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Transcriber's Office

Floor Debate
April 16, 2019

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SCHEER: I call to order the sixtieth day of the One Hundred Sixth Legislature, First Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

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

SCHEER: Thank you. Are there any corrections for the Journal?

ASSISTANT CLERK: No corrections this morning.

SCHEER: Thank you again. And are there any messages, reports, or announcements?

ASSISTANT CLERK: Not, not at this time, Mr. President.

SCHEER: Thank you, and we will proceed to the first item on the agenda. Mr. Clerk.

ASSISTANT CLERK: Mr. President, first bill this morning, LB693, introduced by Senator Halloran. (Read title.) The bill was introduced on January 23 of this year. Referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with no committee amendments.

SCHEER: Senator Halloran, you're welcome to open on LB693.

HALLORAN: Thank you, Mr. Speaker. Good morning, fellow senators. And good morning, people of Nebraska. I stand before you today to introduce my priority bill, LB693, known as the Adopt the Neighbor Spoofing Protection Act. I wish to thank the Transportation and Telecommunications Committee for advancing the bill out of committee on a six affirmative and two present not voting. I'm laughing because Senator Lowe just gave me a phone call as we were standing here. I additionally would like to thank the 17 Senators who co-sponsored the bill. The telemarketing and call centers industry of the United States generated \$23 billion in business in 2018. As a citizen and a businessman, I clearly recognize that this is an important industry to the United States economy. My intention with LB693 is not to harm the telemarketing industry, but rather to help the industry and help protect the good people of Nebraska. Spoofing has become the scourge of reputable telemarketing companies, and worse yet, it has become a scourge to the people who receive these types of phone calls. The act of spoofing has exploded in recent years. Spoofing is the act of using commercially-available technology or service to alter the name and

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telephone number that appears on the called parties' caller ID display. This changing of the number and source location ID poses significant risk, not only to the person receiving the call, but also to the person, businessperson, whose business number has been spoofed. So it looks like a local number, and it may even be a number you recognize, say a local business or a friend. When you pick up the phone, it ends up being a telemarketer or, even worse, a person trying to scam you out of your money or personal information. We have received these calls, and we are all frustrated by receiving them. Thank you, Mr. Speaker. We all have received these calls, and we're all frustrated by receiving them, as evidenced by the numerous e-mails and phone calls my office has received in support of LB693. In a conversation I had with an individual in the industry about LB693, they relayed that they don't like spoofing any more than the rest of us. It's bad for our business. When people no longer want to pick up their phone because they don't trust the number or location ID on the incoming call, we lose business. The essence of the bill is contained in lines 4-8 of AM305. And I quote, No person shall, in connection with any telecommunication service or IP-enabled phone service, cause any caller identification service to knowingly transmit misleading or inaccurate caller identification information with the intent to defraud, cause harm, or wrongfully obtain anything of value. The Attorney General's Office and the AARP of Nebraska testified in support of the bill. I would like to thank the Attorney General's Office who helped my office to refine the bill and aided in the crafting of AM305, which becomes the bill.

SCHEER: Thank you, Senator Halloran. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Halloran would move to amend with AM305.

SCHEER: Senator Halloran, you're welcome to open on AM305.

HALLORAN: Thank you, Mr. Speaker. AM305 was drafted to address language that may have been deemed unconstitutional in the initial LB693 and to give the Attorney General's Office the ability to investigate and pursue legal actions against violations of this section of law. The Attorney General's Office raised some concerns that the bill, as initially written, could be interpreted as unconstitutional under the Interstate Commerce Clause of the constitution. Therefore, subsection (2) and (3) were stricken from the original bill to correct that problem. Subsection (7) adds that a violation of this section shall be considered a violation of Section 59-1602 and be subject to the Consumer Protection Act and any other law which provides for the implementation and enforcement of Section 59-1602. A violation of this section does not give rise to private cause of action. Let me repeat that. A violation of this section does not give rise to a private cause of action. The addition of this subsection gives the Attorney General's Office the ability to bring action to recover a civil penalty for a violation of this section. Thank you,

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colleagues, for your attention. And I would suggest that you all put your phones on-- never mind. And I would appreciate your green vote on AM305 and the underlying bill, LB693.

SCHEER: Thank you, Senator Halloran. (Doctor of the day introduced.) Thank you for your service. Returning to floor discussion. Senator Hilgers, you're recognized.

HILGERS: Thank you, Mr. President. Good morning, colleagues. I certainly rise in support of the concept of Senator Halloran's bill. I do intend to vote green at General File. I did want to explain and put a couple of things on the record, just so that the body was aware of some of the things we're working on to see if potentially we could bring an amendment at Select File or I would bring an amendment at Select File. I think what Senator Halloran in the bill, and especially in AM305, makes a lot of sense. It certainly goes after a problem that is very pernicious in our society. I've gotten probably a half-a-dozen spoofing calls since yesterday. That being said, when we zoom out, this is a bill that would impact an industry that has a couple of important features that are unlike some other industries. One, is it's nationwide. Two, is it's heavily regulated at the federal level. And three, it includes a lot of common carrier-type responsibilities where you have very, very legitimate businesses who are not in the spoofing, who are not in the business of spoofing or playing a part, have to, in some instances, connect those calls, or do things that if they were to refuse to do those things it could expose them to liability at the federal level or elsewhere. And so I think this LB, AM305 does not have any sort of exception or any sort of language that would help inoculate legitimate business activities. And I think, if we were to zoom in, just on Nebraska and the Attorney General's Office here, I don't think we would really have any concern. But when you zoom out and when what happens at the state level in Nebraska has to interrelate with what states do elsewhere and the federal government, you run the risk of a couple different things. One, is a conflicting patchwork of laws. Two, is potential conflict with some of the obligations or protections at the federal level. And three, is the fact that this bill could become a model for other states around the country. So we have to take, in my view, a more national perspective in how this fits into a national landscape. And I think that there's some language that would make AM305-- or LB693 even better, which would ensure that the legitimate operators would have some protection in that, but still allowing the Attorney General's Office to go after those who would be doing exactly the harm and the activity that we don't like and that Senator Halloran's bill is intended to address. So I've had some conversations with Senator Halloran, some conversations with the Attorney General's Office, some conversations with stakeholders. I am working on language, and with those various stakeholders to see-- we didn't have language to be ready this morning, so I do intend to vote green at this point, and I hope to have some language at Select File. Now, I appreciate Senator Halloran's work on this bill, greatly appreciate him going after something that impacts Nebraskans around the state. And I also greatly appreciate his willingness to work with me and talk, talk about this issue with me. I want to be clear, he has made no particular comments as to whether he would support an amendment or not. But I'm very hopeful and

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optimistic that over the intervening time between now and Select File that we'll be able to come with an amendment that will help address my concerns, while still leaving the primary purpose of LB693 intact and having an even better bill. So with that, I do intend to vote green on the amendment and underlying bill. Thank you, Mr. President.

SCHEER: Thank you, Senator Hilgers. Senator Hilkemann, you're recognized.

HILKEMANN: Thank you, Mr. Speaker. As interest would have it, just a moment ago I answered-- my phone rang from Crofton, Nebraska, and I answered it and my insurance can be renewed now or expanded. So a call that I've had about four or five times in the last week alone from that particular one, and it's interesting when you hit their number to get a live agent it doesn't necessarily go there. I'd like to tell them, you know, I'd like to eliminate you guys completely if possible. Senator Halloran, thank you for bringing this legislation. I looked into this earlier this summer. I was told this was an issue that had to be dealt with by the Public Service Commission, but I'm glad that you brought this bill. I think if we can get, if we can find a bill that, as Senator Hilgers says, we can carry on to the national, this is something we can do that will help every Nebraskan, because I don't know of anybody that likes these pesky nuisance calls. The other evening, or the other afternoon when we had our day off with the Legislature, my phone rang six times at home, I think during the course of it, five of them were scam-type calls. So, this is the sort thing that if we can eliminate this, particularly the using numbers that look familiar, and stop-- this would be a hallelujah to every Nebraskan. And thank you, Senator, I plan to support this and hope that-- I'm glad that you got the Attorney General behind this. This is something that is truly a public nuisance. Thank you.

SCHEER: Thank you, Senator Hilkemann. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. I rise in support of AM305 and LB693. I thank Senator Halloran for bringing the bill. I've looked at it since last summer too. It's a very-- it's a very difficult subject to kind of, what you'd say, fix. One thing that we have to keep in mind as we go forward, I mean, this is a start; but more has to be done on the federal level to actually stop these calls from coming. So when you look at our local exchanges here, right now they do not-- they are required to pass along a call that comes to them. They cannot block these calls because they're legitimate calls, as far as they're concerned, and they must pass them through to the caller's intended recipient. And so when you look at the technology that this is going to take, it starts when the call is initiated and then that call can then be identified as legitimately coming from that location and moving forward. And so our local exchanges here really have no control over this. As much as we'd like to stop it, this bill will not stop these calls. A lot of them are initiated overseas, and we may have the ability to get some, but I just want everybody to know that the phone calls are not going to stop because of this legislation. Now, it does give our

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Attorney General more latitude in going after some of these companies. But with today's technology and the way they are switching phone numbers every half hour and hour, they are very hard to catch. So, again, I still think this is a move in the right direction. We're drawing more attention to it, we're going put more pressure on the federal authorities to pass legislation and requirements on those carriers that are initiating the call, and be able to track that call to make sure that it says it's coming from somewhere, it comes from there. And that is going to be technology that's going to have to be adapted by all the communications companies as it works through the chain. So if there's further debate, I'd be more than happy to answer questions. And I appreciate Senator Halloran for bringing the bill, and I do support it. Thank you, Mr. President.

SCHEER: Thank you, Senator Friesen. Senator Halloran, you're recognized.

HALLORAN: Thank you, Mr. Speaker. I do appreciate our conversations off the mike with Senator Hilgers, and I am open to any amendment to this, as anyone would be to their bill. The only caveat is that the amendment should not neuter the Attorney General's ability, which is what this bill does. This bill gives the Attorney General the authority, and it mimics federal law. I need to emphasize that. This bill mimics federal law. The concerns about having a patchwork of laws is not a genuine concern because the law is in place at the federal level. What this bill will do will be enabling our Attorney General to pursue nefarious calls like this spoofing issue that we're talking about. And really, this is a partnership with the telecommunication industry. This is not a bill that's putting telecommunication industry at risk. It's we expect them to cooperate with the Attorney General if this bill is passed. And at the most, they will be, telecommunications industry, will have to cooperate with the Attorney General. So there will be some obligations there. And they're not at risk if they're not compliant or violating or purposely working with anyone to spoof these calls, which I don't believe they are. But every once in a while there have been court cases where nefarious telecommunication company has been complicit, has conspired with companies to spoof calls. And in cases like that, they are at risk, but only in cases like that. So I look forward to the conversation. I think this is a bill that's timely. Senator Friesen is right, will this stop all the calls? Absolutely not. From the handout I gave you, I'm going to quote a paragraph, it's on page 29, in the bottom right-hand corner: If technology in the hands of bad actors has given rise to the tsunami of illegal robocalls, so it may be that technology supplies a solution. Eric Burger, the FCC's chief technology officer, has said consumers can expect major phone carriers to begin to roll out a game-changing, new system called STIR/SHAKEN this year. What that software will do for telecommunications companies is it will automatically intercept calls if those calls are not legitimately coming from the phone ID or location of the call, then they will not come through to you or me as a call. They will automatically be taken out. So hopefully this bill will encourage telecommunications companies to adopt this technology. Thank you, Mr. Speaker.

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

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ASSISTANT CLERK: Mr. President, Senator Hunt would move to remove the Halloran amendment with AM1289.

SCHEER: Senator Hunt, you're welcome to open on AM1289.

HUNT: Thank you, Mr. Speaker. I didn't have a chance yet to talk to Senator Halloran about this amendment, but I know that other folks in the body have already brought this discussion forward about the potential unintended consequences of this bill on local carriers and local telecommunication companies. I thank Senator Halloran for bringing this bill. I have a phone number from Blair, Nebraska, where I grew up, and it has a 533 prefix, which is just a Blair number, and I get calls from 533 numbers all the time. And like a lot of people my age, a lot of millennials, I pretty much never answer my phone when it rings, because most of the time it's a spoof call, it's a scam call. And so you let those go to voice mail, and then your voice mail just fills up with, you know, scams from bad actors. And I think that this bill is well-intentioned and important, and I'm going to support it. But I wanted to bring this amendment to address some problem that I had with the potential that this just casts a little bit too wide of a net and doesn't offer protections to the local carriers that are just doing the work of passing the calls along. And I know that wasn't the intention of Senator Halloran. And this is something that Senator Friesen and Senator Hilgers were speaking about. And I think it would be good to fix this on General File, so we can continue to work on it on Select. What my amendment does is on page 1 of Halloran, Senator Halloran's LB-- or AM305, excuse me. On his amendment, on line 15, after "manipulation" it adds an exemption, quote, to provide to any provider of telecommunications services, broadband services or internet services, as those terms are defined in Section 86-593-- so that's just carriers, communication providers-- if such provider is acting in a manner that's authorized or required by federal law. What this amendment will do is just hold harmless those local carriers, internet companies, and make sure they're not paying the price for these spoofing calls done on the part of other bad actors. I just went through this process myself. I brought a bill to end revenge porn in Nebraska. So that's when somebody has an explicit photo of somebody else and they post that on Facebook or post it on the internet in an attempt to harass or harm that person. Senator DeBoer had a similar bill, and we were contacted by the telecommunication companies to say, OK, but if somebody posts a nude photo or something, we don't want to be responsible for that person's decision. So this is the same exact process that I went through with my revenge porn bill. Totally amenable to it. It doesn't change the intent or the effect of the bill. All this does is hold our many local Nebraska telecommunication companies harmless if somebody does do a spoofing call. So this doesn't change the bill, it doesn't change the intent. It just protects local companies in Nebraska. Honestly, we can also think about carriers in Nebraska a little bit like the post office. You know, we don't hold the post office accountable when somebody receives a threatening letter or when somebody receives junk mail, because that wouldn't make any sense. So that's just the same thing that this amendment does. I would ask for

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your green vote on everything up there on the board, my amendment; AM305; and I'll be supporting the underlying bill, LB693. Thank you, Mr. Speaker.

SCHEER: Thank you, Senator Hunt. Senator Chambers, you're recognized.

CHAMBERS: Thank you. Mr. President, members of the Legislature, I'm not going to have anything to do in terms of trying to hinder this bill or amend it. But I'm going to have to have some comments on it like I commented on other bills with reference to other subjects that are brought up by the morning festivities. But before I go into that, I do want to say something about this bill. It's like swatting mosquitoes. Mosquitoes are annoyances, they're nuisances. You can swat one over here, and there's six over there. You're not going to stop what you're talking about trying to stop. I am not a technocrat, but I read about technology. And it's amazing to me that all of you people who know so much about gadgets and technology have no conception of the kinds of things that technology will bring along with it, such as this type of use of communications means. This is a waste of time, and it's unfair. You all have people that you know who will call you. There are people you know whom you will call. But there are some people in this world who are totally disconnected, and they are atomized, meaning they are individuals. They always are in an individual status. They not only are alone, but they're lonely. The only mail that they ever get is addressed either to resident or occupant. But it's their connection with the world. And even though their identity is not mentioned on the piece of mail, the fact that it's sent to that person's address acknowledges that person's existence. So I would be opposed to getting rid of occupant mail, opposed to getting resident mail. You all get phone calls. There are some people who get no phone calls. The only phone calls they get are these kind, and you know why it doesn't irritate them? They know where that little plunger is on old-time telephones. They know where the little button is where you just hang up if you don't want the call. You're going to take the time, spend the money to pass a bill that's not going to do anything. You're shooting at a moving target, and that target will move faster than you're able to load your weapon, aim it, and fire. By the time you do that and fire, the target you're aiming at is no longer there. And if there is something there, it's the shell. That element which is living and is going to move from place to place has deserted it. It's like finding the skin that a snake has shed. You can do what you want to to that skin, you haven't touched the snake. These 14-year or 17-year locusts who come up out of the ground as beetles, and you see their shells on fence posts, a split in the back where the creature has exited. Well, you can crumble that up, but you haven't done anything to the creature that was in it. You all are not quick enough, you are not smart enough, you are not of a mind that understands the deviousness of people who want to get around any rule that you put in place. It's like your silly President. There was a song, "Ain't no mountain high enough." He can't build a wall high enough. "Ain't no valley low enough." He can't sink it deep enough to keep people from people from coming under it. Ain't no-- whatever it is-- wide enough--

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CHAMBERS: --to keep a person from getting to the person he or she wants to see. This is a bit of comic relief this morning. You will move the bill, you'll feel like you did something great. You'll give the public the impression that these irritating, annoying calls may be at an end, and they're not. They're not going to be at an end, but you have to try to get a bill passed. And Senator Halloran's doing the thing that might help him. Bring something of substance, and you probably won't have a shot at it. You'll get unanimity on this floor because it's a nothing bill. It doesn't help anybody. It doesn't hurt anybody. It doesn't cost anything. It doesn't do anything. That's the Loran Schmit formula for bills that he will support without even questioning them. I'm not criticizing Senator Halloran. There are people who are so--

SCHEER: Time, Senator.

CHAMBERS: --annoyed by mosquitoes.

SCHEER: Time, Senator.

CHAMBERS: Thank you, Mr. President.

SCHEER: Thank you, Senator Chambers. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker. Good morning. Senator Halloran, I appreciate the intention of your bill. Senator Chambers just alluded to the fact that this is a do-nothing-bill. This will be of no surprise to anybody here, very similar to the bill we passed yesterday afternoon. That bill will save no family farm ever, but it will generate some new farmers. So, Senator Halloran, I get at least 10, 12 of these calls daily. And I understand where they come from. I recognize the prefix and the area code, and seldom do I take those calls now. But it is annoying and nuisance, annoyance and a nuisance, I understand that. So I have a question, if you would yield to a question, I have a question to ask.

SCHEER: Senator Halloran, would you please yield?

HALLORAN: Certainly.

ERDMAN: Senator Halloran, on several occasions, especially around election time, I receive robocalls from candidates running for election. And they will use numbers that I recognize. Will this bill prevent those kinds of calls as well as the telemarketer calls?

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HALLORAN: That's an excellent question. My understanding is that, oddly enough, Congress has protected themselves with this issue some. They have a federal law that protects robocalls for political purposes. Now, if they, if they are purposefully spoofing a call to a number that is your local area code or a number that you recognize, my guess, and it's purely a guess, is that they would be in violation of this law.

ERDMAN: So let me ask a different question, a little bit differently. Let's say there was a candidate running to be elected to a position, and I knew their number, I knew their number. And I received a call and I recognized the number, and it was from this candidate, but when I answered the call it was somebody else speaking on their behalf. Would that candidate be able to allow someone else to use their number under this bill?

HALLORAN: Again, an excellent question. I would have to check the statutes to see if that's, if that's legal. My guess is that it would not be, because they are not calling from that person's phone number.

ERDMAN: Correct.

HALLORAN: And they are purposefully misleading you to think that they are.

ERDMAN: That's correct.

HALLORAN: So the way this bill reads, my understanding is, is that they would be in violation of misrepresenting themselves and spoofing you. So without talking with the Attorney General, I can't say for sure.

ERDMAN: All right.

HALLORAN: But I'm guessing that it would be a violation.

ERDMAN: Thank you very much. One of the things that has happened on several occasions to myself and people that I know is these spoof calls come from my number. They have used my phone. And then I get a call back from a person that says I missed a call from you. And I say, I didn't call you. And they say, oh yeah, you did, your number showed up on my screen. And just last week I got a call from my neighbor, and when I'm gone they look after our place and watch what goes on there. And so when I seen his number, I assumed that maybe there was something I needed to know. So I called him back and he said, I didn't call you. I said, you most certainly did, and then we realized what had happened. So it does happen, and I probably have known six or

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seven people that I've recognized their number that someone used that number. So I appreciate your efforts, and I'll try to support this bill in any way I can to get it to the finish line. Thank you.

SCHEER: Thank you, Senator Erdman and Senator Halloran. Senator Halloran, you're next in the queue.

HALLORAN: Well, let me speak to AM1289. I appreciate Senator Hunt bringing this proposed amendment. It's, I need to repeat myself here a little bit, but this bill mimics federal law. So if telecommunication companies aren't violating federal law, then they're not violating this bill. And, again, I will have to repeat that a violation of this section does not give rise to private cause of action. What that means is that there cannot be a class action suit based upon or premised upon violation of this act. So at some level, significant level, telecommunication industry is protected from class action suits. They are not protected from our Attorney General under this law from pursuing a legitimate cause of concern or action against people who are spoofing. And the issue that I think they will probably first address are spoof calls that are called to elderly people who are quite vulnerable to these calls. Senator Chambers aside, he would not be vulnerable to these calls. Not because he doesn't have a cell phone, but because he's smart enough to know that he's being spoofed. But a lot of people who are elderly are quite vulnerable. They'll get calls with a spoof ID on their phone that says they're being called by the IRS or they're being called by the Social Security Administration, and they are seeking personal information from them or are seeking money. They're delinquent on their taxes, if they don't pay their taxes the sheriff is going to come and arrest them. Now, a lot of us would know better, but elderly are quite vulnerable to those things and will quickly, they will go down and have a cashier's check ready and boom, they're out of \$500, or whatever they're requesting on that call. My mother, when my wife and I were taking care of her, she got two spoof calls, and these calls were from a sheriff, purportedly from a sheriff that incarcerated one of her granddaughters. And the call went something like this: Mrs. Halloran, we have your daughter, granddaughter, Sarah. She's in a cold, dark, dank cell. We've arrested her for a drug arrest, and we would like-- we don't want to see her stay in jail. But if you would send \$1,000 we can bail her out and she'll be free. Now, if I was not there, if I was not there, you'd have to know my mom, she would do anything for her grandkids, right? And so she would have gotten a check and she would have delivered that check to whomever wanted the money. I intercepted the call and I asked the caller-- actually they put a young girl on the phone pretending to be my niece. I intercepted the call and I asked my niece, purported niece, I said, this is Steve, what's our relationship? Click. They hung up, because it was a spoof call. It was a fraudulent call. And I think-- I'm pretty confident that the Attorney General will be first going after those kinds of offenses and then proceed to others. But the good people of Nebraska are very much aware of how this is not only just an inconvenience for most of us, it's more than that, it's purported--

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HALLORAN: --it's perpetuating fraud upon the elderly, the very vulnerable, and we need to stop that. So back to the amendment, this bill mimics the federal law. It's not necessary to have this amendment in place. Telecommunication companies have nothing to worry about liability-wise unless they are nefariously being complicit in helping someone illegitimately spoof a call. Thank you, Mr. Speaker.

SCHEER: Thank you, Senator Halloran. (Visitors introduced.) Senator Chambers, you're recognized.

CHAMBERS: Thank you. Mr. President, members of the Legislature, I'd like to ask Senator Halloran a question before I proceed, if he will yield.

SCHEER: Senator Halloran, would you please yield?

HALLORAN: More than pleased to yield.

CHAMBERS: Senator Halloran, has the Attorney General explained to you how he proposes to track down the origin of this call and the individual who made the call?

HALLORAN: We have spoken at length with the Attorney General and their efforts will be very much, it may quite often be a subpoena to the telecommunication, a telecommunication company for their records to help track that call back. And so that would be an obligation, obviously, for telecommunications to facilitate helping them.

CHAMBERS: So if the company is subpoenaed, the company will tell the Attorney General where the call came from, is that true?

HALLORAN: That would be the effort, yes.

CHAMBERS: And the intent of that is to lay hold on the one who is making these calls, and whatever the appropriate punishment is, apply it to that person?

HALLORAN: Correct.

CHAMBERS: Thank you. Members of the Legislature, there are all kinds of operations where you might have a room full of people making phone calls, people receiving phone calls. If you're running a bookie or a tout organization where you give scores on football games for people to

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win, everybody who picks up the phone is an expert. It's really just somebody paid to answer the phone. Even when you call Medicaid or Medicare or some of these outfits, you're not getting a professional, you're getting somebody trained to answer the phone and read it. To put somebody in a position to be punished, you have to establish the elements of the offense. The first thing you have to do is make sure you got the person who made the call. How much money is the Attorney General going to spend when he finds out the place where this call was made is a room where they've got 30 people making these calls, or 10 people? How are you going to determine which one made the specific call? This is swatting mosquitoes. Not swatting mosquitoes, swinging at mosquitoes. You're not going to get anything done, but it makes you feel good. And that's what troubles me about this Legislature. On nothing bills, you act like you take it seriously. You discuss it, you'll vote for it because you like the one who brings the bill or you don't want to hurt the feelings of the one who brings the bill or you want to humor the one who brings the bill. This bill is not going to do anything. The Attorney General can use it for political purposes. There is a bill, well, there's a law now, because when it had first been enacted it was not allowed to go. Then John Roberts, Supreme Court, said on the Citizens United that people can contribute money that you don't have to say who you are. There's no way to find out who they are; there's no limit on the amount of money. Because, as Senator Halloran succinctly pointed out, Congress protects itself. Politicians, in order to protect themselves, have to leave loopholes through which other people can drive trucks if they're on the land, drive Titanics if they're on the sea, fly Boeing 737 MAXes if you're in the air. They got a plane with a wingspan now of over 300 feet, longer than a football field, from which they intend in the future to launch rockets into space.

SCHEER: One minute.

CHAMBERS: Instead of having to launch them from the ground, they'll get a head start. Technology is constantly moving. You all are in a stagecoach chasing a Ferrari. You think they're going to catch something? The fish you're trying to catch is sitting there looking at you, blowing bubbles. [SINGING] I'm forever blowing bubbles. And laughing. The fisherman has a pole, there's a string on the end of it, but there's no hook. But the one next to him is smart. He's got a hook, but there's no bait. What are you all doing other than giving me the opportunity to speak, and I shall make the most of it. Thank you, Mr. President.

SCHEER: Thank you, Senator Chambers. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. I'd like to thank Senator Halloran for his work on this bill. I rise today in support of LB693, AM305, and opposed to AM1289 just on the basis of Senator Halloran's explanation of it, which I agree with, in that while it may have good intentions, it's pretty redundant when you look at the text of the bill. I rise today in support of this bill because of two notable experiences I've had with spoofing calls in the last few years. So my first really

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memorable experience with a spoof call happened a few years back. My grandma, who has since passed away, was in her late 80s at the time. She had recently been widowed and was living by herself out in Beatrice. She received a call one day in the middle of the afternoon, much in the same vein as Senator Halloran's mother received the call. Your grandson, and then named the grandson, referencing information they had found in my grandfather's obituary, is in prison right now. And if you want to see him bailed out, it was on some small drug charge, you're going to have to send us \$1,500. And their tone upset my grandma so much that she called one of her kids, so the father of the grandson in question, in tears, because she genuinely believed that her grandson was in prison and would do anything to help him. So this bill isn't swatting at mosquitoes. If anything, it's a decent amount of bug spray in taking the first step of combating the calls, because they do impact lives. And they impact the lives of some of our most vulnerable members of society. My second memorable experience with a spoof call happened just a few months ago. I was bored studying at law school, and I received a call from a number that supposedly had a local area code. Picked it up and received a threat that I had misfiled my tax returns for the 2017 tax year. I knew right away that this was a spoof call, but I figured if I could keep him on the line and distract him for a while maybe it would keep him from scamming some poor 80-year-old. So I was on this phone, on the phone with the guy for a half-hour figuring out, trying to portray myself as someone who is weak, who is susceptible to this sort of thing, saying, oh, well, I'm sorry, I don't want to be in trouble with the IRS, don't send the FBI after me. And he continued with threats saying, if you don't make a cash order or get a prepaid Visa card to us with, I think it was \$2,681, we will send the FBI after you. They will arrest you and you will go to jail. And I kept up the masquerade of, oh, I don't want to go to jail. I'm so sorry. I didn't mean to misfile my tax returns. What do I do to fix it? And he would just repeat, pay us the \$2,600 on this untraceable type of currency and this will all be taken care of. And it was a very believable ploy, and he was persistent. A half-hour he stayed on the line with me trying to get that money. And just imagine if I had been more susceptible to this. Of course, if I was scared of the government taking me away, I'd write a check for \$2,600 or for some smaller amount I'm sure he would have accepted. I actually offered and said, well, right now I only have about, \$800 in my account--

SCHEER: One minute.

SLAMA: --could I pay that instead? And he goes, yeah, that will solve your problem for a little bit, but eventually we'll have to get the \$2,600. So, yes, this is a serious issue; and no, this is not a do-nothing bill. That is an issue that impacts many Nebraskans. It's impacted us all to different degrees. But we're seeing some of our most vulnerable members of society be victimized by these calls. So I'd like to thank Senator Halloran for his work on this bill and encourage my colleagues to support LB693 and AM305 because it matters. Thank you, Mr. President.

SCHEER: Thank you, Senator Slama. Senator Hunt, you're recognized.

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HUNT: Thank you, Mr. Speaker. I'm not going to speak on this bill a lot. This is probably my last time up on the mike. I once again support the underlying bill. I do think this is important, I think it's affecting people in a measurable way. But at the same time, I think that this is a federal issue, and there's a lot of evidence that the FCC and Congress are working hard to address call spoofing. And I question how much that we can really do as a state to prevent this. But if we're going to do this bill, which I support, I'm not going to take up a lot of time with it. I think that we should do it right so that it holds harmless local carriers who are providing services. So I would respectfully rebut Senator Halloran's position that this amendment would prevent the Attorney General from pursuing legitimate concerns against carriers. The FCC has held that carriers have to complete calls, and that call blocking is only allowed under really rare and limited circumstances. And so what my amendment does is it just strikes a little balance that recognizes the federal requirement for carriers to put calls through, while, indeed, allowing the Attorney General to pursue action against bad actors. I spoke to Senator Hilgers off the mike, who said that he was working an amendment to do something very similar on Select File. And I understand the process and the relationships that are important in this body, but I really question if there's any language that the Attorney General would accept in terms of an amendment to protect local carriers. So this amendment just makes it clear that LB693 doesn't put any new, unnecessary, unreasonable burdens on local carriers because these carriers already have a limited authority from the FCC to block calls. It doesn't change the effect or the intention of the bill. It just protects local businesses, local telecommunications companies from being liable for something they shouldn't be liable for. Thank you, Mr. President.

SCHEER: Thank you, Senator Hunt. Senator Hilgers, you're recognized.

HILGERS: Thank you, Mr. President. Good morning again, colleagues. Appreciate Senator Hunt's comments and her bringing her experience and knowledge of this particular industry. Couldn't agree more with what she has said about this industry. I think it echoes some of the things, but I think more thoughtfully that I referenced in my first round of comments about how this is a national, this is nationally regulated. There are federal laws and federal regs at play. I actually think in a vacuum AM1289 is one that I've seen before and one that I supported. I will vote red on it now, and I explained this to Senator Hunt off the mike, and I think it's worth putting on the record now. When I had, when I saw this amendment, I had spoken to Senator Halloran and the Attorney General's Office. Their concern was that that amendment would gut what it is that they're trying to do. In light of their expressed concern, I committed to work with them to see if there was language that would both address some of the issues that I've expressed, Senator Hunt has expressed, and the industry has expressed, while at the same time ensuring that the principle goal of LB693 is not undercut in a meaningful way. As Senator Halloran expressed earlier, it is not neutered. So because I made the commitment to work on a separate amendment, at this time I can't vote for the amendment that's been put forward by Senator Hunt. But I certainly agree with the concerns that she has raised and I look forward to working with Senator

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Halloran, Attorney General's Office between General and Select to see if there's an amendment that will both address those concerns while keeping the primary purpose of this particular bill intact. So I do intend to vote red on AM1289 and green on the AM305 and the underlying bill. Thank you, Mr. President.

SCHEER: Thank you, Senator Hilgers. Senator Halloran, you're recognized.

HALLORAN: Well, Senator Hilgers, thank you for those comments. And we have talked at length off mike about this, and we will work together between General and Select, if necessary, to come up with language that satisfies the telecommunications industry but does not neuter the Attorney General's efforts to pursue spoof calls in the state. This is a nationwide effort, and it's, it's, it's paralleling efforts with the federal government to stop this scourge of spoof calls. Is it a panacea, is it an absolute answer? No, it's not, but it's a good start. And as is expressly stated in the bill, it does not rise to the point of private cause of action. So there's a level of protection for telecommunication industry from class action lawsuits. Thank you, Mr. Speaker.

SCHEER: Thank you, Senator Halloran. Senator Ben Hansen, you're recognized.

B. HANSEN: Thank you, Mr. Speaker. I do stand in support of LB693 and AM305, and I do applaud Senator Halloran for bringing this bill forward. And I'm in "agreeance" with Senator Hilgers to kind of see what kind of amendment he's going to bring forward and what kind of work that's going to be done between General and Select File. One of the reasons I am in support of this bill is specifically an instance that sticks in my head is when I had a family member who was sick and in the hospital, and then we ended up getting a phone call on our home phone with an ID, with the ID on it from the local hospital. And of course you get really emotional, you kind of wonder what's going on. Hurry up and answer the phone expecting good or bad news, and it ends up being a telemarketer. And soon after that, I had to buy a new phone because I threw it against the wall. So I do have a little bit of an emotional animus towards this bill, and the people who use phone lines irresponsibly. And so that's why I'm in favor of this bill. And I'm also in "agreeance" with Senator Chambers-- which you might want to write that down, because I don't know how often that's going to happen-- that we are swatting at mosquitoes. I agree with him. Every once in a while, you might get a mosquito, you might take care of it, you might handle the problem. But right now, our hands are tied behind our back. It's hard to swat at mosquitoes when your hands are tied behind your back. And so I'd like to see this bill go forward to at least see some responsibility being put on these companies who make these phone calls to people, whether they're trying to scam them or for whatever reason. So with that, I'll yield the rest of my time back to Chair. Thank you.

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SCHEER: Thank you, Senator Hansen. Senator Chambers, you're recognized, and this is your third time at the mike.

CHAMBERS: Thank you, Mr. President. I'm glad you didn't say it's my final time, because I'm going to speak on this bill. This is more fun than I've had since I've been in the Legislature. You all are so serious. It's like I'm standing up here and all of you are religious, I've got a coffin in front of me on the catafalque, but it's closed. And I tell all of you all, I've found a way to capture Satan, and I killed him and he is in this coffin and I'm going to bury him. And if any of you all would like to say any words before that happens, feel free. And everybody in here would jump up and talk about how bad Satan is and the terrible things he had done. And if you saw this cartoon, you'll understand what I'm doing. This cartoon had a fellow in it and he tricked people, and he'd always laugh behind his hand. Tricked another one. That's what I'd pretend to do, but I'd have a large handkerchief and pretend that I've got a cold, so I'm blowing my nose. And as they talked about how glad they are that I've not only caught Satan, but killed him; not only killed him, but I'm going to bury him. And then when I put the box in the ground and throw the dirt over it, then you all go your separate ways and feel now you don't have to worry about being tricked by Satan. That's how futile this is that you're doing. It's pointless. If I'm a conman, my job is to beat honest people. You don't think like I think. There was a conman in front of a judge, and he had tricked some of these elderly people that you all are talking about. I don't know all the elderly people you know who are as naive. And Senator Slama, she's certainly not an example of how to deal with this. She talked to this guy who obviously-- it should be obvious-- a hustler. And she talked about how many minutes she talked to him, he spent trying to catch her. The problem is she spent all that time on the telephone. She didn't know any better. Then she finally caught on, I guess. The judge looked at this guy. He said, I'm going to throw the book at you because you tricked old people, you tricked young people, you tricked all these people who trusted you. That's what I'm upset with you about. You tricked people who trusted you. What do you have to say in your defense? He looked up with that honest, large, wide-eyed, innocent expression that they put on little cartoon characters and he said, judge, your honor, if you can teach me how to trick those who don't trust me, then I'll leave these others alone. You all say words and you don't realize what the words mean that you are saying. You're going to talk all that time to somebody. I got a call from a fellow who said that I was supposed to show up for jury duty. I hadn't made it, and that I would be fined for it. First of all, I don't have to serve on a jury. And I had not been notified that I'm to show up for jury duty. So I knew the number, because the guy gave me a number to call back, gave me a person to talk to. So I contacted the Douglas County Attorney's Office, told him that this fellow, whoever he is, is making these calls and he knows the address of the sheriff's office. I got this information so I could pass it on to the county attorney. I said, the one thing that is a dead giveaway, all of the county offices have a 444 exchange. This is not a 444 exchange.

SCHEER: One minute.

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CHAMBERS: So it's obviously a con. It's not a mistake. Then I called back and I asked for the manager that they had given me a name for. And I said, I would like to speak to this person. And then I told the person what I had done and he might be hearing from the county attorney or the real sheriff. He hung up. But I don't know if he stayed around, got a different number, and called other suckers. There are a lot of fish in the sea, and you all are not going to stop these mosquitoes. And I'd tell Senator Slama, since she's back, don't talk to these people that long. Next time, just hang up. Don't let them trick you and drag you on like that. You're swatting at mosquitoes. You're not even going to hit the mosquitoes. I don't like to kill any living thing. I was in a restaurant and these people were trying to swat the flies away. And one flew by me, and you know what I did because I didn't want to kill him? Because I can always wash my hands, I waited until I got him in my sights--

SCHEER: Time, Senator.

CHAMBERS: --and I caught him--

SCHEER: Time, Senator.

CHAMBERS: --on the middle leg on his left side and took him to the door and let him go.

SCHEER: Time, Senator.

CHAMBERS: Oh, thank you, Mr. President.

SCHEER: Thank you, Senator Chambers. (Visitors introduced.) Returning to the queue, Senator Groene and Senator Slama waiting to speak. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. I stand in support of LB693. And, yes, I understand all the complication between federal and international law on communications, and what we can do, and free speech and freedom to associate in who you talk to. But when local government, local state governments react and put legislation like this on the, into statute, the courts, the business community take note. For an example, internet sales tax. We were told don't do it, don't do it. Don't put it into statute because it's not constitutional. There's a court case out there. Well, guess what? When the critical mass got to a certain point that enough states passed legislation, the courts listened and overruled the old court case, and now we have internet sales tax. LGBT, when enough courts and communities changed their statutes and their laws, guess what the Supreme Court did? They heard the message of the critical mass of public opinion. This is another straw-- I'm going to call because Senator Halloran did it-- another bale piled on the back of the camel,

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that the courts are going to watch, the telecommunications industry is going to watch, and they will take note that the people are concerned and they want change. You can look at any critical issue nationally that over time was changed with federal law, and you'll see the people behind it through local decisions, local statutes, where eventually critical mass was reached and international, national agreements, and the industry associated changed their ways and we got results. That's what this bill will do. Put it into statute and watch those involved take note that Nebraska is tired of spoofing. They're tired of receiving those calls. And you're all politicians, you're all elected officials. How many times have you seen a local number show up, you didn't answer it and you said, I better call that number back, it could be one of my constituents. If it's from Washington, D.C. or somewhere else, we ignore them. You call them back and the person goes, what? What, Senator? I don't remember calling you. Then you have a long wasted conversation of a mad individual who says-- doesn't like spoofing any more than you do. It happens more and more to me all the time. I do call my constituents back. Hey, maybe I got a couple of votes out of it over time because the person thought their senator was calling them. But it's a waste of time. It's just-- I think it's an infringement of free speech. It's like yelling fire in a theater when somebody calls you when you're not even looking for communication and they demand to talk to you. So I applaud Senator Halloran to addressing it, taking that first step. Let's put something into statute, let's send a message to the telecommunication industry. Let's send a message to Washington, D.C. Sometimes when the people talk enough, the lobby dollars are overcome and we get results. So I will vote for AM305, and probably for AM1289. What I heard Senator Hunt say it wasn't a bad amendment. But I'll rely on Senator Halloran's--

SCHEER: One minute.

GROENE: --decision on that. Does no harm, it sends a strong message. Thank you.

SCHEER: Thank you, Senator Groene. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. So I'd just like to really quickly point out the point of my story for Senator Chambers. I wasn't tricked by the trickster. I was actually tricking the trickster. And by staying on the line with this guy for so long, I was keeping him from going down his list and calling the next person. I knew within the first sentence that this guy, this was a scam. The next person in line on this caller's sheet may not have known better. So by keeping him on the line for a half-hour, I saved some time and may have saved some poor elderly person from getting scammed out of their money. So I think it was well worth my time. I was never actually going to pay the money, and I never thought that I had misfiled my taxes. I knew actually for a fact that I had filed them correctly, which I was very proud of. So with that, I'd like to yield the rest of my time to Senator Chambers because he's in the midst of telling us some very

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entertaining stories about how he's killed mosquitoes with not his hands. So thank you, Senator Chambers.

SCHEER: Senator Chambers, 3:50.

CHAMBERS: Thank you, Mr. President. Thank you, Senator Slama. And since Senator Slama gave me some time, I will not take up that motion that I filed because I would want to respond and engage with anybody who does respond to me. Senator Slama, you did not rescue anybody. And these scammers, as you, or whatever you all want to call them, are not single individuals. Somebody else will make the call, that one will make a call. All you did was made that person's job easy. He or she didn't have to make another call, can just sit there and talk and talk and talk and get paid whatever they get paid for sitting there and doing what it is that they do. I'm trying to make you all understand that you don't know anything about con persons. You don't know anything about those who will give you a fast shuffle. You can sit down in a card game and think you know something and you will lose your shirt if you stay there long enough, or your blouse if you're a woman, and you think you have watched everything that that person did. But that person knows what you are watching and you're not going to trick a trickster. A trickster will allow you to think you've done something and you haven't. Senator Groene, of all people, I thought would understand something. You're not going to make Congress do anything that hinders what they want to do when they are campaigning, and the state is not going to pass any bill that goes against what the federal law is and have that bill stand if it's challenged in court. That Citizens United is a bill-- is a court case that came before the U.S. Supreme Court. John Roberts, when he was named Chief Justice and was being questioned had said he believes in precedent. He is an umpire. He does not get involved in the action. John Roberts wanted the dark money to be protected, but he could not assign that case to himself because it would show what a hypocrite he is. So he assigned it to a judge who had an almost knee-jerk reaction when it came to anything pertaining to the First Amendment, anything that infringed on almost any kind of speech. This particular judge, look him up, he's no longer on the bench. But he also did some things that were very good. Because with liberals, he was a liberal; with conservatives, he was with conservatives. And he had these--

SCHEER: One minute.

CHAMBERS: Thank you, Mr. President. --these wild swings from one to the other. John Roberts knew the kind of decision that the court would reach because he knew the kind of opinion this judge would write, and that judge wrote the opinion that John Roberts wanted. But John Roberts could not write it himself, so he was able to tell the public, I did what I said I would do, I didn't take that case. I assigned it to a judge. Well, you look at the one he assigned it to and you knew what the outcome would be. And John Roberts, the Chief Justice, knew. That's why you had that

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Citizens United and these other rulings that will come down, if necessary, to shield large-moneyed contributors to "Repelican" and conservative causes. You are not going to reach what Senator Groene in his naivete refers to as a critical mass--

SCHEER: Time, Senator.

CHAMBERS: Thank you, Mr. President.

SCHEER: Thank you, Senator Slama and Senator Chambers. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. President. I stand in support of the LB693 and AM305. I just wanted to give my personal story. In the small number of people that we have here, it's interesting how many of us have experienced a spoof call like that. About two weeks ago, over the lunch hour, I was here in my office at the capital. My cell phone rang, and the young man said, grandpa, grandpa, this is your grandson. I'm in jail in St. Louis, and I really need your help. And I said, oh, is this Russell? And he said, yes. And I said, I don't have a grandson named Russell. [Laugh] And he hung up. I won't take a lot of time. But I just, you know, I had a choice whether to spend a half-hour with him on the phone also. I was a little concerned about him as to whether he was being forced to make that phone call. He did sound kind of distressed. But I had other business to do during the lunch hour, but it was right here in the Capitol in my office over the lunch hour. And I didn't get down to how much money he needed. He said he was needing money, but I decided I wasn't going to waste my time. But I did get myself, got the grandparent distress call. But no, I don't have a grandson named Russell. Thank you, Mr. Speaker.

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

LOWE: Thank you, Mr. President. It happens to us all. I talked to a constituent and said I'd be glad to help him, and just for him to give me a call. Well, one day I was waiting for that call and I get a phone call from our area code, 308, and it was 2, 3. So I assumed it was him. So I took the phone call, and it was from an international insurance agency that I don't do business with. The phone call lasted about 15, 20 seconds. But in that time period, I missed my phone call from my constituent. I tried calling back, he was still leaving a message on my answering machine saying that he wouldn't be able to talk to me for a couple more days. And I tried immediately calling him back, and was unable to reach him. So it took about two weeks to be able to field that phone call and communicate once again, and finally resolve what he was concerned about. So that does happen. And it does interrupt our lives. I am for LB693 and AM305 and, you know, Senator Hunt, I believe your amendment can be worked out with Senator Hilgers and Senator Halloran in some way, maybe. We'll have to see about that. But let's get the first two through right now. And

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with that, you know, I like to entice mosquitoes. They will be flying around me as I sit out on my deck, and I'll wait for them to land before I smack them. So let's smack some of these mosquitoes and let's entice them to us so we can kill them. With that, I'd like to yield the rest of my time to Senator Chambers.

SCHEER: Senator Chambers, 3:00.

CHAMBERS: I didn't understand. Am I being asked a question?

SCHEER: No, Senator Lowe yielded you, well, now 2:55.

CHAMBERS: Oh, thank you, Senator Lowe. Members of the Legislature, I just told Senator Clements that I was the one who called him. [Laughter] But I'm kidding. See how easily you can fool people? And I'm not doing it to be malicious or anything. I have a land line, that's all that I have. If somebody is talking and I don't want to be bothered, I just hang up. That person does not control what I do. Some of these things, people can handle themselves. I always hear you all say you don't like government regulation, let people do what they ought to do. Well, see, when you get this high tech, you forget what you knew how to do when you had a telephone of the kind that I have. I just learned maybe a year ago what a land line was, the kind of telephone that I have. There's a little button, it's called a plunger. If you push it down, then whatever is coming through doesn't come through. How much effort does it take to do that? So you all are trying to save people from themselves, which you cannot do. This is a waste of time, but I don't mind because I want a lot of time to be taken. And when we have something like this that everybody can understand, everybody will stay here and listen, everybody will talk, and everybody has his or her experience. These-- I'd like to ask Senator Halloran a question. And I believe he's already answered it.

SCHEER: Senator Halloran, would you please yield?

CHAMBERS: Senator Halloran.

HALLORAN: Certainly.

CHAMBERS: When this bill is passed, because you all are going to pass it, how many calls do you think are going to stop as a result of it? Let's say a thousand a week are being made before it's passed. When it's passed, and you give the Attorney General this authority, what percentage of that thousand calls will cease, do you think?

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HALLORAN: That's a question I have no way of answering. I do know the-- I do know that there will be no calls stopped, no spoofing calls stopped, if we don't untie the Attorney General's hands.

CHAMBERS: And untying his hands, you've already described how that will happen. That's all I'll ask you. Thank you. I don't believe it's going to work because there are people who've called his Consumer Protection Division with things more serious than this and they don't do anything. The Attorney General likes fluff. He likes to have the appearance of doing something when he's not doing anything, but he gets credit for doing a lot. And nobody will know whether he did anything or not. I'm going to hand out at some point--

SCHEER: Time, Senator.

CHAMBERS: You said time?

SCHEER: Time, yes.

CHAMBERS: Thank you.

SCHEER: Thank you, Senator Lowe, Chambers, and Halloran. Senator Cavanaugh, you're recognized.

CAVANAUGH: Thank you, Mr. Speaker. I see mister, Senator McCollister over there. Give him a moment, if he will yield for a question.

SCHEER: I will talk very slowly in asking Senator McCollister if you will please yield.

McCOLLISTER: Yes, I will.

CAVANAUGH: Thank you. You have asked me previously about testing rape kits.

McCOLLISTER: I did do that. And do you have a progress report?

CAVANAUGH: I have a progress report. Did you know that the Lincoln Journal Star did an article on the Lincoln PD and their testing of rape kits?

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McCOLLISTER: I did see that. And we're making progress, are we not?

CAVANAUGH: We're making excellent progress. I really appreciate that you have brought light to this really important issue. I'm going to share this article now on the mike. Thank you.

McCOLLISTER: Thank you, Senator.

CAVANAUGH: Thank you. Lincoln Police will submit for testing previously unexamined biological evidence from old rape kits, Chief Jeff-- I'm going to say his name wrong-- Bliemeister said Friday, as part of a new approach to sexual assault investigations. Staff members have begun analyzing the 353 untested rape kits held in storage at the department since 2004. Any untested kit from a case where the survivor has not expressed a desire to discontinue investigation efforts will be sent to the Nebraska State Patrol Crime Laboratory. Previously, it was up to investigators to determine whether to test a case based on their fact-finding. The DNA evidence, which a nurse collects within a few days of a sexual assault, was tested in all cases where the adult survivor didn't know the identity of the assailant in cases where there was a denial of sexual conduct, the chief said. But in cases where the offender was known and only the consent of sex was disputed, biological evidence was not tested. I think that's a really important distinction that they were making, that if you knew your assailant, they weren't necessarily testing the biological evidence. It was only if you didn't know your assailant. And sexual assault, rape, it's predominantly committed by a known person. It does happen that it is committed by unknown, a person unknown to the victim, but more often than not it's a known victim-- the person is known to the victim. Which means that we weren't testing kits for most of the sexual assault victims. So I'm very happy to hear that Lincoln has moved forward with this. I hope that the rest of the state and the country will also be doing that. And thank you to Senator McCollister for bringing this very important issue to light. And I will yield the remainder of my time to Senator Chambers.

SCHEER: Senator Chambers, 1:50.

CHAMBERS: Thank you, Mr. President. Thank you, Senator Cavanaugh. I can't vote for this bill. But as I said, I'm not going to try to stop it. But I will discuss it. It gives me time. And I can make observations, which members of the Legislature may not listen to, but others who watch us and our activities will pay attention to. First of all, this is a nothing bill. You should not discuss it in such a way that people who are watching us may think that, since you're going to pass this bill and give the Attorney General all of this power, they will not receive these calls anymore. At the risk of being shown to have spoken erroneously, I'm going to state that the calls are not going to stop. The calls are not going to stop. Pursuant to a question asked by Senator Erdman, Senator Halloran may have said he's not sure, but Congress did protect itself. These political operatives

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can do things that people are annoyed by far more than they are these occasional calls that might come to them. I'm more annoyed by the ceaseless stream of political ads presented in such a way that you never know who is presenting it, who is paying for it. But you know the candidate that is being supported--

SCHEER: Time, Senator.

CHAMBERS: --and they know how to--

SCHEER: Time, Senator.

CHAMBERS: Oh, thank you, Mr. President.

SCHEER: Thank you, Senator Cavanaugh, Senator McCollister, and Senator Chambers. Seeing no one in the queue, Senator Hunt, you're welcome to close on AM1289.

HUNT: Thank you, Mr. Speaker. Once again, AM1289 is an amendment that was brought to me by the telecommunication industry, which I have a great relationship with. And I'm happy to work with them on bills that speak to issues that affect local telecommunication companies, local carriers that I care very much about here in Nebraska. I think that the local carriers we have, especially in rural Nebraska, it's important that we keep them strong, it's important that we protect them from needless legal action, potentially. And I know that the Attorney General would never intend to do that under this bill. But I do think that it's appropriate that we just ensure that by putting language into the bill that protects their interests. Once again, what my amendment does is it just adds language to hold local telecommunication companies harmless by saying that they are not included if such provider is acting in a manner that's authorized or required by federal law. The FCC has held that carriers have to complete calls. They can't block calls. And this amendment just makes it clear that the bill does not create new, unreasonable burdens on carriers that have a limited authority from the FCC to block the calls. This is a good amendment. I have some, some reservations about maybe some of the reasons that my colleagues are opposing this very good amendment. And I would just respectfully ask for your green vote on AM1289. Thank you very much.

SCHEER: Thank you, Senator Hunt. The question before us is adoption of AM1289. All those-- there's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Please record.

ASSISTANT CLERK: 21 ayes, 8 nays to go under call, Mr. President.

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SCHEER: The house is under call. Senators, please record your presence. All those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Linehan, would you check in, please? Senator Chambers, would you check in, please? Senator Morfeld, Senator Vargas, would you please return to the floor? The house is under call. All the members are accounted for. The question before us is the adoption of AM1289. There's been a request for a roll call. Mr. Clerk.

ASSISTANT CLERK: (Roll call vote taken.) Vote is 29 ayes, 11 nays, Mr. President, on the adoption of the amendment.

SCHEER: AM1289 is adopted. Returning to the floor for discussion. Seeing none, Senator Halloran, you're welcome to close on AM305.

HALLORAN: Thank you, colleagues, for the discussion and at some level debate. South Sioux City, Nebraska, is calling. Well, I hope Senator Hunt's amendment doesn't tie one arm behind the back of the Attorney General when we start swatting these mosquitoes we can only see now, because it is part of the bill. But at any rate, I encourage you to vote green on AM305 and LB693. Thank you.

SCHEER: Colleagues, you have heard the closing on AM305. The question is adoption of AM305. All those in favor please vote aye; all those opposed vote nay. Have all voted who wish to? Please record.

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

SCHEER: AM305 is adopted. Seeing no one wishing to-- Senator Chambers, you're recognized.

CHAMBERS: Mr. President, how many times have I spoken on the bill itself?

SCHEER: I believe this is your first.

CHAMBERS: My first? OK. Well, settle your brains for about a 15-minute nap, and I may not take that long. There are lessons that can be taught if people will pay attention. Senator Hunt could have been intimidated into not pursuing her amendment. There are some people who I believe may have objected to the amendment because of the one who brought the amendment. And the reason I say that, I have seen certain votes here. But it's obvious that those who opposed her amendment are out of step with the direction that the body chooses to go. The amendment is

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not pernicious, it does not harm anything or anybody based on the discussion that I have heard. When the political season starts and all of these other calls begin to come, a question needs to be answered definitively here today and I'd like to ask Senator Halloran a question, if he would yield.

SCHEER: Senator Halloran, would you please yield?

HALLORAN: Certainly.

CHAMBERS: Senator Halloran, you may have said you're unsure. Will this apply to political calls that you get-- that people get?

HALLORAN: Again, Senator Chambers, my understanding is, and I had no control over this, just so you know, and I know you know that, but my understanding is that robocalls for political purposes are protected by federal statute.

CHAMBERS: And thank you, Senator Halloran. He is correct. When the death penalty issue was before the body to override the Governor's veto, there were robocalls made to other people, not me, but my name was taken in vain. People were told to call their senator and say you're voting with Chambers. That was the Governor and the "Repelican" party's doing. That will not be stopped. And when you get these typical ads that political parties put forth, people are going to be very, very upset and they will be misled, if this bill passes, into thinking that the Legislature stopped it. The public does not engage in nuanced thinking, but in this case they're entitled to believe that all of these hounding, harassing, annoying, nuisance calls will be at an end because the Attorney General is going to take care of it. And if somebody calls the Attorney General, he will say, well, those are not calls we can do anything about. Then the Legislature is the fall person. The Legislature tricked the public again for political purposes. The Legislature wanted to make the public think they were doing something when in reality they did nothing. I would venture to say that if you were to poll the public on the question of which type of call they would want prevented, they could only choose one, those calls that this bill is aimed at or all these calls from political parties and their operatives during campaign season.

SCHEER: One minute.

CHAMBERS: People even write letters to the editor about how upset and offended they are about the ads-- political ads, the nature of them, the fact that they don't even know who is responsible for the ads. They misrepresent their opponent. They cast aspersions on the opponent's character; all of these negatives. This bill does not touch that and it never will. So

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when the Legislature continues to play around the edges, it misleads the public. Thank you, Mr. President.

SCHEER: Thank you, Senator Chambers. Senator Hilgers, you're recognized.

HILGERS: Thank you, Mr. President; good morning, again, colleagues. I wasn't intending to speak, but I do want to, sort of, reset where I am in light of the Hunt amendment passing, which is I told her on the mike and off the mike I agreed with the concept certainly. I looked at that amendment before, and given some of the Attorney General's concerns and Senator Halloran's concern, that it might go too far to neuter what it is they're trying to do, I had committed to working between General and Select with Senator Halloran and the Attorney General's Office to come up with something that both protected, I think, ensured that this bill fit within our federal structure and our federal regulation statutes, while at the same time ensuring the Attorney General had the abilities that they-- that they believe they need to have in order to prosecute or go after the wrong-doers here. So, in light of the amendment passing, I do think that I'll continue to work with the Attorney General's Office to see if there's ways that it can be modified, if there are any concerns they have that it goes too far, it, certainly, will be a different conversation, I think, than it was going to be between General and Select now that there's an amendment that does protect industry on. Which I think the concept of the amendment that we just passed, that the body just passed, I think is a good one. I just want to make sure it fits within what it is that we're trying to do with LB693. So again, appreciate Senator Halloran working on this; appreciate Senator Hunt's amendment and the work that she's done on this as well. And there may be-- I may have an additional amendment between now and Select that I may bring, but with the amendment passing, it sort of changes the calculus a little bit. Thank you, Mr. President.

SCHEER: Thank you, Senator Hilgers. Senator Moser, you're recognized.

MOSER: Good morning, colleagues. Senator Hilgers pretty much recounted the reason I voted no on the amendment as I talked to him and some others and they said they were working on an amendment along the same lines, but maybe a bit of a refinement from that particular amendment. So the reason I voted no had nothing to do with who was bringing the amendment, but it was all about the amendment. Thank you very much.

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

CHAMBERS: Thank you, Mr. President. Members of the Legislature, I would like to ask Senator Moser a question, if he will yield.

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SCHEER: Senator Moser, would you please yield?

MOSER: Yes, I would.

CHAMBERS: Senator Moser, you're somebody whom I study and I watch.

MOSER: That's dangerous.

CHAMBERS: I take an interest in things you do and the rationale you give. Did you say you had nothing against the amendment that was brought, but that you voted against it because you talked to Senator Hilgers and others? And if I've misstated or mischaracterized, I'd like you to repeat what you said, if you recall.

MOSER: I think your paraphrase is spot-on.

CHAMBERS: Why did you not simply abstain from voting? Because if you voted no, that meant you opposed the amendment.

MOSER: Well, because in general, I like to vote either for or against anything before the body. The abstaining from voting or not voting is mostly like voting no, but it gives you some cover in case you're trying to hide some political motive, and generally I'm not real worried about voting no. If I think there's a reason to vote yes, I vote yes. If I think there's a reason to vote no, I vote no. I agree with you when we talked about-- when you were talking about trying to swat mosquitoes. We're taking on an industry that's huge and pretty much uncontrollable and probably beyond our control. And so it didn't take too much to vote no on that because I don't know if the whole thing is going to do that much, to be truthful.

CHAMBERS: This might just be the flip side of what you have already said. Why, then, since you had nothing against the amendment, and I accept what you said, that it had nothing to do with the one who brought the amendment. Why couldn't you have just as easily had voted yes because you had nothing against the amendment? It's in line with what others have talked about doing or seeing a need for? Why couldn't you just as easily have voted yes?

MOSER: Well, because the person who brought the bill considered it to be a hostile amendment, I would say, or he was against it. And I didn't see any reason to vote for it if I didn't have a good reason to vote for it. I don't think that's a good reason to vote for anything, just because everybody else is voting for something. It should vote for what you believe in. And Senator

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Hilgers said he's working on an amendment that was somewhat of a refinement of what she was doing.

CHAMBERS: Well, let me ask you a question. Can you guarantee Senator Hilgers that he will not die before this bill gets to Select File?

MOSER: No. There's no guarantee any of us will be living by the time this gets to Select File.

CHAMBERS: Suppose he died before he got to Select File. That amendment would not be brought, would it?

MOSER: Not by him.

CHAMBERS: Who else said they would bring it?

MOSER: Well, I don't know who else might take up his mantle and run with it. I don't know who was talking to him about it.

CHAMBERS: Well, since we're speculating, and I know you all will in deep mourning for Senator Hilgers, but would you then vote yes if Senator Hunt had reoffered her amendment had it not passed this time? Would you have voted for it on Select if it was the only amendment that was made available?

MOSER: Well, I think if I had more time to think about it, I might. I don't know. I really couldn't see the reason for it. So if I don't understand it or I don't find a compelling reason to vote for it, I'm not going to vote for it.

CHAMBERS: Well, if she told you that it would help--

SCHEER: One minute.

CHAMBERS: -- help the local or the state parties, the companies that might be affected, you're not interested in giving them a shield?

MOSER: The local providers you mean?

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CHAMBERS: Uh-huh.

MOSER: Not necessarily interested in harming or helping them. If the bill does harm them, yes, we do need to look at a solution. But if that solution gets in the way of a better solution, then I thought we might wait for the better solution.

CHAMBERS: Thank you. Thank you, Mr. President.

SCHEER: Thank you, Senator Chambers and Senator Moser. Senator Chambers, this is your third time at the mike.

CHAMBERS: Mr. President, members of the Legislature, now I'm going to use this last time to bring up something along the lines of what I have been talking about ever since you all's President did this horrendous thing, in my opinion. This article appeared in the Lincoln Journal Star April 12, which would have been Friday. Headline: Transgender Troops. A Trump administration regulation set to go into effect today bars transgender people from the military unless they, quote, correct those deficiencies, unquote, a description the American Medical Association said Thursday is unfair and defies science. It is unfair and defies science. So when you all told that usual lie you do when you salute the flag about liberty and justice for all, there's not liberty for the transgender troops. There is not justice for the transgender troops. But you all don't consider transgender human beings to be included in that word "all" in your salute. You rubbed it in my face again this morning. I watch what you all do to see if you're going to reach the point where you'll stop telling that lie, and it is a lie, and I want to give you documentation of why I say you all are liars every time you say it. Maybe you didn't know. Maybe you did not know what the American Medical Association says about Trump's rationale for discriminating against, humiliating, and excusing from the human race transgender troops who, until he came along, were suitable to be in the military, to wear the uniform, to get up early in the morning, to salute or at least stand attention when they play the Star Spangled Banner in the evening, if they still do that; eat the same food, get the same pay as all of the, quote, real American men and women. Before Trump came, they were human beings. Can you imagine that? That everybody was deceived and thought these transgender, whatever Trump would call them, because he certainly doesn't consider them human beings, they had fooled all of the military. They had fooled the soldiers that they served with. They fooled their commanders. And if they themselves were commanders, they fooled all of their subordinates. But here comes Trump who knows more than anybody, and he has told you that he's a smart man over and over and over and you buy it. If you disagree with him, why do you never say anything? Why are you going to mess with these little telephone calls, which don't really hurt anybody, but you stand on the floor, talk about the flag, talk about the military, then you can watch an entire segment of people who have served honorably be branded in such a way as to be humiliating, dismissive, insulting, and removed

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from the protection of that flag. They may have had liberty, liberty to be in the military. They may have had justice if they merited a promotion, they would get it.

SCHEER: One minute.

CHAMBERS: But with Trump coming, they were removed. They do not have liberty. They do not have justice under that flag. Now you all tell me who's the liar, you all who say it every morning, or I who point out where it is a lie, and you don't want these things discussed, do you? Because you want to lie to the children. You want to lie so the politicians will not criticize you. Transgender is a word that applies to human beings who had served in the military. But now, because of Trump's backward attitude, they have been branded, they have been insulted. And you don't think, I'm sure, that he feels the American Medical Association knows more about this than he does, because he's a smart man.

SCHEER: Time, Senator.

CHAMBERS: Thank you, Mr. President.

SCHEER: Thank you, Senator Chambers. (Visitors introduced.) Seeing no one else in the queue, Senator Halloran, you're welcome to close on LB693. He waives closing. The question for us is advancement of LB693 to E&R Initial. All those in favor please vote aye, all those opposed vote nay. Have all voted who wish to? We're holding, we're holding. There's been a request for record vote. One moment, please. Please record, Mr. Clerk.

ASSISTANT CLERK: (Record vote read.) Vote is 40 ayes, 1 nay, Mr. President, on the motion to advance.

SCHEER: LB693 is advanced to E&R Initial. Next item, Mr. Clerk.

ASSISTANT CLERK: Mr. President, next bill, LB237, by Senator Crawford. (Read title.) This bill was introduced on January 14 of this year; referred to the Revenue Committee. That committee reports the bill to General File with committee amendments attached.

SCHEER: Senator Crawford, you're welcome to open on LB237.

CRAWFORD: Thank you, Mr. Speaker. And I also thank the Speaker for choosing this bill as a Speaker priority. Thank you very much. Good morning, colleagues. LB237 is part of my ongoing

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commitment to addressing unfunded and underfunded mandates to our county governments. Property tax relief is a concern that most of us share. Tackling property taxes will take a multifaceted approach, including looking at unfunded and underfunded mandates to political subdivisions. Over the years, and particularly during economic downturns, the state has shifted costs to counties and cities and other political subdivisions, and cut or eliminated aid to cities and counties which is why in 2014 I sponsored LR582 to examine unfunded and underfunded mandates to counties. Over the interim that year, the Government, Military and Veterans Affairs Committee held a series of conference calls, as well as two public hearings on the topic of unfunded and underfunded mandates. LB237 relieves one of the 14 unfunded mandates identified over the course of this study. LB237 restores a one-half percent commission to counties across the state of Nebraska for all motor vehicle sales tax collections over \$3,000 per month. I want to emphasize that this is not a new tax to citizens. This does not change how much motor vehicle sales tax that citizens pay, it simply directs a bit more-- a bit of that money to counties to pay them for collecting this tax. It is not a new tax. Prior to October 1, 2002, counties received 2.5 percent commission on the first \$3,000 of motor vehicle sales collected in a county during their previous month, as well as a .5 percent commission on tax collections over \$3,000. This .5 percent commission was eliminated as part of a larger budget package during the state budget crisis-- during the state budget crisis. But that change was never intended to be permanent. And we look back at the transcripts when they were passing this change, that that time they recognized this would be an important harm to cities. I have one quote from that transcript on the sheet that I handed out to everyone today. In counties across the state, county treasurers and county office staff assist in the collection of motor vehicle sales taxes. As part of this process, county employees may need to track down paperwork from dealers and out-of-state or private sellers. This work takes time and the current commission of 2.5 percent on the first \$3,000, which yields \$900 a year, does not accurately reflect the cost to counties to collect these taxes. And so instead, colleagues, that cost comes from property taxes instead. And I just want to clarify and help you understand that this is not the same as when you go to the store and buy toothpaste and it gets sales tax put on the toothpaste and all it is it cranks through the cash register, it's the fact that there's actually paper trails that have to be carried out when you're collecting motor vehicle sales taxes. And I have several instances of what can go wrong that requires more time from the county, I'll just talk about-- use a couple of them as examples. One example is that a dealer does not provide a sales tax form to the customer, and so the-- and the county has to call the dealer and have them fax or e-mail the form, approximate time that takes is 15 to 20 minutes. Another example is the dealer sales tax forms on ATVs need more information as to where, when, and how the sale took place. And sales tax is paid on that information. And so quite often the county has to call the dealer back and obtain the information to charge the correct fees; approximate time, 10 minutes. Another example, out-of-state dealers need to provide us with information as to whether they collected the sales tax. And the resolution there is the county has to get a proof of payment on the dealer letterhead as to how much the dealer collected. And they need to collect any additional fees that were not collected versus Nebraska's percent of the

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sales tax; approximate time 15 to 20 minutes. This is for one car or one vehicle or one ATV that we're talking about that sometimes the counties having to track down these issues in order to collect the appropriate motor vehicle sales tax for us and for the cities and the counties and the state. Counties collect over \$200 million a year for the Highway Trust Fund. LB237 reimburses the county the cost for collecting these fees with a very small impact on the Highway Trust Fund. This is less than one-third of 1 percent of the total funds. So as the handout shows, it's .22 percent; so it's a very small reduction in the funds-- for highway funds to accommodate this need that the counties have to be paid for this service that they are providing. And just to give you an overall perspective on this amount, so there's a small amount that the state loses and a small amount that cities lose. And again, overall the amount is less than one-third of 1 percent. To give an idea of the perspective on the city's loss, the cities still get 99.774 percent of their funding. And again, it goes into effect-- the bill goes into effect October, 2020. So it will be going into effect after many of the repairs have been made from the flood. But the other thing I want to just emphasize is that the amount that all cities across the whole state lose is less than what it costs to do one mile of asphalt overlay. So we're talking about the amount the cities-- all cities across the state altogether lose about \$400,000. And that's not even enough to do one mile of asphalt overlay. So the potential loss to cities is less than what it takes to do one mile of road. LB237 recognizes the importance of roads funding for communities across Nebraska, which is why it specifically directs counties to dedicate a minimum of 25 percent of the additional revenue to their county road funds. Counties could choose to spend more on bridges, flood repair, and roads if they choose to do so. So it just says that they must spend 25 percent, but, obviously, counties that are in need of more repair and more road work can spend all of that amount on that if they choose to do so. The state has a special relationship with counties in carrying out state tasks, as well as a role in responding to local needs. Our responsibility in this relationship is to ensure that we provide the counties with the authority and appropriate resources to make these possible. Currently, property taxes are paying for the collection of these motor vehicle sales taxes in any county where it takes more than \$900 a year to collect these taxes. In other words, we as a state need to pay our part of the partnership. It has been 16 years since counties received fair compensation for collecting the motor vehicle sales tax for the state. It's time for the Legislature to change that and make sure that we are paying our part. And again, it's a very small amount; it doesn't have any General Fund impact. It's a very small amount of funds that come out of the Highway Cash Fund because the county gets to keep a commission on those funds. So I'm happy to answer any questions you may have now or during the closing and I'll discuss the amendment after it's introduced. Thanks.

SCHEER: Thank you, Senator Crawford. As the Clerk noted, there is a committee amendment from the Revenue Committee. Senator Linehan, as Chairman of the committee, you're welcome to open.

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LINEHAN: Thank you, Mr. President; and good morning, colleagues. The committee amendment is simple. Basically, the three largest counties: Douglas, Sarpy, Lancaster, will each give \$5,000 to Department of Revenue to offset the cost of this bill. The cost is a one-time programming charge to the department. The amendment requires any county with a population of 150,000 or more, which is, again, Douglas, Lancaster, and Sarpy, to send one dollar to the department for each of the first 5,000 vehicles registered after the operative date of this bill. Thank you.

SCHEER: Thank you, Senator Linehan. Mr. Clerk.

ASSISTANT CLERK: Mr. President, I do have amendments to the committee amendment. Senator Crawford, the first amendment was AM943, and I have a note to withdraw.

CRAWFORD: Yes.

ASSISTANT CLERK: In that case, Senator Crawford would offer AM1319 to the committee amendments.

SCHEER: Senator Crawford, you're welcome to open on AM1319.

CRAWFORD: Thank you, Mr. Speaker. AM1319 is an amendment to the committee amendment. The amendment includes an agreement with the Speaker to adjust the bill such that no county loses any money in the mix of getting more commission and a little less highway allocation funds. Under this amendment, no county loses and there is no increase in taxes or fees to citizens. The amendment also incorporates changes to the committee amendment that eliminates the General Fund impact, \$15,000 for programming cost that we-- that Senator Linehan has just discussed. The amendment also includes a change in the fund used, and this was in agreement with the Department of Revenue. They wanted us to use a different fund to provide the mechanism whereby the three largest counties make pay for the single time operational cost and the money comes out of a fund and then those three counties repay that fund and they just wanted us to use a different fund. So this amendment includes that change that changes the fund that's going to be used to eliminate the General Fund's impact. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford. Going to floor discussion, Senator Chambers, you're recognized.

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CHAMBERS: Thank you, Mr. President. Members of the Legislature, the subject of property taxes comes up and will come up time after time the rest of the season-- the session, and I'm going to talk about some issues the rest of the session and try to stimulate some thought, even though I cannot provoke comments. I would like to ask Senator Clements a question if he would respond?

SCHEER: Senator Clements, would you please yield?

CLEMENTS: Yes.

CHAMBERS: Senator Clements, you do keep a Bible in your office, don't you?

CLEMENTS: Yes.

CHAMBERS: Have I ever been in your office before that you know of?

CLEMENTS: No.

CHAMBERS: Yet I know that you keep a Bible there and I'm correct. Is that correct?

CLEMENTS: Yes.

CHAMBERS: I know things that maybe others don't know. Would you agree to that?

CLEMENTS: Yes.

CHAMBERS: Now, I'm going to ask you if you've ever heard this verse or one approximating it: For of one blood have God made all men or men of all nations for to dwell upon the face of the earth. Have you ever read or been acquainted with a verse like that in the Bible?

CLEMENTS: It sounds familiar, but not specifically.

CHAMBERS: I'm not going to ask you where it is, thank you. That's all I had. Members of the Legislature, it is there. I would like to ask Senator Briese a question, and it's not for the purpose of offering a wager.

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SCHEER: Senator Briese, would you please yield?

BRIESE: Yes.

CHAMBERS: Senator Briese, using these words as an intro, but not as an offer, I will wager that you've heard these words before: No man is an island, entire unto itself; each is a part of the main. Have you heard those words before?

BRIESE: I believe so.

CHAMBERS: Thank you. That's all I'll ask. And they were written by a poet named John Donne. And those words are iconic. And those at the end have reached the stage or status of being iconic. Therefore, sin not to know for whom the bell tolls, it tolls for thee. If no person is an island, but each person is a part of the main or a part of humanity, by what authority or from whence comes the prerogative for mere human beings to banish other human beings from the human race? How can people who profess to believe in the god of Senator Clement's Bible, how can they watch that happen and never breathe a word about it? There are other comments made about people in the military and how military people should be looked after when after they've done their time they may come back with broken bodies, shattered minds, maybe even broken hearts, if they believe in such things. All of you have heard of post-traumatic stress disorder. All of you have heard disputes relative to the effect of Agent Orange on American troops exposed to it, the diseases or ailments--

SCHEER: One minute.

CHAMBERS: --or infirmities they developed came back to this country and their own government would not acknowledge what their circumstances were and tend to them. And there were outcries. Families of these people naturally spoke out because they were directly affected. That same government, under your President, has now banned from the human race the part of it that he is President for, transgender people. But they are people. So why do you send to know for whom the bell tolls? Why do you sit in judgment on anybody for doing anything when you can watch an entire group of people--

SCHEER: Time, Senator.

CHAMBERS: Thank you, Mr. President.

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SCHEER: Thank you, Senator Chambers, Clements, and Briese. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker; good morning again. Senator Crawford, I understand what it is your bill is trying to do. My question, and I would like to ask you a question today.

SCHEER: Senator Crawford, would you please yield?

CRAWFORD: Yes.

ERDMAN: So, these funds are going to be deposited in the General Fund and then a portion of it is going to go to the county road fund, is that correct?

CRAWFORD: That is correct.

ERDMAN: So, counties now receive road funding from the state. Is that correct?

CRAWFORD: Yes.

ERDMAN: So, the portion that they're going to receive and put in the road fund from this collection, will that be equal to, greater than, or do you know if that will be equivalent to what they get now from the road fund from the state?

CRAWFORD: So, with the amendment, every county will get more money than they lose by what they lose with the small amount that comes out of the Highway Cash Fund from the collection fee.

ERDMAN: So then I'll conclude what you said that they'll have more money for the road fund once this fund is put back in place?

CRAWFORD: Correct.

ERDMAN: OK. Thank you for answering that. So, in 2002, this wasn't the only-- this was not the only thing that they eliminated. One of the things that was eliminated that is more troublesome, that is more of a problem for counties is jail reimbursement. We have never attempted to reinstate jail reimbursement. So consequently, all the judicial costs that a county suffers because those people in jail have broken a state law and not a county law and we don't

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reinstate that. So, Senator Crawford's bill is making an assumption that the amount of money needed to collect this tax-- or the time required to do so exceeds the revenue that they're getting. Counties also receive 1 percent of all taxes collected; they get that as well. So I understand that. We're going to take money away from the Department of Transportation, we're going to take money away from the cities, so we have to be able to understand what exactly we're doing here with transferring these sales tax to the county. And I understand what it costs. I understand unfunded mandates. I understand all that. But at some point in time we have to also realize we're taking money from somebody somewhere to give it back or give it to the counties. So I'll keep listening to the conversation to see if I can figure out where we're at on this one. But this is a different concept. Thank you for bringing it, Senator Crawford, so we can have a discussion. Thank you.

SCHEER: Thank you, Senator Erdman and Senator Crawford. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. I voted no on LB237 out of committee, similar reasons Senator Erdman was mentioning. It's roads funding, that's what we historically do. I was here when we raised the gas tax and I was here-- the following-- maybe it was the same budget cycle when the Appropriations Committee was going to try to raid some of the cash funds for the-- or the sales tax funds, I think it was, for the roads. And it was defeated because roads funds was sacred. We didn't have enough, so we raised the gas tax to one of the highest in the area. And all of a sudden now here we come, we got too much money in the road funds and we're going to peel some of it off for a-- to fund counties. I was checking, I didn't have a chance to check, I will; most of this money will go to the counties with the most population and the most vehicle sales. They also, I believe, they get 1 percent of all tax collection, property tax collections. So on those same vehicles, I believe, on the property taxes you pay on your vehicle, they will get 1 percent of that. That's plenty. They can do a little paperwork. But we're going to double-check that. I know that-- no, property taxes. We pay property taxes on our vehicles. I know on the sales tax it's diverted from and goes to this roads fund, but I believe the property taxes, they get 1 percent of that. That's a pretty healthy hit, folks. That helps fund that assessor's office and they don't need this. This just helps again three big counties get the big chunk of it. They're well funded. When I pay my property taxes on my vehicles, on my property for the schools, the county-- and to the county, I look at that courthouse and see they're being funded. They're being funded, the individuals that work in that office and every office, the assessor, the treasurer, the deeds, you name it, I'm paying my property taxes to fund their salaries and turn the lights on every day. So this ideal that somehow this department and within the county is a different department running its own business, funding itself is hogwash. They're funded by your property taxes to the county just like every other department, the sheriff is, county commissioners salaries. And plus they get their portion of the vehicle taxes every year you pay your property taxes on your vehicle. They don't need to dip again into the public trough. Let this money stay where it

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belongs. It's one of those-- another issue where you get your toe in the door. It's another pool of money that we see all the time. Appropriations Committee, go find funding for what you want to do. Well, here is a chunk of money in the roads department; here's a chunk in lottery funds and education; here's a chunk of money over here, let's start diverting this here so we can get my bill passed. Let's not even fund it at all. Let's put it down the road two years so the biennium budget-- play Washington, D.C. and stick it in the next budget cycle, but let's get it passed. Roads funds erode funds, and historically this body has not separated it. See, that's one big fight we don't have every year in the budget cycle is how we fund our roads. That money is sacred. We pay gas tax, you pay sales tax--

SCHEER: One minute.

GROENE: --on our vehicles and some other issues, then it goes over there and it's out of our budget cycle. They survive and build the roads and fix them with that money and now we're going to peel some out to county government. It's doing quite well, quite frankly. They've also gained a lot of money, except for one that had a lawsuit, have gained an awful lot of tax revenues from the valuation inflation we've had lately. If they are so out of control spending that that wasn't enough from that huge valuation increase, we got a problem in county government. Thank you.

SCHEER: Thank you, Senator Groene. Senator Chambers, you're recognized.

CHAMBERS: Thank you, Mr. President. Members of the Legislature, I started reading a brief article and I didn't read the whole thing, there is another paragraph to it. But I'm going to read the entire thing. It's on transgender troops. A Trump administration regulation set to go into effect today, which would have been April 12, bars transgender people from the military unless they, quote, correct those deficiencies, unquote, a description the American Medical Association said Thursday is unfair and defies science. The new regulation strips transgender troops of rights they secured under the Obama administration to serve openly and receive care if they choose to transition to another gender. The defense department had no problem with this. The Pentagon had no problem with it. Trump's base, as they are called, had a problem. And the word "base" describes their mentality, their lack of morality, their absence of human compassion. There was a justice, and I hadn't mentioned his name before, who was very concerned about the First Amendment, anything that he thought would weaken freedom of speech under that amendment. He wrote in a case, and I'm going to spell it for the sake of the transcribers, B-o-u-m-e-d-i-e-n-e, in "Boumediene v. Bush," the 2008 case about the rights of accused terrorists, Kennedy excoriated the Bush administration and the Congress. Quote, to hold that the political branches may switch the constitution on or off at will would lead to a regime in which they, not this court, say, quote, what the law is, unquote. And the one who had made that comment about what the

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law is was a guy named John Marshall in "Marbury v. Madison" in 1803. I know a thing or two about you all's constitution, about the court decisions that you all's Supreme Court handed down, and I take them more seriously than you all do. You're like spoiled brats who are so used to having your way, you don't even appreciate what you have until the parents finally realize they're not helping you and they stop giving you everything you want. Then you wail and you fume. But if things happen to other people, you do not care. I'm not going to go around the room and embarrass you all by asking why you don't deem transgender people to be human beings. Why it doesn't bother you that these people who had been serving in the military before Trump came were allowed to serve, and now something is wrong with them. There probably were some there when Senator Brewer was in the military; when Senator Bostelman was in the military; and there are others on this floor who I'm sure were in the military. They didn't complain. Trump did, his base. You all don't read court opinions and you're not lawyers, so why should you?

SCHEER: One minute.

CHAMBERS: But there are times when even lawyers have not read them. They know that the political branch under Trump is starting to say what the law is and what the constitution means contrary to both of them. The bar associations, the American Bar Association as a whole, bar associations around the country will not stand. There are a few attorneys general who will bring lawsuits to try to vindicate the constitution and the protections that it provides for what the "Bible" would call the least among us. Thank you, Mr. President. I know I have only one more time to speak and I will not offer motions or amendments to this bill.

SCHEER: Thank you, Senator Chambers. Senator Albrecht, you're recognized.

ALBRECHT: Thank you, Speaker Scheer. Senator Crawford, could you just yield to one quick question?

SCHEER: Senator Crawford, would you please yield?

CRAWFORD: Yes.

ALBRECHT: Why would the cities not have any funds coming from this? Is it just because you brought counties only or has cities had this funding before and had it taken away as well?

CRAWFORD: So this is something that the counties collect. The cities don't have any role in collecting it. So, cities get some of the money that's collected, but cities don't have any role in

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collecting this money. So, that's why they're not getting any commission, because they don't have any role in collecting it.

ALBRECHT: But they are getting something.

CRAWFORD: They are getting it, yes. They're getting the roads funding that's being collected.

ALBRECHT: OK. And I guess I will ask you one more question since we have some time.

CRAWFORD: Sure.

ALBRECHT: This trust fund, two years ago when we were in the crisis with the budget, did we not take \$15 million out of this trust fund to balance our budget? Do you recall that?

CRAWFORD: I don't know if we took it out of this fund or not. I don't have-- I'll have to check on that.

ALBRECHT: Yeah, I'm thinking we did. And I don't know that that will ever be put back in, but that was a significant amount of money. Did anyone, while you were in committee, come to you in opposition of this bill at all?

CRAWFORD: There was, as Senator Groene noted, he voted no and Senator Linehan was present not voting.

ALBRECHT: But no one from the public or the Transportation Committee?

CRAWFORD: No one came from the Transportation Committee and no one came from the Department of Roads.

ALBRECHT: OK, thank you.

CRAWFORD: And no one-- no one also-- the League of Municipalities did not come to the hearing to be in opposition at the hearing.

ALBRECHT: OK, thank you.

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CRAWFORD: Thank you.

SCHEER: Thank you, Senator Albrecht and Senator Crawford. Senator Crawford, you're next in the queue. You're recognized.

CRAWFORD: Thank you, Mr. President. I was just going to get on the queue to answer any questions that arose. I just have one correction to make to my esteemed colleague, Senator Groene. He made the point that historically we have not diverted roads funds for efforts such as this, and I just want to clarify, again, that this was actually a commission that was in place prior to 2002. So this has been from 1967 to 2002, we allowed a very small amount of roads funding to be diverted to help pay the counties for their costs in collecting these fees. In 2002, that commission was taken away and now in 2019, we're seeking to reinstate it in 2020. Again, it's a very small amount, that's taken away. It was not something that the Department of Roads came to oppose in committee because, again, it's a very small amount of money that's taken away from the roads funding just to fund the county's responsibility for collecting this tax. And the amount that is lost across all cities, entirely, is less than it takes to pave one mile of asphalt overlay. So again, it's a very small amount that's lost across all cities in the state. And the amount that is lost to the state is about less than two miles of asphalt overlay. So it's a very small amount that we're talking. But it makes a big difference to the counties to have this money back, and it makes a big difference in terms of ensuring that we're not using property tax funds to pay for this motor vehicle sales tax collection. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford. Senator Dorn, you're recognized.

DORN: Thank you, Mr. Speaker. Just wanted to make a quick comment to-- Senator Groene made a comment there about counties and the spending of counties and that if their spending was out of control, they need to do something to control it themselves. For eight years, I was on Gage County board. Our property taxes increased by an average of 2.1 percent each year. Some years were higher, some were lower. But that's what eight years averaged. Counties are governed by a 2.5 percent lid increase of property taxes each year, with another 1 percent by super majority vote of the board. So counties are already governed by a maximum amount that they can increase property taxes all the time. So I know in Gage County, property taxes were not for the county themselves a runaway issue or whatever. There are-- I don't know what all the counties are like, but like I said, they're governed by statutes that this state put in place by the 2.5 or 3.5 percent lid. And then I have a question I guess for Senator Crawford.

SCHEER: Senator Crawford, would you yield again, please?

CRAWFORD: Yes.

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DORN: So explain a little bit more to me, I guess, this funding from, I call it the roads department then, that this bill is proposing. It is, I guess, it's taken-- the funding is taken from what aspect of that, or how is that funding taken, 'cause I think when you and I talked, it was also, it's taken part from the cities, not necessarily the city-- it's taken from the city's share of that money that they're getting back now.

CRAWFORD: OK. So, as you can see in the fiscal note, that there are two highway funds that the money comes out of. One is the Highway Cash Fund and that's the state funding. And the other is the Highway Allocation Fund. And the Highway Allocation Fund goes to cities and counties, half and half. So when you see on the fiscal note, here is how much is taken out of the Highway Allocation Fund, half of that's taken out for counties and half of that would be taken out for cities, so the-- does that answer your question?

DORN: But then the city's-- I call it-- the transportation fund itself is not coming out short on this. I mean, part of this, what the funding is coming from then is the city's-- the city's share of that transportation fund, not the transportation fund itself?

CRAWFORD: Some of the commission comes out of the state Highway Cash Fund, and some of it comes out of the fund that goes to cities and counties.

DORN: OK, OK, thank you.

CRAWFORD: So it's a small amount, but a small amount comes out, yes.

DORN: Small amount. Part of what I-- Senator Erdman talked about, too, in the fact that this body has over the years dealt with so-called unfunded mandates to counties. I know as I visit with people through this, this legislative body tried to, over the years, they had some studies done on it. They've tried to work with some of those issues or some of those problems over the years, very little has, as Senator Erdman said, been done, especially in the part of funding for jails and so on. This is one aspect, or this is one avenue that Senator Crawford has proposed to come forward with. I am in support of the amendment and the bill. Thank you.

SCHEER: Thank you, Senator Dorn and Senator Crawford. (Visitors introduced.) Returning to the queue, Senator Stinner, you're recognized.

STINNER: Thank you, Mr. President. Members of the Legislature, I'm a little conflicted on LB237 because I believe that counties do need additional funding for roads. I don't have a problem with that, but I do want to go to the fiscal note just to clear some things up. I hope I

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clear them up. The Highway Cash Fund, the amount of money shown here is actually a reduction from the Highway Cash Fund. The Highway Cash Fund is used for construction projects, so they will be short that amount of money. The Highway Allocation Fund is split between municipalities, cities, and counties. OK. When they split that and they get less on the county side, there was some counties that weren't going to be whole; they were actually going to lose a little bit of money. So I think that's what your amendment is, Senator Crawford, to make sure everybody is held harmless. But if you look down for clarity sake, collection fees will more than make up for the 50 percent hit from the allocation. So they are actually picking up-- the counties are actually picking up a million five, million six, million six, and, of course, a lot of that goes to Douglas, Sarpy, and Lancaster County 'cause they are the biggest ones and they're actually contributing back to pay for the fiscal note of \$15,000. So that holds that harmless. The question becomes is the \$400,000-plus that municipalities take a hit for. And that's really where I'm conflicted, because I'd sure like to hold them harmless in some degree. I'm a little bit conflicted about taking that out of the road cash fund because I did vote for the 6-cent increase in the gas tax and I've been skewered by several different parties about that, but that's OK. I believe that that amount of money really, kind of, set the stage for the expressway projects and some of the road construction initiatives that we're in right now. So hopefully that explains some of it. The allocation fund actually allocates 50 cents; 50 percent go to municipalities, 50 percent go to counties. With this new change that Senator Crawford, everybody's going to be held harmless as it relates to the counties. The counties then, if you look down the schedule, will pick up extra revenue that's intended by this legislation. The conflicting part is municipalities and cities take a hit. So on that, thank you, Mr. President.

SCHEER: Thank you, Senator Stinner. Returning to queue, Senator Chambers, you're recognized.

CHAMBERS: Thank you, Mr. President. Members of the Legislature, the other day I made reference to something that former President Eisenhower had stated about the military industrial complex. Then it occurred to me that the low esteem in which I'm held on this body might cause you to doubt whether what I said is correct. So I handed out something this morning and you may doubt it because I handed it out. But I'm going to aver and certify that it's true and it's correct. But before I do it, you all ought to stop telling that lie every morning about this flag. You all make an assertion that there is liberty and justice for all. You all do not say it's aspirational that you're hoping for the day when it will be liberty and justice for all in this country. But if you assert something and you know it's false and you assert it as though it's the truth, that is a lie. And if you do it under oath, it is perjury, a crime. So the only reason it's not perjury, 'cause you don't do it under oath. They ought to make you do it under oath since you're giving a pledge. But it's a lie every time it comes out of your mouth and you know it. So since every day I come here, every day you come here you tell that lie, it's going to evoke from me some remarks in response to it. Dwight David Eisenhower, he was about 79 when he croaked. According to the record, he

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was born in 1890 and he died in 1969. January 17, 1961, he gave a farewell address on radio and television to the American people. And this is what he said: This conjunction of an immense military establishment and a large arms industry is new in the American experience. We must guard against the acquisition of unwarranted influence whether sought or unsought by the military industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. And I quoted from Supreme Court-- former Supreme Court Justice Anthony Kennedy about the political branch wanting to be able to at will turn off the application of the U.S. Constitution. And Donald Trump, the President of white people, has done that with reference to these transgender troops. They had a right to serve. They had served and they had served honorably. And he told them, you don't have a right to serve here; you're not wanted here, get out. And you can look at my complexion and know that people of my derivation have had that hurled at us ever since we came to this country, and we were here a lot sooner than some of your ancestors who are white and from Europe, and especially Eastern Europeans who were considered inferior by everybody. When Columbus came here--

SCHEER: One minute.

CHAMBERS: --he had a black person on one of his boats, before your ancestors got here. And you treat everybody, everybody as though they're a carpet to be walked on or a door mat to wipe your foot on. But there are some who are going to stand up to you, and if it's only with words, that's what will be offered. And sometimes words are the most powerful weapon. Thank you, Mr. President.

SCHEER: Thank you, Senator Chambers. And I forgot to mention that was your third time at the mike. Senator Crawford, you're recognized.

CRAWFORD: Thank you, Mr. President. I was just going to respond and clarify again, I also voted for the gas tax and faced the heat for it in my reelection. I realized how important road fundings are-- road funding is, and I also have flooding in my district. So I know how important it is to allow the cities and the counties to make sure that we're repairing from flood damage. And if I thought that this bill was putting the overall highway funding at risk or putting cities at risk, I would have pulled the bill after the flooding, if I thought it was a risk. But I do not think it is a risk. And again, I want to repeat why. It takes less than .22 percent out of this fund. So less than a third of a percent of the total funding is being diverted for this purpose. And, colleagues, again, when we tried to find out from-- we found out from the Lancaster County highway superintendent how much it cost for asphalt overlay, the total amount that's taken, that's diverted from the cities is less than what it costs for one mile of asphalt overlay. That's the total amount from all cities. And when I had contact with the Sarpy County cities, the only city that responded back was La Vista who said it wasn't a problem for them because they only lost \$3,700 and that

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was not a concern to them. Also, in terms of the state funding, again, it's less than what it takes for two miles of asphalt overlay. So, I think this is a very small diversion out of highway funds which are very important, but it's a very small diversion to address an underfunded mandate that's important in our counties and one that right now counties are using property taxes to collect these fees. Instead it would make more sense for the \$200 million they collect each year, it would make more sense for us to allow them to keep a small commission on that fund instead of having them use their property taxes to pay for collecting these fees. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford. Seeing no one in the queue, you are welcome to close on AM1319.

CRAWFORD: Thank you, Mr. President. AM1319 focuses on two changes that are primarily important in this amendment. The first change is a change in the formula to make sure that all counties come out ahead. So that is in the amendment. The second main change in the amendment is it's a change in the fund that's being used to reduce the General Fund impact. I urge your support of AM1319. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford. The question before us is the adoption of AM1319 to AM676. All those in favor vote please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

ASSISTANT CLERK: 33 ayes, 2 nays on the adoption of the amendment to the committee amendment, Mr. President.

SCHEER: AM1319 is adopted. Turning to floor discussion, seeing no one in the queue, Senator Linehan, you're welcome to close on AM676. Senator Linehan waives closing. The question before us is the adoption of AM676 to LB237. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record.

ASSISTANT CLERK: 36 ayes, 0 nays on the adoption of the committee amendments, Mr. President.

SCHEER: AM676 is adopted. (Visitors introduced.) Mr. Clerk for a motion.

ASSISTANT CLERK: Mr. President, Senator Albrecht would move to amend with FA47.

SCHEER: Senator Albrecht, you're welcome to open on FA47.

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ALBRECHT: Thank you, Speaker Scheer. And I'll make this brief since I'm certain people would like to go to lunch. What I'd like to have everyone understand is that obviously this bill came to before the floods and I did go back and speak with Senator Crawford about this and I would like to see just-- I know that she said that the 75 can be spent any way they wish in General Funds, and 25 percent to their roads fund. I would like to do a 50/50 split. And the reason I say that is because most counties, the other 90 counties that might be able to get some form of money, it would be beneficial for that money to be in their highway or their roads fund to be able to take care of the roads and bridges that are out throughout our state. So again, this is just a formality within the original bill, LB237, to state that instead of 75 percent going to the General Fund it would be 50 percent and 50 percent then to the roads fund. So with that, thank you.

SCHEER: Thank you, Senator Albrecht. Senator Crawford, you're recognized.

CRAWFORD: Thank you, Mr. President. I rise in opposition of FA47. I think it really is up to the counties. I trust the counties to decide how to spend their money. It's not-- it is also the case that what we're collecting this commission for is to help them pay their treasurer for the cost of collecting the commission. And so I'd be concerned if we said that you must spend half-- 50 percent on roads. Again, any county that realizes that's their concern, I would trust and assume that they would spend half or more on roads if that's where they thought they needed to do spend the money. But I guess I'm concerned about tying their hands at this point to make it 50/50. So I would rather not have the amendment on the bill and leave it to the counties to decide how much more than 25 percent they want to spend on roads. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford. Senator Albrecht.

ALBRECHT: Well, I guess it might take a little bit longer then, and I hope that LB237 will have your support, Senator Crawford. But in speaking to you, I think it's important that we do talk about it before we actually get up here. But 50 percent of that amount of funding, knowing that it came from the transportation trust fund in the first place, I think it's prudent for us as a body here to make certain that if they're going to be getting those funds, we want to make sure that these roads and bridges are taken care of. In most cases, sitting on a county board, you have got to have enough in a storm like we just had, the flooding and the worst in the history of the state of Nebraska, if a county has to have 12.5 percent to be able to match what the state puts up of 12.5 percent, and when FEMA, the federal government, comes in and takes care of 75, I think it's prudent that we let them know where they need to go with these funds because we don't really have to do this. If we're taking money away from cities that currently get some of this money, even though you say it's only a section of a road, it's still every penny counts when you have

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smaller communities, not like the big three, but the smaller communities can use all the help that they can get. So I would ask your green vote on FA47 and take it from there. Thank you.

SCHEER: Thank you, Senator Albrecht. Senator Moser, you're recognized.

MOSER: Good morning, colleagues. Well, the reason I wanted to talk about this is a little bit that some of these arguments weren't-- I didn't find particularly moving. The argument that it takes the treasurer 15 minutes to contact the dealer to get a sales tax form or an ATV dealer to get a sales tax form is really, I think-- I don't want to say silly, but I would say that the county is going way above and beyond their responsibility. When these people come in to license their car or their ATV, they should have all their paperwork ready to go. They should have their proof of insurance. They should have their bill of sale, all the things they need rather than expecting the county to go to all that trouble to get that paperwork for them. I know in my own county, when I have numerous times tried to register vehicles and I didn't have all my paperwork with me, they made me come back again when I had my paperwork there. I checked with one of the other counties in my district and they do call the dealers and get that information for them. It's a smaller county, though, and it wasn't as big of a burden for them. I think this money should stay in the Highway Trust Fund and leave it the way it is. I don't see a benefit in using this money to fund general operations for the counties. So it's just where I come from, I wanted to let you know that. Thank you.

SCHEER: Thank you, Senator Moser. Mr. Clerk, for items.

ASSISTANT CLERK: Mr. President, the Appropriations Committee will hold an Executive Session today at 12:00 p.m. in Room 1003. Name adds: Senator Slama and Blood to LB693.

Finally a priority motion: Senator Walz would move to recess until 1:30 p.m.

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

RECESS

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

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

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SCHEER: Thank you. Do we have any items for the record?

ASSISTANT CLERK: Not at this time.

SCHEER: Thank you, Mr. Clerk. (Visitors introduced.) Returning to the agenda. First item, Mr. Clerk.

ASSISTANT CLERK: Mr. President, under consideration when we recessed for lunch was LB237 introduced by Senator Crawford. The bill changed provisions relating to sales and use tax collection fees, provide an operative date, repeal the original section. The committee amendments were adopted. Currently under consideration is FA47 offered by Senator Albrecht.

SCHEER: Thank you, Mr. Clerk. We'll first let Senator Crawford refresh our memory on LB237 and then return to Senator Albrecht to refresh us on FA47. Senator Crawford, you're welcome.

CRAWFORD: Thank you, Mr. Speaker, and good afternoon, colleagues. LB237 is a bill to restore a small commission to the counties for their task of collecting motor vehicle sales tax. And so they collect over \$200 million for states and cities each year, and this will allow them to have a small commission to be able to pay for that cost. Right now, the counties get \$900 a year, which in many counties doesn't cover the cost, and so the cost instead comes out of property taxes. And I also just want to note the legislative history of the 25/75 split in the bill. It was the idea of Senator Jim Smith who is Chair of the Revenue Committee last time we had this bill, and were discussing it, and it came out of Revenue Committee and just didn't have time to hit the floor. It was his idea to do the 25/75 split. He was previous Chair of Transportation Committee and also the sponsor of the gas tax bill. So I think the 25/75 split has some history in it and some background with people who are concerned about roads as well. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Crawford. Senator Albrecht, you're recognized.

ALBRECHT: Hi. I have added the amendment, AM47, just instead of a 75/25 split, I'd like to see the 50 percent go to the county general fund and 50 percent to the roads department, simply because of the flooding that is taking over our state, and how much money it's going to cost a lot of the counties to try to come up with enough funds to match state and federal funds to fix roads and bridges. Thank you.

WILLIAMS: Thank you, Senator Albrecht. Senator Erdman, you're recognized.

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ERDMAN: Thank you, Mr. President, and good afternoon. My light was on before we dismissed and had all those great questions, and so I'm trying to figure out what it was I was trying to ask, but Senator Crawford, I was wondering if you would yield to a question.

WILLIAMS: Senator Crawford, would you yield?

CRAWFORD: Yes.

ERDMAN: Senator Crawford, at the bottom of the handout that you presented to us, it shows at the bottom that Sarpy County would collect \$92,250 additional every year, is that correct?

CRAWFORD: Yes. Well, I mean, it may vary by year, but that was the calculation for 2018.

ERDMAN: All right. And so let's say it's 2018. So in that example 25 percent of that would go to the road fund and 75 percent would go to the general fund?

CRAWFORD: That's how it's written right now.

ERDMAN: So that would be about 68, \$70,000, just a rough math. Are you insinuating that it costs them another \$60,000, and that's what it costs them to collect that taxes, is \$68,000 to collect that?

CRAWFORD: Well, actually last time when we proposed this bill, we did have the county go through and estimate how much time it takes. It's about 10 percent of the time that it-- for their --10 percent of the time for 70 percent of their treasurer staff, and they're calculating that to be quite about what the commission would be in terms of the cost it is in Sarpy County.

ERDMAN: So put that in dollars and cents for me, if you would.

CRAWFORD: I don't know how much people in the treasurer's office make, so I don't have a good way to tell you how that adds up, but like I said, last-- when we did this last year, we did calculate it at 2015 wages, and it came out to be just about the amount that the commission would be.

ERDMAN: Okay. So what do they currently get in Sarpy County for collecting this tax?

CRAWFORD: \$900 a year.

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ERDMAN: So \$75 a month.

CRAWFORD: Correct.

ERDMAN: Are all counties reimbursed exactly the same amount?

CRAWFORD: That is correct. All counties get \$90-- excuse me, \$75 a month, \$900 a year, regardless of how many vehicles they process.

ERDMAN: Did I hear you say early on when Senator Albrecht introduced FA47 that you were opposed to that, is that correct?

CRAWFORD: I don't think it's a good idea. I think part of the reason for the bill is to reimburse the treasurer's office, so I think it's counter to the spirit of the bill, but I'll do whatever the body feels is appropriate.

ERDMAN: If the treasurer's office received 50 percent of this would be better than zero, would you agree?

CRAWFORD: Yes.

ERDMAN: Okay. I've listened to what Senator Albrecht is saying, and it seemed to make some sense. Thank you for answering those questions, Senator Crawford. But 50 percent seems to make some sense to me in light of what we had go on out in the country and the county roads, and so I'm going to be in support of FA47. Thank you.

WILLIAMS: Thank you, Senator Erdman and Senator Crawford. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. I wanted to rise in support of LB237, and I'm still kind of making my mind up on Senator Albrecht's floor amendment. But I received a e-mail from Mr. John Ewing, who is our Douglas County Treasurer, and I wanted to share with the body what he shared with us. He's in support of this bill, and he said, as you know, by law when Douglas County residents come to register their vehicles after purchasing them, we're required to collect motor vehicle sales tax on behalf of the state. He says, the collection of motor vehicle sales tax is one of the most labor-intensive services that we are mandated to provide the citizens of Douglas County. He says that 45 of his employees across five service centers are involved in collecting

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this tax and that they spend 45 percent of their time collecting motor vehicle sales tax. So while we need to do this, it does put a really huge burden on the Treasury Department and on the labor forces that they have there. Last year, John Ewing says they collected net taxable motor vehicle sales of over a billion dollars which resulted in a sales tax collection of \$60,279,841. So in Douglas County, of course, that's a really big chunk of the total motor vehicle sales tax that we're collecting for the state. But the total amount that they get from the state to do the work of collecting all those taxes is only \$900. And for that reason, I'm in support of this bill and I would urge your green vote. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Hunt. (Visitors introduced.) Seeing no one wishing to speak, Senator Albrecht, you're recognized to close on your floor amendment. Senator Albrecht waives closing. The question is, shall the FA47 to LB237 be adopted? All those in favor vote aye; those opposed vote nay. There's been a request to place the house under call. All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 24 ayes, 4 nays to go under call, Mr. President.

WILLIAMS: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Albrecht, would you take call-ins? We're now accepting call-in votes.

ASSISTANT CLERK: Senator Scheer voting yes. Senator Kolowski changing from yes to no. Senator Groene voting yes.

WILLIAMS: Record, Mr. Clerk.

ASSISTANT CLERK: 21 ayes, 6 nays, Mr. President, on the adoption of the amendment.

WILLIAMS: The amendment is not adopted. Seeing no one willing-- [LAUGHTER] that could be what it is. Senator Crawford, you are recognized to close on LB237.

CRAWFORD: Thank you, Mr. President. Good afternoon, colleagues. I appreciate the conversation we've just had. I do think that in those counties that need to spend the money on roads, I think we're going to see that happen. I think we often in this body talk about having local control, and so I think that it's going to happen for those counties that need the money on roads, but I appreciate Senator Albrecht bringing the amendment for us to have that conversation. And I appreciate your vote on LB237. Again this is a vote that will allow counties to keep a very small

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portion of the fees that they collect for the state and the counties and cities to pay for their cost of collecting those fees. And so this is an important vote to reduce an underfunded mandate we have. As I said, we had a study a few years ago and found 14 key unfunded-- underfunded mandates, and this is one that we can do something about this year without a General Fund impact. So I appreciate your vote on LB237. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Crawford. The question is the advancement of LB237 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 29 ayes, 6 nays on the advancement of the bill, Mr. President.

WILLIAMS: The bill advances. Returning to General File. Raise the call.

ASSISTANT CLERK: Mr. President, LB237A introduced by Senator Crawford. (Read title.)

WILLIAMS: Senator Crawford, you're recognized to open on LB237A.

CRAWFORD: Thank you, Mr. President. LB237A is simply the A bill, and the A bill to carry out the provisions. Again, there's no General Fund impact with the A bill. We're actually having the five largest cities contribute as part of the bill, and so there's no General Fund impact to the A bill. I appreciate your support of LB237A. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Crawford. Mr. Clerk for an amendment.

ASSISTANT CLERK: Senator Crawford would offer AM1320.

WILLIAMS: Senator Crawford, you're recognized to open on AM1320.

CRAWFORD: Thank you, Mr. President. The Department of Revenue asked us if we would use a different fund to accomplish this task, and we're happy to do so. So AM1320 simply changes the fund that is being used to eliminate a General Fund impact. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Crawford. Seeing no one in the queue, Senator Crawford, you're recognized to close on AM1320. Senator Crawford waives closing. The question is the adoption of AM1320 to LB237. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

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ASSISTANT CLERK: 26 ayes, 6 nays, Mr. President.

WILLIAMS: The amendment is adopted. Senator Crawford, you're recognized to close on LB237A. Senator Crawford waives closing. The question is the advancement of LB237A to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 26 ayes, 5 nays on the motion to advance the A bill, Mr. President.

WILLIAMS: The bill advances. Mr. Clerk for items.

ASSISTANT CLERK: Mr. President, one item. Senator Friesen amendment to LB356 to be printed. That's all I have.

WILLIAMS: Mr. Clerk, returning to General File, LB496.

ASSISTANT CLERK: LB496 introduced by Senator Wayne. (Read title.) The bill was introduced on January 22. It was referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments.

WILLIAMS: Thank you, Mr. Clerk. Senator Wayne, you're recognized to open on LB496.

WAYNE: Well, I want to say thank you, Mr. President; and thank you, colleagues, this morning for extended debate on the bills before this that allowed me to actually keep my job and practice law because I had court this morning on a couple of hearings, so I do appreciate it. This bill is a bill that started a long time ago for me. 2012 a young kid who played basketball for me was shot multiple times. It was a very painful experience and he ended up passing away seven days later. The reason why that's important is because everybody around him knew who the two people who shot and killed him were, and though many of them would not come to testify out of fear, that's the first time I ran across this loophole in this bill that we-- or in this law that we currently have. And I want to explain the loophole in layman's terms. If anybody commits a Class III, II, IIA, or I felony, everything from a murder to a robbery to serious drug offenses, if you witness tamper, so the person who saw you do it, if you go out and tamper them and tell them that they cannot testify or you will hurt them, the minimum punishment you'll receive is a Class IV felony, which is a probation-- presumption of probation with a maximum sentence of two years. So think about that. In a robbery you could face 20 years, and as a robber if I know I go out and witness tamper, the best case for me is I get off free; worst case, I only get sentenced to two years. A long time ago people just had enough respect for the court system and judicial system not to do this, but as

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criminals, particularly gang members get younger and we enter more violent crimes, these individuals are becoming bolder and bolder. So after I experienced that situation in 2012, I began doing more research on why, but wasn't in a position to do something about it. Last year, a Sergeant who came home on service over the holidays, Kyle LeFlore, was murdered in my district. He survived two tours in Afghanistan and was murdered in his backyard in my community. There were multiple witnesses, and currently one of the individuals who was arrested, got let go. Got let go and I didn't pass out the Omaha World-Herald story yet because when I walked in today I saw multiple pages of paper everywhere, and I figured we could just listen and you can verify it on your own. But the mother and aunt of this individual were charged with witness tampering, and he had to be let go. He was never charged and that individual never faced judgment. Fast forward a year, this year the co-defendant was on trial, and the first day of trial five witnesses did not show up. Luckily, the prosecutor and the police force and this parent were adamant about this trial going forward that they went out and had SWAT and everybody else doing a roundup of all of these individuals. So five witnesses testified at this trial to convict one of the murderers in orange jumpsuits. And if you were to ask many of them, it was because they fear for their lives. This bill closes that loophole. This bill aligns the underlining crime of murder with the witness tampering. It's a one step down, but in no way is it a break that gives you the opportunity to witness tamper your way out of a crime. Me being a criminal defense attorney, if there's any new felony, typically the association I'm with, criminal defense attorneys are opposed to it. Knowing that, I reached out to them and found out other issues that are going across the state from a defense standpoint. And what we found out is there were some discovery issues in the statute that some counties, believe it or not, weren't handing over police reports because it wasn't listed definitely in the statute. There were other reports going missing or somehow never there, so we brought everybody to the table. I told them that this is going to be a major bill, and I'm appreciative of the Speaker for giving this a Speaker priority. And everybody came together and signed off on the amendment that Senator Lathrop, Chairman Lathrop will introduce. So this is both sides, prosecution and defense, coming together, because even as a defense attorney there's something fundamentally wrong that you can witness tamper your way out of a crime. There's something fundamentally wrong that if you are charged with murder or a robbery, at worst you're going to get for threatening those witnesses is two years in jail, and possibly just probation. For far too long--this is not just a Omaha issue--but for far too long across the state, whether it involves drugs, whether it involves violence, or whether it involves nonviolent offenses, witness tampering has gone on for far too long. The other thing we found out when we were going through this negotiation is, there was actually a case where there was a jury tampering. Believe it or not, jury tampering is only a Class IV felony. That means presumption of no jail time, presumption of probation, and if all those factors the judge find are not suitable, the maximum you can get is two years. Juries are a right by not just the federal constitution but our state constitution. That is the critical point of any judicial system is that your peers unswayed by anybody else can sit in a jury box and decide on how this person should be judged. For somebody to go into that sacred area and threaten or harm, or even try to buy off

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somebody, does a great injustice to our entire system. That is what this bill is about, and that is what this amendment is about, and I will answer any questions, but I do hope you support this bill astoundingly with 100 percent because we need to send a message that no longer are we going to tolerate outside influence when it comes to judging criminals and those facing criminal sanctions in our communities. Thank you.

WILLIAMS: Thank you, Senator Wayne. As the Clerk stated, there are amendments from the Judiciary Committee. Senator Lathrop, as Chairman of the committee, you are recognized to open on your amendments.

LATHROP: Thank you, Mr. President, and colleagues, good afternoon. The Judiciary Committee voted to amend LB496 with AM787 by a vote of 5-0 with three members absent. The committee voted to advance the bill on the same 5-0 vote. AM787 replaces the original bill. As in the original bill, the penalty for tampering with witnesses, informants, juries, and physical evidence is increased from a Class IV felony to a Class II felony in cases alleging a Class II or higher felony. The amendment reduces the penalty to a Class I misdemeanor in cases alleging a Class II misdemeanor or lower. The amendment also adds additional clarification in Section 5 and Section 11 that discoverable information is limited to information directly related to the underlying charges. In the original bill, provisions explicitly authorizing a court to issue an order dismissing an action, with or without prejudice, were added to Sections 29-1919 and 29-1923. These provisions are not included in the committee amendment. Colleagues, this is important legislation. I would encourage your support of both the committee amendment and the underlying bill. It's important to preserve the sanctity of jury trials and the criminal justice system, and this bill is an important step in the right direction. Thank you.

WILLIAMS: Thank you, Senator Lathrop. Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. I rise today in support of LB496 and AM787. I was absent on this vote coming out of committee, but I'm a strong supporter of this bill, and would like to thank Senator Wayne, Senator Lathrop, and the prosecuting and defense attorneys for coming to the table on this bill, which effectively closes a loophole that allows those charged with serious crimes to witness tamper their way out of the charges. So again, thank you Senator Wayne, Senator Lathrop, and for everybody to come to the table on what I believe is a very good bill that closes a very dangerous loophole in our justice system. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Slama. Seeing no one wanting to speak, Senator Lathrop, you're recognized to close on AM787. Senator Wayne, would you like to close on AM787? They waive closing. The question is, shall the committee amendments to LB496 be adopted? All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

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ASSISTANT CLERK: 39 ayes, 0 nays on the adoption of Judiciary Committee amendments.

WILLIAMS: Committee amendments are adopted. Mr. Clerk.

ASSISTANT CLERK: Senator Wayne, you had filed AM750, but I have a note you wish to withdraw.

WAYNE: Yes, yes.

WILLIAMS: The amendment is withdrawn. Returning to debate. Senator Clements, you're recognized.

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

WILLIAMS: Senator Wayne, would you yield?

WAYNE: Yes.

CLEMENTS: Thank you. In support of this concept I was sitting here curious as to whether you checked with other states and what practices there are in other states regarding witness tampering.

WAYNE: Yes, many of them have actually-- most of them follow what we're doing. There are some states who match the actual underlying crime. We did not do that. Through negotiations, everybody kind of agreed that the harder offenses everybody wanted to, but it becomes a little sketchy, primarily because when there's one incident there's multiple charges that could be charged. And sometimes there is multiple charges on the complaint, and so then which one would you charge as the witness tampering? So we matched it to the underlying one step below, and that way the prosecutor would take the higher offense than go one step below.

CLEMENTS: OK. If there's several offenses you take the most serious offense in one step below, is that what you're saying?

WAYNE: That's up to the discretion of the prosecutor, but that's how prosecutors that we all met with, would like to do it, yes.

CLEMENTS: They're allowed to do that or--

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WAYNE: Correct, and part of the negotiations, sir, was that on the lower level offenses where some states make mistakes is, for example, somebody has a joint and they flick it. Well, technically that's evidence tampering. They see a cop and they flick it. So what some states do is what we originally have in our law is that moves it from an infraction, which is a \$300 fine, to a felony. And unbeknownst to kids, who they see the cops and they flick it and run, that becomes a felony. And so we're trying to make it more sensible saying, if the underlying crime is an infraction or a misdemeanor, then let's not jump up to a Class IV felony too. So we fixed that in the law too.

CLEMENTS: Very good. That answered my question. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Clements and Senator Wayne. Seeing no one wanting to speak, Senator Wayne, you're recognized to close on LB496. Senator Wayne waives closing. The question is the advancement of LB496 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

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

WILLIAMS: The bill advances. Mr. Clerk for items.

ASSISTANT CLERK: Mr. President, your Committee on Enrollment and Review reports LB138 to Select File with E&R amendments attached. That's all I have.

WILLIAMS: Thank you, Mr. Clerk. Returning to General File, LB375.

ASSISTANT CLERK: LB375 offered by Senator Brewer. (Read title.) The bill was introduced on January 16, referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File. There are no committee amendments.

WILLIAMS: Thank you, Mr. Clerk. Senator Brewer, you're recognized to open on LB375.

BREWER: Thank you, Mr. President. LB375 would add an exception to our public records laws. This new exception would be for some records given to the Nebraska State Historical Society from private donors. People often donate historical collections to the state. Some people will not make the gift without one condition, and that would be that their donation be kept from public viewing until a certain given time, or possibly their death. We can guess what the motives are for having these conditions for the gift. Maybe the donor wants to have a cooling-off period after a controversial political career. Maybe it is something of historical value that they do not want to

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release until their death. The Nebraska Historical Society asked me to introduce this bill. They used a-- we used to believe that donated artifacts were already exempt. In 2015, the Attorney General put out a memo that corrected them on their understanding of this law. The AG's Opinion is that these things are not exempt from the disclosure under current law. Here is the problem facing the folks at the Nebraska State Historical Society. Do they say no to the gift and possibly lose a very valuable, historical record or records forever, or do they say yes at the expense of transparency on this issue? The bill is an effort to balance between these two. The longstanding rule in Nebraska is the public records are supposed to be open and transparent to the public. I believe strongly that public records belong in the public, but in some cases the Legislature has made exceptions to that rule to protect police investigations, to protect personal information, to protect public safety. This bill would add one more exception. The new exception would be for some historical documents transferred from private parties to the state agency like the Nebraska Historical Society. It would allow these records to be withheld for a long-- for as long as the donor required in order to make this transfer effective. I think it is important that we make it possible for the Nebraska Historical Society to preserve our Nebraska history for future generations and future Nebraskans. That is what LB375 will do. I would ask for your green vote. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Brewer. Debate is open. Seeing no one wishing to speak, Senator Brewer, you're recognized to close. Senator Brewer waives closing. The question is the advancement of LB375 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

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

WILLIAMS: The bill advances. Mr. Clerk for items.

ASSISTANT CLERK: Not at this time, Mr. President. Thank you.

WILLIAMS: Let's return to General File.

ASSISTANT CLERK: Mr. President, the next bill, LB610, offered by Senator Lindstrom. (Read title.) The bill was introduced on January 23, referred to the Revenue Committee. That committee placed the bill on General File with committee amendments.

WILLIAMS: Thank you, Mr. Clerk. Senator Lindstrom, you're recognized to open on LB610.

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LINDSTROM: Thank you, Mr. President. And good afternoon, colleagues. With LB610 it was my original intent that this bill would provide for approved employers an opportunity to contribute to their employees 529 College Savings NEST Plans to receive a tax credit incentive. The committee amendment, AM917, would alter the bill, whereby the plan would now be named the College Savings Incentive Cash Fund and provide a cash refund to employers instead of a tax credit that would be administered through the State Treasurer's Office. The bill will allow an employer to match an employee's contribution to their 529 NEST Plan and receive a cash refund in an amount equal to 25 percent of the employer's matching contribution, not to exceed \$2,000 per contributing employee per taxable year. For example, if I contribute \$100 to my child's NEST Plan and my employer matches that contribution, then my employer would be eligible for a \$25 cash refund. An eligible employer means those who have submitted an application and approved by the State Treasurer and have provided the number of matching contributions made during the previous calendar year. And within the committee amendment these amounts-- the amount of these refunds shall be capped at \$250,000 per year. I would encourage the body to vote green on the upcoming committee amendment and the underlying bill, LB610. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Lindstrom. As the Clerk stated, there are amendments from the Revenue Committee. Senator Linehan, as Chair of the committee, you are recognized to open on your amendments.

LINEHAN: The amendment changes the original bill from the nonrefundable income tax credit to employers incentive payment. The program would be administered by the State Treasurer rather than the Department of Revenue. An eligible employer would receive a payment from the State Treasurer's Office equal to 25 percent of the matching contribution, but no more than \$2,000 per employee. Before June 30 of each year, the State Treasurer would determine the total amount of payments approved for the year, transfer that amount from the General Fund to the College Savings Incentive Cash Fund, and distribute the payments to the approved employers. The amendment creates a cap of \$250,000 per year in approved payments. Finally, the amendment delays the implementation date until January 1, 2022. Thank you.

WILLIAMS: Thank you, Senator Linehan. Mr. Clerk, there is an amendment to the committee amendment.

ASSISTANT CLERK: Senator Wishart would offer AM1365.

WILLIAMS: Senator Wishart, you're recognized to open on your amendment.

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WISHART: Thank you, Mr. President. Good afternoon, colleagues. I'm here today to introduce AM1365 to LB610, an amendment that incorporates the majority of LB547 into Senator Lindstrom's bill, which is a bill I introduced this year. I first want to thank Treasurer Murante, and Senators Lindstrom, Linehan, and La Grone for working with me to expand post-secondary education opportunities for all Nebraskans. Earning a post-secondary credential from a college or vocational school in our current economy is more critical but also more expensive than ever. To ensure that post-secondary and vocational access remains affordable, states have taken steps not only to reduce the price students and families pay, but also to encourage families to save for future college expenses in the form of 529 Educational Savings Plan. Research indicates that even small amounts of educational savings will lead to increased college or vocational school enrollment and completion. And AM1365 is a step to allow all families the ability to save greater amounts for their future educational needs. AM1365 creates the College Savings Plan matching grant program under which every child between 200 to 250 percent of the federal poverty level will be eligible to have a dollar-to-dollar match for every dollar that goes into their 529 account up to \$1,000 annually. For children whose family falls below 200 percent of the federal poverty level, there will be a two-to-one match for dollars that are contributing to 529 accounts up to \$1,000 annually. Applicants must submit an application each year in order to continue participation in this program, and the state match is capped at 250,000 annually. Additionally, AM1365 creates the College Savings Incentive Cash Fund within the Treasurer's Office. I have specifically set the start date for this program to start in 2022 so that we have no General Fund obligation for this bill in the biennium. And I have a commitment from the Treasurer that we will work within the budget of the Treasurer's Office to find matching funds within his cash fund authority. I'm pleased to work again with senator treasurer-- excuse me, with former senator and Treasurer Murante on this important legislation. And I'd be happy to answer any questions and urge you to vote in support of LB610, the committee amendment, and AM1365.

WILLIAMS: Thank you, Senator Wishart. Returning to debate. Senator Bolz, you're recognized.

BOLZ: Thank you, Mr. President. I just have a few brief questions for the introducers of these bills, and certainly college access and hope to get through college was important to me, and I support the intention of both of these bills. Would Senator Lindstrom yield to a question?

WILLIAMS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I will.

BOLZ: Thanks, Senator Lindstrom. So, Senator, first I understand that the committee amendment provides the cap to the program overall. Will you just describe that a little bit for me?

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LINDSTROM: Sure. So a few of the committee members in Revenue felt that it was important to maybe limit the-- because it's a new program, we want to make sure that it wasn't getting out of control. Now that being said, when this has been implemented in other states it hasn't even come close to the 250,000. In reality, it's somewhere in-between 15,000 to 40,000. And I guess if we get to the \$250,000 cap, it's probably a good thing because it means that we have more kids going to college.

BOLZ: Great. That's really helpful just looking at the long-term impact of this bill. And one other question for you, Senator Lindstrom, there are a couple of different pieces moving this year on college savings, and I think there might be a need for us to review on Select File how all the pieces are intersecting. I think there's been some concern about of double-dipping or ways to manipulate savings so that you, you know, get more than your value that you're putting in from the system as a whole. I'm sure that you're willing to work on clarifying any additional, technical changes to address those needs between General and Select. Is that right?

LINDSTROM: Yes, I am. And just so the body is aware, there are two vehicles here, my bill and Senator La Grone's bill. And in both those bills, Senator Wishart, and I believe, Senator Wayne has an element to that, and Senator Linehan with the amendment. So there are two bills out there that do separate things. But, yes, if there is any concern about what you mentioned, we can certainly look at that and address that.

BOLZ: Great. That's all I wanted was just that quick conversation on the microphone. And then, I do have one quick question for Senator Wishart.

WILLIAMS: Thank you, Senator Bolz and Senator Lindstrom. Senator Pansing Brooks, you're recognized. Excuse me, Senator Wishart, would you yield?

WISHART: Yes, I will.

BOLZ: Senator Wishart, I think this is what you said your previous time on the mike, but I just want to make sure it's clear on the record. It's not your intention that General Funds would be used for this purpose, is that correct?

WISHART: That is correct. It is not my intention, and I have a commitment from the Treasurer. We'll use this within his cash fund authority.

BOLZ: So either private funds will be raised or cash fund authority will be used, no General Funds. That's not your intention at this point in time.

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WISHART: Correct.

BOLZ: Okay. That's all I needed. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Bolz, Lindstrom, and Wishart. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you very much, Mr. President. So, I guess I have some questions for Senator Lindstrom.

WILLIAMS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I will.

PANSING BROOKS: So I know there are five different 529 bills, is that correct?

LINDSTROM: Yes.

PANSING BROOKS: And why were they all separated? Why not just one bill to deal with this issue?

LINDSTROM: Well, the five, some went to Education, some went to Revenue, based on the structure of it. So we felt that in this case Senator Wishart's bill was more in line with mine, and Senator La Grone's is more in line with Senator Wayne's--

PANSING BROOKS: OK. So my concern is that I know that when Senator Wishart came to the Education Committee, the fiscal note was not clear. Now I understand we have at least-- is it your bill that we have a limit of 250,000, is that correct?

LINDSTROM: That's correct.

PANSING BROOKS: So what if more than 250 people decide to put in the thousand dollars? What happens then?

LINDSTROM: Well, it would be a first-come, first-serve in that case, but like I said in every other state that this is-- happened or that has passed this, they haven't been close to 250,000. And

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in reality, it would be more in line with fifteen to 40,000. So at that point it would be, the Legislature in the future they could change that limit at some point if they so choose.

PANSING BROOKS: So this is only for 15 to 40 people?

LINDSTROM: Well, you can contribute as much or as little as you want up to \$2,000.

PANSING BROOKS: Oh, I thought it was to 1,000, so now it's up to 2,000?

LINDSTROM: Well, most people are not going to contribute \$2,000. I think the vast majority might do \$100. In that case, the employer would match that \$100, and then the employer would get the \$25 rebate. And we did that, one, because the Treasurer can administer it through the cash fund that would be created and the dollars that he has, and so we wouldn't have any General Fund obligation in this case.

PANSING BROOKS: So it's coming from the cash fund, is that correct?

LINDSTROM: It's coming from his cash fund, the Treasurer's.

PANSING BROOKS: From the Treasurer's cash fund. So he has-- it could be up to 250,000 every year.

LINDSTROM: Theoretically it could, but in the testimony, if you go back and just look at some of the testimony through the committee hearing, and if you look at other states that have implemented this, it hasn't been close. Even in states like Illinois and California, it hasn't even come close to that \$250,000 mark.

PANSING BROOKS: So when I-- when we-- when I questioned this in the Education Committee, the response was, well, he'll just go out and raise the money himself.

LINDSTROM: That is a different deal, not pertaining to my particular bill.

PANSING BROOKS: OK, that's Senator Wishart's bill.

LINDSTROM: Mine deals strictly with the employer rebate through the contribution, the match, if their employee opens up a 529 for their child or anybody else.

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PANSING BROOKS: So we need to ask each of you on the 529 plan. I mean, that's the problem, is the fiscal note, the way the money's going to come forward is very confusing, and so I don't know. I guess I'll ask Senator Wishart, if you please.

WILLIAMS: Senator Wishart, would you yield?

WISHART: Yes, I will.

PANSING BROOKS: Thank you, Senator Wishart. So on-- can you explain where the money is coming from, where it's going to go? Is former Senator Murante going to raise private funds, because that's what we were told in the Education Committee hearing?

WISHART: Yes, I can speak specifically to AM1365. So I have a commitment from the Treasurer that over the next two years, since this doesn't go into effect until 2022, that we will have this money coming out of his cash funds. And frankly, I'm happy if we want to even address that in an amendment on Select File. I'm happy with putting that in here as well, but it comes out of the Treasurer's cash fund. Then I do give him the ability to raise private dollars as well. And so the goal would be that if he's successful enough in raising \$250,000 in private funds, then he's able to use that instead of his cash fund.

WILLIAMS: One minute.

PANSING BROOKS: Thank you. And why would people-- what is the advantage to people donating to his cash-- to this \$250,000 cash fund?

WISHART: Well, the advantage is that we have created a vehicle with my bill to directly get to one of the hardest groups to get to in terms of college savings, which is low-income families.

PANSING BROOKS: Yes. So--

WISHART: So a private entity, if they give to his cash fund it will go directly to benefit low-income families. And I can anticipate there are plenty of philanthropists in Nebraska that would be very intrigued by the opportunity to be part of what I think is going to be a really incredible program.

PANSING BROOKS: So are they going to get some sort of credit for doing that donation or how is that going to work?

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WISHART: No different than any private company or philanthropist would get now under the current laws within our college savings.

PANSING BROOKS: OK, but they can't-- if somebody came in like Buffett and donated \$250,000, what's the benefit to him besides being a good person?

WILLIAMS: Time, Senator. Thank you, Senator Pansing Brooks, Senator Lindstrom, and Senator Wishart. Senator Kolterman, you're recognized.

KOLTERMAN: Thank you, Mr. President, and good afternoon, colleagues. I rise in support of AM1365, AM917, and LB610. We heard this in Revenue, and I believe-- I've sold these plans over the years, and in our discussions it becomes very difficult to sell a 529 plan. People-- you know, that's probably the last place people put money, but the reality is, they're needed. There's a huge need for 529 plans. So anything we can do to help incent people to contribute to this for either low-income students or employers, I think that's a good thing. Over the years, I think I've sold about 45 to 50 of these at maximum, and they were only to people that had means. So if we can do this through a payroll deduction type of a program, and we can do this through the State Treasurer's Office, I think we can do nothing but help ourselves in getting kids educated into a work force here in the state of Nebraska, hopefully. So with that, I would hope that we could give all three of these a green light and move on. Thank you.

WILLIAMS: Thank you, Senator Kolterman. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. I just wanted to step back and kind of just walk through the history of why I joined in efforts with several other senators on this. Over the summer, once the Treasurer was elected and had gotten moved into his office, I had the opportunity to meet with him and talk about the fact that one of his legacies, probably his top legacy, if you talk to him, is he wants to make Nebraska the most competitive state, a visionary state for college savings, and frankly we need to do that. We are having so much trouble as a state retaining and attracting young people, so we should have vehicles like this to help with that. And so I said, I want to be part of this. And I think if you asked every other senator here who is bringing a different bill, it's because they said they wanted to be part of this vision. And so that's why we have-- you know, it was questioned why do we have all of these senators bringing different bills? It's because there are a lot of us who care about this issue and we wanted to be part of the vision moving this state forward. And so again, I encourage you to vote for AM1365 and AM917 and the underlying bill. Thank you.

WILLIAMS: Thank you, Senator Wishart. Senator Brandt, you're recognized.

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BRANDT: Thank you, Mr. President. Would Senator Lindstrom yield for a question?

WILLIAMS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I will.

BRANDT: Senator Lindstrom, why do we need this bill?

LINDSTROM: Well, it's a combination of a couple things. Student debt has become a prevalent problem across the state. And anytime we can help our students or our residents, younger kids, have a longer time horizon to save through time value of money, I think it helps. This is also a value add for employers that they can offer to their employees, just like how you would offer up 401K or health benefits, this is another add-on that you could value add to those employees.

BRANDT: All right, I agree with the first part on that. But it looks like we are incentivizing a business to donate. Doesn't a business already get a deduction on their taxes if they donate?

LINDSTROM: In my bill, the employer does not get a deduction, they get a rebate. But in every case, in a 529 plan as it stands now, the owner of the plan, so it could be yourself, it could be a parent of a child, if they donate, they could get a tax deduction, but that's already as it stands right now.

BRANDT: And then we've got a \$250,000 cap on this. And so an employer could donate up to \$2,000 a student, and they would get a 25 percent, I call it a tax incentive back, which would be \$500, but we didn't cap the number of students per employer, did we?

LINDSTROM: We did not cap the number of students. And just to clarify, it's up to \$2,000; so technically what you could do is have \$8,000, which I can't imagine anybody would do that, but it'd be 25 percent of the \$8,000 would then be the \$2,000 cap.

BRANDT: How many states do this now?

LINDSTROM: Every state does it a little differently, but ours is pretty much in line with how other states do it. I believe there's-- I think there's under ten that do it currently, but it's moving in that direction. I know Treasurer Murante has been to a couple conferences where it seems like most states are moving in that direction to compete.

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BRANDT: All right. Thank you, Senator Lindstrom. I guess I'm going to listen to the debate here and see which way we're going. As cash strapped as the state of Nebraska is, I don't think we need to incentivize employers in this way. Thank you.

WILLIAMS: Thank you, Senator Brandt and Senator Lindstrom. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you, Mr. President. So again, may I please speak-- I'd like to ask some questions of Senator Lindstrom.

WILLIAMS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I will.

PANSING BROOKS: Thank you. So, Senator Lindstrom, I continue to have people pushing back and talking about some of the concerns. Number one, people are worried about how are we going to have the funding for this? People are worried about the floods and how much money we're going to have to pay for that. How much money dropped property taxes, how much to cut the income taxes. We aren't even talking very well about the earned income tax and people who are impoverished, and I understand that many of you joined on to this because of that. I was asked to join on to it and did not feel that-- I didn't feel it was the right thing, so but that's OK. I'm just wondering if between now and Select if you'd be willing to work on just looking at how this is going forward. I'm concerned about, you know, to say that it's only approaching the cash fund, that's still cash dollars. Those are still state dollars that would be used for rainy day and for other things. So are you willing to discuss this and work on this between now and Select?

LINDSTROM: Sure. I'm always willing to work on that. I do think it's important though that we focus on what we're trying to get at here, and that's to help kids and Senator Wishart's bill and my bill to help kids go to higher education-- going to higher education. We talk about work force development here all the time. This is another tool that we can use that helps us compete in a regional, and also in the country. And so to focus on that and--

PANSING BROOKS: So, OK, excuse me. I'm sorry. So what I'd like to say is why aren't we just giving more money to the nongrants, the Nebraska Opportunity Grants? That's a really good way for us to allow money to be used to help kids go on to school. And we could be-- if we put this money into the nongrants and that whole system, which goes, by the way, to public and private, why aren't we doing that instead? Why is this a better way?

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LINDSTROM: Well, I suppose you could do both, right?

PANSING BROOKS: Well, we could, but we're not. And all sorts of people are asking that the Nebraska Opportunity Grants be increased. So anyway, I just would like to discuss this more. It's concerning to me when we have so many problems with money in this state: property taxes, income taxes, the flood. I think the flood trumps everything right now. And I know people are saying, oh, don't worry, you know, that's going to be paid for by federal dollars. I'm not convinced that's all going to be paid for. And in the meantime, before the two to three years, before the federal government pays out, we're going to be paying out, or we're going to let our people just be mired in the mess. So anyway, thank you very much, Mr. President.

WILLIAMS: Thank you, Senator Pansing Brooks and Senator Lindstrom. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. I do have some questions, and I'm trying to learn more about how all these work together, but Senator Wishart, would you yield to some questions?

WILLIAMS: Senator Wishart, would you yield?

WISHART: Yes, I will.

FRIESEN: So what your amendment is going to do is just families that are in poverty now, it's going to be a state match.

WISHART: Yes.

FRIESEN: Is this in any way tied to an employer contribution also, or could this be an employer contribution with a state matching?

WISHART: So my bill is a family would apply through the Treasurer's Office to be part of this matching grant, and then whatever they put in there would be matched depending on what level of poverty they fall under.

FRIESEN: So like-- what is the 200 percent of poverty level or 250 or--

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WISHART: So 250 percent of the poverty level, and the reason I put 250 percent was that it aligns with Pell Grants. It aligns with other tuition-assistance program. The 250 percent is about \$67,000 for a family of four.

FRIESEN: So, again to clarify, like a Pell Grant would be the matching money, the state would match that?

WISHART: Well, when I-- I just-- why I mentioned Pell Grant was that they used 200-- you can qualify if you are at 250 percent of poverty level or above that, so I wanted to align it with similar tuition-assistance programs.

FRIESEN: So if an employer makes a contribution into that college savings plan, can that money be used as matching then-- will the state match that, those dollars?

WISHART: So my bill is specifically for a family applying to be part of this assistance program. Senator Lindstrom's bill is dealing separately with employer contributions.

FRIESEN: So do the two ever come together, though, to where you can have an employer that makes a contribution to a low-income family person and it's put into a 529 savings account, and so the employer would get 25 percent tax credit. And then the dollars contributed would be matched by the state? Is that possible with the intermingling of this legislation, I guess?

WISHART: Sure. I'd imagine so, and I can cross-check that, but I'd imagine so. And, again, I would just say that the benefit of this is that a kid is getting college savings.

FRIESEN: OK. Thank you, Senator Wishart. Senator Lindstrom, will you yield to some questions?

WILLIAMS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I will. Yes.

FRIESEN: So, when I-- I know I remember in committee and this was one of the benefits that I saw, your portions of the bill at least was that instead of having parents and a grandparent have separate 529 accounts, now you can have one 529 account, is that correct?

LINDSTROM: Yeah, you can have one 529 account with one beneficiary.

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FRIESEN: So that would definitely clarify things and make them better. So now you can have an employer and grandparents make a contribution to a 529 plan. Say I put a \$1,000 into there, the employer puts \$1,000 into there, you as a parent could put a \$1,000 into there, who all gets a credit?

LINDSTROM: In my bill the employer gets a credit, but as it stands now how 529 plans work, the parent if they-- whatever they contribute can get a tax deduction, but that's already in the way it is currently, right.

FRIESEN: So if I am employing my grandson, that's different, if he would be an employee of mine?

LINDSTROM: Then you could potentially get a tax rebate in this case, if you're the employer paying your grandkid as an employee.

WILLIAMS: One minute.

FRIESEN: OK, so--

LINDSTROM: But it still caps at \$2,000.

FRIESEN: OK. So does Senator Wishart's bill tie into this complicated equation at all or is it a separate issue?

LINDSTROM: Well, it ties in in that we cap both. In both cases the cap totals \$250,000 total. But what Senator Wishart mentioned, and which is true, is if you have somebody at the 250 percent poverty level that also has an employer that would contribute to their child's 529, then yes, they could potentially get--

FRIESEN: OK. So once we hit that 250 cap, what happens? You just stop it there or they prorate it or any idea?

LINDSTROM: It's first-come, first-serve, and once it hits that it's done, but, again, I want to make sure and emphasize in every other state they have never come close to 250,000. It's been 15,000-- in the range of 15,000 to 40,000. So when we're talking about these numbers and we're throwing around-- you know, in Revenue Committee, we're throwing around \$500 million-- if we just keep it in perspective.

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WILLIAMS: Time, Senator.

FRIESEN: Thank you, Mr. President.

WILLIAMS: Thank you, Senator Friesen, Senator Wishart, and Senator Lindstrom. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. President, and good afternoon, colleagues. Neither one of these are my bills, but I do have a bill that's connected to all this. And I just thought we should maybe go back and look at the reasons, I think five of us are involved here. My bill opens an account for every kid, every child that's born in the state of Nebraska. And why do I think that's important? And these and the other bills all add to it, and as Senator Friesen pointed out, there's very good ideas here, but let's go back. We have 529s available in Nebraska now. But if you have a grandchild, you have to open an account, their parent has to open an account, their aunt who wants to give them money has to open an account, so now we're trying to drive it so every child in the state has one account, and all these different people who have an interest in that child's future can put money into that account. The most important part about this program is studies show, and I don't think it's going to surprise anybody, the studies show if a child has a college savings account, they do better in school because they know from the time they are a small child entering kindergarten that they're on a trajectory to go to college. There's a savings account for them. So, if there's a savings account to go to college, you think you have a future, and having a future gives you hope. And hopefully, and studies show when you have a future and somebody thinks you can go to college, you do better in this school. You behave better. So this is a very important bill. It can make a big difference to young people's lives across Nebraska. The funding has-- the State Treasurer has worked hard on the funding. It's not going to take any money from general revenue. And it, again, I think somebody said we talked about work force development, this is the best kind of work force development. You start out at the very beginning and you tell that child that you've got an account, you can go to college, you can go to college wherever you can aspire to go as long as you study hard, behave, and get the grades to go there, there is funding for you to go to that school. So I think maybe I would like us to focus on the goal here, more kids with a future that's bright and hopeful. Thank you.

WILLIAMS: Thank you, Senator Linehan. Senator Pansing Brooks, you're recognized, and this is your third time.

PANSING BROOKS: Thank you very much, Mr. President. So I was wondering if I could ask a question again to Senator Lindstrom.

WILLIAMS: Senator Lindstrom, would you yield?

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PANSING BROOKS: Or any of the five, really.

LINDSTROM: Yes, I'll yield.

PANSING BROOKS: Thank you. So this is really confusing to people. And I think that part of the problem is that we have so many different bills that do so many different things and take from different funds or they may have donations coming in. In-between now and Select would you all be willing to get together and create a sheet that explains where the money is coming from, where it's going, who it goes to? Senator Linehan just said they're going to set up an account for \$100 to every child in Nebraska. Have you looked up how many children are born each year in Nebraska? How many? 25,000-- 24,000. So if you've got twenty-four to twenty-six thousand born every year times \$100, that's \$2.6 million every year. Well, where's that coming from? Well, I heard Senator Murante is going to go out, or former Senator Murante is going to go fund-raise. Or it's going to come from the cash fund? Where's this coming from? And again, if we really care about the kids going to our schools, and by the way this will also apply to kids going out of state, because if it's going to everybody and you put your money in, then certainly my child who went out of state should be able to get that funding. So those dollars that we're helping provide matching grants to, those dollars are going to go out state: American University, Emory University, Kansas State, so I don't know. I just want to understand what this is all doing. Why we aren't putting this money into NOG, the Nebraska Opportunity Grant, which goes to all kids that are going to college, and it goes to whether you go to private or public. That is an exception to the private school exception. We do not pay funding for private schools, but this follows the child-- that was a Supreme Court. It goes to the child, and that's why its been acceptable. So let's put those \$2 million into NOG. Let's do that every year. It's a great idea. Let's support the education in our state rather than letting my kid get matching dollars and go outside the state. Why is that OK? It doesn't seem OK to me that we're taking cash dollars, cash-fund dollars to pay for my kid because I made a choice to send my kid out of state to college. That doesn't seem reasonable to me. So again, I'm willing to talk between now and Select and try to figure this out. I would like a summary of all five bills, what they do, where the money goes, where the money comes from, who's going to pay for it, who is raising money. If Senator Murante is going to go out and raise \$2 million, I've been-- I've been a fund-raiser prior to this. I raised \$9.6 million for Centennial Mall. I raised \$6 million for Union Plaza. I was the co-chair of the \$250 million fund-raising campaign for Lincoln Public Schools. I know how hard it is to raise money. It isn't going to be just go up and get everybody just donate because this is a good idea to take care of kids. Let's get the facts on this, colleagues. I cannot get the facts. We asked for the facts in Education about the fiscal note. Well, we're not really sharing, anyway it doesn't matter, Senator Murante is going to go out and raise this money in the goodness of his heart. I don't get it. So if all of you get it, then fine. I would like a summary from here on, and I'm not saying don't vote for it, but I am saying I need more information. And again, let's support NOG, the Nebraska Opportunity Grant for all the kids going to school. Thank you, Mr. President.

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WILLIAMS: Thank you, Senator Pansing Brooks. Senator Wishart, you're recognized, and this is your third time.

WISHART: Thank you, Mr. President. I did want to rise, and first of all, I couldn't say it any better than Senator Linehan said it in terms of the reasons and the statistics behind college savings and why we're really focusing on college savings, because it not only prepares the kids financially to be able to go to college, but it also impacts their lives on their journey through K-12 education. I did want to touch on a few of the concerns raised today. First of all in terms of the Treasurer's cash funding authority, as a member of Appropriations Committee, I have sat down and walked through with Treasurer Murante his vision for how he could manage this within his budget. So I feel very comfortable with the fact that we will be able to manage this program without having any General Fund impact. And we're not even starting this until 2022, so we've got two years to work on this, but I feel very confident that we will manage this within the Treasurer's cash fund authority. Second of all, I wanted to say that I'm getting the exact statistic, but a majority of the Nebraskans participating currently within our college-savings programs go to schools within our state. So I just wanted to address the concern that we're funding kids that end up going out of state. A majority of the kids who participate in our NEST program in Nebraska go to our schools. So this is just one more opportunity for us to anchor young people in staying within our state, because I would push all of the senators here who are concerned about property taxes, one of the fundamental reasons why we're having revenue problems in the state is because we don't have enough people. We have a population crisis, and if you look at 2030, if you look at the statistics about the way our population is going, it is incredibly depressing. By 2030, we will have more people 65 and older in this state than we will have 18 and younger. So we should be doing everything possible as a state to show that we are the most competitive state for young people to come here, for young families to come here, to raise their families, to go to school, and to get high-paying jobs and stay in our state. I did also want to talk again versed the Opportunity Grants. I think that's a wonderful program. I have been an active advocate for that on the Appropriations Committee. First of all, I agree with Senator Lindstrom, I don't think it needs to be an either or. But there is a really critical part about college savings which is, you are capturing young people at a very young age not only for their families to invest in these college savings accounts, but for them to learn financial literacy and start investing in their own college savings account. Think about going out and the chores you do and the summer job you have and now you are part of a college savings program where you're putting the extra income you get into your college savings and starting to save for college yourself. Think about the financial literacy and education opportunities in that kind of program. So I think it's very critical that we don't conflate two issues in terms of opportunity grants which have a lot of merit, but college savings which has merit on its own as well. And then last I wanted to talk about the ability to raise private funds around this. The work that we're doing and the work that Treasurer Murante is doing to make this his legacy and to make Nebraska one of the most advanced states in terms of college savings is something that will inspire people to get involved from the private sector so

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that we, again, can be a state where we are funding every kid having the opportunity to have a college savings account and then drilling down on impacting low-income kids being able to save as well. So with that, I again, I encourage you to vote on these bills. We are happy to work with the senators who have some concerns or find this to be complicated--

WILLIAMS: One minute.

WISHART: --between now and Select File. I have a one pager that we can hand out to you that walks you through these different bills, especially once we have Senator Linehan's bill advanced and we work on La Grone's and we truly put forth a package that, again, rises-- makes Nebraska noteworthy in terms of our vision for the state. Thank you.

WILLIAMS: Thank you, Senator Wishart. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Good afternoon, colleagues. I'm wondering if Senator Lindstrom would yield to a few questions?

WILLIAMS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I will.

McCOLLISTER: All this talk about money or no money, money down the road has confused me. The fiscal note for this bill shows \$252,000 of General Funds the first year. Is that a correct number with the amendments coming forth?

LINDSTROM: I'm not looking at it, but I do think there's some type of computer program that might need to be restructured, but without looking at it I'm not aware. But if we're implementing in 2022, then there shouldn't be any fiscal note.

McCOLLISTER: OK. But it also shows for fiscal year 2021, \$2,728,000. Is that an accurate portrayal of the fiscal note?

LINDSTROM: It's the fiscal note, but as you know, fiscal notes aren't always exactly accurate.

McCOLLISTER: In what way is it not accurate?

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LINDSTROM: I don't have my computer in front of me, but when speaking with the Treasurer, the Treasurer does not anticipate this even coming close to the cap in which we've implemented 250,000.

McCOLLISTER: And that's based on the experience in other states?

LINDSTROM: That's correct.

McCOLLISTER: OK. And then in '21, '22, roughly the same number, \$2,880,000. Same conclusion?

LINDSTROM: Again, I don't have it in front of me, but I take the Treasurer's word at it.

McCOLLISTER: OK. Will we get some better definition on this bill between General and Select?

LINDSTROM: I guess-- do you mind if I ask? I guess, what's so confusing about this bill is what I don't understand.

McCOLLISTER: Well, we have two amendments and, but the-- I haven't heard any convincing information about the fiscal note, so I'm just a little confused, but I was hoping that somebody could enlighten me. Thank you.

WILLIAMS: Thank you, Senator McCollister and Senator Lindstrom. (Visitors introduced.) Returning to debate. Senator Linehan, you are recognized.

LINEHAN: Thank you, Mr. President. To be honest I think I forgot I hit my light, so I would yield to-- Senator Wishart, would you like the time?

WISHART: I think I railed enough. I'm good.

LINEHAN: Senator Lindstrom, would I yield my time to you?

LINDSTROM: I'll take just a little bit of time.

WILLIAMS: Senator Lindstrom, you're yielded 4:30.

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LINDSTROM: OK. I'll be brief here. The fiscal note that I was just given, this dealt with the LB610 as it stood. With the amendment, this does not pertain to what we're doing. So just to clarify that, and then I'll make sure to wrap this up on my closing on LB610.

WILLIAMS: Thank you, Senator Lindstrom. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. Would Senator Wishart yield to some questions again?

WILLIAMS: Senator Wishart, would you yield?

WISHART: Yes, I will.

FRIESEN: So if a family-- I mean we have 529 plans that come from all over the country, right?

WISHART: Right.

FRIESEN: Of people invested-- they don't have to be in the state of Nebraska.

WISHART: Right. You could currently right now as a citizen take advantage of programs in other states that we don't have here.

FRIESEN: And we have a very good program here, so we do have a lot of outside people coming in and using our program, don't we?

WISHART: We have one of the best in the country.

FRIESEN: OK. So do you have to be a resident of the state to apply for the matching, if you want to--

WISHART: So I believe to be part of the matching grant program you need to be a family from Nebraska.

FRIESEN: OK. That just wanted to clarify, make sure. And so--

WISHART: And you have to apply every year.

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FRIESEN: Oh, and you apply each year that this happens. OK.

WISHART: Uh-huh.

FRIESEN: And so the revenue and maybe you can-- I don't know if I'll ask Senator Lindstrom, but maybe you know where some of this money comes from. Is it-- comes from the Treasurer's Office currently with fees that are collected off of the 529 plans of the management?

WISHART: So the Treasurer has various cash funds that he has access to that he has authority over. And so the goal is that I've sat down with him and walked through. He has a cash fund associated with 529. He also has cash funds associated with other projects as well.

FRIESEN: OK. So when you-- I don't know, did you have a fiscal note on your bill?

WISHART: Well, my bill doesn't have a fiscal note because it doesn't take effect until 2022, but I anticipate that again it's capped at \$250,000 and it will be a mix of the private dollars that the Treasurer brings in to this cash fund and then in terms of any matching dollars that are public, it will be from a cash fund within his office.

FRIESEN: OK. So you're saying no matter what year you pick, it's going to be \$250,000 cap.

WISHART: \$250,000 cap. So first-come, first-serve as a family.

FRIESEN: OK. Thank you. So the only-- I mean there are again on the 529 fund, and when I have looked at it, I mean, if you have the wealth to do things with, you know, the one incentive you have is, if you have the money, is on December 28 you put in the maximum amount that you can get on credits, and on January 2, you pull the money out and pay your kid's college tuition, and you don't really use it as a savings account, you use it as a tax credit. That's been my complaint from day one on our current 529 even. So I don't know if this has any impact on how that will operate or if I would now get a 25 percent credit on that on top of my deduction, I don't know for sure, so thank you, Mr. President.

WILLIAMS: Thank you, Senator Friesen and Senator Wishart. Seeing no one in the queue, Senator Wishart, you're recognized to close on your amendment to the committee amendment. Senator Wishart waives closing. The question is, shall the amendment to the committee amendment to LB610 be adopted? All those in favor vote aye; those opposed vote nay. There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk.

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ASSISTANT CLERK: 24 ayes, 3 nays to go under call, Mr. President.

WILLIAMS: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Clements, please check in. We'll accept call-in votes. The question, members, is the adoption of Senator Wishart's amendment. We'll accept call-in votes.

ASSISTANT CLERK: Senator Wayne voting yes. Senator Scheer voting yes. Senator Hilgers voting yes. Senator Briese voting yes. Senator McDonnell voting yes. Senator Brewer voting yes. Senator Lowe voting yes. Senator Cavanaugh voting yes. Senator Moser voting yes.

WILLIAMS: Record, Mr. Clerk.

ASSISTANT CLERK: 29 ayes, 0 nays on the adoption of the Wishart's amendment.

WILLIAMS: The amendment is adopted. Seeing no one in the queue, Senator Linehan, you're recognized to close on AM917.

LINEHAN: Waive it.

WILLIAMS: Senator Linehan waives closing. The question is, shall the committee amendment to LB610 be adopted? All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of the committee amendments, Mr. President.

WILLIAMS: Amendment is adopted. Mr. Clerk.

ASSISTANT CLERK: Mr. President, the next amendment I have, Senator Linehan had AM481, but I have a note to withdraw that amendment, Senator.

WILLIAMS: Withdrawn.

ASSISTANT CLERK: And Senator Lindstrom, AM701 also with a note to withdraw.

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WILLIAMS: Withdrawn.

ASSISTANT CLERK: I have nothing further on the bill, Mr. President.

WILLIAMS: Thank you, Mr. Clerk. Senator Lindstrom, you're recognized to close on the advancement of LB610.

LINDSTROM: Thank you, Mr. President; thank you for the votes on the two amendments. Both are friendly, just so you know I got asked that question. A couple things I would just like to clarify. One, to get back to the significance of this bill, this is dealing with helping kids go to college. That is what it's doing, despite what-- no matter what their socioeconomic class is, with these two bills, this is what we are trying to get at. It helps to facilitate less debt through that process by helping to grow a fund, which is the 529 fund, over the course of a number of years to use for higher education. The vast majority, 80 percent or greater, that grow up in Nebraska end up going to higher education in Nebraska. So the argument that we are funding these and kids leave is just not accurate, vast majority stay here. How we are funding this. There are two different funds that the Treasurer has. There is the Unclaimed Property Fund and there are fees from the underlying investments that go there. This does not have any impact on the General Fund. This comes from his office. So hopefully that clarifies it. If there are some other things that come up between now and Select, I will work to address those with concerned parties, but I would appreciate your green vote on LB610. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Lindstrom. The question is the advancement of LB610 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 31 ayes, 0 nays on the motion to advance the bill.

WILLIAMS: The bill advances. Raise the call. Items, Mr. Clerk?

ASSISTANT CLERK: No, not at this time, Mr. President.

WILLIAMS: Returning to General File. Mr. Clerk, Senator priority bill, LB550.

ASSISTANT CLERK: LB550 introduced by Senator Vargas. (Read title.) The bill was introduced on January 22. It was referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with committee amendments.

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WILLIAMS: Thank you, Mr. Clerk. Senator Vargas, you're recognized to open on LB550.

VARGAS: Thank you very much, President. Good afternoon, colleagues. I know it is 3:00 and we have some time today. I'm excited to start which I think is going to be a robust discussion about my priority bill, LB550. Now this bill has been significantly amended since introduction, so I'll talk generally about the version of the bill that came out of committee. First, it's important to note that most of the opposition that we heard in the committee hearing has been removed with the amendment of the bill, not all. Simply put, LB550 increases transparency on the cost of mobile phone services by requiring voters to approve any locally levy tax on the service. Now, I'd like to start the discussion about this bill by talking about why I introduced it. For all of our talk in the Legislature, I know we are committed to trying to adjust and reform our tax, specifically Nebraska being a lower tax state. We've had this conversation constantly. Now this is one area of tax policy that we have not discussed at all. It may surprise you to learn that Nebraska actually has the fourth highest state and local taxes on cell services in the country. The most comprehensive national review of this issue was found in the tax foundation's annual report from 2018. You should have seen the headline to that. This report is a state-by-state comparison of wireless taxes and fees and it shows that Nebraska's effective tax rate is 25.5 percent, which is a combination of the federal tax rate of 6.34 percent, and the combination of state and local taxes and fees which are 18.75 percent. Not only is Nebraska the fourth highest taxed state in the country when it comes to cell services, it is far and away the highest in the region for local and state taxes and fees. Iowa is at 9.16. Kansas is at 14.59 percent. Colorado is at 12.34 percent. Wyoming is at 8.74. South Dakota is at 14.22 percent. And Missouri is at 14.79. Now taxes and fees on wireless services in Nebraska include the following: a state universal service fund fee of 6.95 percent; a telecommunications relay system fee of 2 cents per line per month; and an enhanced 911 fee of 45 cents per line per month; and the state sales tax of 5.5 percent. In addition, the state statute permits cities to levy local sales and occupation taxes on wireless services. Many cities across the state take advantage of this. But the highest local rates are in Omaha and Lincoln where the combined local occupation and sales tax are between 7 and 8 percent. Now, I want to emphasize that all of these taxes and fees from cities in the state add up to an effective tax rate of about 18.75 percent. Add that to the federal tax rate of 6.34 percent, and Nebraskans end up paying up to 25.5 percent in taxes on their phone bills. Now what area of taxation would we allow this high of a tax rate to continue? Can you imagine if the state sales tax, income tax, or corporate tax were that high? Now, each of the various fees and taxes levied locally serve a purpose in the city's budget, and I'm not here to dispute that. I'm sure many of you have heard from the cities in your district that use these taxes that the amount of revenue generated by the local sales and occupation taxes on wireless services. There have been cries about the city services that will disappear or could be at stake if this revenue disappeared. Now I understand the perspective and the need to balance the budget, especially as a member of the Appropriations Committee. This is why I have written this bill in a way that doesn't yank the funding out from under them. We maintain local control by allowing voters in each community

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to approve the locally levy taxes. True, this will require each city to make the case for the taxes and make an appeal to voters. But it also provides greater transparency for voters who will better understand how much those taxes that they are paying for, what the money funds, and then allow each person to consider whether or not they support it. I want to be clear that it is not my intent to deprive cities of necessary funding or to put important city services at risk, but I do think that taxpayers deserve an honest examination and discussion of these taxes from all of us. Why are Nebraska taxes on cell phone services so much higher than almost every other state? Forty-six other states get by with much lower taxes and every single one of our neighbors has significantly lower taxes in this area. So the question is, why can't we? They deliver the same services but at much lower cost to consumers. So why the high price tag in Nebraska? With that, I look forward to the upcoming discussion on this bill with all of you and thank everyone for their time today.

WILLIAMS: Thank you, Senator Vargas. As the Clerk stated, there are amendments from the Transportation Committee. Senator Friesen, as Chairman of the committee, you are recognized to open on the committee amendments.

FRIESEN: Thank you, Mr. President, and members of the Legislature. The committee amendment substitutes for the bill and makes the following changes: It strikes provisions of the bill relating to the elimination of Prepaid Wireless Surcharge Act and strikes provisions relating to reduction or elimination of fees related to the Telecommunications Relay System, The Wireless E-911 Service Act, and the Nebraska Telecommunications Universal Service Fund. The remaining portion of the amendment would prohibit municipalities from imposing any tax or fee related to prepaid wireless services after the effective date of the act unless such tax or fee has been submitted and approved by voters in the municipality at a primary, general, or special election. If approved, the governing body of the municipality could impose or continue to impose a tax or a fee. The rate of an occupation tax on telecommunication services is limited in Section 86-704 to 6.25 percent of receipts from the sale of telecommunication services as defined in Chapter 77. I urge your adoption of the committee amendment. Thank you, Mr. President.

WILLIAMS: Thank you, Senator Friesen. Mr. Clerk, there is an amendment to the committee amendment.

ASSISTANT CLERK: Senator Vargas would offer AM1373 to the committee amendments.

WILLIAMS: Senator Vargas, you're recognized to open on AM1373.

VARGAS: Thank you very much. Members, AM1373 is a clarity amendment. So what this does, instead of applying this to any tax or fee related to wireless is an occupation tax on and only

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confine this to occupation taxes. That's the one change, the first change, and this was done particularly because there are so few cities that utilize an occupation tax instead of just applying this to all taxes on wireless that are levied by a local municipality or just confining it to occupation taxes on the wireless in the municipality which confined it to a smaller number of cities, much, much smaller. And the other section where we clarify, and it says this section applies to any occupation tax in existence on the effective date of this act and to any occupation tax which is set to begin on or after such date for any occupation tax in existence on the effective date of this act, the municipality shall suspend collection of the tax until it has been approved by the voters in accordance with the section. This is just clarifying the intent of the bill, which is any occupation tax on wireless services from here on in would require a vote of the people to maintain them, and then if that passes, then obviously it can be levied by the municipality. If it does not, then it cannot be levied by the municipality. So I urge your vote on the amendment, AM1373.

WILLIAMS: Thank you, Senator Vargas. Senator Arch, you're recognized.

ARCH: Thank you, Mr. President. Senator Vargas, if I could ask you a question, would you yield to a question?

WILLIAMS: Senator Vargas, would you yield?

VARGAS: Yes, I would yield.

ARCH: Now as you explained AM1373, you indicated that this occupation tax applies only to wireless services, correct?

VARGAS: Yes. This current amendment is a clean-up amendment and it's just stating that it's applying on occupation taxes on wireless services, this amendment, yes.

ARCH: So it-- and maybe I need to tie it back to the bill and get the words. As I read it, of course, it says this section applies to any occupation tax in existence. Are there other occupation tax in existence besides those specific to wireless?

VARGAS: Yes, there are occupation taxes on several other things.

ARCH: So I know there's some discussion and some confusion as to whether or not this means any occupation tax or occupation tax specific to wireless.

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VARGAS: This amendment is specific to wireless and the occupation tax on wireless services.

ARCH: OK. Thank you for that clarification. I'm not sure that the wording here is exactly as it should be, but thank you for that clarification of your intent.

VARGAS: Great.

WILLIAMS: Thank you, Senator Arch and Senator Vargas. Senator Crawford, you're recognized.

CRAWFORD: Thank you, Mr. President. I rise with concerns about AM1373, and similar to the concerns Senator Arch just discussed with Senator Vargas. So, I understand that Senator Vargas is making the case that this only applies to wireless occupation tax, but just reading it at its face value, I'm very concerned, regardless of the intent, that the language applies to other occupational taxes as well. So I wonder if Senator Vargas would yield to a question.

WILLIAMS: Senator Vargas, would you please yield?

VARGAS: Yes, thank you very much.

CRAWFORD: Senator Vargas, I just am curious why in the language you don't specify that it's occupation tax on wireless.

VARGAS: Yes. So AM530, which is the committee amendment, includes language that says the municipality shall impose any tax or fee related to wireless and prepaid wireless services, dot, dot, dot. And so we are changing a line in this amendment that will now read, no municipality shall impose any occupation tax on wireless and prepaid wireless service after the effective date of this act unless, dot, dot, dot.

CRAWFORD: But Section-- excuse me, the amendment I'm looking at is AM1373. OK. I'm on the right amendment.

VARGAS: Yep, you're on the right amendment.

CRAWFORD: AM1373, all right, this amendment that I'm looking at, and just the plain language reads, this section applies to any occupation tax in existence on the effective date of this act and to any occupation tax, which is set to begin on or after such date, for any occupation

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tax in existence on the effective date of this act, the municipality shall suspend collection of the tax until it has been approved by the voters in accordance with this section. So I'm just very concerned again, regardless of the intent, and regardless of the language that's above it, I'm still concerned that the language itself stresses any occupation tax in existence. It doesn't narrow it to just those occupational taxes that are applied to wireless or cell phones in the language in the amendment itself. And so I'm just very concerned about that. I'm concerned if we vote for this, we're going to be doing something that's much bigger than we might intend to do. Thank you, Mr. President.

SCHEER: Thank you, Senator Crawford and Senator Vargas. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Good afternoon, colleagues. I wonder if Senator Vargas would stand for a few questions.

SCHEER: Senator Vargas, would you please yield?

VARGAS: Yes, happy to.

McCOLLISTER: Thank you, Senator Vargas. On a wireless telephone bill, the taxes there on, occupation taxes are just one of the things that's on a bill, is that correct?

VARGAS: That is correct, yes.

McCOLLISTER: Is there also a fund called the USF, Universal Service Fund?

VARGAS: That is correct.

McCOLLISTER: Isn't that far larger than the amount of money raised versus the occupation tax?

VARGAS: State USF currently is at around 4.4 percent and the city business and occupation tax is around 6.13 percent. So the city business and occupation tax-- and it depends on which municipality you're looking at, some have 2, 3 percent; some have upwards up to 6 and 6.25 percent, such as the city of Lincoln and Omaha have it beyond the state USF fund.

McCOLLISTER: Are there other components to that, the taxing authority for a wireless bill?

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VARGAS: Yes, we have state sales tax, we have wireless 911, we have TRS, and local sales tax.

McCOLLISTER: And you indicate we're fourth highest in the country now?

VARGAS: Yes, we are fourth highest in the country, correct.

McCOLLISTER: When my memory-- and I looked at this 8 or 9 years ago, the excise or the occupation taxes for a cell phone were not unusual. What made Nebraska unusual was the USF. Would that be a correct characterization of the situation now?

VARGAS: Yeah, I would say no. I would look to everybody. There should be a one pager that says LB550 summary, and if you look on the back page, it shows about six different states, and you could look at which states have a USF fund. Kansas does, Colorado does, Wyoming does. And I would say that that's not a consistent. In fact, if you actually compare our USF with the other ones, it's a very common practice, but what you don't see in other states is an occupation tax on wireless that's not a consistent thing you see in other states.

McCOLLISTER: City of Omaha depends on the occupation tax from the cell phone bills. Do you have any idea what the amount of that revenue is to the city?

VARGAS: Not the exact amount, but I think they might have quoted about \$5 million.

McCOLLISTER: Yeah. Going back to the comment from Senator Crawford with regard to AM1373, one could be led to believe that this is an attack on all occupation taxes levied by the city of Omaha. Is that a correct statement?

VARGAS: In response to Senator Crawford, and I'll talk to her off the mike, the way that this reads is, and specifically for the amendment that was brought out of committee, but it is still this bill, we're talking about it would state that in any occupation tax in existence on the effective date of this act. Since this act is related to an occupation tax on wireless services and prepaid wireless services, it only applies to wireless services and prepaid wireless services. I'm more than happy to then address that concern as we continue to move forward with discussion and clean that up.

McCOLLISTER: So the city of Omaha or any other municipality shouldn't have any concern about AM1373 other than the cell phone tax, is that correct?

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VARGAS: Yes. It's just-- AM1373 is only on cell phone taxes, correct.

McCOLLISTER: And you're aware that the city of Omaha also receives occupation taxes on rental cars, hotel rooms, and restaurant meals, is that correct?

VARGAS: Yes, that is correct.

McCOLLISTER: OK. Thank you, Senator Vargas.

SCHEER: Thank you, Senator McCollister and Senator Vargas. Those waiting to speak: Senator Williams, Wayne, La Grone and others. Senator Williams, you're recognized.

WILLIAMS: Thank you, Mr. President, and good afternoon, colleagues. I rise in opposition to the underlying bill. I have been contacted by many of the communities in my legislative district that effectively use this occupation tax as a way to fund their city government in what I would deem to be a proper way. One community in particular has grown very significantly over the last 15 or 20 years, and many of those residents, in fact, the vast majority of those residents, don't own any property in the community, and therefore are not contributing to the local tax base, either to the school or to the community, the municipality itself. It seems much more fair to those community leaders to have a small occupation tax on cell phones, because those community people that have moved to that community almost all carry cell phones. And those people use the streets that the city pays for. They use the water. They use the sewer system. And they certainly use the police protection that is offered, and this is a way to have them contributing to that cost. If they were not contributing to that cost, that would clearly require the community to raise their property tax. Yes, I said raise their property tax. Also in many cases of the communities that have contacted me, they have bonded indebtedness that is projected to use the revenue that they are currently generating in their community to make those payments. And that is another reason for not eliminating these costs. I know the answer is, we can go to a vote of the people. You know, I hear that over and over. We have and argue for local control. Our local citizens elect the people that run our community government. Those city council members, they make these decisions and I think make them properly and work very hard to do that in a meaningful way. One of the very small communities in my legislative district, Ansley, reports to me that they collect between \$10,500 and \$11,000 annually from franchise and occupation taxes and that for their community this represents nearly 12 percent of their annual budget, and it would be devastating if they lost this source of revenue. I think we need to think long and hard before we go down a path that makes a policy change like this so vastly across our state. For those reasons, and I will certainly be listening, I stand opposed to LB550. Thank you, Mr. President.

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

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WAYNE: Thank you, Mr. President, and thank you, colleagues. I will tell you one reason why I'm in favor of this bill, and it's really simple to me. The city of Omaha has allowed some of its most vulnerable populations to live in conditions that are horrific and terrible. And the reason we can't have inspectors is because they say it will cost money. Well, I think everything at this point for the city of Omaha, if it's a tax, should go to a vote, let the citizens decide on what's best. Now, we're moving from that subject to the actual bill. I talked to Senator Vargas, and I think the confusion here between the amendment and the Transportation amendment and the original bill is this section that says it should apply to occupation taxes. So what I'm willing to do, if people will hear me out on this, is to work with Senator Vargas and have an entire white copy produced on Select File that makes it clear that it only applies to cell phone occupation taxes. Senator Vargas, I'm going to yield the rest of my time to him, I think has agreed to that, but that seems to be the hang-up. But at the end of the day, we have some of the highest taxes around. And whether it's a property tax, whether it's a sales tax, whether it's an occupation tax, we need to have this conversation. And for a simple majority vote sometimes at the local level to increase taxes, I think is not proper. I've watched other bills come before this body where they require two-thirds votes. I watched this bill argue about whether it should go to a vote of the people on simple bonding bills that deal with joint government entities. So I think we should be consistent and I think Senator Vargas is willing to make it clear for people who are reading just the amendment, and I can understand why they are getting confused, but this section does not apply to all occupation taxes, but just to that narrow, narrow language. And with that, I'll yield the rest of my time to Senator Vargas.

SCHEER: Senator Vargas, 2:40.

VARGAS: Thank you very much, Speaker. Yeah, thank you very much Senator Wayne. That is absolutely correct. And again, the in-between this is that AM1373 is coming before AM530. That is exactly correct. I am more than willing to clarify that. This just does right now apply to wireless and prepaid wireless services. That is this amendment. That's what we're talking about. So I will be happily working with Senator Wayne to clarify that between General and Select. I want to respond to a couple of the different things that have been said because I want to make sure that there's some clarity on different items. The first is, I'm going to be frank with everybody. We have this conversation about tax relief very often. It's not the most comfortable conversation for everybody, and I think we're constantly in a place where, maybe for some people it's black and white, maybe for some people it's in-between, it's gray. In this situation, we got to a place where we have allowed this to happen. We have allowed a specific statute to be in place that allows for more of a percentage on our cell phone taxes, and whether or not this is a standard, it is not a standard. And whether or not this would increase property taxes, I'm going to tell you that clearly this is not tied to property taxes. If this is anything, these are independent decisions that local individuals would make. But as Appropriations does very often, when we have less to work with, we make decisions to prioritize what is best for a community. We make

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that decision. And I believe that that will be the same thing that happens. But I can see that that's not happened yet. Every municipality is still able to fight and say this is why we need this service.

SCHEER: One minute.

VARGAS: They're able to fight and say this is why this is such an important tax. So I'm more worried and concerned that some municipalities may not be able to prove their worth of that tax, and that's an actual concern, because if they can't do that, then maybe this isn't a worthwhile tax for a worthwhile purpose. That's what I want us to consider, because this is not an automatic eliminating of the tax. We are giving transparency and local control to the voters on something that is both unique, not consistent across other states, is high and it's contributing to us being the fourth highest affected cell phone tax rate in the country. That's what we're talking about. And I'm asking people to consider what can we do? We can reign it in by allowing a vote of the people and moving forward with this bill.

SCHEER: Time, Senator.

VARGAS: Thank you.

SCHEER: Thank you, Senator Wayne and Senator Vargas. Senator La Grone, you're recognized.

LA GRONE: Thank you, Mr. President. I rise in support of AM-- well, all of the amendments and LB550. I wanted to speak to the confusion that I think is caused by some of the drafting of AM1373. When you read AM1373, you have to read it as being tacked on to the end of AM530. And that's because one of the bedrock principles of statutory interpretation is the whole tax canon. We have to read the whole thing as one unit. And when we do that, on AM1373 in line 3, it starts out with the quoted material, the new language that's going in, "this section applies to." That language is incredibly important, because when it's added to AM530, the section it's referring to is Section 1 in AM530. So that's the operative language that we're talking about. And that section starts out, "no municipality shall impose any tax or fee related to wireless and prepaid wireless services." So that shows us that everything in AM1373 is related to wireless and prepaid wireless services. Now, I agree with Senator Wayne that, yeah, it probably would be cleaner to do it all as one white copy. But I just wanted to be very clear, AM1373 does not open it up to additional occupational taxes. It keeps it with the wireless and prepaid wireless services occupational taxes mentioned in Section 1 of AM530. I hope that clears it up a little bit. I would support a white copy if that's the way people are going to go. But with that, I would yield the remainder of my time to Senator Vargas.

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SCHEER: Senator Vargas, 3:20.

VARGAS: Thank you very much. Thank you very much, Senator La Grone, for clarifying that and that is again the intent, that's how the way it was written. And again, we're happy to address that concern that people that opposed. It's very easy for us to do. I do want to focus some attention here on-- there's an article here from 2012 that I put on people's desks: The Nebraska lawmakers scrutinize occupation tax bill. It's not the first time we've had a conversation on this issue, colleagues. We had that conversation. Senator Fisher brought a bill that specifically was requiring all occupation taxes to go to the vote of the people. And at that time, we had a fruitful conversation specifically about what is the real inherent purpose of occupation taxes. One of the things that came out of it is that some cities and municipalities, not all, it's not a blanket on all, some of them have started to use them to then be able to support their general fund rather than look at some of the traditional taxes that we've had in place to then sustain their work. Instead of saying-- looking at sales tax and potentially going above their levy, it was a lot easier to impose an occupation tax as a path through on consumers and directly on a company. And this has become a trend. So much of a trend that it's gotten us to the place where we're number four. And actually I'll contend that we were number two up until about two years ago. And the only reason we're number four now is because two other states surpassed us and increased their taxes. That's not necessarily a win for us. We are still higher than New York. We are still higher than the rest of the country. So we're not talking about trying to make us more competitive just in the Midwest. We're not talking about trying to provide some fairness and isolation, we're talking about we got to a point where we're so high, whether or not we do something, we're going to continue to remain high at this place, and this will continue to be an regressive tax on low-income individuals and also something that makes us an outlier.

SCHEER: One minute.

VARGAS: And that's why we're having this discussion. Because I think this is a good step forward for providing transparency to voters on something that is inherently very unique, not typical in other states, and other states have figured out a way to not have such a high effective tax rate on cell phone wireless services. And the question is why? How are they able to continue to meet their services in their cities and municipalities? How are they able to then deal with some of these changes? And I think it's because some of them have been able to manage with their existing funds, but in our state we have an additional occupation tax that allows them to levy more funds to their general fund. And I'm not saying it's good or bad. I'm saying, let's allow people the opportunity to vote if this is indeed something that they can prove their worth it will pass just--

SCHEER: Time, Senator.

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VARGAS: Thank you very much.

SCHEER: Thank you, Senator La Grone and Senator Vargas. Those waiting in the queue: Senator Arch, Moser, Vargas, and Morfeld and others. Senator Arch, you're recognized.

ARCH: Thank you, Mr. President. First of all, I want to make clear that what Senator Vargas has raised here is a very important debate. It's a very important discussion that we have regarding transparency in all of our fees, whatever we call them, occupation fees, taxes, whatever it might be where we are taking dollars from taxpayers to be used for other purposes and other services. So starting there, I think transparency, absolutely, and it is a very worthwhile discussion to have. I have been contacted by the cities in my district, like Senator Williams, that have expressed great concern. And I just got a couple of more questions for Senator Vargas, if he would yield to those questions.

SCHEER: Senator Vargas, would you please yield?

VARGAS: Yes, I would.

ARCH: Assuming the language is clarified with AM1373, it also states in lines 6 and 7, "the municipality shall suspend collection of the tax until it has been approved by the voters in accordance with this section." So as I read that, I understand the intent there is that if they are currently collecting this occupation tax, that they would immediately suspend that until then, the voters would cast their ballots in an election, is that correct?

VARGAS: Yes, that's correct, as it currently reads, yes.

ARCH: And so-- let's just kind of play out some months here, assuming that this bill goes forward, and that it is signed into law, perhaps we're in the month of-- the fall at some point where this bill might be effective, do you have any estimate as to-- if they were to immediately suspend collection of these fees at that point, the next election, I'm assuming, would be a May time frame for election, in a special election, or in a primary election.

VARGAS: Yeah, in May let's say, yes.

ARCH: So there would be a number of months there when all this revenue would disappear for these cities at that time. Do you have any-- I have no idea, do you have any estimate as to the cost to a city to put this on the ballot?

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VARGAS: No, I do not.

ARCH: I mean, I guess that's, I mean, more than curiosity. I think that that's a real cost to any city that would have to initiate an election, probably not a special election, but would fold that into another election, but to put that on the ballot. I think that-- I think while I highly value the discussion here, I think that the speed at which this moves and at which these occupation taxes suddenly disappear until the vote of the people, I think that it is unfair to the cities that are counting at this present time on this tax, on the occupation fees that are being charged, and I can't support it in its present format. Thank you.

SCHEER: Thank, Senator Arch and Senator Vargas. Senator Moser, you're recognized.

MOSER: Thank you, Mr. President; and greetings, colleagues. Well, as a former mayor of Columbus for 12 years, I know how the occupation tax system works. In Columbus, we collect about-- a little short of 200,000 in telecom occupation taxes, and they're 3 percent of a bill. On cable TV we collect about 300,000, not quite. It's also 3 percent. And then we also collect 198,000 in natural gas occupation tax. OK, this occupation tax covers the right of the utility to do business within the city and to use the city right-of-way to connect their utilities wherever they need to, whether it's from cell tower to cell tower, or whether it's gas from the main to the homes, or in the case of cable TV, it's from the cable headend to each individual home. And this fee is put into the general fund, and the general fund is-- budget in the city of Columbus is roughly 11 million, and this 700,000 in occupation tax goes into that general fund, and it's roughly 6 percent of the fund. The other tax amount that comes into the general fund comes from property tax. Currently the property tax in Columbus is .32518 and some few decimals beyond that point. But it's considerably less than the 4.5 levy that the city is allowed to raise. So if the telecom or the wireless portion of that tax went away, the only place for the city to go get that extra income would be from property tax. And the property tax is not subject to a vote of the people either. And as far as transparency is considered, we have a-- I say we, Columbus has a budget hearing every year, and citizens come in in the evenings. We have two nights some years, depending on how the discussion goes, where citizens can come in and give us their opinions on how we collect money, how we spend it, and where it goes. So there are ways for redress if citizens want to talk about those problems. To pick on the wireless carriers with this and not effect the others, doesn't seem fair to the others, but I'm against picking on the wireless and the other ones, either/or. You can pick however you want to try to approach that. But I think you would have to treat them all the same, which I think would be a bigger mess. The cost of the ballot, I don't think is really, really high. In our case, I think we figured an extra ballot in our election was somewhere around \$10,000, which that's still \$10,000, but in the grand scheme of things it isn't all that much. But as far as local control is concerned, local citizens have every opportunity to contact their mayor, their city council member, attend those budget hearings, and give any input on those taxes if they want. I think if some cities charge too much occupation tax and irritate

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their citizens, then you should deal with those cities who have those high occupation tax rates. Maybe you should limit them instead of six and a quarter reduce them to five or some lower number if you feel that those are too high of rates. In the case of Columbus, the property tax overall is one of the lowest in our comparable cities. We had the fewest number of employees--

SCHEER: One minute.

MOSER: --per thousand people. We've got 32 paid police officers and 16 firemen that are paid out of that general fund, and there's nowhere else to get that money except from the general fund. So for that reason, I would be not supporting LB550 or the amendments to it. Thank you.

SCHEER: Thank you, Senator Moser. Senator Vargas, you're recognized.

VARGAS: Thank you very much, Speaker. I'd like to respond. First of all, thank you very much Senator Moser and I appreciate your comments. First, I would not contend that current transparency by having the ability to come in and testify is sufficient. As a former elected official at the school board level, one of the hardest things that I had trouble with was really making sure a lot of people had a voice. We have local board meetings. They were on Mondays, they were in the evening. We would have anywhere from three to four different people coming and testifying. I don't think that's sufficient enough on whether or not we're getting the full voice of people. So I understand that that's one pathway to getting support for people, but I think that the number of issues where people have overturned or decided that something isn't something they supported, it's a very small number, if any, specifically having to do with taxes. I think it's the same conversation we're currently having with property taxes. It's why we're currently having that debate, why we have had that debate, that there is some level of urgency around this. But at the end of the day, this is something that was provided by us. We created a statute that enabled municipalities to levy this additional tax. And there has been some reform in this area. There has been a cap on it in the past. We have not examined it further, and we continue to be one of the highest in the country, and I contend that's not a place that we want to be. I have also talked off the mike with a couple of senators. If there is a concern with the ramp-up period, I think most of you that have worked with me in the past, I'm not a black or white kind of person, I'm willing to work on things. So if there is a ramp-up period that seems a little bit easier for municipalities to shoulder that change, that is something that is-- we can work on between General and Select. I'm not whetted to it meaning happening immediately. That was the original intent of the bill, which is why this was a clarifying amendment not the end-all be-all. My hope is to get to some of the other amendments including the committee amendment and one other amendment I have so that we can continue to have this conversation on something that I think is a good conversation about transparency, some level of accountability for something that is inherently unique. And that's what I'm asking us to do, to not simply say no out of fear of something that is not necessarily

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going to happen, or fear that there's going to be some domino effect. But instead that the voters will be able to voice their concerns and that we're giving more people a voice by going to the vote of the people. And that is something that would happen right now if we were going to increase sales tax, which just happens in Lincoln as people support it. People support bonds in Omaha. I think, and I have faith in our municipalities to be able to prove their worth on a project or for some purpose and that this would pass. Maybe I have more confidence than others, but I do, and that's why this was written in this way as opposed to saying, you can't levy any occupation tax on wireless or telecom. We're saying that, yes, you can, but it's gotten so high, let's put it to the vote of the people, and then once you have been able to prove that, fantastic, you can keep it because you've proven the worth to the community. That is what we're talking about here. And if you disagree, I'm looking at our ranking. We haven't moved.

SCHEER: One minute.

VARGAS: And even with caps that we did in 2011, this is not contributed to us lowering it. This is just contended to say that we can't go above it, which really we would only be able to go from fourth to first. We would be competing with Alaska. We would be competing with Chicago-- sorry, Illinois, and so I contend that this is a very prudent, pragmatic pathway forward. And most of the legislation that I bring is fairly pragmatic and prudent. And so, colleagues, I'm asking you to consider, one, if there's some things and changes we need to make, we can make those changes between General and Select. I think I've proven that that is something that I'm always willing to do with members of the body, but ultimately underpinning is transparency, figuring out a way to then begin to crack down on this high tax, and also beginning to have some more level of accountability.

SCHEER: Time, Senator.

VARGAS: Thank you.

SCHEER: Thank you, Senator Vargas. Senator Morfeld, you're recognized.

MORFELD: Thank you, Mr. Speaker. Colleagues, I'm reluctantly opposing my good friend and colleague's underlying bill and the amendment to the bill for several different reasons. First, this is \$4 million of a \$178 million budget in the city of Lincoln. That is a significant portion of our budget that goes to critical services provided within the city of Lincoln, everything from infrastructure to public safety, parks, libraries, you name it. It's important funds. In addition, I also take issue with-- I don't take issue, but the characterization that we are the fourth highest at first sounds a bit shocking. And at first I thought, man, I must be paying \$20, \$30 extra on my bill if we're the fourth highest. And then I went on my phone and I checked my bill. And I have a

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pretty expensive cell phone plan. It's about \$175, \$200 a month. I should probably change my cell phone plan actually now that I think about it. But it's just a few dollars. And you can say, a few dollars here, a few dollars there, but I tell you what's going to happen. In the city of Lincoln if we lose \$4 million, it's coming from somewhere. You know where it's coming from? It's coming from property tax. Almost guaranteed. We elect city councilors and elected representatives to represent our interests, make decisions, have public hearings, and come to conclusions. If we start having public votes on this occupation tax, why don't we have public votes on every single tax? Why don't we usurp the authority of the Legislature to institute any additional tax or revenue? That would only be logical under the logic of this bill. And while I understand that we have public hearings at certain times that are inconvenient for some, and I'm opposed to that, I think we should have them in the evening. I know the city council in Lincoln has them in the evening on Mondays, I believe. I know it's inconvenient. I think that our legislative hearings are even more inconvenient. We have them in the middle of the afternoon actually. But if public attendance of public hearings is going to be the barometer of whether or not policy is fair or not, then we're creating a lot of bad policy in the Nebraska Legislature given the timing of our hearings and the attendance of many of our hearings. This is why we elect elected representatives to make decisions and hold them accountable on the city, state, and federal level. It's to make these decisions. The other concern that I have is if you look over the course of last 10 to 20 years, we have been nickel and diming local governments and taking away state aid from local governments. Now, perhaps that's proper, and perhaps that's good policy, and if that is, then that's fine, but let's allow local governments to make local decisions on certain taxes, and let them be accountable to their constituencies. I've talked to a few different friends with a few different cell phone providers, other than the cell phone provider that I have, which is Verizon, and it lists the tax on their bill. I'm perfectly fine if we want to strip out all the provisions in this bill and do a white copy requiring that every cell phone provider make it clear how much they're paying in tax on the cell phone bill. I'm perfectly fine with that. Let's be transparent. But the bottom line is that I have concerns about this bill in terms of allowing our representative form of government, our representatives on the local level being able to do their job and be able to levy taxes and revenue in a way that is transparent--

SCHEER: One minute.

MORFELD: --and that provides the necessary revenue to be able to run their municipalities and let them be accountable to the people. In terms of there being gaps in funding, I'll tell you that a special election in a city or a county the size of Lancaster or Sarpy or Douglas County, that's tens of thousands, if not over a hundred thousand dollars or more, just for the poll workers, the ballots, you name it. In addition, I do have some concerns with the broad nature of the language. I would be more comfortable with a white copy that was more clear, because I do think that there are some constitutional issues with current bond obligations, and the scope of this legislation. Colleagues, I understand where Senator Vargas is coming from, but I'm opposed to this on the

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grounds that this is something that should be left up to the local representatives elected to represent their cities to be able to raise funds to provide for the welfare and the safety of their cities, and this is an unnecessary impediment--

SCHEER: Time, Senator.

MORFELD: Thank you, Mr. President.

SCHEER: Thank you, Senator Morfeld. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. Speaker. I will yield my time to Senator Vargas.

SCHEER: Senator Vargas, 4:45.

VARGAS: This is a good day. OK. So this is what I love about the Legislature. We can debate about things which is completely fun. I've said this before and the offer is completely on the table. Things are not black and white. It is unfortunate that my colleague, Senator Morfeld, on this issue is viewing this as black or white. I know that's not the case for most issues for him. I also know it's not the most case for all issues on us. What we're dealing on the front of us is a specific occupation tax, a set of taxes that is unique, a little out of whack. I appreciate wanting to work on the white copy amendment. I'm more than happy to work on that. I'm happy to work on the intent between General and Select. That is something that we could very-- can easily do. I'm saying that right now on the record because that is usually how I work within these scenarios, but the principle of the fact here is occupation taxes are being utilized outside of what we normally use to generate revenue in a way that is not as accountable, not it's not accountable or unaccountable, not as accountable. Whether or not we have more transparency here is why I'm proposing to do a vote of the people. I'm not proposing to do all occupation taxes or all taxes. That's not my bill. We've seen some of those efforts come in the past. I think you can imagine that we were not successful. We have not been successful in doing that. So instead of going down the pathway of revisiting what other people have done, both Democrats, Republicans, it doesn't matter who they are, have brought in the past trying to eliminate all types of occupation taxes, it has not been successful. And so instead what we brought, we're cutting several different taxes that you see on your tax form. And the amendment that you have in front of you, the actual AM530 is the all, the entirety of the bill, which just says that all municipalities would have to go to the vote of the people. And with the AM1373, to then keep an occupation tax on wireless services, that's what this amendment says. That's why I'm asking for your support because actually AM1373 is trying to clarify some things, and so we'll work on if there's some intent. But I think we heard from Senator La Grone, this is in line with drafting AM530 helps to make sure that we are completely clean on this bill. And then we can actually get to more discourse about

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some other changes, potential amendments that people have. I've heard some really great ideas. We can work on that. But I think that we can get some consensus around accountability and the vote of the people for something that is so unique. This is not a typical tax. I contend if we're having trouble with agreeing that this is not a typical tax, that there's more transparency that's possible, there's more accountability that's possible, and we have gotten to a place where we're so high. If you hear me still talking about these points, they're the reason why I brought this bill. Nobody-- no other reason. Nobody asked me to bring this bill. Over the summer I realized that having a cell phone or wireless is more of a lifeline. People, no matter what, are really using cell phones. They still use landlines, many people, but it's becoming more of a standard practice.

SCHEER: One minute.

VARGAS: It doesn't matter if you are somebody right down the street or a multimillionaire, the same still percentage applies to you. Everybody has to have them now. In my district I have individuals that are using their cell phones and wireless services as their touch point to then engaging with the world. It is what they use to engage the Internet to access for homework. It's what parents are using to now do research on something, figure out how to navigate government services. They're even looking it up and Googling it on their phones. They're using some of their hot spots to their wireless services as well. It's become a standard. And so that's why I targeted this, because it is unusual. It is out of the ordinary tax. And it has gotten to a place where it's so high. And the law changes we made in 2011 were not sufficient to lower them. They stopped them from getting it.

SCHEER: Time, Senator.

VARGAS: Thank you.

SCHEER: Thank you, Senator Vargas. Thank you, Senator Linehan. Senator Stinner, you're recognized.

STINNER: Thank you, Mr. President. Members of the Legislature, I oppose this bill on several different levels and some of it has to do with Senator Morfeld's comments about local elected officials and their responsibility to their municipality, city. Secondarily, you know, this-- putting it to the vote of the people enters into a budget issue of how do you budget. I mean, is it going to be up or down, up or down all the time? So it makes those budget issues a little bit more impossible, and knowing full well that all these municipalities and cities are very tight on the budget, every dollar does count. But I do want to ask Senator Vargas a few questions and work me through this fiscal note, and maybe it's not pertinent anymore because I'm not sure I understand the amendment. So this-- he's shaking his head so I presume that the 911 fund that

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was I concerned about, that has been reestablished, should not be a problem. OK. Tell me about the amendment. What are we dealing with now?

SCHEER: Senator Vargas, please yield.

VARGAS: Yes, I would.

STINNER: So, Senator Vargas, tell me about what we're actually looking at to vote on right now after your amendments.

VARGAS: Yes. So the fiscal note that you're looking at includes the original amendments, the original language that was looking to cut certain line items that you will see on your cell phone: 911, USF, state USF, TRS. But in order to find a pathway that is easier for people to then process, we cut that out and then only focused on the vote of the people on an occupation tax, because that was indeed such an outlier in what we see in other states on their cell phone or wireless tax bills, so.

STINNER: What is the fiscal impact then on the PSCs and the-- OK, go ahead and tell me that.

VARGAS: Sorry, zero.

STINNER: The Public Service Commission, is there an impact on that?

VARGAS: No.

STINNER: So this fiscal note is basically dead.

VARGAS: Yes, correct.

STINNER: OK. Secondly, do you have a listing of municipalities and how much they actually have from-- or make from these taxes?

VARGAS: We have most of them.

STINNER: You do have a listing?

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VARGAS: Yes, not all, most.

STINNER: Most of them? OK. Omaha would be-- how much would be that. And it would be interesting to compare that to the percentage of their budget, but I would like to get a copy of that so I can inspect that. I think based on what I see in this bill, there's a budget issue with this thing, a local control issue which once again I think that we elect these officials, we ask them to do prudent things, the thing maybe I would support as we move forward is maybe a bill that says any additional taxes, occupation or fees or licenses, could go to the vote of the people. I'd take probably a favorable look on that, but under-- and I believe that this is retroactive, too, which causes me a pause. But on that basis, I'm generally opposed to this bill. Thank you, Mr. President.

SCHEER: Thank you, Senator Stinner and Senator Vargas. Senator Geist, you're recognized.

GEIST: Yes, Mr. President, thank you. And this bill has tormented me, because I love the idea of lowering taxes on just about anything, and especially on our phone bill. I would love to be able to support this bill, but in integrity I can't. And I say it that way because I do feel like we're picking out one type of service and allowing them to potentially have no occupation tax. Now I understand that the public can, in this bill, vote and have an occupation tax set. But there are many other delivery services of communication equipment, your wired phones, your cable, who pay occupation taxes to cities and municipalities. And being a member of the Transportation and Telecommunications Committee, my job is to look forward and see how will this affect us going forward. And how I see this is that if we approve this bill, then next session the remaining entities are going to come before the committee and ask for their occupation tax, as well, to be voted on, and likely then maybe rolled away or rolled back. So I just see it in a long line of-- it's a carve out for a specific delivery type of service that we may not want to start down that road. That is why I objected to it in committee and why I'm objecting to it now. However, I do want to say that I do appreciate Senator Vargas's attempt at this. I think his concern is valid. We do have a lot of taxes on our cell phones. But in this case I just can't support this, either the amendment or the underlying bill. But anyway, I just wanted to register my no, but with great regret. Thank you, Mr. President. I'll yield you back the rest of my time.

SCHEER: Thank you, Senator Geist. Those waiting in the queue: Senator Hilkemann, Hilgers, Moser, and others. Senator Hilkemann, you are recognized.

HILKEMANN: Thank you, Senator-- Mr. Speaker. Senator Vargas, could you yield to a couple of questions, please?

SCHEER: Senator Vargas, would you please yield?

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VARGAS: Yes.

HILKEMANN: Senator Vargas, I'm going to-- first of all, I have to-- I'm going to give you an apology here. You asked me about this bill several weeks ago when it was first coming out and I said I hate paying all those taxes on my cell phone. And we looked at it, and how much of our bill is actually the occupation tax, the sales tax, UCF [SIC] all those fees on it and it becomes exorbitant. But the more I've thought about this, I'm not going to be supporting you as I told you earlier today. And I-- couple of questions. If you are-- let's say that the city did put this to a vote of the people and the vote of the people was that they didn't want to have this tax. When could the city bring this vote up again?

VARGAS: They can bring it up in the next election.

HILKEMANN: OK. And does this apply to the occupation-- as I read it, this applies only to wireless phones. Am I correct?

VARGAS: Yes. This amendment only applies to wireless phones, correct.

HILKEMANN: OK. And that's another concern that I have with this. The more I've thought about this, and I appreciate what Senator Arch said just a little bit ago about what's going to happen as the void period that we have. Also appreciate what Senator Morfeld had to say, because those are a couple of ideas I had here. What are we as legislators, what's our purpose, Senator, if we're not-- if we need to put all these areas as being representative type government. And so for me, I would have to say-- I think that will be it for my questions for you at this point. But I don't like paying the occupation tax. If I had the choice, I wouldn't have to pay it. I don't like paying my property taxes. If I had a choice to vote against taking my property taxes and not paying them, you know what, I'd vote not to pay my property taxes. I really don't like paying my state income tax, and if I had a choice not to pay state income taxes, I'd vote not to have my state income taxes. But what would happen if we voted all those taxes out? We would have chaos in government. How would we run our city services? How would we have our protection? How would we have our university? How would we have our schools? I think it's important that when we're given these options-- and when I really thought about the whole thing of this occupation tax and is only advice, do you realize that everybody who presently has a cell phone has an option to vote no on the occupation tax. All they have to do is not have the cell phone, correct? And that's an option that if this tax is so repressive, and you don't want to pay it, then you can do without that. You would have to get rid of the service. I happen to choose to continue to like paying my-- or I don't like paying it, but I like to have the services of a cell phone, and so I have to pay the occupation tax. My wife also appreciates the privilege of having a cell phone and so we pay the occupation tax on her. So Senator, I'm not going to be supporting this bill.

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SCHEER: One minute.

HILKEMANN: And that's the reason why. And I think that we have to trust our elected officials, that we have to be responsible in creating budgets. If we're going to turn everything into a vote on each issue that comes up, I think we're going to have chaos in government. Thank you, Mr. Speaker.

SCHEER: Thank you, Senator Hilkemann and Senator Vargas. Senator Hilgers, you're recognized.

HILGERS: Thank you, Mr. President. Good afternoon, colleagues. I appreciate the conversation and discussion on this particular bill. I will say in response to, maybe briefly, to Senator Hilkemann's points, I do think that we have a whole number of instances have taxes where we go to the vote of the people. And I don't think it's an answer to say that if you don't like a tax, just don't do the service or don't go get the service that would give rise to the tax. I don't think it's enough to say if you don't like income taxes, well, don't make income. If you don't like the gas tax don't drive your car. And I think it's similar with a cell phone. I don't think it's an answer to say, well, if you don't like the cell phone taxes don't buy the cell phone. I think, you tell that to Nebraskans around the state, and I think-- I don't think that's a very good answer to this particular issue. So briefly to respond to that. Secondly, I would say, I appreciate Senator Vargas's push on this in a number of respects, one of which is, he is focusing directly on his district. This is an issue that impacts all of our districts certainly. We all have constituents that have cell phones that rely heavily on cell phones, but I know in particular, Senator Vargas has spoken off the mike about how it impacts his district. Secondly, I appreciate the fact that we're talking about a tax where, again, in Nebraska is one of the highest in a particular tax category, and this one is in the cell phone taxes. And so I appreciate Senator Vargas doing something about it, pushing this bill forward. I do have a few concerns that I do want to explore, maybe briefly, with Senator Vargas or get a couple of things on the table, if he would yield to a quick question.

SCHEER: Senator Vargas, would you please yield?

VARGAS: Yes.

HILGERS: Thank you, Senator Vargas, and thanks again for bringing this bill. AM1373, can you just briefly refresh my memory on what that would do.

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VARGAS: Yes. AM1373 would clarify that this only applies to occupation taxes, and wireless services, where it says occupation taxes. And then the second piece of this would clarify that this would begin immediately. It would go into effect immediately.

HILGERS: OK. Thank you, Senator Vargas. Would Senator Morfeld yield to a question, please?

SCHEER: Senator Morfeld, would you please yield?

MORFELD: Yes.

HILGERS: Thank you, Senator Morfeld. I heard some of your comments earlier and one of your objections. Could you restate your objection? I think it was related to maybe bond indebtedness for the cities or impairment of contracts. Go ahead.

MORFELD: Yes. Yeah, I mean one of my concerns is the impairment of contracts. And this really deals with usually statutory provisions dealing with funding or revenue mechanisms that have been committed to certain bond issues. You can only impair those prospectively. And so there would be some potential constitutional and some contract impairment issues with this legislation given that.

HILGERS: Thank you, Senator Morfeld. So if I were to summarize some of the issues that I'm going to listen to and have some concerns about, they probably would be these, not necessarily in this order. One would be the one that Senator Morfeld addressed or mentioned, which is this idea that this might impair some of our current contracts. Two is, we talked about this concept of parity, and the context of small cells, especially last session we're going to talk about again with LB184 which is the idea of making sure that we are true-- when we create a tax and regulatory regime that we're treating competitors in that particular market or regime similarly, and so I do have at least some facial concern about the idea of only carving out certain competitors to have the tax, and certain competitors to not have a tax. I think that's an issue that-- I think AM1373 is intended to at least address or at least go towards addressing, which I appreciate Senator Vargas for bringing. And the last issue is only what would happen if-- I'm all for giving a vote of the people, I'm all for having people have a say on what their taxes look like for their cell phones. At the same time, I think we need to explore a little bit more what would happen if the revenue stream shuts off. And let's be clear, it's not revenue, it's taxes. But what-- if you are, I'm a big believer in expectation, and if you say to my business, if you go to my business or any other--

SCHEER: One minute.

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HILGERS: Thank you, Mr. President. --if you're cutting the budget of any entity in a drastic amount, either they're going to cut services, and I think there's a lot of ways that we can make things run more efficiently throughout the state of Nebraska; or, secondly, they may raise taxes or raise additional revenue. So one concern-- one item I want to unpack while this discussion is ongoing is, what's going to happen if there's an automatic cut off. Are those funds going then be replaced, or more likely they're not, then they will be replaced through increased property taxes? So I think discuss the implications of that immediate cutoff of the taxes, I think, will be important. But overall I appreciate Senator Vargas bringing this. There's no doubt that our occupation and cell phone taxes here in Nebraska are way too high. There's no doubt it impacts every family and citizen and business owner in this state. And I applaud his efforts to try to do something about it. Thank you, Mr. President.

SCHEER: Thank you, Senator Hilgers, Vargas and Morfeld. Senator Moser, you're recognized.

MOSER: Thank you, Mr. President. And greetings, colleagues, once again. I think this bill makes everybody suffer on the account of some bad actors, and I think the ones that are at the maximum would be more likely to be causing this ire than the ones that are behaving correctly. I think it's common for the Legislature to look at schools and say their budgets are too high, or the Legislature to look at cities and say their budgets are too high, and then for us to not look at ourselves and ask the question to us. So what if we voted on a 5 percent cut in the General Fund appropriations for the state? I'd be willing to bet, you know, a sizable amount of money that that question would pass. And then what would we do as the Legislature if our budget got cut 5 percent? You know, it's like telling your neighbor you think he's fat, you know, and you look at yourself and see, you know, if you're taking care of your issues with transparency and spending money as we should. If we lost all of the occupation taxes in a city such as Columbus, it would create a 15 percent rise in property tax, because property tax is the only other thing that supports the general fund, which is where these occupation taxes go. So just to summarize why I think this bill is wrong is only looking at wireless and not all the other occupation taxes because I think the other companies would want to come back and renegotiate their deals. And second of all, I think the cities rely on this income, and it is use tax. It's not property tax where you have no choice, you have to pay it. And this 15 percent increase would take our levy from 32518 to 4.5 which I think is our statutory limit. And as far as treating the citizens, giving them input to the city budgets, they vote on the sales tax. All of our sales taxes had sunsets. Our meetings are in the evenings, people can attend them. We voted on bonds for drainage and levy improvements. Thank God that we approved that the citizens voted for those because they largely protected us in that last flood. We voted on the water park, on turf for the football field, on park improvements, many different issues. So again, I think that the Legislature is trying to exert authority over cities when, for the most part, the majority of the cities are good behaviors. And so if some of them are too high in tax, I think maybe we should look at adjusting the bill that Senator Fischer negotiated

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some years ago where there were limits to taxes, and if those limits are too high, then maybe readjust those. Thank you.

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

ASSISTANT CLERK: Mr. President, Senator Wayne would move to bracket LB550 until June 6, 2019.

SCHEER: Senator Wayne, you're welcome to open on your bracket motion.

WAYNE: Thank you, colleagues. As anybody knows that I'm not bracketing this motion to kill this bill, rather we're going to spend a little time talking while the amendment is being drafted. And the amendment that I am working out with Senator Vargas and everybody else will go to any new taxes. What we are working out as whether it should be over a certain percentage or whether it should be any new taxes at all. So I am going to be walking around getting some more feedback. And the reason why that's important, colleagues, is because if the issue is their current budget, if the issue is next year's budget, then before the people in a regressive tax keep taxing the community that I live in, let the people vote for it. If you need over-- an additional 2 percent or you need an additional 1 percent, maybe we can work out an agreement where 1 percent stays that's the city council up to a certain levy. But after that levy, you hit that levy limit, it should go to the vote of the people. So normally I wouldn't get involved in this. I try to let this go to a vote. But when people decided that they wanted to continue to have an extended debate, i.e. or a filibuster, then we might as well make this bill the best we can and put everybody on record on whether we're going to move some property tax relief is what people are afraid of. I think this will have no impact on property taxes, but rather-- because it's not going to deal with anything in the current budget. Nothing in the current budget will be harmed by this. We are going to move forward on this for any new taxes. So any new taxes will require a vote of the people, and that's what I'm doing. So we can have conversations, keep continue to ask Senator Vargas questions while this amendment is being drafted. We will make sure everybody gets a copy of it. But this is a way to move this forward to make sure that all taxes, especially this regressive tax, and we're talking about all cell phone taxes in this particular case, go to the vote of the people. Because I'm tired of being taxed just like everybody else. And while for some of our colleagues might just be a little bit, that's fine. They can lock in that little bit right now. But if they decide to go to a higher tax rate on my cell phone, I want to be able to vote on it. That's what this amendment is going to be about so continue to stay in the queue, continue to ask questions, and we will move from there. Thank you, Mr. President.

SCHEER: Thank you, Senator Wayne. Senator Morfeld, you're recognized.

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MORFELD: Thank you, Mr. President. Colleagues, I'm not trying to filibuster anything. I think these are legitimate points that are being made. After this, I'm probably done speaking actually so there's no attempt here to filibuster that I know of. I have legitimate policy concerns with this. I am not supportive of this bill as written. I'm also not in support of putting any prospect of taxes to a vote of the people. I just fundamentally believe that local city governments that is quite frankly, colleagues, the most-- the closest to the people is in the best position to make these decisions in terms of revenue and their needs of their local community. Not only are they the closest to their residents, they are also the most accountable to their residents as well. And if people have concerns about how much they're levying in occupation or other use taxes, then they're likely going to hear about it like any other tax. So I'm not in favor of this underlying bill and I'm also not in favor of what Senator Wayne just mentioned which would be only taxes on prospective occupation or use taxes. I understand that we're fourth in the nation, but we are fourth in the nation where on a \$200 cell phone bill like mine, it's \$4 per bill. And yeah, would I like to not pay that \$4? Yeah, that would be an extra \$4 a month in my pocket, but I also like good roads, infrastructure. I really enjoy the police protection that we have in Lincoln. I like our parks, and I enjoy libraries. Do we need to be judicious about our revenue and the people's money and taxes? Absolutely. It should be scrutinized. We should have public hearings, but you know what? We have public hearing for this right now. We have the vote of the city council right now. Everybody that I've talked to with a cell phone service in Lincoln, so far, has it on their cell phone bill how much they pay. I don't know how much more transparent it gets. And where are we going to end? What's going to be the point of a city council if we put every single decision within their discretion to the vote of the people. Why elect the city council? I like direct democracy, but I also enjoy representative democracy. And quite frankly, if the people are fed up with this type of tax, they can collect enough signatures and put a proposed ordinance or charter amendment on the city charter. There is a way for the people to bypass their elected representatives if this is an issue that they are that passionate about. I don't think that this is an appropriate course of action for these types of taxes moving forward. It's not prudent. It is why we elect representative bodies such as city councils, school districts, to make these decisions be accountable to the people. These decisions require a public hearing. It requires a vote of the city council, and it allows for appropriate citizen feedback. If they don't like it and they don't like the decision, and their city counselor is still elected the next election despite their vote against them, they can collect enough signatures and put a proposed ordinance or charter amendment on the ballot reducing this tax or eliminating it completely. There is transparency, there is options, and we should allow our local government to exercise those options accordingly. Thank you, Mr. President.

SCHEER: Thank you, Senator Morfeld. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President, and good afternoon, colleagues. Colleagues, I appreciate the debate on this bill, and I appreciate the intent to what Senator Vargas is trying to

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do here. I was excited and interested to hear more about this idea, especially when Senator Vargas, you know, highlighted the kind of unique nature of this tax and relative to other states and the different populations we had in our state. And I think having some of these taxes, especially taxes that are very regressive and can hit low-income families very hard, and making sure we hold those to a high level of scrutiny is something I think we could, or at least should be supportive of, or consider being supportive of. With that being said, I would ask Senator Vargas if he would yield to a question.

SCHEER: Senator Vargas, would you please yield?

VARGAS: Yes, I'd be happy to yield.

M. HANSEN: Thank you, Senator Vargas. And Senator Vargas, I guess Senator Wayne has announced a little bit of his intentions to work on another amendment. So my question to you is kind of broad is, are there ways you can work together with improving this bill, and would you look forward to compromise on other solutions?

VARGAS: So the original intent of the bill is to try to provide transparency and also to try to make sure that we are identifying these taxes, lowering them as much as we can. But as I said before, and I appreciate it, Senator Hansen, I'm willing to work on this, because I think it's the right issue. It's a pragmatic approach to figuring out a way to identify our cell phone taxes and other telecom taxes and get a way to lower them or stop them from them getting out of hand. So, yeah, I'm more than happy to work on something.

M. HANSEN: All right. Thank you, Senator Vargas. So, colleagues, I'm appreciative of all the debate and discussion going on. I apologize that I've had to kind of come in late and I missed some of the debate early on. I know we have a lot of passion on this issue. I'm really appreciative of Senator Vargas and I've seen Senator Wayne looking out for opportunities to kind of expand and grow some space and some contentious on this issue. You know, I could be supportive of kind of the overall concept of LB550 as is, but if there's ways to continue building it together as a body, I think that's an important discussion. And I think it's an important discussion for us as a body as we are going to have tax debates throughout the session. I just kind of think about the different districts we have in the state and the different populations all of us represent. And for me, if there's something that can really impact my district as a thing that really impacts, kind of, the household budget, balancing the checkbook of people of District 26 and the people from northeast Lincoln, like I think addressing the high occupation tax and cell phones would, that's something I think we should take very seriously as a body and continue to look at. With that, I would yield the remainder of my time to Senator Vargas, if he'd like it.

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SCHEER: Senator Vargas, 2:00.

VARGAS: Thank you very much, Senator Hansen. Colleagues, I said this before, I think we're targeting, it's a good conversation we're trying to target something that is very unique. It's gotten a little out of hand, and figure out a way that we can provide more accountability and reign in the specialty's access. I do want to reference or kind of respond to Senator Hilkemann. Yes, we did have that conversation. He initially was, oh, I hate occupation taxes, hate all taxes, and that's-- a lot of people do say that. But this notion that it is just a luxury, I think we're at a point now if you were to ask people in your constituents, most people have cell phones, this is a lifeline for people now. It's not as much of a luxury. I don't want to let that stand because I think that that's a little bit of misrepresentation. I know for at least for my district, which is a very lower income district--

SCHEER: One minute.

VARGAS: --and has pockets of poverty, having a cell phone is a lifeline for people. And I'll talk a little bit the next time about-- a little bit more, but I'll start here. On-line I did actually put out a survey poll specific to the language of the bill on going to the vote of the people for transparency. You know, I really wanted to see how people reacted to it, and there's different demographics on-line, but what we found is about 83 percent of people were supportive of having voters approve a locally leveled tax on their cell phone bills, that's what they said. It was overwhelming on all the different social media platforms. My thing that is representative of every single demographic but it is representative of a perspective. If we were going to ask not would you want to lower your taxes, but would you be open to transparency and being able to vote on a tax that's gotten out of hand, people overwhelmingly supported that. And I think that's a unique thing that we saw from the on-line voter engagement.

SCHEER: Time, Senator.

VARGAS: Thank you.

SCHEER: Thank you, Senator Matt Hansen and Senator Vargas. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. I stand in support of the LB550 and Senator Vargas's amendment. Most communities of any size have a whole list of occupation taxes, and they're usually tied to a cost of giving government services why those occupations are taxed. Most common is bars, liquor stores. Used to be an occupation tax, if you have been old enough, on

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cigarette machines, vending machines. One of the big ones is hotels. They'll put an occupation tax over and above the 4 percent, tourism tax. All of those can be justified because they relate to services the city offers. You stay in a hotel in a community, you drive their streets, you use their public services, their sewers, their electricity, so it's rational to tax the visitor with an occupation tax on a hotel room; pool tables, you know, right here in River City, bars and things create, late at night, more public service with the police. I can't find a relationship to a cell phone and a cost to a city of a public service. There's none. It's gravy. And it was added on as, the last 30 years or so, as cell phones became prevailing. I'm in full support of let's taking a step back and make the city government come forward and ask the citizens and explain to the citizens why there is a tax on their cell phone services, and what service am I getting back for this tax that I am paying. Senator Wayne, would you take a question?

SCHEER: Senator Wayne, would you please yield?

WAYNE: Yes.

GROENE: Bright idea, maybe. Maybe you'll tell me it's a dull one, but instead of putting all of the taxes just day, a date certain, the existing ones, why couldn't we put a sunset on and in four years they all sunset and that would give the communities time to adapt so that they might lose those funds, and prepare them to inform their citizens what service they are getting from this tax?

WAYNE: I'm open to that idea, particularly after we talked about Senator Dorn's bill, that is sunset, that is specific, how that is narrowed down to where people know. But I agree with you what your premise of the issue is. Cell phone, we don't know what it's being used for. It's just being used. And so I'm willing to sit down and have that conversation. I think it's important to have that dialogue and to talk about sunset provisions and making sure that the city, like Senator McDonnell's bill, is transparent.

GROENE: I appreciate that. Yeah, I agree. I want a city to tell me what service I am receiving from this tax. Why am I being taxed? Sometimes you're being taxed-- wheel tax, I think maybe would be called an occupation tax almost, because it's a special tax, and it's based on an amount, not on a value or an income. I understand that one. I use the streets. The potholes I want fixed. But I don't understand the cell phone tax. I don't understand its relationship to government services, the cost of services. Cities have sales tax, they have-- they're unique.

SCHEER: One minute.

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GROENE: They have two sources of income, counties, and everybody else. They have property taxes. They have sales tax. And they can-- one thing they could do is grow their city and get more revenue by new property, grow their economic retail end and get more sales tax. I just don't see a rationale why a city has a occupation tax on a cell phone. It makes absolutely no sense. It's absolutely against anything that we consider taxation in relationship to services. Thank you.

SCHEER: Thank you, Senator Groene and Senator Wayne. Senator Vargas, you're recognized.

VARGAS: Thank you, colleagues. I want to revisit how we fare, because I think we got a little bit far off here to other states. Iowa is a really great example. They're right next to us. We tend to compare ourselves to them for a lot of different reasons. Iowa has four different things that they are taxing in regards to cell phones: state sales tax at 6 percent, local option sales tax at .5 percent, and actually only the Cedar Rapids in-- Cedar Rapids has a 1 percent on that, Des Moines has nothing, zero additional. And we would have an equivalent of city or occupation tax: Wireless 911 at 2.59 percent, and dual party relay service fee at .08 percent. The total transaction-- effective transaction rate is 9.16 percent for state and local taxes on wireless. That is 50 percent of ours, 50 percent. We have-- and one of the biggest differences here is the 6.13 that we are seeing on some cities, not all. This is again not "blanketly" in all cities. We're talking about less than 15 that are using this occupation tax. We're trying to provide some level of accountability and relief for these specific municipalities, these specific individuals that live in the municipalities. And so when we're comparing ourselves to other states, I want to make sure we are grounded in what is real, not that there's just a red herring of this is automatically going to then be really difficult for a municipality. There's a lot of things that make changing conditions for municipalities. This is not going to be one of them, because there is no guarantee that they will not keep their tax. It was not written in a way that says you cannot have an occupation tax. It was written in a way that says that you cannot have this occupation tax unless it goes to through a vote of the people. I think essential argument here is that they cannot describe or provide evidence as to why an occupation tax is a worthwhile tax. Unlike a lot of other taxes where there's more transparency over it, I am concerned that they automatic-- the automatic answer here is that they cannot-- that they're automatically going to lose this when that's not what this bill does. We keep very straight and narrow language. I don't believe in doing a sort of sky is falling argument, because if we do that, then we will go down a place where we do not pass any legislation. What if this happens, what if that happens? We're not talking about all occupations, all taxes in general. Where do we stop? That argument doesn't have standing here, particularly because we are talking about a very specific tax. And our job is to do everything we can to then begin to identify things that are getting more regressive, becoming out of whack when competitive and we're looking within the cities and the states and comparing ourselves, and that's exactly what we are doing here. Trying to then find some way to then get a little bit more, not being fourth place in terms of the highest cell phone and effective tax on occupation taxes, we're trying to then get down. We're not going to be to do that unless we find some way to then reign

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these in. That's what this bill is about. That's why I'm asking for your support for AM1373. I know Senator Wayne is working on an amendment. It's something that I think is also a step forward. But ultimately I want to find a place where we can move forward on this bill, looks like transparency is a good thing and reigning in--

SCHEER: One minute.

VARGAS: Sorry, what was that?

SCHEER: One minute, Senator.

VARGAS: Thank you. And so colleagues, I don't want us to get away from this argument that, where do we stop? Because we do not use that policy argument with everything. And if we did, I think it's a dangerous pathway for us to go down. We're talking very discrete policy language that does not bar anybody from utilizing occupation taxes. The language is meant to then reign in, provide transparency and accountability to people. And I don't see that as a bad thing. I also don't think that voting for this is a bad thing. I think it's inherently a good thing, good thing for constituents, a good thing for transparency. I think we heard different people from both urban and rural say that it is. And so when asking you to stand with me on transparency on this very unique--

SCHEER: Time, Senator.

VARGAS: Thank you.

SCHEER: Thank you, Senator Vargas. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. President. When I went door to door in Elkhorn-- Elkhorn is a little different than a lot of Nebraska-- well, all our districts are very different. There are a lot of people who move to Elkhorn from outside Nebraska. A lot of people move from Elkhorn from western Nebraska, but there's also-- so going door to door it was not unusual to meet somebody from California or Illinois or-- that had moved to Omaha. And cell phone taxes came up a lot. We are higher. People move here, it's like, welcome to Nebraska, boom. First tax they notice, sales taxes-- I mean, phone taxes. And it's-- I have four children. Two of them, they moved into Nebraska and out of Nebraska and back to Nebraska, and they've lived in three different states. And they come here and go, what is the deal with the taxes on the phone bill? Senator Vargas has touched on this, but we are like way out of line with other states on these taxes. Not, you know, kind of close and they're all real close. It is a significant. And as far as \$4 a month not being

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much money, well, it's, you know, I guess it depends on who you are, \$4 a month. But most families have two cell phones, so it's really \$8 a month, which is almost a hundred bucks a year, and it's just a tax they didn't have to pay when they lived someplace else. And as Senator Groene's point, why are they paying it? It's not-- again, it's not like the gas tax. We know we have gas taxes where we pay for roads. You know we have other taxes that go for specific things, but it doesn't cost any city money for their constituents to have a phone, have a cell phone. As a matter of fact, I think it probably saves the city's money and the county's money. I'm going to yield to Senator La Grone. But then the last thing I would say is I hope in the next couple of weeks when we're talking about property taxes and trying to reduce them on the floor of the Legislature, there is the same passion about worrying about increases in property taxes and what we can do about that. With that, I would yield to Senator La Grone.

SCHEER: Senator La Grone, 2:30.

LA GRONE: Thank you, Senator Linehan, and I would agree with absolutely everything Senator Linehan just said. I understand Senator Wayne is working on an amendment, so I just want to take an opportunity to talk through that a little with him. So would Senator Wayne yield to a question?

SCHEER: Senator Wayne, would you please yield?

WAYNE: Yes.

LA GRONE: Senator Wayne, the way I understand it, the amendment you're currently having drafted effectively does two things. And just correct me if this is wrong. First and foremost, it doesn't touch any of the existing occupational taxes, it simply says that on any new taxes for these wireless services, that it has to go to a vote of the people, is that correct?

WAYNE: New tax or increases. So we leave everything locked in right now, but any increases need to go to the vote of the people. And ironically, I believe the only municipality who is at it's cap is Omaha. So everywhere else this would actually save dollars for everybody, but in Omaha, underneath my amendment, it would still be the same.

LA GRONE: Gotcha. OK. So that's the first provision. I think that's a great provision, too, so that people know when they are having an additional tax tacked on. The second one is there has been some concern about the cost of holding an election. It's often a concern that we get when we're talking about sending stuff to the vote of the people. And when you have a special election, yes,

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that can be a substantial cost. So as I understand it, the other thing your amendment would do is mitigate that cost by requiring it be at a primary or general election, is that correct?

WAYNE: That is correct.

LA GRONE: So, I would support that amendment when we get it. I like the bill as it currently is, but in an effort to get something done--

SCHEER: One minute.

LA GRONE: --to address cell phone taxes, I think it is so important to ensure that for any additional taxes or increase in taxes, that that goes to a vote of the people. And then, yes, to address the election cost, we do require that it be done in a primary or general election because special elections, yes, they can cost a substantial amount. So this will simply have it take place at an election that is already occurring so the additional cost is very minimal, it would simply be the additional line on the ballot. Thank you, Mr. President.

SCHEER: Thank you, Senator Linehan, La Grone, and Wayne. Items, Mr. Clerk.

ASSISTANT CLERK: Mr. President, one item. Senator Brewer, an amendment to be printed to LB155.

And a priority motion. Senator Dorn would move to adjourn until Wednesday, April 17, 2019, at 9:00 a.m.

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