

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate February 7, 2025

Rough Draft

**ARCH:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twenty-second day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is Senator Dorn. Please rise.

**DORN:** Heavenly Father, we come to you today asking for your guidance, wisdom, and support as we begin this day. Help us to engage in meaningful discussion, allow us to grow closer as a group, and nurture the bonds of community. Fill us with your grace, Lord God, as we make decisions that might affect the people of this state. And to-- and continue to remind us that all that we do here today, all that we accomplish is the perf-- for the pursuit of truth, for the greater glory of you, and for, for the service of humanity. We ask these things in your name. Amen.

**ARCH:** I recognize Senator McKeon for the Pledge of Allegiance.

**McKEON:** Will you, will you join me in the pledge? I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

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

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

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

**CLERK:** I have no corrections this morning, sir.

**ARCH:** Thank you. Are there any messages, reports, or announcements?

**CLERK:** There are, Mr. President. Your Committee on Natural Resources, chaired by Senator Brandt, reports LB377, LB593 to General File. Additionally, your Committee on Business and Labor, chaired by Senator Kauth, reports LB265, LB297 to General File. Additional bills placed by Na-- on General File by Natural Resources include LB247 and LB396. Notice of committee hearing from the Transportation and Telecommunications Committee. Agency reports electronically filed with, with the Legislature can be found on the Nebraska Legislature's website. Report of registered lobbyist for February 6 of 2025 will be

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found in the Journal. New LR: LR41, from Senator Brandt. That will be laid over. That's all I have at this time.

**ARCH:** Senator Armendariz would like to recognize Dr. Snowleopard Tyler of Omaha, who is serving as the family physician of the day. Welcome. Senator Murman would like to recognize an 11th grade student from Sandy Creek High School in Fairfield, Nebraska, Trippe Bracco-- who is job shadowing Senator Murman today-- located under the south balcony. We will now proceed to the first item on the agenda. Mr. Clerk.

**CLERK:** Mr. President, Senator Dorn would move to withdraw LB577.

**ARCH:** Senator Dorn, you're recognized to open.

**DORN:** Thank you, Mr. Speaker. I'm asking to withdraw LB577. This was a bill brought to me by the Department of Health and Human Services. They were looking to address an issue raised by a bill passed last year regarding pharmacy technicians and their oversight. The agency worked with various pharmacy representatives and have resolved any concerns the agency or pharmacies have. So basically, they worked this out. We don't need this bill anymore. We don't need to have a committee on it-- a hearing on it. And I will ask that you vote green to withdraw this bill.

**ARCH:** Seeing no one in the queue. You're welcome to close. Senator Dorn waives close. Colleagues, the question before the body is the motion to withdraw LB577. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 36 ayes, 0 nays on the motion to withdraw, Mr. President.

**ARCH:** The motion to withdraw LB577 is successful. Mr. Clerk, next item.

**CLERK:** Mr. President, next item on the agenda: Senator Rountree would move to withdraw LB574.

**ARCH:** Senator Rountree, you're welcome to open on your motion.

**ROUNTREE:** Thank you, Mr. President. Today, I'm requesting to withdraw LB574. This bill was brought to me with the intention of supporting firefighters and the state of Nebraska and ensuring they are provided with adequate protections while serving our community. Firefighters risk their lives for their communities and do extremely important work. While the bill is needed in our state, this version of the bill

is not ready to be heard. My office will be working closely with the Firefighters Association to see how best we can tackle this issue in the next session. Thank you for your time. And I ask that you vote green on withdrawing LB574. Thank you.

**ARCH:** Seeing no one in the queue. You're welcome to close.

**ROUNTREE:** Colleagues, we do ask-- thank you, sir. We do ask, colleagues, that you vote green on LB574, withdrawal. Thank you.

**ARCH:** Motion before the body is the motion to withdraw LB574. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 38 ayes, 0 nays on the motion to withdraw, Mr. President.

**ARCH:** The motion to withdraw LB574 is successful. Senator Meyer would like to rec-- recognize some guests and welcome guests: Lorie Meyer, his wife, from Pender; and Linda Prinz, his sister-in-law, from West Point. They are located under the north balcony. Please rise and be welcomed. Senator Juarez and Senator Rountree would like to welcome 18 seniors and 1 teacher from Bryan High School in Omaha, and they are located in the north balcony. Please rise and be welcomed by your Legislature. Mr. Clerk, next item.

**CLERK:** Mr. President, the Education Committee would report favorably on the gubernatorial appointment of two individuals, Connie Edmond and Robert Engles, to the Board of Trustees of the Nebraska State Colleges.

**ARCH:** Senator Murman, you're recognized to open on the confirmation report.

**MURMAN:** Thank you. Good morning, colleagues. The Education Committee has two appointments to the Board of Trustees of the State Colleges: Connie Edmond, a new appointment; and Robert Engles, a reappointment. Connie Edmond is a proud graduate of Peru State and a gre-- and a dedicated advocate for higher education. She was actively-- she has actively served on the Peru State Alumni Association and Foundation Board and mentored first-generation college students for over a decade. On the State College System's Strategic Planning Task Force, she showed commitment to student success, affordability, and degree attainment. With over 35 years of experience in tax and accounting, Connie brings financial expertise that will strengthen the fiscal oversight of our state colleges. Robert Engles was first appointed to

the board in 2011. And this will be his third term. He currently serves as chair and has been an advocate for the state colleges. His leadership has helped maintain a commitment to fiscal responsibility while ensuring that the colleges continue providing high-quality, affordable education to the students across the state. Under Robert's leadership, the board has upheld its mission of supporting student success and retaining talent, particularly in Nebraska communities. The Education Committee unanimously approved both confirmations. Thank you. And I ask for your green vote.

**ARCH:** Seeing no one in the queue. You're welcome to close. Senator Murman waives close. Colleagues, the question before the body is the adoption of the Education Committee report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 37 ayes, 0 nays on adoption of the committee report, Mr. President.

**ARCH:** The Education Committee report is adopted. Mr. Clerk, next item.

**CLERK:** Mr. President, the Retirement-- Nebraska Retirement Systems Committee would report favorably on the gubernatorial appointment of Patrick Bourne to the Public Employees Retirement Board.

**ARCH:** Senator Ballard, you're recognized to open.

**BALLARD:** Thank you, Mr. President. The Nebraska Retirement Systems Committee held a confirmation hearing on January 31 for two appointments to Nebraska Public Employee Retirement Board, or PERB. The first appointment to PERB was Patrick Bourne, who was appointed by the governor to fill a vacancy on one of the public member seats on the board. His term will expire January 1, 2027. Mr. Bourne graduated from the University of Nebraska, Omaha with a Bachelor of Science and Business Administration and received a juris doctorate from Creighton School of Law. Mr. Bourne was born-- Mr. Bourne was a member of the Legislature from 1998 to 2007 and served on the Retirement Committee for eight years, as well as Appropriations Committee, and chaired the Judiciary Committee. Following his time in the Legislature, Ms. Bourne-- Mr. Bourne worked for Blue Cross Blue Shield of Nebraska for 15 years in multiple roles, including ser-- and serving on the organization's internal retirement committee. Since leaving the Legislature, Mr. Bourne has continued to serve in a variety of ways, including a term on the Nebraska Power Review Board and the Board of Omaha Schools Employees' Retirement System, commonly referred to as

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OSERS. During his time on the OSERS board, Mr. Bourne helped oversee the transfer, managing, and control of OSERS' retirement system to Nebraska Public Employees Retirement System, or NPERS. Mr. Bourne receives a vast level of experience and knowledge around the retirement system. I ask for your green vote on the confirmation of Mr. Bourne.

**ARCH:** Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I rise in strong support of the confirmation report and just wanted to lend a word of gratitude to my friend, Pat Bourne, for, for continuing to step forward and to serve his community and his state in numerous ways and to do so admirably. The committee definitely was impressed with Mr. Bourne's background and commitment to service, whether that's in this august body or his work in other public policy roles. And then that was also complemented and balanced nicely with his private sector experience. He definitely has specific experience and knowledge in relation to retirement-related matters. And as the state completes the administrative transition of the Omaha Public Schools Retirement Program to the state system, I think that his personal expertise in working with that system will be of great benefit to the board that, that, that he should be resoundingly approved to serve upon. Thank you, Mr. President.

**ARCH:** Seeing no one else in the queue. Senator Ballard, you're recognized to close. Senator Ballard waives close. Question-- the question before the body is the adoption of the Nebraska Retirement Systems Committee confirmation report. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 39 ayes, 0 nays on adoption of the committee report, Mr. President.

**ARCH:** The committee report is adopted. Mr. Clerk, next item.

**CLERK:** Mr. President, the Natural-- excuse me. The Nebraska Retirement Systems Committee would report favorably on the gubernatorial appointment of Jacob Curtiss to the Public Employees Retirement Board.

**ARCH:** Senator Ballard, you're recognized to open.

**BALLARD:** Thank you, Mr. President. The second appointment to the PERB board is for Jacob Curtiss, who was appointed by the governor to fill a vacancy on one of the school plan members seat on the board. His

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term will expire January 1, 2030. Mr. Curtiss is a graduate of University of Nebraska-Lincoln with a bachelor's of science in finance. He received his juris doctorate from the University of Nebraska College of Law. Mr. Curtiss currently serves as the Director of Employee Relations for Millard Public Schools and serves as the liaison between Nebraska Council of School Administrators and NPERS on the retirement-related issues. Prior to his time with Millard Public Schools, Mr. Curtiss worked for Mutual of Omaha in the retirement plans division and worked on-- and worked pensions close-- [INAUDIBLE] and general compliance issues. Mr. Curtiss is a resident of Waverly and has a strong-- and has a strong role in the NPERS as a trustee and fiduciary of our state retirement plan. I ask-- Mr. Curtiss came out of committee unanimously. And I ask for your green, green light on his confirmation.

**ARCH:** Seeing no one in the queue. Senator Ballard, you're recognized to close. Senator Ballard waives close. Question before the body is the adoption of the Nebraska Retirement Systems Committee confirmation report. All those in favor vote aye; all those opposed, nay. Mr. Clerk, please record.

**CLERK:** 38 ayes, 0 nays on adoption of the committee report, Mr. President.

**ARCH:** Retirement Systems Committee report is adopted. Senator Brandt and Senator McKeon would like to recognize some guests: Ne-- the Nebraska-- members of the Nebraska Dental Hygienists Association and dental hygiene students. They are located in the north balcony. Please rise and be welcomed by your Nebraska Legislature. Mr. Clerk for items.

**CLERK:** Thank you, Mr. President. Some items quickly. Your Committee on Government, Military and Veterans Affairs, chaired by Senator Sanders, reports LB34, LB123, LB302, LB373, LB294 to General File, LB294 having committee amendments. Additionally, amendment to be printed from Senator McKinney to LB462. And the Revenue Committee will hold an executive session at 11:30 under the south balcony. Revenue Committee, under the south balcony, 11:30 exec session. That's all I have at this time, Mr. President.

**ARCH:** Thank you, Mr. Clerk. Next item.

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**CLERK:** Mr. President: Select File, LB1. I have nothing on the bill, Senator.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Thank you, Mr. President. I move that LB1 be advanced to E&R for engrossing.

**ARCH:** You've heard the motion. All those in favor say aye. All those opposed, nay. LB1 is advanced.

**CLERK:** Mr. Pres-- Mr. President, next bill: LB2, Select File. Senator, I have nothing on the bill.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Mr. President, I move that LB2 be advanced to E&R for engrossing.

**ARCH:** Colleagues, you've heard the motion. All those in favor say aye. Opposed, nay. LB2 is advanced.

**CLERK:** Mr. President: Select File, LB194. Senator, I have nothing on the bill.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Thank you, Mr. President. I move that LB194 be advanced to E&R for engrossing.

**ARCH:** Colleagues, you've heard the motion. All those in favor say aye. Opposed, nay. LB194 is advanced.

**CLERK:** Mr. President: Select File, LB116. There are no E&R amendments. Senator Conrad would move to amend with AM192.

**ARCH:** Senator Conrad, you're recognized to open on your amendment.

**CONRAD:** Thank you, Mr. President. And good morning, colleagues. I filed two amendments on LB116 to address some matters that we raised when this bill was heard on General File earlier this session. One is in relation to ensuring that we don't make any modifications to the current statutory language that requires this financing arrangement to support only public purposes, which was stricken in LB116. And then the other amendment relates to the acquisition of information before the committee that is weighing these applications to ensure that no

information will be presented outside of the public hearing, which would change in LB116. So I know that there are a few other kind of general considerations that we may want to walk through in regards to this legislation, but these are serious and, and substantive amendments. Let me start by saying that I have had an opportunity to talk with representatives from the city of Lincoln, from the Lincoln Chamber of Commerce to get an update on their perspective in regards to the proposed convention center that would be supported in this legislation. And that was definitely very helpful to get their updates and their perspectives. I think generally there is widespread support for boosting economic development activities in Lincoln and commend my colleagues in the Legislature who have worked to put together some state support and some financing support to facilitate a strong public-private partnership right here in the capital city. My, my questions, though, in regards to this particular legislation is I'm, I'm still not 100% clear why we need it. I do understand that perhaps there was a drafting error in regards to stating the area that would be subject to the, the turnback tax itself, and that seems to be a very sensible issue to address through this legislation. However, I was concerned that this legislation did open up changes to other components of the existing law. LB1-- LB116 would strike a requirement that this funding go for public purposes. And I'm hoping that was not the intent of the introducers. And so that should be a substantive amendment that we could hopefully quickly take up and dispose of. There was another component in the legislation that changed the parameters for how information was provided and assessed to the decision-makers, which I guess is a sub-- organized as a subcommittee of the Lancaster County Board. And it seemed to open the door for additional information to be considered outside of the public hearing. And this too is a substantive amendment. And I hope it was not the intent of the introducers to take into account ex parte or additional information outside of the context of the public hearing. As we're working to advance this important project, it's critical that we ensure transparency at each stage and community engagement and public participation. I had a chance to look at the Assemble Lincoln press releases as well, which consistently demonstrated a commitment to transparency. So I'm hopeful by taking up these changes today we can improve the legislation before us and make sure that the financing component is corrected, which I believe is the overall intent of LB116. Thank you, Mr. President.

**ARCH:** Senator DeKay would like to recognize a guest: Keston Rubek, from Creighton University, who's job shadowing. And he is located



under the sou-- oh, excuse me. Not Creighton University, the city of Creighton. Located under the south balcony. Welcome. Senator Ballard, you are recognized to speak.

**BALLARD:** Thank you, Mr. President. While I am disappointed with my good friend from District 46 that she did not give me a heads-up before dropping this amendment, I, I'm fine with this ame-- with, with AM192. I understand Senator Conrad's concerns. I, I think the, the language in LB116 makes this more restrictive. But if she wants to, to, to strike and include public purpose, I will ask for your green light on AM192. Thank you, Mr. President.

**ARCH:** Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Again, good morning, colleagues. I really appreciate Senator Ballard asking for your support. I think it does provide an important clarification that public funds should be devoted to public purposes. And I'm-- I think it's a good substantive amendment to move forward. And to be clear, I, I did flag these exact concerns during debate on General File and had a question and answer with my good friend, Senator Ballard, about these very issues. So I know we're super-duper busy and things are moving fast, so perhaps he forgot that exchange. But this is not surprise or new. It was clearly deliberated in an exchange with Senator Ballard mere, I guess, days or weeks ago when this first came up on General File. So we can triple-check the re-- record there. And, and I appreciate the opportunity to clarify that and ask for your green, green vote.

**ARCH:** Seeing no one left in the queue. Senator Conrad, you are recognized to close. Senator Conrad waives close. Colleagues, the question before the body is the adoption of AM192 to LB116. All those in favor vote aye; opposed, vote nay. Mr. Clerk, please record.

**CLERK:** 37 ayes, 0 nays on adoption of the amendment, Mr. President.

**ARCH:** The amendment is adopted. Mr. Clerk, next item.

**CLERK:** Mr. President, Senator Conrad would move to amend with AM197.

**ARCH:** Senator Conrad, you are welcome to open on your amendment, AM197.

**CONRAD:** Thank you, Mr. President. And good morning, colleagues. This is the second small but substantive amendment that I flagged in my opening on the last amendment. These were-- these concerns were

brought forward during the General File debate. And so in-- keeping my word to continue to bring attention to these issues to ensure that we have public funds going only for public purposes and to ensure that there are no changes that scuttle critical information from the public hearing process, which I don't think was the intent of this legislation. Again, as I understand it, looking at the legislative record and hearing from my good friend, Senator Ballard, as to the impetus for this legislation, it is really to tighten up, address, and clarify changes in regards to the area that would be subject to the public financing component. So when you look at the existing statute, the-- requires that the representatives who are making this decision and looking at the application to carry out this convention center project, that it would provide an opportunity for expert testimony and it would provide, of course, the information for the applicant as well, and then also an opportunity-- as is pattern and practice with public engagement and public meeting statutes-- to allow other interested community members to come forward to share their perspectives on the matters before the public body. So when you look at lines 11 and 12 on page 7, there is new language contained in LB116 that states any such additional evidence can also be provided contemporaneously to the applicant, and that's modifying information that would be coming after the public hearing. If you look at the next section, there is also modifications to the public hearing component. And so my hope would be that we could simply strike that to ensure that there-- that the public testimony and the materials provided at the public hearing remain under consideration at the public hearing and if, in fact, there is additional information or matter that comes outside of the public hearing that that should not be considered. Of course, we understand circumstances change and applications may change, that new information may come to light. But I think it would be appropriate when such a significant of public-- significant amount of public funds are on the table that any information then be heard in a subsequent public meeting instead of opening the door to ex parte or private conversations that the press or the public may not be party to. So I see this as a straightforward, substantive amendment to ensure information about public funds and public projects happen within the public hearing. I would ask for your favorable consideration. Thank you, Mr. President.

**DeBOER:** Thank you, Senator Conrad. Senator Ballard, you're recognized.

**BALLARD:** Thank you, Madam President. I'll, I'll give a little background on why we included this language in the bill. I just-- when things are moving-- or, evidence is moving so fast within these

applications. So any additional evidence that's given to the board after the public hearing, it says will be provided to the applicant as well. I'm fine with this amendment striking this portion of the bill. So I will ask for your green light on this amendment as well.

**ARCH:** Thank you, Senator Ballard. Senator Dorn, you're recognized.

**DORN:** Thank you, Madam Chairman. Thank you. And glad to see you up there and everything. So I, I have-- I visited with Senator Ballard over this bill. I am for this bill. I will be voting for this bill and everything. But wanted to talk a little bit because we have a little bit of time on the floor, I call it, about the appropriations process and everything and where we're at in the appropriations process, the-- bringing out the preliminary budget. Talked to Senator Clements about this. And I want to explain some things. And then how we sometimes don't always look at the fiscal notes. And this bill has a fiscal note on it that shows \$0. Explain that in a minute. But in Appropriations, we basically gone through all the agencies, all the governor's request. We're getting to where the fiscal office now can put together, I call it, our preliminary budget, which hopefully in the next-- the end of next week or early the following week, that preliminary budget will be out. And I want to caution people: that's a preliminary budget. So gonna be a lot of changes to it, a lot of corrections, additions up or down. But when you look at the fiscal note here on LB1-- LB116-- and part of what catches my eye sometimes is fiscal note is zero on this. Why? Because we now allow these facilities or these convention types things to keep part of the sales tax. That's what this bill does. That, that's what this act does. However, as you read the fiscal note-- and I'll put a comment-- I'll say what-- how they have it-- it's in about, I don't know, fifth paragraph. The Department of Revenue notes for comparison purposes that \$18.5 million is forecasted to be transferred during fiscal year '25 under the term of the Sports Arena Facility Financing Assistance Act and that the Convention Center Facility Financing Assita-- Assistant Acts for four current projects. That's the current projects. We also have other projects that-- my understanding are-- might come into this or just some things like this. Technically, this bill does not have a fiscal note. But for the purpose of, I call it, our overall budget and how we look at things, \$18.5 million now are going to be used for these projects of state income tax-- not income tax-- excuse me-- sales tax that we would normally be getting in to the state revenue that we-- and we have passed many, many bills up here that are allowing them to use these types of funding things. I am for this bill. I will be supporting this bill, but I just want people to be

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aware of, yes, there is \$18.5 million that, over the next four years-- over the next number of years-- well-- excuse me-- we're-- year 2025 that will not be coming into the state revenue. So as we have a budget deficit, as we talk about a lot of things, this is also some things that people need to be aware of. I am for the project. I am for this bill. Told Senator Ballard that. Thank you.

**ARCH:** Seeing no one left in the queue. Senator Conrad, you're welcome to close on AM197.

**CONRAD:** Thank you, Mr. President. And I really appreciate my friend, Senator Dorn, sharing some of his perspectives in regards to the fiscal impacts involved in this legislation and the broader project. And it is a bit unusual this early in the session to have a measure up that has implications for literally over \$150 million, I believe, in, in state support and then additional impacts in regards to lost sales tax, which is estimated, you know, at least around \$18.5 million if you look at the fiscal note. So I do appreciate that this legislation is important to move forward to clarify the original intent of the project. I appreciate Senator Ballard being open-hearted and open-minded as to accepting these two technical but substantive amendments to ensure a commitment to public purpose, for public funds, and to ensure appropriate public transparency as this process carries forward. So I would ask for your support and thank Senator Ballard for his graciousness in being open to making these important changes that I did flag on General File. Thank you.

**ARCH:** Colleagues, the question before the body is the adoption of AM197 to LB116. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 36 ayes, 0 nays on adoption of the amendment, Mr. President. I have nothing further on the bill, Senator.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** We're good? Mr. President, I move that E&R amendments to LB116 be adopted.

**ARCH:** Senator Jacobson, you are recognized to speak.

**JACOBSON:** Thank you, Mr. President. I was having difficulty getting in the queue earlier, so I-- but have spoken before the vote on the amendment. But I just want to mention to colleagues that, that-- and reiterate what Senator Dorn pointed out that, that when we give up

revenue, which is what we're doing when we allow for turnback taxes and-- the challenge with all that is it still is-- has a-- it, it, it still impacts us even doesn't-- even though it doesn't have a specific fiscal note. I generally look at those projects as projects that are designed to bring in additional sales tax revenue, bring in additional revenues on a-- and, and, and basically expand the state's economy. And that's the reason for that incentive. So I'm not anti-incentives. I generally see that incentives can work. But I'm going to be more cautious when it comes to incentives when we can't get closer to connecting how we're going to get there. And I know we've had discussions on good life districts. I think we're going to have more discussions there. But as a general rule, when someone's re-upping on a turnback tax, that's when I'm going to be a "no" vote because the turnback tax is set up for a period of time. They're able to utilize those dollars and-- to be able to build out the project and get it up and scale it up. But if this project was well-thought-out to begin with, they should not need that subsidy ongoing. And that's what we run into when we re-up those kinds of projects. And so I just want to point that out. I'm not speaking to a specific one, but just generally speaking, in the spirit of what Senator Dorn spoke of, we need to continually be watchful of that. There's a lot of bills that'll come to Revenue that are going to reduce the revenue. And so we're going to look at that. And we're also going to have to be looking at what happens on Appropriations. But as a general rule, we've got to be mindful that those can reduce the dollars that are going to be in the General Fund. It's taking money away from what would have been there. So we've got to know that there's going to be an ability to replace that through other sources through that project, so. Thank you, Mr. President.

**ARCH:** Senator Raybould, you are recognized to speak.

**RAYBOULD:** Thank you, Mr. President. Good morning, colleagues. Good morning, fellow Nebraskans. I just want to add on the, the thought from Senator Jacobson that, yes, we, we know that these projects are worthwhile, but we also have to keep in mind that they're an economic development tool, an economic engine that many municipalities need. And we also have to keep sight of that it also acts as a catalyst. So for, for the lodging tax and other occupational taxes that can be grouped in on many of the projects that we have that develop economic growth and additional sales tax revenue, we have to keep in mind, it's not just there. It acts as a catalyst for all those people that want to come to Lincoln, our state capital, to visit and to enjoy the amenities of this new convention center. So it, it is broader and

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greater. Yes, we acknowledge that the funds that are, that are coming in from sales tax revenue will have to be used for debt servicing. But we have to keep in mind it's actually even broader than that. There is a greater economic generator that we must take into consideration and why these projects are very valuable for our state of Nebraska. Thank you, Mr. President.

**ARCH:** Colleagues, you have heard the motion to advance LB116 to E&R for engrossing. There has been a request for a record vote. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Mr. Clerk, please record.

**CLERK:** Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Brandt, Conrad, DeKay, Dorn, Dover, Fredrickson, Guereca, Hallstrom, Holdcroft, Hughes, Hunt, Ibach, Kauth, Lippincott, Lonowski, McKeon, Meyer, Murman, Prokop, Quick, Raybould, Riepe, Sanders, Sorrentino, Storer, Storm, von Gillern, Wordekemper. Voting no: Senator Moser. Not voting: Senators Bosn, Ca-- John Cavanaugh, Machaela Cavanaugh, Clements, Clouse, DeBoer, Hansen, Hardin, Jacobson, McKinney, Rountree, Stromman, Bostar, Dungan, Jaurez, Spivey. Vote is 32 ayes, 1 nay, 12 present, not voting, 4 excused, not voting, Mr. President.

**ARCH:** LB116 is advanced. Mr. Clerk, next item.

**CLERK:** Mr. President: Select File, LB209. Senator, I have nothing on the bill.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Mr. President, I move that LB209 be advanced to E&R for engrossing.

**ARCH:** You have heard the motion. All those in favor say aye. Opposed, nay. LB209 is advanced. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB20. Senator, I have nothing on the bill.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Mr. President, I move that LB20 be advanced to E&R for engrossing.

**ARCH:** You have heard the motion. All those in favor say aye. Opposed, nay. LB20 is advanced. Mr. Clerk, next item.

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**CLERK:** Mr. President: Select File, LB35. Senator, I have nothing on the bill.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Mr. President, I move that LB35 be advanced to E&R for engrossing.

**ARCH:** Colleagues, you've heard the motion. All those in favor say aye. All opposed say nay. LB35 is advanced. Mr. Clerk, next item.

**CLERK:** Mr. President: Select File, LB58. Senator, I have nothing on the bill.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Mr. President, I move that LB58 be advanced to E&R for engrossing.

**ARCH:** You have heard the motion. All those in favor say aye. All those opposed say nay. LB58 is advanced. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB126. Senator, I have nothing on the bill.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** Mr. President, I move that LB126 be advanced to E&R for engrossing.

**ARCH:** Colleagues, you've heard the motion. All those in favor say aye. Opposed, nay. LB126 is advanced. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB38. First of all, Senator, there are E&R amendments.

**ARCH:** Senator Guereca for a motion.

**GUERECA:** There are-- Mr. President, I move that-- I move that the E&R amendments to LB38 be adopted.

**ARCH:** Colleagues, you've heard the motion. All those in favor say aye; opposed, nay. E&R amendments are adopted.

**CLERK:** Mr. President, Senator Jacobson would move to amend with AM141.

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**ARCH:** Senator Jacobson, you are recognized to open.

**JACOBSON:** Thank you, Mr. President. LB-- or, AM141 just made a, a couple of minor changes. Just more changing a, a couple of pieces. Didn't materially change the bill. All this bill is doing is updating the statutes as it relates to geologists. So this-- at the end of the day, this bill really rocks. Thank you, Mr. President.

**KELLY:** Thank you, Senator Jacobson. Seeing no one else in the queue. You're recognized to close on the amendment. And waive. Members, the question is the adoption of AM141. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Record, Mr. Clerk.

**CLERK:** 34 ayes, 0 nays on adoption of the amendment, Mr. President.

**KELLY:** AM141 is adopted. Mr. Clerk.

**CLERK:** Mr. Pre-- Mr. President. Senator, I have nothing further on the bill.

**KELLY:** Senator Jacobson-- Senator Guereca, you're recognized for a motion.

**GUERECA:** Thank you, Mr. President. I move that LB38 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion. All those in favor say aye. Those opposed, nay. LB38 is advanced to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President: LB91, Select File. Senator, I have nothing on the bill.

**KELLY:** Senator Guereca, you're recognized for a motion.

**GUERECA:** Mr. President, I move that LB91 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion. All those in favor say aye. Those opposed, nay. LB91 is advanced for E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB167. Senator, I have nothing on the bill.

**KELLY:** Senator Guereca, you're recognized for a motion.



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**GUERECA:** Mr. President, I move that LB167 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion. All those in favor say aye. Those opposed, nay. LB167 is advanced to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB51. Senator, I have nothing on the bill.

**KELLY:** Senator Guereca, you're recognized for a motion.

**GUERECA:** Mr. President, I move that LB51 be advanced to E&R for engrossing.

**KELLY:** You've heard the motion. There's been a request for a record vote. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Record, Mr. Clerk.

**CLERK:** Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Brandt, Clements, Clouse, DeBoer, DeKay, Dorn, Dover, Guereca, Hardin, Hughes, Ibach, Jacobson, Kauth, Lippincott, McKeon, Meyer, Moser, Murman, Quick, Rountree, Sanders, Sorrentino, Storer, Storm, von Gillern. Voting no: Senator McKinney. Not voting: Senator Bosn, John Cavanaugh, Machaela Cavanaugh, Conrad, Fredrickson, Hallstrom, Hansen, Holdcroft, Hunt, Lonowski, Prokop, Raybould, Riepe, Stromman, Wordekemper, Bostar, Dungan, Juarez, and Spivey. Vote is 29 ayes, 1 nay, 15 present, not voting, 4 excused, not voting.

**KELLY:** LB51 advances to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB52. Senator, I have nothing on the bill.

**KELLY:** Senator Guereca, you're recognized for a motion.

**GUERECA:** Mr. President, I move that LB52 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion. All those in favor say aye. Those opposed say nay. LB52 is advanced to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB72. Senator, I have nothing on the bill.

**KELLY:** Senator Guereca, you're recognized for a motion.

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**GUERECA:** Mr. President, I move that LB72 be advanced to E&R for engrossing.

**KELLY:** There's been a request for a record vote. All those in favor-- you've heard the motion. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Brandt, Clements, Clouse, DeBoer, DeKay, Dorn, Guereca, Hallstrom, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Lippincott, McKeon, Meyer, Moser, Murman, Prokop, Quick, Raybould, Sanders, Sorrentino, Storer, Storm, Stromman, von Gillern. Voting no: Senator McKinney. Not voting: Senators Bosn, Cavanaugh, Cavanaugh, Conrad, Dover, Fredrickson, Hansen, Hunt, Lonowski, Riepe, Rountree, Wordekemper, Bostar, Dungan, Jaurez, Spivey. Vote is 32 ayes, 1 nay, 12 present, not voting, 4 excused, not voting, Mr. President.

**KELLY:** LB72 advances to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB85. Senator, I have nothing on the bill.

**KELLY:** Senator Guereca, you're recognized for a motion.

**GUERECA:** Mr. President, I move that LB85 be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion. All those in favor say aye. All those opposed say nay. LB85 advances to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President: Select File, LB182. Senator Bostar would move to amend with AM106. It's my understanding Senator Bostar has allowed Senator von Gillern to open on the committee-- or, on the Bostar amendment.

**KELLY:** Senator von Gillern, you're recognized to open on AM106.

**von GILLERN:** Thank you, Mr. President. Senator Bostar was unable to be here this morning. He asked me to open on the amendment, summarize a few changes to the bill. The purpose of the amendment is to ensure that state low-income housing tax credits can be utilized by a wider array of investors under both an allocated and certificated structure in line with the legislative intent of the bill. The way the bill was originally drafted, the definition of qualified investor was stricken, which created some confusion among existing investors in the program

regarding their ability to invest in the credit under an allocated structured, thus res-- thus restricting certain investments in state low-income housing tax credits. The amendment clarif-- clarifies that if the project owner's a pass-through entity, the credit may be allocated to members, partners, et cetera of that entity, which is consistent with how investments have been facilitated since the program's inception. Any pass-through entity that receives an allocation of the Nebraska affordable housing tax credit either from the owner of the qualified project or from another pass-through entity may (a) further allocate the tax credit among some or all of the partners, members, or shareholders, or (b) transfer, sell, or assign all or a portion of the tax credit to a taxpayer. This amendment will allow a taxpayer to offset their tax liability and invest in affordable housing without becoming a partner in the project itself. And it will bring more buyers to the market, which will increase the utility of the credit, resulting in more affordable housing to be constructed. Additionally, the Nebraska Department of Revenue must be notified at least 30 days in advance of transfer of the tax credit. I ask for your green light vote on AM106. Thank you, Mr. President.

**KELLY:** Thank you, Senator von Gillern. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I'm kind of skeptical about this bill and about this amendment. Hearing low-income tax credit and pass-through entity just don't sound good to me for a lot of reasons. And I mi-- I wish Senator Bostar was here and-- low-income tax credits are for affordable housing. And then we're going to allow pass-through entities. We have a huge issue in my district in particular with outside investors coming in and buying up a bunch of property and spiking up rental prices. So in my head when I'm thinking about this is we'll have pass-through entities applying for low-income tax credits, outside investors coming in and making this situation worse. Somebody is going to have to clarify this for me because in my head that is what is going to happen. And I don't see a lot of people in the queue about this, but we're concerned about outside people coming in and buying up property in this state. And this, this is what it seems like. Low-income tax credits, pass-through entities, outside investors. It is going to be a problem, and that is what's ringing loud in my head. And I think other people should think about this before we just say yes. Maybe there, there could be some further clarity about this, but we need to talk about this. We shouldn't just sit here and let this just fly, because we have a big issue. And, and it's not even just my district. I think it's a lot of other districts

where outside investors have come in and spiked up rental, rental prices and has made our housing crisis worse than it should be. They're coming in, trying to get low-income tax credits, getting tax credits, pass-through entities, investing, taking advantage of low-income people. I, I don't know. Somebody's just going to have to explain this to me a lot better because this don't sound right, where you could create-- have a pass-through entity with low-income tax credits to invest in communities. And I understand low-income tax credits, which on the surface says the housing will be affordable. But we all know that housing is not affordable because our minimum wage is so low that most people can't even afford their housing. Like, let's think about that. The median income for my district is about \$30,000 to \$35,000 a year. But if somebody is making our current minimum wage-- what is it, \$13.50-- that's not affordable because they spending way more than they're making on just rent. And according to what people say affordable housing is, you're only spending 30% of your, your, your income or what you bring in on housing. So we should have a real conversation about this. I think we might adjourn at noon, but I, I really would like to entertain this conversation. Seriously. I think more people should get in the queue so we could talk about this because I don't feel comfortable about low-income tax credits and pass-through entities. Those two don't seem like they should be having conversations with each other. Seriously. Low-income tax credits, pass-through entities, investors. That don't sound right. And we're talking about Nebraskans and making sure we protect Nebraskans and protect them from outside people coming in and taking advantage of our people. We should at least have this conversation and have some more clarity. So. I'll get back in the queue. But this is honestly-- this amendment and this conversation is very important. And this shouldn't just skate by. So thank you.

**KELLY:** Thank you, Senator McKinney. Senator Jacobson, you're recognized to speak.

**JACOBSON:** Thank you, Mr. President. And I'm going to attempt to explain to-- for the body and for Senator McKinney kind of the-- what this does and why the concerns that he has will actually be assisted through the passage of this amendment and this bill. I understand that there are people that have come into Omaha and Lincoln and have bought up properties and they've raised rents and they haven't done a lot of work. And the reason they're able to do that is because of supply and demand. There's huge demand right now for housing and there's not enough supply. And when you have less supply and you have this kind of demand, prices are going up. And why are they charging more? Because

they can. So the best way to fix that is to increase the supply. When you look at low-income tax credits, these tax credits are issued to developers to incent them to go ahead and build these properties that are going to be low income. And there are limits on what they can charge, basically, and what they, they, they would be-- they would cost once you build them. Today, those low-income tax credits, there's a finite number that you have. And you can sell those tax credits to a limited number of people. Now, a tax credit is worth what you would pay in state income taxes. So that highest rate is less than-- a little under 6% and going down. So if I'm going to buy that tax credit, I'm not going to pay face value because I, I just will pay the taxes then. Why buy the tax credit and mess with it? So most of these tax credits are selling for \$0.50 or \$0.60 on the dollar. So again, let's go back to supply and demand. There's a supply of tax credits out there, a limited amount of de-- demand to buy the tax credits at a premium. When I say premium, something higher-- less than 100% of the tax credit value, higher than 50% of the tax credit value. So if we can expand the number of entities that are allowed to buy the tax credits, we will increase the price of the tax credit, which means more dollars goes to the developer, makes that existing tax credit worth more. It's worth more because they're selling it to a private entity that's paying more than \$0.50 on the dollar for it. This is a good thing. No state dollars are expended. No county dollars are expended. It's just allowing that developer to receive a better return, which makes the tax credits worth more and incents them to build more housing. This is a good thing. We need to pass the amendment and move on and pass the bill. And I'd be happy to answer any other questions off the mic or on the mic. But this is a good bill. I had to work through it when I saw there was a zero fiscal note. But once I understood what it was, this is what's happening. This is a good situation. Thank you, Mr. President.

**KELLY:** Thank you, Senator Jacobson. Senator Moser, you're recognized to speak.

**MOSER:** Good morning, Mr. President. Good morning, colleagues. Good morning, Nebraskans. These tax credits are used to make projects happen that wouldn't otherwise happen. So the state or sometimes cities give tax breaks, but not, not these. These are state tax credits. But anyway, they want to build housing for low-income people. They want it to be built. The state doesn't want to build it themselves, but they work with developers. And the developer will say, well, I'm not going to build this low-income housing because it's not profitable. You know, I can't borrow money to build the project and

pay the loans back from the revenues I get from renting the properties out. You know, it might be \$100,000 or \$200,000 off. And so the developer would tell the, the state or the DED, whoever is involved in this, that the, you know, the project is off by \$100,000 or \$200,000. And then the state can offer tax credits to offset that lack of profitability to make the project go forward. And the developer quite often can't use those tax credits himself-- certainly not probably quickly enough to take advantage of them. So he sells those tax credits to somebody else who can take advantage of them, who has a big tax liability, and they can get a discount by buying these tax credits and using the tax credits to pay their tax that they owe the state. So widening who can buy and sell these tax credits once the state issues them increases the value of the tax credits, as Senator Jacobson was talking about. So if the state gives, let's say, \$200,000 worth of tax credits. If they sell it for \$100,000 to investors, if that's all they can get, then they only get \$100,000 to put in the project and try to make the project profitable so it'll, it'll pay out so they can get a loan. And quite often, these developers use the tax credits to help pay for their down payment so they can make this stuff cash flow. And so increasing the value of the tax credits-- the state has already given away. It's no difference to the state. If you give \$100,000 or \$200,000, those tax credits are going to be used one for one to offset somebody's tax liability. But if the developer can sell them to a wider group of people, he, he or she can get more money for those tax credits and they can put more money into the project and possibly charge less rent because the, the project might tax-- might cash flow with lower income because of the tax credits. So it really doesn't have anything to do with somebody owning the property, people from out of the state buying and, and re-renting these properties. That's a separate problem. And quite often these developers build these projects and then they flip them. And the flipping of the project is only possible if they cash flow or close to it. The person who buys and owns the property's going to get depreciation based on both federal and state tax. And I, I think the depreciation is 2.5% a year. So if it's a \$10 million project, they get 2.5% of that that they can take off their income because it's, it's-- the project has decreased in value because it's, you know, another year older. But that, that's a separate issue from the tax credit. So as Senator Jacobson said before, I think this is a smart thing to do to vote for it. It helps Nebraska citizens. It doesn't hurt them.

**KELLY:** Thank you, Senator Moser. Senator Raybould, you're recognized to speak.

**RAYBOULD:** Thank you, Mr. President. I want to say thank you very much to Senator Jacobson for very clearly talking about we have a lack of supply, we don't have sufficient inventory of affordable housing to keep up with the demand. He's done a fabulous job on that. Senator Moser has done an admirable job explaining how important expanding these tax credits are. And the reason why is because we have an affordable housing funding gap, not only because of inventory being in short supply, the cost of construction, the cost of labor to build affordable housing has skyrocketed. So we're dealing with lack of inventory and high cost of construction. And so those who do affordable housing development have to have many buckets of funding sources readily available, and here are a few of them. And expanding these tax credits creates another funding source that helps deliver affordable housing to our fellow Nebraskans, which is so desperately in need. But just-- here's a few buckets out there that are currently being utilized to deliver affordable housing in our state. We have the Nebraska Affordable Housing Trust Funds. That's one bucket. We work with the Nebraska Investment Finance Authority that works with a lot of lenders in trying to come up with affordable interest rates on the construction and development of housing. We also work with NeighborWorks as a-- is a nonprofit organization that partners and creates another opportunity for funding. Many municipalities are using tax increment financing to create that tax structure to allow affordable housing to incur. And I want to give a shout-out to Grand Island. Grand Island, Nebraska has been using tax increment financing to help create affordable housing. And these are single-family residence. And this is so important that we keep that funding source utilized. And of course, this, this last one-- there have always been tax credit, but expanding those entities that can participate in those tax credits will be so beneficial to help accelerate. We really have such a low inventory. And all these financing agencies are the ones that care deeply about creating it, but we also-- it also has to make financial sense. And so that's why I say thank you to Senator Bostar to-- Bostar, Jacobson, and Moser for really giving a great explanation of how important this is to our state of Nebraska and why I ask my colleagues to support it. Thank you.

**KELLY:** Thank you, Senator Raybould. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I still have a bunch of questions. I know people are saying this is great for the state, this is great for developers. What about people? I, I just have questions that have not been answered. How is this regulated? I did not know that you

could trade or sell tax credits. Maybe I need to get caught up with the Revenue Committee to figure out some more things around here because-- OK. So a developer gets, gets tax credits and then somehow gets to sell them, I guess, for \$0.50, \$0.60 on the dollar. How is this regulated? Who are they selling these to? I still have issues about this. Why are they seeking out low-income tax credits and then having to be put in a position to have to sell those? I say this because when organizations from my community went through the process for the Economic Recovery Act and they sought X amount of funds, they were told, you can't ask for this amount of money because your project won't be viable. You need to get this or you need to take this because you either have never had this amount of capital or this just doesn't make sense. So why are these developers trying to develop projects that they don't have the capital for? Because when other people I know in other programs through-- from the state seek out funds from the state that may not have the capital but the, the grant funding has been there, the state has turned them down. So to make the argument that they need to finance these projects and that's why they need to sell these tax credits is not a great argument with me when I know that people who are good people who have tried to do the same thing and pull off different projects that lack capital have been turned down haven't been afforded the same opportunities. I don't want to hear that. But also it's just hard for me to understand that you're seeking tax credits and then you're selling them, and they're low-income tax credits. I, I just fundamentally have a problem with that. I don't know. Maybe it's just me. Maybe I-- I will probably be the only "no" vote on this. But that's just me. I don't understand. Because from my understanding, low-income tax credits are for people who have low incomes. If you're developing projects for low-income housing, you walk into that knowing that. And then you say you're trying to make sure the rents are affordable. Again, in District 11-- I'm using District 11 as an example-- there is no affordable housing. They have been building up apartments for the past decade. And there is no affordable housing. Inflation. And the-- and our, and our income has not kept up with inflation. You could, you could build a million low-income housing projects. If the income doesn't keep up with inflation, it doesn't matter. So just saying they're-- oh, they're trying to build these affordable housing projects. They're not affordable. Homelessness is rising. Drive around. You will see more homeless people on the streets. But neither here or there. I-- I'm just having a hard time understanding this, that you could get a tax credit traded or sell it or whatever else for-- and a tax credit for low-income housing for low-income people. Why are you trying to



develop things you can't do? Because I know in other programs, especially when it comes to people from my community that have sought out funding from this state, they have been told no when they didn't have all the capital. So now we're bending the rules for investors? Because that's exactly what this is doing. And I have a problem with that because I would guarantee the demographic of these investors are not the demographic of my community. Thank you.

**KELLY:** Thank you, Senator McKinney. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I appreciate the debate and dialogue that we're having on this legislation. And I think that Senator McKinney has offered up a lot of important-- important points in regards to our challenges in affordable housing kind of writ large in Nebraska and the lack of family, economic self-sufficiency kind of jobs that can support a family in being able to access the American dream or access to safe and affordable, quality housing. I also think that it's really important-- and I appreciate the other senators who've had a chance to weigh in-- to just share some technical aspects in regards to how this proposal that Senator Bostar has brought forward might work. And I think that the, the general thread in terms of concern would be helpful to perhaps glean a better understanding about, is, is there a similar treatment available for other types of tax credits? Are they equally transferable or subject to sale? Or are we carving out some sort of special treatment for these particular tax credits? And if so, why? So I think that might be helpful if somebody on the committee perhaps wanted to weigh in in that regard. I think there's also just a general uneasiness that there may be some sort of diminishment as to the existing tax credit upon sale or transfer. It doesn't sound like that's the case, but I think that's something that we all want to ensure clarity on just so that the state's commitment under these important programs is not diminished upon transfer or sale. And it's my understanding that it won't change the overall caps that are applicable to these tax credit programs in general. So it shouldn't overall have any fiscal impact as to state revenues. So I think that's an important component to remember as well. The, the last piece that I think we're, we're really trying to grapple with is trying to ensure some sort of understanding that if there are proceeds or profits from transfer or sale that in fact those are invested back into housing or child care programs rather than fungible for other purposes. It sounds like that's exactly the intent of the bill. And I appreciated some of the testimony that was brought forward by housing developers who have

a stellar record when it comes to providing access to affordable housing in our community and across the state. And it seems that they're trying to identify a market opportunity that exists for these tax credits to actually boost utilization of the tax credit with additional funds to then enhance their existing affordable housing efforts. But I do think that it would be important to know whether or not this transfer or sell exists for other tax credit programs and why. I think it's important to ask questions about who benefits from this and why and what the profitability or market might look like. And then just ensuring overall fidelity that any public benefit that's bestowed through these important tax credit programs really goes to bolster or expand the intended purposes of affordable housing and child care. So I think there's actually a great deal of consensus on achieving those object-- objectives. And it sounds like that's where this legislation is headed, but it would definitely be helpful if somebody from Revenue might be able to offer some additional illumination on those points. Thank you, Mr. President.

**KELLY:** Thank you, Senator Conrad. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. So-- I don't know. I might be the crazy person in the room today, which is cool. Sometimes that's every day. My biggest issue isn't the bill or the low-income tax credit. It's really the pass-through portion of this whole amendment. The pass-through piece is what's not sitting well in my mind. And it's because of these outside entities that have overpopulated the rental space in my community. I understand the good pieces of what this can do. I'm not that naive. I'm not that crazy. But the pass-through pieces of this is what I have issues with, is why I am very skeptical of this. Although many good people have told me good things about this bill. And I'm not fully disagreeing with them. I don't even think they're completely wrong. I just have issues with primarily the pass-through portions of this amendment. I don't think you should be able to pass-through the tax credit to investors. I just don't think that is right, especially because I just, I just have concerns because I would guarantee if I polled my community, should low-income tax credits be allowed to be passed through-- would be, be passed through, through-- to investors, they would say, no. Fight that. I guarantee it. I, I guarantee. As much as you could say this program is right and this is a great bill, if I asked my community today, I would guarantee overwhelmingly majority would tell me, say no to that and vote no. That's why I'm standing up today. And it's mainly because outside people coming in and buying up too much property, driving up prices,

and doing a bunch of things they dislike. This is-- my, my opposition is for my community and for my district. It-- and it's-- that is why I'm staying up. I could be wrong. I don't think I'm wrong. Usually when my-- when I trust my gut, I'm right. So I know this will probably pass, but I'm trusting my gut here today. And maybe in a year or two, I'll be right and say I, I, I told you so. Or y'all could tell me, Senator McKinney, you were wrong. But in trusting my gut, I am voting no because I don't trust the pass-through pieces of this. And that's it. So thank you.

**KELLY:** Thank you, Senator McKinney. Senator Machaela Cavanaugh, you're recognized to speak.

**M. CAVANAUGH:** Sorry. Thank you, Mr. President. I share this microphone with Senator Guereca, and he's much taller than me. Would Senator von Gillern yield to a question?

**KELLY:** Senator von Gillern, would you yield to some questions?

**von GILLERN:** Yes, I'd be happy to.

**M. CAVANAUGH:** Thank you. And I apologize. I, I think you introduced the amendment, so I thought maybe you could speak to the questions. If you can't, I totally understand. But-- and I also apologize that I didn't hear you introduce the amendment. And I'm listening to Senator McKinney's concerns. And I was wondering if you could explain the pass-through.

**von GILLERN:** Sure.

**M. CAVANAUGH:** OK.

**von GILLERN:** Yeah. A pass-through entity, the-- several examples of a pass-through entity might be a partnership. If you and I decided to become partners and develop--

**M. CAVANAUGH:** We should.

**von GILLERN:** --which we should, and build low-income housing-- that would be an example of a pass-through entity, where the tax liability essentially passes through to multiple, multiple individuals, multiple taxpayers. Another one would be a limited liability corporation, which could have multiple individuals involved. It could be one, two-- they're a sole member. LLCs, you could have 100 people in an LLC. That would be another example. A third example would be an S corp. An S--

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corp set up, which could have multiple ownership. So we're-- in an, in an S corp, if you had multiple members in the S corp, whatever the taxable liability is to that corporation gets passed through to each one of the members of the corporation. So that-- pass-through entity sounds like an evil term and, and sounds like it, it's, it's nefarious. And I, and I understand what Senator McKinney's concerns are, but they don't, they don't really-- they're not really reflected in what a pass-through entity truly, truly means.

**M. CAVANAUGH:** OK. So my other question is, does this in any way diminish the impact of having this tax credit?

**von GILLERN:** No. Actually, it multiplies the impact.

**M. CAVANAUGH:** OK.

**von GILLERN:** The whole idea of Senator Bostar's bill-- and, and in some ways this makes it more similar to the federal low-income housing tax credit, which can be transferred more freely than the Nebraska tax credit can be. What this does is it makes it more marketable, which makes it more valuable. So-- and as somebody-- one of the testifiers said, if, if it was-- it might be worth-- the, the current law says that you must be an investor in the project in order to purchase a tax credit. So-- again, if you and I devo-- set up a corporation, we would have-- the only way-- the only people that can take advantage of that tax credit are the two of us. Whereas it's more-- it's worth more money if we can sell it to everyone else in the room because someone else might have a greater need for it. So because it's worth more money and that tax credit can be sold for more money, that additional delta can be applied to the project. So what, what the bill-- the intention of the bill and the amendment i-- are-- is, is to generate a greater value from the tax credit, which, which translates to more low-income housing being constructed.

**M. CAVANAUGH:** OK. Thank you. I appreciate that.

**von GILLERN:** Yeah. Thanks for the questions.

**M. CAVANAUGH:** That helps a lot.

**von GILLERN:** Thank you.

**M. CAVANAUGH:** I yield the remainder of my time.

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**KELLY:** Thank you, Senators Cavanaugh and von Gillern. Seeing no one else in the queue. Senator von Gillern, you're recognized to close on the amendment.

**von GILLERN:** Thank you, Mr. President. I'm going through my notes here. Senator Cavanaugh, thank you for teeing up my closing statement. That answered a bunch of the, the questions that I was hoping to reply to. So that worked out well. Let me just make sure I've hit everything else here. Again, this makes the system that has been in place in the state of Nebraska that's worked very successfully for many, many years, this, this makes it more valuable and in the end will result in more low-income housing be constructed. So I-- again, I thank Senator Raybould and Conrad and Jacobson and some others for adding some clarity to the technicalities and some of the positive impacts that the amendment and the bill will have. So I graciously ask for your green vote on AM106. Thank you, Mr. President.

**KELLY:** Thank you, Senator von Gillern. Members, the question is the adoption of AM106. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Record, Mr. Clerk.

**CLERK:** 37 ayes, 1 nay on adoption of the amendment, Mr. President.

**KELLY:** AM106 is adopted.

**CLERK:** Senator, I have nothing further on the bill.

**KELLY:** Senator Ballard for a motion.

**BALLARD:** Mr. President, I move that LB182 to E&R for engrossing.

**KELLY:** Members, you've heard the motion. All those in favor say aye. Request for a record vote. Mr. Clerk. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Bosn, Brandt, Clements, Clouse, Conrad, Dorn, Dungan, Fredrickson, Hall--Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Lippincott, Lonowski, McKeon, Moser, Murman, Prokop, Quick, Raybould, Rountree, Sanders, Sorrentino, Storer, Storm, Stromman, von Gillern, Wordekemper. Voting no: Senator McKinney. Not voting: Senators John Cavanaugh, Machaela Cavanaugh, DeBoer, DeKay, Guereca, Hunt, Meyer, Riepe, Bostar, Dover, Juarez, and Spivey. Vote is 36 ayes, 1 nay, 8 present, not voting, 4 excused, not voting, Mr. President.

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**KELLY:** LB182 advances for E&R Engrossing. Mr. Clerk, items for the record.

**CLERK:** Mr. President, first of all, I have an announcement: the Revenue Committee will meet now under the south balcony in executive session. Revenue Committee, now, under the south balcony. Additional items. Your Committee on Education, chaired by Senator Murman, reports LB31, LB143 to General File. And your Committee on Banking, Commerce and Insurance, chaired by Senator Jacobson, reports LB504 to General File with committee amendments. Amendments to be printed from Senator DeBoer to LB505, LB597. Notice of committee hearing from the Health and Human Services Committee. That's all I have at this time.

**KELLY:** Thank you, Mr. Clerk. Next item on the agenda.

**CLERK:** Mr. President, returning to the agenda: General File, LB118, introduced by Senator Hardin. It's a bill for an act relating to the Pharmacy Practice Act; amends Section 38-2866.01; changes the number of pharmacy interns and pharmacy technicians supervised by a pharmacist; and repeals the original section. Bill was read for the first time on January 10 of this year and referred to the Health and Human Services Committee. That committee placed the bill on General File.

**KELLY:** Senator Hardin, you're recognized to speak and open.

**HARDIN:** Thank you, Mr. President. LB118 will increase the current pharmacy technician to pharmacist ratio to four to one from its current three to one. Now's the time to give Nebraska businesses more staffing flexibility, specifically those in health care, as we look to ensure the health care demands of all Nebraskans are met. LB118 will maximize the use and value of pharmacy technicians without sacrificing patient safety. Amending the pharmacy technician ratio will enable pharmacists to focus more on counseling patients, performing medication therapy management, providing disease management programs, engaging in other important pharmaceutical patient care services, and conferring with other health care professionals, thus permitting a higher level of service to patients. These services offered by pharmacists help patients better adhere to their medication regimens and ultimately serve to improve patient's health and wellness and reduce our nation's health care costs. 38 states have pharmacist to technician ratios that are less restrictive than Nebraska's current three to one ratio. Of those, 24 states and the District of Columbia do not place any limit on the number of technicians a pharmacist can

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supervise. Also, Governor Ricketts lifted the ratio via executive order throughout the pandemic, during which no major problems were reported. In Nebraska, to become a pharmacy technician, individuals must be 18 or older, have a high school degree or equivalent, must be registered with the state, and must pass an exam and become certified. LB118 was heard in the Health and Human Services Committee on January 29 with 4 proponents and 0 opponents. I do have an amendment coming that addresses concerns raised by the Nebraska Pharmacists Association, who testified in a neutral capacity. And I'll conclude my opening with that.

**KELLY:** Thank you, Senator Hardin. Mr. Clerk for an amendment.

**CLERK:** Thank you, Mr. President. Senator Hardin would move to amend with AM179.

**KELLY:** Senator, you're recognized to open on the amendment.

**HARDIN:** Thank you, Mr. President. AM179 addresses concerns raised by the Nebraska Pharmacists Association about a pharmacist possibly having to oversee four uncertified technicians or interns at the same time. AM179 amends the bill to provide that for any pharmacist supervising the maximum number of techs or interns at least one of those must be a certified pharmacy technician. Thank you, Mr. President.

**KELLY:** Thank you, Senator Hardin. Mr. Clerk for an item.

**CLERK:** Mr. President, Senator Hardin would move to amend with FA17.

**KELLY:** Senator Hardin, you're recognized to open on the floor amendment.

**HARDIN:** FA17 is a drafting error fixed to ensure that LB118 is consistent with current law. Thank you.

**KELLY:** Thank you, Senator Hardin. Senator Machaela Cavanaugh, you're recognized to speak.

**M. CAVANAUGH:** Thank you, Mr. President. Would Senator Hardin yield to a question?

**KELLY:** Senator Hardin, would you yield to some questions?

**HARDIN:** Yes.

**M. CAVANAUGH:** Thank you, Senator Hardin. So I'm familiar with this bill. It's been in front of HHS previously, and one of the concerns about it has been about forcing pharmacies to have a larger ratio and the workload that that would create. Can you speak to those concerns? Were those brought up during this conversation?

**HARDIN:** Sure. In a nutshell, this is not mandatory, so it's a limit. Iowa, for example, has a limit of six. But let's say that we were in Iowa. There's nothing in Iowa saying that you have to have six. Same way in Nebraska. Nothing's saying you have to have four. And so if a-- we also know that in statute it's very plain that the pharmacist in Nebraska does not have to have any number of techs below him or her. And it's entirely up to the pharmacist. So no one would be required to do something beyond what they're wanting in that way as, as regards to the pharmacist.

**M. CAVANAUGH:** So they can't be forced by the pharmacy company--

**HARDIN:** They cannot.

**M. CAVANAUGH:** OK.

**HARDIN:** Not according to what is already in statute.

**M. CAVANAUGH:** OK. Thank you. That addresses that concern.

**HARDIN:** Sure.

**M. CAVANAUGH:** I yield the remainder of my time.

**KELLY:** Thank you, Senator Ca-- Cavanaugh and Senator Hardin. Senator Hallstrom, you're recognized to speak.

**HALLSTROM:** Mr. President, colleagues, thank you. On this issue, I'm, I'm pleased to see that the amendment has resolved some of the industry concerns that has existed over the years. The Nebraska Pharmacist Association in prior versions of this bill had expressed opposition and concerns, and it was primarily focused on the issue that Senator Cavanaugh just raised in terms of the strain and stress of potentially supervising too many pharmacy technicians or pharmacist technicians and pharmacist interns. So I'm pleased that we have come to an agreement that there is going to be at least one of the four, if the maximum of four, are being supervised by one pharmacist that has more experience and is certified and, and perhaps arguably better



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trained in the profession. I would ask if Senator Hardin would yield to a question.

**KELLY:** Senator Hardin, would you yield to a question?

**HARDIN:** Yes.

**HALLSTROM:** Senator Hardin, is it accurate and correct that in, in looking at the four-- removing-- or, raising the ratio from three to four that it's a-- it can be a combination of pharmacist technicians and pharmacist interns?

**HARDIN:** That is correct.

**HALLSTROM:** And it-- would it also be correct then, since we are requiring at least one of them to be a certified pharmacist, that clearly you could not have four pharmacist interns under your supervision and in fact those pharmacist interns are not able to be certified at this time?

**HARDIN:** That is all correct.

**HALLSTROM:** OK. Thank you. I would yield the rest of my time and support the amendments and the bill.

**KELLY:** Thank you, Senators Hallstrom and Hardin. Senator Hardin, you're-- seeing no one else in the queue. You're recognized to close on FA17.

**HARDIN:** Thank you, Mr. President. We do have one further change that we need to point and put on the record. In AM179 on page 1, line 15, strike "pharmacy" and insert "pharmacist" in order to be consistent. So we need that changed on the record. Only the first instance of "pharmacy" to "pharmacist" on that line, line 15. So. Thank you.

**KELLY:** Thank you, Senator Hardin. Members, the question is the adoption of FA17. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 41 ayes, 0 nays on adoption of the floor amendment, Mr. President.

**KELLY:** FA17 is adopted. Senator Hardin, you're recognized to close on AM179. And waive. Members, the question is the adoption of AM179. All

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those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 43 ayes, 0 nays on adoption of the amendment, Mr. President.

**KELLY:** The amendment is adopted. Senator Hardin, you're recognized to close. And waive. Members, the question is the advancement of LB118 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Mr. Clerk.

**CLERK:** 43 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** LB118 advances to E&R Initial. Mr. Clerk.

**CLERK:** Mr. President, next bill: General File, LB148, introduced by Senator Hansen. It's a bill for an act relating to the, the Dentistry Practice Act; amend Section 38-1117 and 38-1120; changes requirements for licensure and re-- reciprocity as prescribed; and repeals the original section. Bill was read for the first time on January 13 of this year and referred to the Health and Human Services Committee. That committee placed the bill on General File. I have nothing on the bill, Mr. President.

**KELLY:** Senator Hansen, you're recognized to open.

**HANSEN:** Thank you, Mr. President. Colleagues, LB148 is a product of two years of work and collaboration to update the Dental Practice Act. The work was done by the Board of Dentistry, Nebraska Dental Association, and our two dental schools in Nebraska, UNMC and Creighton University. The Health and Human Services Committee heard testimony over the interim on LR373, an interim study by Senator Ibach. LR373 was introduced to look at different methods to address the need to recruit and retain individuals to practice dentistry in Nebraska. Updating Nebraska licensure and reciprocity statutes was one item that came out of interim study to retain and recruit as many dentists as possible. LB148 updates the Nebraska Dentistry Practice Act in two areas. First, it makes important changes by clarifying that examination requirements needed to obtain a license to practice dentistry. LB148 includes language in (2)(a) for the specific requirements a simulation or manikin-based clinical competency exam must contain. Second, LB148 allows for reciprocity for dentists moving to Nebraska that have been engaged in practice for one year instead of three years. These changes will ensure Nebraska is on a level playing field and competitive with other states in recruiting dentists who do

not experience an overly burdensome licensing process. These proposed changes also provide clarity for licensure applicants and do not compromise exam integrity. Nebraska has at least 20 counties that lack full-time dentists, and 52 of 93 counties in Nebraska have a shortage of dental providers. LB148 will play a small role-- a small part in improving access to oral health care and encouraging dentists to practice in Nebraska. Colleagues, this did come out of the Health and Human Services 7-0, with no opponents. So I would encourage all, all of you to vote green on LB148. Thank you, Mr. President.

**KELLY:** Thank you, Senator Hansen. Senator Hansen-- seeing no one else in the queue. You're recognized-- and waive closing. Members, the question is the advancement of LB148 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Record, Mr. Clerk.

**CLERK:** 35 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** LB148 advances to E&R Initial. Mr. Clerk.

**CLERK:** Mr. President, next bill: LB98, introduced by Senator Moser. It's a bill for an act relating to motor vehicles; redefines the definitions of all-terrain vehicles and utility-type vehicles in the Motor Vehicle Certificate of Title Act, the Motor Vehicle Registration Act, and the Nebraska Rules of the Road; repeals the original section; declares an emergency. Bill was read for the first time on January 10 of this year and referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File. I have nothing on the bill, Mr. President.

**KELLY:** Thank you, Mr. Clerk. Senator Moser, you're recognized to open.

**MOSER:** Thank you, Mr. President. Good morning, colleagues-- had to check to see what time it is-- and fellow Nebraskans. I am happy to present LB98. This bill updates Nebraska's statutory definition for an all-terrain vehicle, or an ATV, and utility-type vehicles, or UTVs, to ensure that these vehicles can be appropriately titled by county officials. Currently, Nebraska law restricts the weight of ATVs to 1,200 pounds and UTVs to 2,000 pounds. However, vehicles exceeding these weight limits are increasingly being sold within the state by local dealers. These weight limits have led to challenges for county treasurers who expressed concerns about their inability to issue titles to these vehicles because they weigh more than the statutory limit. As a result, many of these vehicles remain untitled, creating

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unnecessary complications for their owners. LB98 addresses this issue by removing the weight limits from the statutory definition of ATVs and UTVs, thereby fixing the titling problem. This straightforward change aligns the laws with the realities of today's market and reduces the administration burden on county officials. In developing this legislation, we've engaged key stakeholders, including the Nebraska Association of County Officials, the Iowa-Nebraska Equipment Dealers Association, and the Nebraska New Car and Truck Dealers Association, Polaris, and the Nebraska Department of Motor Vehicles. I'm pleased to say that all parties support this measure and are eager to see it move forward in order to provide local county officials with the ability to title these vehicles. LB98 came out of Transportation and Telecommunications on an 8-0 vote. And I would ask you to vote green on LB98. Thank you, Mr. President.

**KELLY:** Thank you, Senator Moser. Seeing no one else in the queue. You're recognized to close. And waive closing. Members, the question is the ado-- is the advancement of LB98 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 33 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** LB98 advances to E&R Initial. Mr. Clerk for items.

**CLERK:** Thank you, Mr. President. Amendment to be printed from Senator Riepe to LB160. Additionally, some name adds: Senator Prokop to LB421; Senator Dorn and Andersen to LB6-- LB468; Senator Fredrickson, LB485; Senator Murman, LB561; Lonowski and Clouse name added to LB693. Finally, Mr. President, a priority motion: Senator Brandt would move to adjourn the body until Monday, February 10 at 10:00 a.m.

**KELLY:** Members, you've heard the motion to adjourn. All those in favor say aye. Those opposed, nay. The Legislature is adjourned.