Dorn would move to amend LB524 with AM332.

FOLEY: Senator Dorn, you're recognized to open on AM332.

DORN: Thank you again, Mr. President. I guess I included a lot of those comments in my original comments and, yes, Omaha had asked to keep their August 1 date the same. That was something they had very much been used to and they used all the time and they just felt for them it was something that they would like to do. So that was why we did add the amendment and that's why it's being brought in this fashion.

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

ASSISTANT CLERK: Mr. President, Senator Wayne has a motion, FA39. I have a note here that Senator indicates that he wants to withdraw that amendment.

FOLEY: The floor amendment is withdrawn. Debate is now open on LB524 and the pending AM332. Is there any discussion on the bill or the amendment to the bill? I do not see any discussion. Senator Dorn, you're recognized to close on the amendment first. He waives closing. The question for the body is the adoption of AM332. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 37 ayes, 0 nays on the adoption of the amendment.



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FOLEY: AM332 is adopted. Further discussion on LB524 as amended. Senator Clements.

CLEMENTS: Thank you, Mr. President. I had one question for Senator Dorn if he would yield.

FOLEY: Senator Dorn, would you yield to questions, please?

DORN: Yes.

CLEMENTS: Thank you, Senator Dorn. You said that Omaha wanted to leave their date the same, but I see this affects county assessors. What-- is it the whole Douglas County, or is it just cities of the metropolitan class or other cities in Douglas County affected?

DORN: This amendment is for the city of Omaha, that metropolitan.

CLEMENTS: All right, so the county assessor would just report differently for the city of Omaha than for the rest of the county entities differently?

DORN: No, this bill-- this bill is for when someone annexes a property. So when the city of Omaha annexes a property, whatever county that is in, they wanted their date left August 1.

CLEMENTS: Okay, so it's for city taxes. I don't suppose the other cities in the Douglas County are going to be annexing then, are they?

DORN: That I don't know for sure but this was brought by NACO and the county organization because there have been issues where cities have not-- they've annexed even though it's been public record when you got through the annexation process, it doesn't always get relayed to the county assessor. They may see the legal notice, but they don't see the fact that it was definitely annexed. This bill also includes in there then that it's the part of the city to report that to the county officials on by that date. This June 30 date then is telling those cities, if you do not report by June 30, we are not going to include it in the valuation for that year. It will be in the next one. Omaha wanted their date, which they're used to having August 1, they came forward and

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requested to be left as August 1. So that's why we made this amendment and worked that out so that they still could be August 1.

CLEMENTS: But it was something other county assessors or some county assessors had a problem with?

DORN: Some county assessors and some cities coordinating when a property was annexed because if they turned it in by August 1, by August 20 county assessors have to give their certification to the county board so that now by the process they have to go through, they can't approve their budget for the next year based on those valuations and have it up to the state by September 25. They were having issues with those 20 days in coordinating all of that.

CLEMENTS: Okay. So now it's from June 1 to August 20 that they have.

DORN: June 30.

CLEMENTS: June 30 to August 20.

DORN: 20th. So now it gives them an extra 30 days, some of the counties or all the counties except the part that make up metropolitan Omaha.

CLEMENTS: All right. Thank you. I just hadn't seen this bill before and wasn't sure about that. That's fine with me. I'll support LB524.

DORN: Thank you.

FOLEY: Thank you, Senators Clements and Dorn. Senator Erdman.

ERDMAN: Thank you, Lieutenant Governor. Senator Clements brought to mind a question that I have come to mind after he said that. Senator Dorn, would you yield to a question?

FOLEY: Senator Dorn, would you yield, please?

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DORN: Yes, I will.

ERDMAN: Senator Dorn, so I believe what you said in your opening statements, this was going to be an opportunity so the county assessor didn't have to work in that short 20-day window. Is that correct?

DORN: That is part of this bill, yes. Now they have an opportunity that they aren't squeezed into the 20 days to get that part done.

ERDMAN: So tell me, how does that work with the Douglas County assessor then if the metropolitan city of Omaha is excluded. Doesn't that assessor still have to work within that 20-day window?

DORN: Yes, they still are the August 1 instead of the June 30. That was a request that they brought forward though.

ERDMAN: So, if it's good enough for Douglas County to work under that 20-day window, why isn't it good enough for all of them?

DORN: NACO brought this forward because there had been an issue in certain entities, certain cities, certain municipalities, that this was not working the way county assessors wanted it to work. They were the ones that brought that forward. Other than that, I don't know. I mean, I don't why other than that-- the extra 30 days will help them. I don't why Douglas County wanted to leave theirs specifically at August 1.

ERDMAN: I guess it would seem to reason if Douglas County being the largest county has figured out a way to do it in 20 days, everybody else should be able to figure that out as well. I'm having trouble understanding why you want to separate out Douglas County or Omaha from all the rest when, in fact, they maybe have more of an annex problem or issue than any other city in the state. So this is peculiar why you would carve out one-- the biggest county with the most probable annexations and they can get it done in the 20 days but everybody else can't. Does that make any sense?

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DORN: I understand where you're coming from. When they explained it to us, their computer systems, everything they have set up, their people are on that time table. They didn't want to change that time table. That system that they have, and I don't how that part works other than I can tell you how Gage County works. Let me tell you, Gage County needs the additional 30 days so that they can coordinate everything. The city of Omaha felt comfortable. They felt they did not want to change that date. They wanted to keep their date the same. Originally, they were also going to be on the June 30 date.

ERDMAN: Okay.

DORN: They came forward to me, to us, NACO, and requested that they be put on their own schedule.

ERDMAN: I'm having a little trouble understanding why the city of Omaha has an issue, or is in this whole discussion about what the county assessor does. That's a little peculiar for me.

DORN: I don't have a good answer for you. What I can do is between now and second round, I will get you an answer. I see what the question is and I see why Senator Clements brought the question. I do not have an answer for you today though.

ERDMAN: I understand why Omaha wants to do that. I do, because they get that revenue in advance so they know what to budget for. I get that. The point I'm trying to make is, if Douglas County assessing can figure out how to do it, all the other counties ought to be able to figure it out as well. That's my comment. Thank you.

DORN: Yep, I will have an answer for you between now and the second round.

FOLEY: Thank you, Senator Erdman and Senator Dorn. I see no further discussion of the bill. Senator Dorn, you're recognized to close on the advance of the bill to E&R Initial. He waives closing. The question for the body is the advance of LB524 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

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

FOLEY: LB524 advances. Proceeding on the agenda, General File 2019 committee priority bills, LB428. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB428 introduced by Senator Friesen. (Read title.) The bill was read for the first time on January 18 of this year and referred to the Business and Labor Committee. That committee placed the bill on General File with committee amendments.

FOLEY: Senator Friesen, you're recognized to open on LB428.

FRIESEN: Thank you, Mr. President, and members of the body. LB428 resolves an issue affecting our highway construction work force. As you might suspect, Nebraska's weather conditions only allow roads and bridges to be built during part of the year, typically April through the middle of November. During that time period, Nebraska's highway contractors are employing thousands of Nebraskans. However, when the projects finish in November, there's not enough other work to keep many of the employees busy. So many employees are laid off over the winter. The contractors cannot afford to lose this skilled work force to other jobs or other states with warmer weather. So they do something called attachment. This allows the employee to receive unemployment benefits for that period of time when the employer has no work, but then be scheduled to return to work when the spring comes and road construction season begins. An issue arose this winter when our State Department of Labor announced that they're going to shorten the attachment period to just eight weeks. This became a major problem for highway contractors because the construction off season is far longer than eight weeks. I should note here that the construction season is set by our Department of Transportation. Contractors are not permitted to work projects outside of that season. The change announced by the Department of Labor resulted in ongoing conversations with the industry, the Governor's Office and the two departments. Since the introduction of LB428, conversation has been productive and the result of their work is contained in the committee amendment. It proposes to maintain the longer attachment for the highway construction workers while at the same time increasing the contributions into the unemployment fund that those employers would make. It increases contributions by expanding the wage base to \$24,000 that these employers would contribute to

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unemployment insurance premiums on. I want to emphasize that the amendment is drafted to only impact a very small number of employers and it should take care of the fiscal impact associated with the original versions of LB428. LB428 was advanced from Business and Labor Committee with no dissenting votes and was designated as one of the committee priority bills. I ask your support, and thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. As the Clerk indicated, there are amendments from the Business and Labor Committee. Senator Matt Hansen as Chair of the committee, you're recognized to open on AM758, committee amendment.

M. HANSEN: Thank you, Mr. President, and good afternoon, colleagues. As Senator Friesen recognized, this is one of the two Business and Labor Committee priorities and I thank him for allowing me to designate it as a committee priority bill. It is one of two bills and thus a combination of two bills we heard in committee this year dealing with Employment Security Law. AM758 is a white copy amendment to the bill. The amendment does two things. First, it incorporates changes suggested by the Department of Labor to Senator Friesen's LB428 to address concerns they had with the green copy. Those provisions are included in Section 2 of the amendment and addresses the concerns about conformity with federal law that the Department of Labor had with the green copy. These changes will address the fiscal note eliminating the department's estimated loss of federal funds in the green copy. With the adoption of the amendment, the department estimates no adverse fiscal impact to the state. Second, AM578 incorporates provisions of Senator Crawford's bill, LB306. LB306 was debated by the Legislature earlier this year and is in the same section of statute as the topic of Senator Friesen's bill. If you recall, LB306 created a category of good cause for leaving employment in order to care for a family member with a serious health condition under Nebraska Employment Security Law. An individual still must meet all work search requirements and other obligations to qualify for unemployment insurance. The only change here for LB306 is from the amendment is it removes the term domestic partner from the bill. From my understanding the concerns with LB306 were related to the definition of that term and terms of family member. With these changes, LB428 was advanced unanimously from the committee with one senator absent. I would urge your adoption of AM758 and the advancement of LB428. Thank you, Mr. President.

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

ASSISTANT CLERK: Mr. President, I have a motion here by Senator Wayne with indication that he wishes to withdraw that motion.

FOLEY: Motion is withdrawn. Thank you, Mr. Clerk. Debate is now open on LB428 and the pending Business and Labor Committee amendment. Senator Moser.

MOSER: I just wanted to repeat my discussion that we had when this bill was heard earlier in the session that unemployment insurance should be for unemployment when the employer has to terminate or lay off people to cover them until they get their next job. To put in an exclusion to allow them to get unemployment right away when they quit to take care of a family member, it's a laudable goal, but it is a social service kind of provision that I think should be handled in some other way than the unemployment fund. By allowing people to selectively take care of ill family members, they're going to draw the pool down and then the insurance premiums that are charged to all employers are going to have to increase to cover this pool of employees. So, I was opposed to this earlier and I still oppose this amendment. Thank you.

FOLEY: Thank you, Senator Moser. Senator La Grone-- excuse me, did you waive off, Senator? Senator Erdman.

ERDMAN: Thank you, Lieutenant Governor. So Senator Moser alluded to some of my same concerns. I think this bill, if I remember correctly, was LB306, and if I remember right, that bill came up on Final Reading so it had two opportunities for discussion on the floor, and it was several hours spent discussing LB306. And the vote was to not advance, not advance LB306 for many of the same reasons that Senator Moser spoke about. And I am not in support of taking unemployment money or funds to give to people to take off to take care of their loved ones. I understand that's important, I understand that care is needed, but I don't believe that this is the approach we should take. I am, I guess I should say, I'm not surprised that it came out as a committee amendment, but I'm not in favor of LB758 and if it gets that far, I will not be in favor of LB428 as well. Thank you.

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FOLEY: Thank you, Senator Erdman. Senator Crawford.

CRAWFORD: Thank you, Mr. President. I just want to make two clarifications. One, I want to emphasize and clarify that this is unemployment insurance and it operates just like unemployment insurance. It just adds another reason that you can leave for good cause. It is not for a leave that you can then take care of a family member and come back to the same job. This is only if you must leave your current employer after you've made all reasonable attempts to make accommodations, you must leave your current employer and you are actively seeking another job and seeking employment that allows you to accommodate that family caregiving. It is not just to take off work and take care of a family member. So I just wanted to clarify that. The other is that it is amended from the previous version by taking out some language that a few people commented to me that was concern that they had in terms of why they were unable to vote for it on Final Reading. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Senator Ben Hansen.

B. HANSEN: Thank you, Mr. President. Some of you may have known when I first got up here and spoke about LB306 that I was against it for a specific reason that the terminology in the bill was-- they give certain criteria about why you can leave your job to help take care of certain family members, and one of the family member terminologies on there was domestic partner. And I thought that was kind of a vague term that really wasn't defined in statute or anywhere else, in my opinion. And so that was one of the reasons I voted against it and I came on floor and even said that. And so I do applaud Senator Crawford for removing that terminology from the bill and I will vote yes on AM758 this time. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Is there further discussion? Yes, there is. Senator Moser.

MOSER: Just one other comment that I probably wasn't completely plain when I spoke before. When you add another coverage to an insurance policy, you're going to increase the premiums. Your premiums are set based on your experience and your losses, and in a typical insurance policy, there would be overhead and other items added to the insurance. In the case of unemployment insurance, I don't know if there is any markup or overhead or commissions or



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anything paid, but the fees that are charged to the various employers, which are based on their experience, and then some by their category, what category they are listed in, some categories are more likely to have swings where they unemploy someone. And so then we now coming forward, we're going to add another coverage, it has to cost something. There's no free lunch. And what's going to happen is that the insurance rates that you charge all these businesses to add this extra coverage is going to raise their costs in unemployment insurance. So that was my point. It's another cost to business. It's a laudable goal to try to help people, I agree, but businesses have to be profitable in order to make a profit to pay the tax to make everything else we do work. So that was just my point. Thank you.

FOLEY: Thank you, Senator Moser. Speaker Scheer.

SCHEER: Thank you, Mr. President. I rise as I did the first time on LB306. I do oppose it simply because of the funding mechanism, not because I don't think it's a laudable process to have. But as Senator Moser has pointed out, these are funds that are derived by business interests that provide those to the state of Nebraska for the protection of their employees when they are terminated, or when the business closes, or other specific events, that allow them to draw up against that. Senator Crawford was good in drafting the bill. There is a potential during normal unemployment that if you have employees that are fired or that are terminated have the ability to go back against the individual businesses funds, and if that happens on a frequent enough basis that entity is surcharged on its rate based on how often that happens. I could be fully supportive of this if it was funded through perhaps Health and Human Services or some other state funding mechanism that everyone was paying the cost of this service because I think it generally will be available to every person within the state of Nebraska. By and large we are at 98 percent employment if we believe the 2 percent unemployment, so literally everyone that has a job would be covered by this. And it seems to me that it shouldn't be a business expense that we're drawing against, it should be some type of a social coverage for those that cannot afford the loss of the income during that time that they have to take care of a loved one in whichever relationship that might be. So I think it is a laudable process. I think it has merit, but my only complaint with the bill is essentially, and still is, the manner in which it is funded using unemployment insurance proceeds rather than finding some way for the state to fund that

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through either income or sales tax where all people would be invested in covering those costs of individuals utilizing this procedure. Thank you, Mr. President.

FOLEY: Thank you, Mr. Speaker. Senator Groene.

GROENE: Thank you, Mr. President. As when LB306 came up, I stand against AM758 which for the same reasons, somewhat of what Senator Scheer said. LB306 was dead and now it's being brought back through an amendment with some good changes, as Senator Hansen said, plus I understand now you have to attempt to work with your employer before you leave to address the issue. And also I believe you have to go out and once you take the unemployment, you have to follow the same process of trying to find another job while you're receiving it. But the point is this and which I said in LB306, we have the lowest, the best unemployment rates for business in the nation. It is one of the bright spots, probably the only bright spot that we have to offer businesses when they come to this state or when they want to build high risk Workmen Comp situations of their employees. That's a huge tax. And if we can alleviate that by keeping us the lowest in the nation, we just can't keep chipping it away with a little bit here and a little bit there. I happen to believe this is unnecessary. There's other measures, other ways to handle this situation. That's what family is all about, but this is unnecessary and I really don't like the way this is being done, attaching it to another bill when it was already defeated by this body in a short-- here, we are debating the same issue in a limited amount of time when other folks' priority bills are yet to come up and we're debating somebody's priority bill twice because they didn't give up. And it's going to happen again and it's happened in the past, but I guess we can do it, so we do it. It's just that some people do these things softly and some do it loudly, but it's the same results. It's a way of getting things done and if it works, I guess you do it. But it does affect, it does affect our rates to our businesses which, as I said, is the one huge bright spot that we have to attract businesses to the state is our unemployment rates. Thank you.

FOLEY: Thank you, Senator Groene. Senator Albrecht.

ALBRECHT: Thank you, President Foley. I, too, rise in opposition of AM758. I'd just like to talk about some of the impacts. To be eligible for unemployment insurance benefits, an individual must meet each of the three distinct criteria to draw benefits. Failing to meet any one

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of the criteria renders the individual ineligible for benefits. Number one, if she or she must have earned at least \$4,246 in base period wages, at least \$1,850 of which was earned in one quarter and \$800 in another quarter of the base period. Number two, if he or she must be able and available for work in order to be able and available for work, three things. The claimant must be physically able to work, actively seeking work, available to immediately accept new work. Number three, he or she must have separated from work under nondisqualifying conditions, (a) the employee must be discharged from his conduct, must sit out for a 14-week disqualification period, (b) individuals who quit without good cause must requalify for benefits by earning wages in covered employment equal to four times their weekly benefit amount and separate from that subsequent employment under disqualifying conditions. LB203 in 2017. The requalification requirement prohibits individuals from quitting employment to draw unemployment benefits. LB306 removes the requalification requirement for individuals who quit their employment to care for a family member but does not remove the able and available requirement. In LB306, claimant attempting to draw benefits must be actively seeking work in order to draw the benefits. Even if LB306 claimant is actively seeking work, if the individual had to quit his or her employment to care for an elderly parent, it's hard to see how he or she would be available to accept new work. Current law, John Doe works for ABC company. He has a sick mother and needs to be able to provide care for her. John Doe tries to work with ABC company but they are unable to come up with a schedule that will allow John Doe the time he needs to care for his mother. John Doe quits his job with ABC company on January 1, 2019. John Doe files for unemployment insurance benefits on January 2, 2019. The Nebraska Department of Labor adjudicates John Doe's claim, finds that his reasons for leaving his employment with ABC company do not constitute good cause as defined in the Nebraska statute 48-628.13. John Doe is determined ineligible for the unemployment insurance benefits until he returns to work, earns wages and ensured work totaling at least four times his weekly benefit amount and separates from his most recent employment under a nondisqualifying condition. John Doe provides care for his mother for eight weeks. After his care is no longer needed on a full-time basis, he begins to look for a new job. John Doe is not eligible for unemployment benefits during this time while searching for work because he did not have a subsequent covered employment at which he earned wages. LB306, another example. John Doe works at ABC company. He has a sick mother and needs to be able to provide care, works for the company but they are unable to come up with the schedule again allowing him to take time to care for his mother. He quits his job on January

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1st again, 2019, files for unemployment insurance. The department adjudicates John Doe claim again and finds that his reasons for leaving the company constitutes good cause defined in LB306. John Doe meets his initial eligibility requirements for unemployment insurance benefits. He files his first weekly claim for benefits on January 9th during the on-line weekly certification process. He asks, were you available for four or more days during the week to accept a job that's offered?

FOLEY: One minute.

ALBRECHT: You're considered available for work if you're appearing for duty in any court under law issued summons and he also asked, did you refuse an offer to work or a referral to the job? Finally, he must meet the weekly work search requirements which require him to take at least five contacts with the employers to apply for at least one job per week. John Doe is unavailable for work on fourth and for four more days during the week because he is providing full-time care to his mother. Because he's unavailable for work, he's not eligible for the benefits that week. John Doe provides care for his mother for eight weeks. John Doe is not eligible for unemployment benefits during this time. And after his care is no longer need on a full-time basis, John Doe begins to look for a new job. He's now available for work, does not need to refuse a job and meets the weekly work requirements. Because LB306 removed the requalification requirement, he now meets the weekly eligibility requirements. I can go on and on with this, but I just want you to know that this will affect--

FOLEY: That's time, Senator.

ALBRECHT: --the employee and the employer. Thank you.

FOLEY: That's time, Senator. Thank you, Senator Albrecht. Senator Kolterman.

KOLTERMAN: Thank you, Mr. President. Good afternoon, colleagues. I rise in support of AM758 as well as LB428. I'm rising more than anything to dispute a statement that was just made on the floor of this Legislature, that unemployment rates are the only bright spot in the state to attract businesses. I think that's nonsense. I could count on both my hands and both my

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feet and many other places that there's plenty of bright spots. So to stand on this floor and say that unemployment rates are bright spots, the only bright spot that we have in the state to attract business is utter nonsense. Thank you very much.

FOLEY: Thank you, Senator Kolterman. Senator Erdman.

ERDMAN: Thank you, Lieutenant Governor. I listened to what Senator Albrecht had commented about, the requirements for unemployment, and I was wondering if she would yield to a question.

FOLEY: Senator Crawford, would you yield, please? I'm sorry, Senator Albrecht, would you yield, please?

ALBRECHT: Yes.

ERDMAN: Senator Albrecht, you read the requirements for unemployment insurance. Okay. So in that description that you gave, they had to earn like \$4,256 and then \$1,800 in a quarter, whatever the requirements were. So LB306 or AM758 supersedes those requirements, is that what you were saying?

ALBRECHT: Well, I believe you would probably have to ask Senator Crawford. I don't know how she modeled her new bill or LB306.

ERDMAN: Okay. Well, when I listened to what you said, so if John Doe or whoever you were referring to made application for unemployment and he was denied, what he would need to do is find a sick relative to take care of and then he would be eligible for unemployment insurance even if his other criteria wasn't met? I'm having a tough time understanding that we already have provisions put in place what you must do to qualify for that and then LB306 circumvents that by giving us something else that we can qualify by. That seems to be an issue. Would that be something that makes sense to what-- is my question making sense?

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ALBRECHT: Well, I did list out the things that they have to do right now to be able to take care of the obligation they have to the state or to the federal government that they're going to get these funds from. There are things that they have to do today to make that work.

ERDMAN: So then in LB306, if you understand it as best you do and I'm trying to get my hands around it, those three requirements would not have to be met for someone to take time off to take care of a sick relative.

ALBRECHT: I think you might want to ask Senator Crawford because I didn't draft her bill.

ERDMAN: Okay. Okay. Well, maybe I would, if Senator Crawford would yield to a question.

FOLEY: Senator Crawford, would you yield, please?

CRAWFORD: Yes, thank you.

ERDMAN: Did you hear the discussion with Senator Albrecht?

CRAWFORD: I did hear the discussion and actually the-- AM758 does not take away any of those requirements that are in current unemployment law. You still must be seeking work, you still must take work that is offered and you must be meeting all those requirements that are currently laid out for everyone else. There's no exception to the requirements for this. All this is, is that it allows you to leave with good cause which means that you can meet-- get unemployment insurance if you meet those high standards that we set in our state for qualifying for unemployment insurance. It just means that you can do that immediately as long as you meet those high standards.

ERDMAN: Okay. So I think one of those requirements was to be able to take immediate work. Would that be true?

CRAWFORD: That is true.

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ERDMAN: So, if you're taking time off to take care of a sick relative, how would you be able to meet that requirement?

CRAWFORD: Well, a great example is the one that Senator Lathrop talked about on our first debate and that was, let's say you have a job that requires frequent travel and there just isn't a way that your employer can accommodate that, but you could take another job and still take care of your mother at a-- check in with your mother on a nursing home each night if you worked during the day, but you can't do that with your current travel. So that would be an example. You still have to be able to work. So this is not taking time off work just to care for family. It's that you have to leave one job to get another job that allows you to take care of your family member and you have to meet all of the existing requirements of unemployment insurance.

ERDMAN: So then if one took another job with another employer, why would you need unemployment insurance if you have a job?

CRAWFORD: You only need it while you are searching for that job until you get that job. So you shouldn't be on it very long especially with our low unemployment rate.

FOLEY: One minute.

ERDMAN: Okay. Well, I may be more confused now than when I started. Thank you for answering.

FOLEY: Thank you, Senator Erdman and Senator Crawford. Senator Crawford, you're next in the queue.

CRAWFORD: Thank you, Mr. President. I did just want to emphasize Senator Albrecht did lay out those strict requirements we have for qualifying for unemployment insurance in our state and anyone who leaves for good cause because they must take care of a family member, must still meet all of those requirements. So this is, you are leaving one job because you have not been able to get accommodations although you've worked to provide accommodations and you must take a different job. And this unemployment insurance would just help you in that bridge

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between having to leave your one job and starting your next job. You must be seeking employment. You must take employment that's offered. You have to meet all of those other requirements of unemployment insurance. So expect this to be a pretty small number of people who meet those requirements and so don't expect it to be much of a burden at all on the current unemployment pool. And also I want to clarify, it does not count against your employer. This goes to the general pool, not to your employer. So it is a small blip and I do not think it will impact the pool very substantially because it will be small number of people who meet these criteria, but they need to take care of a family member, but they still can work and are willing to take any job coming up and it's only for that window from when they leave their first job to taking that next job. And again, in Nebraska, we're very strict with people on unemployment insurance and so you must meet those strict standards and in that window between when you have to quit one job and your next job begins, that's the only time you're receiving this, and only receiving unemployment insurance, and only if you meet all of the other requirements for unemployment insurance. Thank you, Mr. President.

FOLEY: Thank you, Senator Crawford. Senator La Grone.

LA GRONE: Thank you, Mr. President. Would Senator Moser yield to a question?

FOLEY: Senator Moser, would you yield, please?

MOSER: Yes, I would.

LA GRONE: Senator Moser, does your business have much experience with this process?

MOSER: Yes, we do. We collect and pay unemployment insurance premiums on all our employees.

LA GRONE: So could you kind of walk me through how that process works?

MOSER: Well, first of all, I wouldn't be the absolute expert of every example, but I can tell you in our situation how it works. So the state looks at your payroll, and they look at what



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classification your employees are in, and then they assign, I think, an initial rate and then you pay that percentage times a certain portion of your wage that you pay all your employees and it goes into this unemployment fund. And they keep track of it by employer, so my experience is separate from other retailers or from other types of businesses. And then at the end of the year, they send out a report that shows what you paid in in premiums and if you had any claims that were charged against those premiums it's shown. And then it shows what your balance is. And based on what your balance is, the ratio of that balance versus the total wage that you're paying the premium on, indicates what your future premiums are. So I think, you know I'm not the underwriter who set this up, but typically the actuary actually would look at what you're trying to insure and they try to predict the likelihood that you're going to have a loss so they know how to set the premiums. And then the underwriters look at the class of people that you're trying to insure and they decide whether the people who are going to be allowed to purchase this insurance fit the category that the actuary actually studied to make sure that the premium is the right premium. Because if you-- if your actuary says we're going to insure, say, drivers 40- to 60- years old and then you allow teenage drivers who may not have as much experience in driving and maybe more likely to have accidents, then your rates are going to be wrong. They're going to be too low. So here, when the employer has bad experience either accidentally or sometimes by virtue of the business you're in, I would imagine-- you'd have to ask some of the others that have restaurants and bars and those sorts of businesses, they have a lot more turnovers and I would imagine they probably have more losses on unemployment insurance. But anyway, if your ratios are wrong, then they raise the rate for the next year. And as I understand it, this bill takes the personal responsibility of the employer out so that it doesn't raise their rate only, it-- but it comes out of the general pool. So if the general pool goes negative, then you're either going to have to put general funds in there to boost that up, or change the rates on all employers so that you can cover that added expense.

LA GRONE: So could you kind of cover that a little more. I guess my question would be, how does this bill affect what you were just explaining?

MOSER: Well, long story short. I just think that giving another coverage is going to raise the rates globally. So businesses will pay higher rates to cover this new coverage because otherwise

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their ratios are going to be off or they're going to be negative. And, well, again, that's a personal-- if we're not going to hold each employer to his own personal experience--

FOLEY: One minute.

MOSER: -- for this loss, but the whole pool will go negative or be less than what it needs to be, and you may have to raise rates. That's what I'm worried about.

LA GRONE: Okay, thank you, Senator Moser, for that explanation, and thank you, Mr. President.

FOLEY: Thank you, Senators La Grone and Moser. Senator Matt Hansen.

M. HANSEN: Thank you, Mr. President, and good afternoon, colleagues. I did kind of just want to rise and address a few key points although some of them just got covered on Senator Crawford's last turn on the mike. Under LB306, we are not changing any of the search for work or other requirements for those leaving to take care of family caregiver responsibilities. You would still have to do all the steps that Senator Albrecht described of applying through with weekly reports of how many job searches, how many interviews, how many applications you've sent out. You would still have to do all those and your benefits would cut off as soon as you seek employment. Likewise, to even be eligible you have to work for a certain amount of time. Beforehand, you have to work a certain amount of hours to earn a certain amount of wages during what's called your base period as well as you are capped at a certain number of weeks you can be eligible for unemployment insurance for any reason. All of those standards would still apply to all provisions of LB508-- AM558. That's not changing. So the classic example that we've given a couple of times is somebody who says has a job as a traveling salesman and can no longer do that job due to caregiver responsibilities but could work a traditional 9 to 5 in their hometown. It is for that person for the few weeks ideally that they have a gap in employment, they would be eligible to apply and get some assistance. And this is especially relevant if somebody has a sudden sickness or a sudden onset where the caregiver responsibilities are kind of thrust upon them and they have to make a change quickly. They would be capped at a certain amount for a certain amount of weeks and they'd have to qualify and they'd have to submit

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reports to the Department of Labor like every other person. The Department of Labor has processes to audit these reports and they'd go through all the steps. So it is really just a continuation of our current unemployment law practices, just to this new group of people who are leaving for good cause and good cause is generally considered something that is, you know, it's other than being fired or laid off, but it is a circumstance kind of you bigger than you oftentimes is what good cause is. You know, we have other ones in terms of leaving, you know, an abuse or fleeing abuse and harassment. Things like that are things that are-- you know, you are the employee choosing to leave employment but it's ultimately for a situation that's not in your control. And that is why caregiver responsibilities should go on there. And I do want to talk about just kind of the overall discussion. If you look at the fiscal note for LB306, you know it's a \$400,000 expense but there's over 50,000 employers who pay into unemployment insurance, and so assuming that that \$400,000 expense isn't as accurate and we won't know until some people drawing on it, it has very well likely to be lower. If we're dividing it out that's, you know, dollars and employers-- it's \$8 an employer. In terms of having rate spike or whatnot, I don't think an amount of \$8 an employer is going to cause rate spike particularly when our current unemployment funds are actually very high at the moment. I will remind everybody, we had a previous bill that was mine of LB359 that we passed earlier this year that actually gave the Department of Labor extra authority to lower the state's yield a factor, to lower unemployment insurance taxes in the state of Nebraska because they currently have more money than they need for the foreseeable future. So we have an aggressive cycle when we have a recession to make sure the balance doesn't get too low and we're going to have now an equally responsive thing when the employment insurance fund gets built back up to lower taxes on employers. That's something we've already done this year is to try and make unemployment and taxes lower and kind of lower by a larger amount than we're talking about here. So I think concerns in terms of causing some sort of rate spike is kind of unwarranted. Just the amount of dollars coming in versus the amount of dollars going out don't line up. I certainly understand if you're on ideological grounds, you're opposing it, but for fiscal grounds, I think those are-- can be kind of set aside just in terms of looking at the numbers coming in and going out. With that, I would encourage--

FOLEY: One minute.

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M. HANSEN: Thank you, Mr. President. --I'd encourage your continued support of AM758 and LB428. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Senator Albrecht.

ALBRECHT: Thank you again, President Foley. Senator Hansen, can I ask for a quick question.

FOLEY: Senator Matt Hansen, would you--

M. HANSEN: Yes, of course.

ALBRECHT: Okay, so looking at AM758, I was looking for a fiscal note but the fiscal note that I found was on Senator Friesen's bill, right? For \$14,000.

M. HANSEN: Yes.

ALBRECHT: So then I went to LB306, Senator Crawford's other bill and I found what you had talked about. So is this fiscal note the correct one that was on January 22 of 2019?

M. HANSEN: Yes, for LB306.

ALBRECHT: Uh-huh, for the \$401,748?

M. HANSEN: Yes.

ALBRECHT: Okay, so it says in the explanation, as proposed LB306 expands the definition of quit for good cause to include leaving one's employment to care for a family member. Approximately 100 claimants in 2018 stated that they quit their job to care for a family member. The average weekly benefit amount for 2018 was \$334.79 and the average claim duration was approximately 12 weeks. The Nebraska Department of Labor anticipates that it will pay out \$401,748 for more in unemployment insurance benefits each year. So every year-- my question

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was, it says trust funds above the total funds. So do these dollars come from the trust fund or do they come from federal government, is that in a trust fund?

M. HANSEN: Yes, it's the funds administered by the Department of Labor.

ALBRECHT: Okay. Again, I just can't wrap my arms around doing something like this, so for that reason, I stand in opposition of AM758. Thank you.

FOLEY: Thank you, Senators Albrecht and Hansen. Speaker Scheer.

SCHEER: Thank you. Mr. President. Would Senator Friesen please yield?

FOLEY: Senator Friesen, would you yield to a question, please?

FRIESEN: Yes, I would.

SCHEER: Senator Friesen, you and I just had a conversation, and I find it very alarming, so I want to ask you a few questions to make sure I understood correctly. Was there any conditions put on you to get your bill released from the Business and Labor?

FRIESEN: Yes.

SCHEER: What was that condition?

FRIESEN: My bill would not come out of Business and Labor unless it had the attachment.

SCHEER: So your bill was being held hostage unless you agreed to allow them to put a bill that has already been defeated on the floor on your bill as an amendment. Am I speaking correctly?

FRIESEN: That would be correct, I guess, yeah.

SCHEER: And did you also have to specifically agree to vote for this legislation?

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FRIESEN: No, I don't remember if I agreed to vote to it, but since they did put a priority designation on it, I would assume I would support it.

SCHEER: Thank you, Senator Friesen. Colleagues, that's very discerning to me. If a bill is good enough to be out of committee, there should not be parameters put on a bill to get it out. If the bill's bad, fair enough, don't bring it out. But if this bill is good enough to be on the floor, it should be brought on the floor without conditions put on it, on any perspective. I think that is a problem that this floor should not have to deal with. I appreciate Senator Crawford's zeal for this. I can appreciate perhaps the committee's zeal for this, but there should not be restraints put on a bill in order to have it come out of committee in order for it to be approved. The fact that this bill has already been heard once is somewhat concerning, but again, my biggest concern right now as after hearing that from Senator Friesen, if that's the tactics we're start going to use in order to facilitate approval of a bill, we have a problem on this floor. Thank you, Mr. President.

FOLEY: Thank you, Mr. Speaker. Senator Matt Hansen, you're recognized, your third opportunity.

M. HANSEN: Thank you, Mr. President, and good afternoon again, colleagues. I just rise to, I guess, dispute what has just been said. Members of the Business and Labor Committee will remember that I rescheduled a hearing for AM428. I'd initially been approached by the lobbying group asking for a late hearing, and then they had rescheduled it for an earlier hearing before the priority bill deadline after we had announced it, so we had rescheduled it. It was our hearing immediately before the priority bill deadline and I scheduled an Executive Session for members of the Business and Labor Committee. During that Executive Session, I had told members of the Business and Labor Committee that it was one of the multiple bills that I had been asked for, committee priority, and that I had approached both the lobbying groups and on behalf of them, Senator Friesen, about potentially combining it with Senator Crawford's bill. I will remind you that AM306 has come out unanimous out of Business and Labor twice so it's something that I viewed as an opportunity for our committee to do some wide and substantial reforms on the issue. At no point in that conversation and no point in the texts and e-mails and conversations we had, did I make it conditional upon voting it out of committee. I actually went to great lengths, and you can confirm with committee staff, great frustration that we had to reschedule a hearing

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in order to accommodate them by the priority bill deadline. Moving forward, I guess if AM306 is a deal breaker, I did have conversations with multiple individuals that I would not sink Senator Friesen's bill by attaching a controversial bill to it. My understanding that the votes were there on Senator Crawford's language. If you remember on the initial vote on AM307, it was a snowy day, and she had multiple people who had committed to vote yes who were not there in person. Moving forward, hopefully there are a few more lights in the queue, and we can figure out exactly what we need to do with the Business and Labor Committee amendment. But that being said, I just absolutely deny and reject the notion that this was conditional upon me doing something to vote out of another committee, that there were any sort of stipulations to get it out of committee. I told multiple people that I was willing to vote it out and then we can have an opportunity to discuss whether or not it was ineligible for a committee priority. And I just-- I do appreciate Senator-- Speaker Scheer kind of alerting to the issues of committee chairs holding bills in committee, especially when there is a vote in committee. I do think that's something this body, frankly, struggles with and frankly something I know we've dealt with-- or at least allegations of in other committees, so maybe that's a broader conversation for the body. With that, thank you for your time and thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Senator Slama.

SLAMA: Thank you, Mr. President. As a member of the Business and Labor Committee, I was one of the senators who voted this out, but I was unaware of the tactics that were being used at the time for Senator Friesen's bill to be advanced out of committee. So with that, I'd like to see if Senator Friesen would yield to a question.

FOLEY: Senator Friesen, would you yield, please?

FRIESEN: Yes, I would.

SLAMA: Do you have a response to Senator Matt Hansen's assertions on the mike just now disputing your claim?

FRIESEN: I was told that my bill would not come out of committee unless I agreed to it.

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SLAMA: Unless you agreed to adding the language of LB306?

FRIESEN: Yes. And since they had removed language, I think what the parties that were representing my bill, I think they were okay with it too.

SLAMA: Uh-huh, but you were told that unless that language was attached, your bill would not be Execed upon?

FRIESEN: No, it just wouldn't come out.

SLAMA: It wouldn't come out. Okay.

FRIESEN: I didn't get into details. They just said if my bill would not come if it didn't have-- if I didn't agree to the attachment.

SLAMA: Sure. Thank you very much. So I find that to be very concerning, and that's not the kind of games that I think any of us signed up for when we came to the Legislature and that you could hold a bill in committee until the language of a bill that had died, that we had voted upon, it failed to receive enough votes to advance, was attached to that bill. I find that to be incredibly concerning, and it certainly dims my support of AM758 and LB428 if the amendment is adopted. So thank you, Mr. President.

FOLEY: Thank you, Senator Slama. Senator Moser, you're recognized, your third opportunity.

MOSER: Thank you, Mr. President, and greetings, colleagues. In the intervening time between when I last spoke and now, I surveyed the group of senators to see who here is the best at actuarial questions, and it turns out that Senator Clements has some experience as an actuary and I was wondering if he would respond to a question.

FOLEY: Senator Clements, would you yield, please?

CLEMENTS: Yes.



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MOSER: Okay, and so just very briefly, what does an actuary do? Now you heard my description before and I'm sure it was paraphrased and maybe not accurate, so would you correct anything that I may have, you know, not put in the correct phraseology?

CLEMENTS: An actuary looks at statistics and probabilities of events happening, and now and in many years into the future, and sets a rate to collect to cover all of those payments that have to go out. I worked in life and health insurance, but most insurance, including unemployment insurance, would be that sort of item. You look at estimate how many claims there would be, and take that over the group that has to pay them in, and charge a rate for that amount.

MOSER: So what happens if you add another coverage? What is that going to do to the rate that the-- you would charge to cover those potential losses?

CLEMENTS: In this situation, if you-- I would see that we're going to have more claims coming in for unemployment, and the amount of those claims are going to have to be paid by someone. I heard that the individual employer wasn't going to be charged, but all employers then, out of the fund would have to pay an additional amount to cover the additional costs of those benefits.

MOSER: So the short answer is, the rates would go up?

CLEMENTS: Yes, rates would go up.

MOSER: Yeah. And then, from my study of insurance way back when, one of the coverages that insurance never wanted to cover is something that the insured can cause himself. In other words, some of these actuarial decisions are based on the likelihood of these events happening without conscious choice. In other words, by accident or by nature of the job that you're doing. So if you allow people to select whether or not they're going to get these benefits, is that also going to increase your loss and maybe make your rates be higher?

CLEMENTS: Yes. The term we use for that is anti-selection that we hope that selection is random, and according to general statistics, that people cannot influence. But that is a-- I think it is a risk in this case as well for people to select a situation.

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MOSER: Okay, thank you very much.

FOLEY: Thank you, Senators Moser and Clements. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Matt Hansen would move to amend AM758 with FA41.

FOLEY: Senator Matt Hansen, you're recognized to open on FA41.

M. HANSEN: Good morning, colleagues. I'll be pretty strict and to the point with this. FA41 strikes the language that is AM306, sorry, LB306, which is Senator Crawford's bill dealing with unemployment insurance coverage for those leaving for caretaker responsibilities. I have spoken with Senator Crawford, who I think has walked out of the room, and we are okay just removing this from the bill at this time. Hopefully from that perspective we can just move on, support Senator Friesen's bill, which I will support, and move on to the next bill on the agenda. So with that, I would encourage your votes on all of the amendments, including both my floor amendment and the Business and Labor Committee amendment. As I said before, the floor amendment would strike the language of Senator Crawford's LB306 and would leave just the amended language, the new updated language to address the fiscal note of LB428. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Senator La Grone.

LA GRONE: Thank you, Mr. President. I was going to get up to delve into the conversation between Senator Moser and Senator Clements, but with Senator Hansen's introduction of that amendment, I would simply-- if Senator Friesen would like my time, he can have it since what I was going to talk about is no longer relevant.

FOLEY: Senator Friesen, if you'd like to use, there's 4:40.

FRIESEN: Yes, I would. I guess I need to clarify some things. From what I understand from the contractors that wanted this bill, they were never told that this bill would be held in committee.

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They were told all along that it would come out. I think there was a misunderstanding. I understood it that the bill would not come out unless it had the attachment, so I want to clarify that. I was not involved in those conversations. They were looking for a priority designation. They're the ones that requested a later hearing. I was not involved in that. So I just want to be clear. I understood it, from my communications, that it was being held in committee. So whether that was or not, I cannot answer that, but I just want to make sure that we have on the record that there is a little miscommunication in this whole process here. And so this is what happens sometimes when you try to tie things together. Thank you, Mr. President.

FOLEY: Thank you, Senator Friesen. Speaker Scheer.

SCHEER: Thank you, Mr. President. And I apologize to those that might be in the queue because I did jump the line on this specific event. I want to take this time to stand in front of you and apologize publicly to Senator Hansen. He should have expected and I should have shown the respect to him as chairman to go discuss my concerns with him before I got on the mike. I did not. That is my fault, and I apologize for any insinuation of personal attack on the senator's basis. And I just want to do this publicly, because if the roles were reversed, I would have appreciated a heads up from somebody that was going to make the comments that I did, and for that, I want to sincerely apologize to Senator Hansen. I'm sorry. Thank you.

FOLEY: Thank you, Mr. Speaker. Senator Wishart.

WISHART: Thank you, Mr. President. Colleagues, I stand a little bit concerned about what's going on right now. From listening to both sides of the issue, it sounds like it was a miscommunication, and I wanted to bring us back to what I thought was a really exciting collaboration where Senator Friesen had a bill that became prioritized, and we were able to put Senator Crawford's bill, which had missed being able to advance on Final Reading by a few votes because of weather conditions that prohibited some senators who did support that bill from being here. And as a staff member who was raised in this Legislature since I was 24 years old, I have seen this happen before. I have seen where senators, even if you didn't agree with the bill and you were still planned on voting no, I have seen where senators have recognized a circumstance where other senators who did support that bill couldn't be there that day. I've seen it

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on both sides of the aisle where we were the best versions of ourselves and we helped to get that bill in a fair way across the finish line. So that's what we're doing today, so I hope we will go back to the kind of energy that we started with on this discussion of LB428 with AM758 and we advance this bill forward. Thank you.

FOLEY: Thank you, Senator Wishart. Senator Groene.

GROENE: Thank you. I was looking at the vote on this bill of LB306. Just to clarify, it wasn't a sure thing, it wasn't even close to a sure thing that the votes were there. Twenty voted yes, 15 no, present not voting was 9. That's usually a soft no. That's 24. When you're present and not voting, when I'm present and not voting, it's a soft no. It's not a yes, maybe, it's a no. And then excused was five. And when I look at those five excused, I see at least one, maybe two that were nos. LB306 died legitimately in debate in the process. It need to remain and if it needs to be brought back next year revised, as the amendment was, that's the correct process. That's the way-- I wouldn't dream of taking one of my bills and rewriting it and sticking it on to somebody else's bill. I've never done that. If it had fair debate and it was rejected by the body, it's dead. Our time is limited here. We all compete for that time. I will never try to steal from somebody else's time on their priority bill by bringing it back in an amendment. Now, everybody's different, and everybody wants their-- but the point I wanted to make, if you pull up the vote on LB306, there was no 25 votes there for it. Even with a call of the house, it would have probably lost after debate, more than likely, when you look at that. So it died, it died a legitimate death. And bring it back, fix it, and we, as I always say, when people ask me, you didn't get anything done, I said, well, 151 years now this state existed without this legislation, it will last another year, or two, until you do it right. And amending it to somebody else's bill the second time around isn't doing it right. Thank you.

FOLEY: Thank you, Senator Groene. Senator Moser.

MOSER: Well, I think, based on my discussion with Senator Matt Hansen and Senator Crawford, that their offer to remove that part of the bill removes my objection to it, and so they're sincere in their offer to take that out and, therefore, I would support LB428-- well, or the

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remainder of the amendment, but without the LB306 portion. And I'm willing to take their word on it that they're going to remove that. Thank you.

FOLEY: Thank you, Senator Moser. Senator Matt Hansen, you're recognized to close on FA41.

M. HANSEN: Thank you, Mr. President, and good afternoon, colleagues. Just to again to really clarify what we're doing, so FA41 is amendment to the committee amendment. That strikes all of Sections 1 and 3 which were the sections that contained Senator Crawford's LB306, and that will then remove them from the committee amendment, and then the committee amendment will just leave a cleanup language suggested by our State Department of Labor to fix the fiscal note on Senator Friesen's LB428. I want to just thank everybody for helping to clarify the record on this bill. You know, it has always been my intent to be very transparent and straightforward on how we were handling this, and I maybe can learn some lessons about clarity in the future. But going forward, FA41, I would urge your adoption because that takes Senator Crawford's sections entirely out of the Business and Labor Committee amendment, leaving that just a technical change to the fiscal note for Senator Friesen's bill. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Members, you heard debate on FA41. The question for the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 37 ayes, 4 nays on adoption of the floor amendment.

FOLEY: FA41 is adopted. Further discussion on LB428 and the pending committee amendment as amended. Senator Cavanaugh.

CAVANAUGH: Thank you, Mr. Speaker, or President, sorry. I just wanted to offer some clarification on the remarks that Senator Groene just made about the vote on final file. Yes, there were 20 yeses and 15 nos and that is because if you look at the history of the vote on LB306, 7 people changed their votes, and there were 5 yes votes not present that morning. Thank you.

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FOLEY: Thank you, Senator Cavanaugh. Senator Matt Hansen, you're recognized to close on the committee amendment.

M. HANSEN: Thank you, Mr. President. As I said before, the committee amendment now amended by the FA41 contains language suggested by our State Department of Labor to make sure LB428 is in compliance with federal rules and federal law that will eliminate the fiscal note, as I understand it. So I would urge your adoption of the committee amendment, AM758. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Members, the question for the body is the adoption of AM758, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

ASSISTANT CLERK: 42 ayes, 0 nays on adoption of the committee amendment.

FOLEY: The committee amendment is adopted. Final discussion, LB428 as amended. Senator Cavanaugh.

CAVANAUGH: Thank you, Mr. President. Just a follow-up to my own comments that there are consequences when we change our votes and don't inform those that are the introducer and it sows seeds of distrust in the body. This was an opportunity for us to rectify what I viewed as a misstep early on in the session. I'm sorry for Senator Crawford's bill that it isn't being carried forward, because I think that it's a really wonderful piece of legislation that is very impactful for many Nebraskans. We have an aging population, and having the opportunity for family members to be a caregiver is actually an enormous savings to our taxpayers. So I'm sorry that we weren't able to carry this over the finish line, and I'm just so grateful to Senator Crawford for her thoughtful legislation and her diligence in this. Thank you.

FOLEY: Thank you, Senator Cavanaugh. Senator Bostelman.

BOSTELMAN: Thank you, Mr. President. Would Senator Friesen yield to some questions?

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FOLEY: Senator Friesen, would you yield, please?

FRIESEN: Yes, I would.

BOSTELMAN: On LB428, I would like you to talk a little more about this. I see there's \$14,000 annual federal grant funds that are, I believe, lost. Could you explain exactly who's going to be funding the unemployment portion for these contractors that are not working over the winter then? How does that work?

FRIESEN: The contractors are paying that by-- you're paying on a higher portion of your wages over the year, so they're funding this themselves.

BOSTELMAN: And the grant in here, how does that affect other unemployment, if at all?

FRIESEN: It shouldn't affect any of the other rates that I know of.

BOSTELMAN: And that 14,000 thousand-- or 14 million --is it 14 million?

FRIESEN: Well, there have expenditures of 14 million and they have revenue of 14 million.

BOSTELMAN: So on that-- is that going to affect any other federal dollars coming into the state, do you know?

FRIESEN: Not that I know of, but I do not know that.

BOSTELMAN: And how about how many individuals do you believe are affected by this bill, as far as those who would receive that benefit, do you know?

FRIESEN: I couldn't tell you. All I can say is that they have been doing this for numerous years, but now when the Department of Labor decided to shorten up that time frame, it did not fit this group of construction workers, I guess, from that standpoint. So this involves a lot more workers than just the construction industry from the roads side of it. All industry construction used this

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process previously. But when they shortened up the window, that would have changed the numbers, and so now we're widening that window for highway construction-type workers, or what their code is, it labels it here, but they're a certain-- a certain industry. It's very limited to that industry.

BOSTELMAN: Okay. I guess my-- where I'm at is just ensuring that we're not putting at risk other federal dollars or other agencies, other unemployment areas, by doing this. This is something that holds harmless, if you will, in some senses, what-- how it may affect other industries or other unemployment services in the state.

FRIESEN: Like I said, I think with this very narrow window of people that are available for this, and they have now the requirement to pay on more of their wages, I think it was raised to 24,000 or something like that, that they are paying more into the system to make up what they're getting back. And from what I understand, it should have no impact on anyone else.

BOSTELMAN: So this is a self-imposed raise of unemployment fees for the contractor.

FRIESEN: Yes. They had to find funding for it because they wanted to be carved out and be treated differently than the other industry.

BOSTELMAN: Okay. Thank you. Yield the rest of my time back to the Chair.

FOLEY: Thank you, Senator Bostelman and Senator Friesen. I see no further discussion on the bill. Senator Friesen, you're recognized to close on the advance of the bill to E&R Initial. Senator Friesen? He waives closing. The question for the body is the advance of LB428 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

CLERK: 44 ayes, 0 nays, Mr. President, on the advancement of LB428.

FOLEY: LB428 advances. Proceeding now to the next committee priority bill, LB31. Mr. Clerk.



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CLERK: Mr. President, if I might, just before we go there, Enrollment and Review reports LB23 to Select File, and Senator Lathrop has an amendment to LB538 to be printed.

Mr. President, LB31 is a bill by Senator Kolterman. (Read title.) It was introduced on January 10, referred to the Retirement Systems Committee. The bill was advanced to General File. I have committee amendments as well as an amendment to those committee amendments, Mr. President.

FOLEY: Thank you, Mr. Clerk. Senator Kolterman, you're recognized to open on LB31.

KOLTERMAN: Thank you, Mr. President. I'd also like to thank Senator Kolterman for prioritizing this bill. I introduced LB31 at the request of OPS in order to start the process of examining whether management of the Omaha Public School Pension Plan, known as OSERS, should be transferred to the Public Employees Retirement Board. The PERB oversees the state administered plans which includes the county, state, school, judges and state patrol plans. I'm committed to continuing to work with OPS and OSERS to help them be successful in finding solutions to meet their funding responsibilities in their current plan. I want something to be very clear on the record. This bill that I'm introducing does not propose merging the OSERS plan into the school plan. I also want to be clear that the liability for OSERS unfunded liability, which is around \$770 million right now, remains with OPS. LB31 does not change that, nor is it my intent that the state or any entity of the state would take on that liability. I also want to address Marque Snow's testimony at the hearing on LB31. Mr. Snow is president of the OPS Board of Education and testified that OPS has been working with the Legislature to move forward towards a merger of the OSERS plan with the school employees retirement plan administered by the PERB. He testified that LB31 is intended to create a realistic path towards such a merger. His testimony concerned me a great deal because I'm definitely not supporting a merger of these plans, given that OSERS is \$771 million unfunded. After the hearing, I spoke with Dr. Cheryl Logan, the OPS superintendent, as well as John Lindsay, lobbyist for OPS, and let them know that in order for me to be willing to advance the bill from committee, I needed a letter from OPS expressing their understanding that the purpose of LB31 is not to create a plan, or to create a merger between OSERS and the school plan, and I needed clarification that the OPS remains liable for the OSERS unfunded actuarial liability. I received the requested letter in an e-mail on March

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29th. A copy of that e-mail has been distributed to each one of you. I plan to read that into the record of the text that Mr. Snow's letter. I feel it's important that that be on the record. So on March 19th, LB31 was heard by the Nebraska Retirement Systems Committee. During that hearing I testified as president of Omaha Public School Board of Education in support of LB31. During my testimony, I used the term "merger" to describe the impact of LB31. The word was not well-chosen. "Transfer of management" would have been a better term, and I would ask, if is possible, that the record include this letter revising my remarks. It is the hope of OPS that with passage of LB31, a study would be authorized which would ultimately formulate legislation along the lines described by you, Senator Kolterman, in your remarks to the committee, that OSERS would become a sixth plan managed by the state along with the state school employees, state patrol, judges, county employees, and state employees. The difference between the other five plans and OSERS would be that OPS would remain liable for unfunded actuarial liability. Because of this significant difference, "merger" does not accurately describe the proposal and "transfer of management" is a better term. Thank you for the opportunity to correct this misstatement in the testimony. Please feel free to contact me with any questions. Sincerely, Marque A. Snow, President, OPS Board of Education. I appreciated receiving this letter and believe it clears up the record regarding OPS's understanding of the purpose and goal of LB31, and the fact that OPS remains liable for paying the OSERS unfunded actuarial liability. Now for a bill description. LB31 requires the Public Employees Retirement Board, known as the PERB, in consultation with the Retirement Committee, OSERS, OPS, and other stakeholders to prepare a work plan that identifies the tasks, process, costs, and time line involved in transferring management of the OSERS plan to the PERB. The work plan requires several things. A comparison of the annual OSERS administration costs, the estimated cost for PERB, if would take on management of the OSERS plan. Establishment of time lines for completion of tasks. And identifications of the tasks and costs of transfer management from OSERS to PERB, including assessments of the following categories: administration, actuarial service, accounting, computer infrastructure, information technology, member data and record transfers, necessary statutory changes, staff training and assessment of staffing needs, educational and communication plans to fully inform all system stakeholders, and effective governmental entities regarding management changes. LB31 specifies that a transfer of management does not-- and I repeat -- does not include a merger or consolidation of OSERS with the school plan, nor does it include assumptions of the unfunded liability by the state of Nebraska, NPERS, or the PERB. The work

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plan must be completed and submitted to the Legislature by June 30, 2020. Again, I want to be clear, this bill only directs that a study be completed. It does not direct PERB to take on the management of the OSERS plan. As you can see from the fiscal note, NPERS has estimated their cost will amount to about \$140,000. I believe this estimate is extremely reasonable for all the work they will conduct for their work plan. Throughout the interim and sessions, I've met a number of times with the NPERS director, Randy Gerke, NPERS' legal counsel, Orron Hill, to answer their questions and discuss details about my intent for completion of the work plan. We have discussed the very preliminary list of tasks, questions, and issues they anticipate will need to be addressed in completion of this study. I am very comfortable with the commitment and expertise of Mr. Gerke and his staff to conduct a thorough analysis of the tasks, assess related costs, and estimate time lines that would be involved in transferring management of the OSERS plan to the PERB. I have faith that Mr. Gerke and his staff are mindful of controlling costs in preparation of this work plan. At the same time, they understand their responsibility to ensure that the state would bear no cost if a transfer of management does occur in future years. I've also spoken with OPS and shared with them my belief that NPERS current cost estimates in the fiscal notes are extremely reasonable. I have received the assurance of OPS that they will pay for the cost associated with producing the work plan. Again, I want to be very clear, no General Fund dollars will be spent to produce this study. Let me say that again. No General Fund dollars will be spent to produce this study. There is an A bill on LB31 but is solely for the purpose of granting spending authority for NPERS to expend the funds received from OPS for the work and expenses the agency incurs in completing the work plan. Thank you.

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

KOLTERMAN: Thank you very much. I would like to explain committee amendment AM1169. AM1169 really becomes the bill. After the bill was introduced, several issues were raised that I felt were important to incorporate into the bill. In addition to the original provisions, AM1169 includes the following items. Any written request from PERB for documents, data, and other information must be provided within 30 days. OSERS is granted authority to bill OPS and requires OPS to pay for any time or expenses OSERS incurs in responding to requests from

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PERB in completion of the work plan. Number three, it creates a fund to deposit OPS payments to OSERS to pay for work completed by OSERS in response to the PERB request. And number four, it adds the emergency clause so that we can get moving on this bill. In conclusion, depending on the information provided in the work plan in 2020, the committee will decide whether or not to move forward with legislation to direct the PERB to take on the management of OSERS. I believe this study is a prudent step to take at this time and ask for your support. I would be glad to answer any questions you might have.

FOLEY: Thank you, Senator Kolterman. Madam Clerk.

ASSISTANT CLERK: Mr. President, Senator Kolterman would move to amend with AM1247.

FOLEY: Senator Kolterman, you're recognized to open on your amendment to the committee amendment.

KOLTERMAN: Thank you. And this is just a cleanup. We discovered that AM1247 strikes the language creating the fund for Class 5 School Employees Retirement plans, known as OSERS. After further discussion with OSERS executive director, that was determined that this fund is not necessary. The provisions of this amendment do not affect any of the provisions in the committee amendment.

FOLEY: Thank you, Senator Kolterman. Debate is now open on LB31 with the pending committee amendment and amendment to the committee amendment. Senator Clements.

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

FOLEY: Senator Kolterman, would you yield, please?

KOLTERMAN: Yes, I will.

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CLEMENTS: I'm reading or looking at the e-mail from Mr. Snow. This e-mail does not commit them to pay for this. And is there a written document that said they're going to reimburse the NPERS for the expenses?

KOLTERMAN: I believe it's in the amendment that we just proposed.

CLEMENTS: Well, that's asking them to pay for it, but.

KOLTERMAN: Yeah. I just have their commitment that they will pay for it, the Board of Education.

CLEMENTS: And I heard that you said OPS would pay for it, not OSERS. Wouldn't this be something OSERS would pay for?

KOLTERMAN: Actually, OSERS will not-- am I free to speak?

CLEMENTS: Yes.

KOLTERMAN: OSERS-- we didn't ask OSERS to pay for this because that would affect the plan itself, take money out of the plan, and OPS voluntarily offered to pay for these costs.

CLEMENTS: And if NPERS starts managing this, who would pay the management fees ongoing?

KOLTERMAN: The management fees are currently absorbed by the plan holders once it's in place. So, as an example, the six plans that we already manage, those fees all come out of the plans. And so once it's established, the contributions that are made help pay for those costs.

CLEMENTS: That's why I was wondering why OPS wouldn't pay for the study, but that's all right with me. Do we think that NPERS would be more efficient and less cost in the management of OSERS? Would there be a financial advantage?

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KOLTERMAN: Yes, we do, and that's why they brought the bill to me. They felt like we could-- we've managed their investments now for four years, and our investment committee-- our investment counsel has done a tremendous job. And since they've seen how well they've done there, they thought that they could probably do a better job of managing the plan. I would just tell you that-- if it's all right that I--

CLEMENTS: Yes.

KOLTERMAN: --I would tell you that our school investment plans, the last ten-year average has been 7.79 percent. The OSERS plan has been 4.65. The last three years it's been 7.9 for the state and 3.47 for OSERS. So looking at those better returns that we're receiving, the fact that we already managed six other plans, counting the defined contribution plan, it makes sense that we manage this plan for them as well.

CLEMENTS: Thank you. Well, I think that does answer the questions I had. I appreciate Mr. Snow calling this a transfer of management and not a merger. I definitely also would be very concerned with talk of merger, and since we're managing the investments, a similar transfer. One more question, please. If this work study turns out to be-- looks like it's feasible and possible, then what's the next step? Is there legislation required in the future?

KOLTERMAN: Yes, if after we evaluate the plan and decide that it is cost effective for us to manage the plan, taking everything into consideration, they will have to come back with a bill recommending that the plan be managed by the PERB and that the costs would be spelled out that they're still responsible for the liabilities at that point in time. This merely does a study--

FOLEY: One minute.

KOLTERMAN: --because we're just guessing at would it be efficient or wouldn't it be efficient. And since they were willing to take on all the liabilities as a public school district, we felt like it was a good way for us to go.

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CLEMENTS: Thank you. I also did want to establish that this wasn't binding us into the agreement subject to how the study turns out. Thank you, Mr. President.

FOLEY: Thank you, Senators Clements and Kolterman. Senator La Grone.

LA GRONE: Thank you, Mr. President. Would Senator Kolterman yield to a question?

FOLEY: Senator Kolterman, would you yield, please?

KOLTERMAN: Yes, I will.

LA GRONE: Thank you, Senator Kolterman. Real quick, just off of Senator Clements comments, I might have gotten a little confused there. So does the bill, based on that, the bill effectively-- correct me if I'm wrong here, it's the question --does it just allow OPS to pay for the study or does it require that OPS pay for the study?

KOLTERMAN: OPS came to us and said they would pay for the study since the PERB has no money to pay for it. NPERS has no money to pay for it. It shouldn't come out of state coffers and we didn't feel like it was fair to take it out of the OSERS plan. So they said, if we wanted-- we told them if we wanted this to happen, they're going to have to pay for it and they agreed to it with as long as the costs were reasonable and they saw the estimate of \$140,000, which you'll see with the A bill, and felt that they were reasonable. That's why we thought we needed to clarify with AM1247-- or AM1169.

LA GRONE: So is that contained in the bill or is that just an agreement auxiliary to the bill?

KOLTERMAN: Yeah, the bill-- the bill language requires OPS to pay.

LA GRONE: Okay. That's what I thought when I saw it. I just got confused by your conversation with Senator Clements. What I actually was going to ask you, though, was-- I support the bill wholeheartedly, I get where we are now, and I think you did a great job of explaining that in your various openings, what there of them that you had. I was just wondering if you could give a little

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background for those of us that are newer on the situation facing that retirement plan and how we kind of got here.

KOLTERMAN: Thank you for the question. I became-- well, my freshman year I got on the Retirement Committee, and at that point in time there was a bill for us to take over the management and transfer the plan to us, of their investments. And we fought that on the floor of the Legislature and said, no, we're not going to take on that liability. We would consider managing the money for you. The next year when I became Chair, after Senator Nordquist left, we brought the bill back asking us to manage the money, and-- for them, by the state investment. That bill advanced. And so we transferred the money from that plan, investment money from that plan to our plan for management, or to our investment council. And I think, as I said, that's been about four years ago now. But we had their returns and actually, prior to 2008-- that's where all of this really happened --in 2008, they moved a bunch of money around and their investments started going south on them, and you can read the Omaha World-Herald articles about that. So the plan became underfunded dramatically and so we decided to actually try and help them. So for the last four years, we've worked with their administration, we've worked with OSERS, we've work with their lobby, at ways to help them fund their unfunded liability. And as we talked, and they started looking at our plans and how well our state plans are managed, they asked, would you be interested in managing this plan for us? And so we've been talking about that for probably three years now. Our plans are well-managed. I can't say enough good about the Public Employees Retirement Board and NPERS. In fact, if you look at nationally, we're recognized nationally very high in having well-funded plans all across the board.

FOLEY: One minute.

KOLTERMAN: And so as we took a look at that, it became evident that it wasn't going in the right direction, and so we agreed to help them and we talked to NPERS about it. They said, we would be interested but we need to know what cost liabilities would be involved and so that's what brought us to today. I would tell you that we have a very open and good relationship with Dr. Logan, the new superintendent. I believe that we have a great relationship with OSERS, their management, and our committee has studied this quite extensively. This came out of committee unanimously. So that's where we're at. And I appreciate you asking that question.



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LA GRONE: And thank you for that explanation. Thank you for your work on this issue. Thank you, Mr. President.

FOLEY: Thank you, Senator La Grone and Senator Kolterman. Senator Moser.

MOSER: I was wondering if I could ask Senator Kolterman a couple of questions, please.

KOLTERMAN: Absolutely.

FOLEY: Senator Kolterman, would you yield, please?

MOSER: Okay. So as I understand this, this study is going to look into the state taking over management of their fund?

KOLTERMAN: Yes, it is.

MOSER: Okay. To look and see whether it's wise, whether it would be effective, cost effective?

KOLTERMAN: There's a lot of things that play into that. Do we use the same actuary? How do you pay for administration? Are we going to eliminate administration? Who does your accounting versus who does our accounting.

MOSER: It's administration of the plan you're talking about, not schools?

KOLTERMAN: Yeah. Who does your accounting versus our accounting. They have a different software, maybe, than we have. So all those things have to be looked at before we can establish whether or not it's cost effective for us to do this.

MOSER: Yeah, it appears that the state of Nebraska has gotten better returns than what they've gotten, and so that's what's making it look promising to them, to combine with the state, I would assume.

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KOLTERMAN: Well, and it goes even deeper than just returns. So as an example, we have the state plan and the county plan. They're 100 percent funded. They're a little bit different types of plans, they're cash-balanced plans, but our state patrol plan, our judges plan, and our teacher plan, they're all well-funded. They're well above the 80 percent that you use as a test to find out whether they're funded adequately. This plan is funded at about 64 percent of where it should be. And so we're-- they look at that and they say, hey, we think you could do that kind of work for us but we want to make sure that it's cost effective for everybody.

MOSER: So we're not going to assume any liabilities to get that funded at a higher level?

KOLTERMAN: Absolutely not.

MOSER: Okay. Yeah, that, I think, and I know you said those things before, but intermixed with your whole intended discussion, I just thought it would be good to ask those questions directly so that everybody understands that we've done a good job in handling these other pension funds, and hopefully we could help them with theirs. Now, one other question. Their retirement is a guaranteed benefit rather than a guaranteed contribution, right?

KOLTERMAN: It's a defined-benefit plan, just like our state teacher retirement, just like our state patrol, and just like our judges plans.

MOSER: And do their rates compare to the state teacher plan that we administer?

KOLTERMAN: Over the last-- I would tell you over the last three years, we've been working hard to bring the new employees, new hires into a level that's equal to what we have on the state teacher retirement plan, in our plan. So the benefits are very similar, but in the past they've had richer benefits than our teacher retirement. That could be some of the reason that they've got the problems that they've got. So what we do is, we create new tiers as we go forward, so anybody that's hired after a certain date gets into a different tier than somebody that's been there for 20 years. So it's going to take a long time for all that to wash off the books, and so we can't really merge them. It would be very difficult for us to merge them, even if we wanted to merge them.

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So that's why we think it's important to just manage the plan. This would be another standalone plan, the PERB and NPERS does a great job. We think it could be cost effective for everyone.

MOSER: Okay. Thank you very much and I appreciate all your work on this.

KOLTERMAN: Thank you.

SCHEER: Thank you, Senator Kolterman and Senator Moser. Senator Halloran, you're recognized.

HALLORAN: Thank you, Mr. Speaker. I would like to be the second person to thank Senator Kolterman for bringing this, prioritizing this bill. And I would yield the balance of my time to Senator Kolterman if he wishes for it.

SCHEER: Senator Kolterman, 4:40.

KOLTERMAN: I don't need a lot of time, but I would just like to say that just so you understand how well we have managed our plans, and this isn't my committees, this is really the PERB and NPERS. The judges plan, this past year, increased from 93.6 percent funded to 96.1 percent funded. The school plan increased from 86.7 percent funded to 88.8 percent funded. The state patrol plan went from 85 percent to 87 percent. And this is with a down market at the end of the year. So because of the way we're funding these plans, and the way that the management is taking place, we think we're going in the right direction. We see no reason why this couldn't happen for OPS, but at the same time we need to make sure that we don't have any of their liabilities, and that we're going to do it in a cost effective manner. Thank you for the time.

SCHEER: Thank you, Senator Halloran and Senator Kolterman. Seeing no one wishing to speak, Senator Kolterman, you're welcome to close on AM1247. He waives closing. The question before us is adoption of AM1247. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

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

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SCHEER: AM1247 is adopted. Returning to floor discussion. Seeing no one wishing to speak, Senator Kolterman, you're welcome to close on AM1169. He waives closing. The question before us is the adoption of AM1169. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

CLERK: 43 ayes, 0 nays on adoption of committee amendments.

SCHEER: AM1169 is adopted. Seeing no one wishing to speak, Senator Kolterman, you're welcome to close on LB31. He waives closing on LB31. The question before us is advancement of LB31 to E&R Initial. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

CLERK: 42 ayes, 0 nays on the advancement of LB31.

SCHEER: LB31 is advanced to E&R Initial. Next item, Mr. Clerk.

CLERK: LB31A is a bill by Senator Kolterman. (Read title.)

SCHEER: Senator Kolterman, you're welcome to open on LB31A.

KOLTERMAN: Thank you, Mr. President. This A bill only grants the PERB a spending authority to hire information technology consultant to help the PERB in carrying out its obligations to prepare a work plan regarding the transfer of management from OSERS to the PERB. There are no General Fund dollars appropriated for this study and the Omaha Public School District is obligated under LB31 to pay all the costs and expenses that the PERB incurs in carrying out this duty. I would encourage you to support LB31A.

SCHEER: Thank you, Senator Kolterman. Is there any floor discussion? Seeing none, Senator Kolterman, you're welcome to close on LB31A.

KOLTERMAN: Yeah, I'd like to thank all of you for the discussion that we had about this bill. I want to make it very clear that over the last four years we have worked very hard to have good

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dialogue with the Omaha Public Schools and all the plan sponsors. And I will tell you that I'm absolutely opposed to us taking over any liabilities of Omaha Public Schools, and they know that. At the same time, I think they understand that they see the value of what we can bring to them as a state, and I look forward to working with them in the interim to get this study completed and move this-- move forward with the possibility of us managing the plan. If it isn't cost effective, we will not do it. Also I would like to say thank you publicly to Randy Gerke, Orron Hill, also the superintendent of schools, Dr. Cheryl Logan up in Omaha, John Lindsay and his staff. They have all made this work very pleasurable and I think that they deserve a shout out. And finally, I would tell you that my legal counsel, Kate Allen, as well as my staff-- the rest of my staff, Katie Quintero, Tyler Mahood have done a tremendous job in helping with all of this, so thank you. And I would encourage you to vote green on LB31A.

SCHEER: Thank you, Senator Kolterman. The question before us is adoption of LB31A to E&R Initial. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

CLERK: 40 ayes, 0 nays on the advancement of LB31A.

SCHEER: LB31A is advanced to E&R Initial. Next item, Mr. Clerk.

CLERK: LB638 introduced was a bill introduced by Senator Stinner. (Read title.) Introduced on January 23 of this year, at that time referred to the Appropriations Committee for public hearing. The bill was advanced to General File. There are committee amendments pending, Mr. President.

SCHEER: Thank you, Mr. Clerk. Senator Stinner, you're welcome to open on LB638.

STINNER: Thank you, Mr. President. And members of the Legislature, the purpose of LB638 is to modify the current deposit rule to the Cash Reserve Fund. The current rule requires a transfer from the General Fund to the Cash Reserve in excess of actual General Fund receipts from estimating receipts for the fiscal year. LB638 would add an alternative rule and require the greater of the two amounts be deposited into the Cash Reserve Fund. We have passed out a formula for the alternative rule. It looks a little bit crazy, I know that, but basically what we're

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trying do is to set a 20-year trend line, which is about 4.22 percent as a minimum amount for this computation, and anything above that 50 percent then would be computed. Right now, we are in a situation where it is just put into the Cash Reserve based on forecasting errors. LB638 would also cap the deposits allowed into the Cash Reserve Fund at 16 percent of expenditures to allow for other budgetary priorities. There's always a question how much is an adequate reserve or a fully-funded reserve. I think we've arrived at 16 percent as a fully-funded and adequate reserve. The reason LB638 is necessary is to ensure transfers into the Cash Reserve Fund are regularly made during revenue upswings and to enact an evidence-based maximum fund for the balance for the fund. Currently, our method for depositing into the fund is based solely on forecasting error. Under current law the fund is financed with the end of year surpluses that occur when the General Fund revenue exceeds its projected forecast. While this practice has resulted in good revenue, reserve growth, over the past decade, it relies on revenue over-performing its forecast to general savings. Colleagues, I'd just like to reiterate a few points. First, is that this change will always maintain at least as much in transfers as it does under the current law. LB638 simply adds an alternative rule and selects the greater of the two amounts. Second, is that the rainy-day funds work best when balances increase during economic growth periods and are primarily used during down periods. States must effectively accomplish this with policies that require deposits to the rainy-day fund when revenue growth exceeds a clearly defined threshold. And, lastly, Nebraska is one of just four states that lack a maximum balance or a savings target for the rainy-day fund. Establishing evidence-based methods for depositing into the rainy-day funds and finding a consensus-based savings target as laid out under LB638 leads to greater transparency and clarity in the savings. So I want to give you a little bit of an example of what might happen in a revenue growth period. We may have a forecast of 5 percent growth. We hit that 5 percent growth. Nothing under the current rule would be put into the rainy-day fund. If we have a 20-year baseline at 4.2, for an example, the difference between 4.2 and 5 would be .8; .8 times say 5 billion in revenue is 40 million. Divide that by two, we would have put in \$20 million into the Cash Reserve. Under current situations, even though the revenue growth was at 5 percent, we would not have because there was no forecasting error. So this adds a little bit of a discipline. Mostly when revenues are increasing above that baseline would this alternative start to kick in. With your consent, Mr. President, I would request that we move on to the committee amendment, AM800.

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SCHEER: Please proceed.

STINNER: AM800 would allow the balance in the Cash Reserve Fund to exceed 16 percent of the budgeted General Fund expenditures each fiscal year if the Legislature determines it is necessary to prepare for or respond to budgetary requirements such as capital construction or emergencies. This would allow flexibility in the Legislature's priorities. It was felt at the committee level, we don't want to tie the Legislature's hands with the 16 percent cap. And actually, if you reflect on what we've done-- and I've tried to demonstrate this in our meetings in Nebraska City --actually what the transfers for projects over the last couple fiscal years, we've transferred for projects \$333 million, where we've helped the General Fund's balance in the budget of 246. So 57 percent were actually due to one-time spends, one-time capital projects, one-time spent to start the transportation fund. I can't remember what we actually named that transportation, but there was \$50 million put into the transportation fund to start the expressway project. So that's kind of the background behind this. It's an alternative. It's one that says when revenue is swinging up, we should be disciplined enough in this Legislature to at least provide for half the incremental increase over a 20-year trend. I don't think it constrains spending because it will be a 20-year trend, and half of what the incremental increase is. So on that, I would ask that you vote green, and thank you, Mr. President.

SCHEER: Thank you, Senator Stinner. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. I would like to congratulate Chairman Stinner for bringing this bill. When I was at the Platte Institute, we often did studies on the state financial rankings. And according to the Mercatus Center, Nebraska currently ranks number one in fiscal condition, number one. And we've held that ranking for quite a few years. In fact, I think the Governor even lists that among his many accomplishments. Okay, what is that based on? It's based on cash solvency, which is going to be impacted by this bill. Budget solvency, long-run solvency, service-level solvency, and trust-fund solvency. So those are factors that go into this particular ranking by Mercatus. And just so you know, the top five states are Nebraska, South Dakota, Tennessee, Florida, and the final fifth ranking state is Oklahoma. The bottom states, want to know that as well? That would include Kentucky, Massachusetts, New Jersey, Connecticut, and Illinois. No surprise about Illinois. So this is a good bill, and I thank the--

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Senator Stinner for bringing it, and I would encourage your positive vote for AM800 and LB638. Thank you.

SCHEER: Thank you, Senator McCollister. Senator Williams, you're recognized.

WILLIAMS: Thank you, Mr. President, and good afternoon, everyone. Some of you know that the planning committee has looked at the rainy-day fund and the Cash Reserve for the last year, maybe two years, and when we had our Legislative Council meeting, you had a report from us talking about the importance of that fund. And a couple of things that I think we are very fortunate to have. One is the restriction that we basically can't spend money that we don't have, and the second one is, that we have been blessed with a rainy-day fund. However, that rainy-day fund has become somewhat depleted. The planning committee put as a significant priority the replenishing of that fund. And during our discussions of that, it became evident that the method currently of putting additional funds in that is based on forecasting error, which is kind of counterintuitive to me that, as someone who has been in a business, the banking business that depends on reserves, that you fund during good times so that you have reserves during some more difficult times, it just seemed counterintuitive to me that we would be only funding the rainy-day fund when we had a forecasting error. So I applaud the approach that Senator Stinner has put together here to create an alternative to that. And, again, it doesn't remove the idea of funding it with a-- with an error in the forecasting board but it gives us an alternative and we fund to the highest of those, I believe. So with that, I would strongly encourage your adoption of the AM800 and LB638. Thank you, Mr. President.

SCHEER: Thank you, Senator Williams. Senator Clements, you're recognized.

CLEMENTS: Would Senator Stinner yield to a question, please?

SCHEER: Senator Stinner, would you please yield?

STINNER: Yes, I will.



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CLEMENTS: Thank you, Senator Stinner. I voted for this in the committee. I thought just a couple of questions might make it a little bit more clear. In the formula, actual revenue, is that revenue for a biennium or just for one year?

STINNER: That's for one year. We do a certification of that revenue every year. So we certify, and the certified revenue versus actual, the certified forecast versus actual, that's when we put the money into the rainy-day fund. This would add another calculation to it, so the larger of the two would be put into the rainy day.

CLEMENTS: And that one year is then the second year of the biennium, is that right?

STINNER: I would actually-- I think it's every year we do the computation.

CLEMENTS: Oh, okay, every year. And if you took 16 percent of-- times our most recent actual revenue, about what would the dollar amount target be?

STINNER: Well, our target would be around 800 million.

CLEMENTS: All right and I believe-- I wasn't here, but we have had a rainy-day fund close to that, haven't we?

STINNER: Yes, we have, actually. I think we spent it down-- we were actually at 17 percent and I believe it was like 755 million, and then we spent it down to where we're at today.

CLEMENTS: And are there-- was there a national organization that said 16 percent was a good target?

STINNER: Yes, the Pew Foundation has helped me over the last two years to kind of come up with this methodology.

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CLEMENTS: I knew that because they testified before our committee a year ago, and I agreed with their, you know, information. But I see the amendment would add-- would the amendment add capital construction projects to-- above the 16 percent target?

STINNER: It could either be a part of the 16 percent or be added to it, yes, or any other emergency that might come, like the great flood.

CLEMENTS: Yes. Well, I do-- thank you, Senator Stinner. I also-- another thing that had been mentioned in our committee was if the-- if we have a good year, a good percentage of increase of revenue, but the forecasting board had predicted that same good percentage, currently our procedure does not increase our rainy-day fund. And so I thought this was a good way to use excess money or good revenue from good years to make sure that we do provide for reserves, and also as a banker, reserves are important. Like in the hard times, in the 80s, when banks were having trouble, farmers were having trouble. My grandfather made it through the 30s, barely, and he had made sure that our reserves were about double what they needed to be. And about 1986, the FDIC let us know that they needed to be, and carved out about half of them, and we still were able to survive by having a good reserve built up during good years. And I applaud Senator Stinner for bringing forward this proposal, and I ask for a green vote for AM800 and LB638. Thank you, Mr. President.

SCHEER: Thank you, Senator Clements and Senator Stinner. Senator Bolz, you're recognized.

BOLZ: Thank you, Mr. President. I debated whether or not to rise on the mike this afternoon. Since Senator Clements raised the 16 percent, I did think that it was important to put on the record the way that I think about the amendment and the bill. Sixteen percent, I think we've had conversations like this before, a cash reserve of 16 percent is about two months' worth of reserve. It's a recommendation that is part of the advice from national experts, but I want to be clear, I don't think that passage of this bill says that 16 percent is the right amount, or that it says that 16 percent is enough. I think we all have different comfort levels with what the cash reserve should be from our own perspectives. The one difference that I think is worth articulating on the microphone about the recommendations from the Pew Charitable Trust and the other national folks, you gave us some of these guidelines and who supported the strategy that is in LB638 and

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that Senator Stinner is recommending is that this kind of percentage reserve is adequate in most scenarios in terms of economic volatility. What is different about Nebraska is that sometimes we use our cash reserve for capital projects. For example, we invested in the Buffett Cancer Center. And so because we are not exactly like every other state, we do it our own way, I want it to be clear on the record that 16 percent is a guidepost, it is a goal, it is-- it is a focal point, but it is not necessarily articulating that that is enough, or that there are circumstances in which we might have a different number that is appropriate given the year and the issues in front of us. Thank you, Mr. President.

SCHEER: Thank you, Senator Bolz. Seeing no one wishing to speak, Senator Stinner, you're welcome to close on AM800. He waives closing. The question before us is adoption of AM800 to LB638. All those in favor please vote aye; all those opposed vote nay. Have you all voted that wish to? Please record.

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

SCHEER: AM800 is adopted. Seeing no one further wishing to speak, Senator Stinner, you're welcome to close on LB638. He waives closing. The question before us is advancement of LB638 to E&R Initial. All those in favor please vote aye; all opposed vote nay. Have all voted that wish to? Please record.

CLERK: 35 ayes, 0 nays on the advancement of LB638.

SCHEER: LB638 is advanced to E&R Initial. Next item, Mr. Clerk.

CLERK: LB698 by Senator Bostelman. (Read title.) Introduced on January 23rd, referred to the Transportation and Telecommunications Committee, advanced to General File. There are committee amendments, and there is an amendment to those committee amendments.

SCHEER: Thank you, Mr. Clerk. Senator Bostelman, you're welcome to open on LB698.

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BOSTELMAN: Thank you, Mr. Speaker, and good afternoon, colleagues. LB698 amends current law to provide a penalty for commercial motor vehicles and trailers. The new penalty will provide that no person shall drive or move a commercial motor vehicle or commercial trailer upon any highway unless the cargo or contents carried by the commercial motor vehicle or trailer are properly distributed and adequately secured to prevent the falling of cargo or content from the vehicle. I bring this bill because the issues within my district regarding commercial vehicles driving to and from the Butler County landfill on Highway 92, and other roads in the county, without proper securement of trash contents and inadequate equipment. This landfill receives waste from 20 counties, including Iowa's Pottawattamie County. In total, it receives over 200 semi-loads of waste a day. And in 2017-18, it had 800,000 tons of waste deposited. I have handed out two pages with several pictures that clearly show you the problem found, found on and around our roadways. If you look on page 1, the pictures of a blue asbestos bag or bags on Highway 92. That's clearer to see in the bottom then-- it is an asbestos bag that come from a truck. Also pictures of plastics, a lot of plastic bags and those type of things in bushes along the roadway. And on page 2 and 3, are actual sequence of pictures from different videos taken from vehicles following a transport. And if you look at that, large pieces of plastic are coming out, and on page 3, there's actually that piece of plastic goes right over the top of the vehicle behind him. The debris that they lose from their loads is not only an environmental problem, it is also a highway safety danger for other vehicles on the roadways and the plastic results in costly damages to farm equipment and road-maintenance equipment, the mowers, during planting and harvest. Twice a year, twice a year, in fact, this Saturday, I personally conduct highway cleanup along these roadways and can attest to the type and amount of trash being lost from these transports. The bill separates out and distinguishes commercial vehicle violations from individual, personal vehicle violations and increases the penalties associated with such. This bill is solely aimed at further deterring and penalizing the individuals and companies who refuse to comply with such load securement laws. There is a committee amendment that Senator Friesen will introduce and an amendment to the committee amendment pending on LB698. There were no opponents and there was a unanimous vote to advance this bill to General File. I ask for your support for the amendments and the underlying bill. Thank you, Mr. Speaker.

SCHEER: Thank you, Senator Bostelman. As the Clerk noted, there is a committee amendment from the Transportation Committee. Senator Friesen, you're welcome to open on AM554.

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FRIESEN: Thank you, Mr. President. The committee amendment to LB698 clarifies the penalty provision for violations relating to falling cargo. The first violation is a Class 3 misdemeanor. A second or subsequent violations are also Class 3 misdemeanors, but the Superintendent of Law Enforcement and Public Safety, in lieu of issuing a citation to a vehicle operator, may assess the owner of a vehicle a civil penalty of \$1,000 for each violation. I know that Senator Bostelman has an amendment to the committee amendment which I will support, and I'd ask you to support the committee amendment after it's been amended by the Bostelman amendment. Thank you, Mr. President..

SCHEER: Thank you, Senator Friesen. Mr. Clerk for a motion.

CLERK: Mr. President, Senator Bostelman would move to amend AM911.

SCHEER: Senator Bostelman, you're welcome to open on AM911.

BOSTELMAN: Thank you, Mr. Speaker, and there is an amendment to the committee amendment, and this is it. After reviewing the committee amendment, Senator Chambers pointed out a problem with the amendment and brought it to our attention. He met with Senator Friesen and myself to discuss the problem and suggested a correction. We appreciate his assistance. AM911 is an amendment to the committee amendment that clarifies the first offense is an infraction, and the driver shall be fined \$200. For the second or subsequent infraction, the driver will be fined \$500. In addition to the issuance of a citation, the Superintendent of Law Enforcement and Public Safety may assess the owner of the vehicle a civil penalty for each violation of this subsection of up to \$1,000. I thank Senator Chambers for working with us to properly amend the committee amendment, and I ask for your green vote on AM911 and the underlying bill. Thank you, Mr. Speaker.

SCHEER: Thank you, Senator Bostelman. Open to floor discussion. Seeing none, Senator Bostelman, you're welcome to close on AM911. He waives closing. The question before us is the adoption of AM911. All those in favor please vote aye; all those opposed vote nay. Have we all voted that wish to? Please record.

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CLERK: 34 ayes, 0 nays on the adoption of the amendment to the committee amendments.

SCHEER: AM911 is adopted. Returning to floor discussion. Senator Brandt, you're recognized.

BRANDT: Would Senator Bostelman yield for a question?

SCHEER: Senator Bostelman, would you please yield?

BOSTELMAN: Yes.

BRANDT: Does this affect grain haulers?

BOSTELMAN: It should not as long as they're properly secured and carrying things, no. And I have a comment to that here in just a minute.

BRANDT: Okay. I guess my concern is, I know in my neighborhood, there's a lot of the older, single axle trucks and such that don't use tarps, and if you are hauling grain in a high-wind situation, you will see some corn or beans blow off on the edge of the road.

BOSTELMAN: Are those farm trucks?

BRANDT: Yes. Okay, I'll wait to listen to your--

BOSTELMAN: My response is, this is for commercial vehicles, so if it's a farm truck, it doesn't apply. Only commercial vehicles.

BRANDT: So a farm plate would be exempt?

BOSTELMAN: I believe so, yes.

BRANDT: All right. Thank you.

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BOSTELMAN: Yes.

SCHEER: Thank you, Senator Brandt and Senator Bostelman. Senator Blood, you're recognized.

BLOOD: Thank you, Mr. Speaker. I rise in support of both the amendment and Senator Bostelman's bill. I'd like to share with Senator Bostelman that if you go into the parking lot you'll see that I have a cracked windshield caused from the remnants of a rendering truck hitting my windshield with blood and bones. And so I strongly support this bill and enthusiastically would like to vote for it. Thank you, Mr. Speaker.

SCHEER: Thank you, Senator Blood. Seeing no one else wishing to speak, Senator Friesen, you're welcome to close on AM554. He waives closing The question before us is the adoption of AM554. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

CLERK: 35 ayes, 0 nays on adoption of committee amendments.

SCHEER: AM554 is adopted. Returning to floor discussion. Seeing none, Senator Bostelman, you're welcome to close on LB698.

BOSTELMAN: Thank you, Mr. Speaker. As I've noted, the bill is intended to address where contents of a load are not evenly distributed or adequately secured. We do recognize in the agriculture state that there may be times when there is an incidental seepage or leakage from a trailer of a commercial vehicle. This legislation is not intended to give State Patrol authority to pull over and ticket drivers or owners of commercial vehicles with contents seeping or leaking from a commercial motor vehicle or commercial trailer hauling agricultural products when such seeping or leaking was not due to the inadequate securing of the contents, or if the structure is not damaged or weakened. I do believe we all can appreciate that at one time or another driving down our highways that we have seen debris coming from a vehicle that's not properly secured. And I appreciate your support and your green light on LB698. Thank you.

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SCHEER: Thank you, Senator Bostelman. The question before us is the advancement of LB698 to E&R Initial. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

CLERK: 36 ayes, 0 nays on the advancement of LB698.

SCHEER: LB698 is advanced to E&R Initial. Mr. Clerk for items.

CLERK: Mr. President, a reminder. The Appropriations Committee will meet upon adjournment in Room 1003. Senator Matt Hansen would like to add his name to LB626.

Senator Quick would move to adjourn the body until Wednesday, April 10, at 9:00 a.m.

SCHEER: Colleagues, you've heard the motion. All those in favor please say aye. All those opposed say nay. We are adjourned.