

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

**ARCH:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fortieth day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is pastor Tom Starkjohn from Louisville Evangelical Free Church in Senator Rob Clements' district. Please rise.

**TOM STARKJOHN:** Would you please join me in prayer? Father in heaven, we worship you this morning because you are the God who has revealed yourself to us. You who are holy, uncreated, perfect in every way. You have shown yourself to us. We come to you this morning because we know whom we worship. We thank you that you did not leave us to our blindness and ignorance. Left to ourselves, our foolish hearts are dark, and cannot even recognize what creation itself declares of your glory. But you spoke through the prophets of old, and you spoke through your only son, Jesus Christ, who lived and died and rose again for us. You are worthy of honor because you have revealed yourself to us in justice and mercy, in truth and in love. God in heaven, please send your Holy Spirit to lead us today. You have placed these men and women here in positions of influence and responsibility, and today they are again faced with issues and problems. We ask that you would give them wisdom to discern right from wrong. Please open their ears to listen with understanding; and guide their mouths to speak with clarity; and their hands to do good for this state of Nebraska. Your son Jesus taught us how to consider others as more important than ourselves, and so we ask for you to grow us in humility and how to look out for the interests of others. We thank you for giving us this life in Nebraska and for this governing assembly. Bless the men and the women here through the work of your son, Jesus Christ, and in his name we pray. Amen.

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

**CLOUSE:** OK. Thank you. Colleagues, please join. 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 fortieth 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?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

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

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

**CLERK:** There are, Mr. President. Committee report from the Natural Resources Committee concerning a gubernatorial appointment to the Nebraska Oil and Gas Conservation Commission. Additionally, notice that the Government Committee will meet in Room 2022 at 10:30 a.m. Government, 10:30, Room 2022. That's all I have at this time, Mr. President.

**ARCH:** Thank you, Mr. Clerk. Senator Meyer would like to recognize Dr. Dave Hoelting of Pender, who is serving as the family physician of the day. Thank you for coming, doctor. Senator Machaela Cavanaugh would like to recognize some guests. They are child welfare providers from statewide providers; there's 35 in the north balcony. Please rise and be recognized by your Legislature. Senator Mike Moser also has some special guests: seven twelfth grade students and one teacher from Lindsay Academy in Lindsay, Nebraska. They are also located in the north balcony. Please rise and be welcomed by your Legislature. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR58 and LR59. Mr. Clerk, for an additional announcement.

**CLERK:** Mr. President, Sen-- the Agriculture Committee has selected LB245 as a committee priority. LB245, Agriculture Committee priority bill, Mr. President.

**ARCH:** Thank you, Mr. Clerk. We will now proceed to the first item on the agenda.

**CLERK:** Mr. President, Final Reading for LB229. Senator Conrad, when the bill was last discussed, had a pending motion to return to Select File, that being to strike the enacting clause.

**ARCH:** Senator Hallstrom, you are recognized to begin with a one-minute refresh on the bill.

**HALLSTROM:** [MALFUNCTION] President. LB229 is the bill that I brought to clarify that individuals engaged in the marketplace network platform are independent contractors, and we accomplish this objective by excluding the services of such workers from the definition of employment under our unemployment insurance laws, which has happened on multiple occasions in other type of business environments. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

**ARCH:** Senator Conrad, you are recognized for a one-minute refresh on the FA28.

**CONRAD:** Thank you, Mr. President. Good morning. Colleagues. This is a floor amendment meant to help us continue debate and to return the measure to Select File prior to Final Reading. Thank you, Mr. President.

**ARCH:** Turning to the queue, Senator John Cavanaugh, you are recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. Good morning-- good Monday morning to everybody. Starting at 10:00 today, which-- everybody probably knows that we started daylight saving time today. Oh, first off, I rise in support of FA28 and the return to Select, and opposed to LB229. But it would have been-- you know, in previous years, we have, on this day, debated the time change bills, so, you know, obviously a missed opportunity not to point fingers at the people in charge, but-- oh, sorry. I digress. But yeah, so the time change-- it was certainly unpleasant getting my kids out the door to school today. They were a little bit groggy and not happy about it still being dark when they got up, so there's that problem. But it was nice; you know, it was light out later yesterday. We went up to the playground at the school by our house, played basketball with neighborhood kids. And now that I'm a man of a certain age, I'm feeling it today. I'm a little, a little sore from playing basketball with nine-year-olds. But anyway. So, just, you know, thought people would be interested, that-- to point out that we're right after daylight-- we're the first day of daylight saving time, and there are effects to that. Anyway, so LB229, as Senator Hallstrom correctly pointed out, is a bill about changing the way we define this employer-employee relationship as a specifically, statutorily, an independent contractor relationship. And on the previous two rounds of debate, and including on last week, which I believe was Thursday, I stated my continued opposition to enshrining in statute this change. And my opposition is not that these folks are independent contractors currently, which does appear to be most of these folks are an independent contractor relationship currently; my opposition is that we should not be putting in statute things that are, one, unnecessary and prospective, meaning that we are enshrining in statute this relationship going forward. Meaning that if someone-- these folks who work for these inde-- as independent contractors currently do want to get into an employer-employee relationship in the future, this becomes a barrier to that, and it shifts the balance of power from currently more balanced, although still in favor of these corporations, but shifts it more in the, in

the favor of the corporations and opposed to these workers. And it takes away the opportunity for these workers to pursue that relationship. And what that means is, obviously, an independent contractor is not receiving retirement benefits and health benefits, not getting paid time off. And folks who are doing these jobs, as I told you on-- I think it was the second round of debate, I had spoken to one of these individuals, and they articulated that they would prefer to be an employee. They work 12-hour shifts, which are limited by-- I'm wondering if I should ask for a gavel. I'm not really-- I'll take a gavel, Mr. President. [GAVEL] Thank you, Mr. President. Just getting a little loud in here. Hard to hear my own thoughts. But so, these folks, and this one person in particular who I rode with expressed to me about how he's limited; you know, he has his 12-hour shifts, which is a lot, right? He worked one job, and then he goes and does up to 12 hours of driving for, I believe it was, Uber. And I asked him if he wanted to continue as an independent contractor or he would want the opportunity to be an employee, and he said of course he wants to be an employee, because he does all of this work and he would like the opportunity to have paid time off; he would like to opportunity to have health insurance; he would like the opportunity to have benefits. And what this bill does is it makes it harder for someone like this individual to achieve and pursue that going forward. And so, that-- it's an unnecessary bill, it has the potential-- I'll push my light if there's going to be time. I don't know how much time is going gonna be left. But it has the potential to have unintended consequences, which I know we talk about a lot on a lot of bills, but there are specific unintended consequences of this bill that I think are really problematic for folks who are currently in employer-employee relationships. And the definitions in this bill are broad enough that I think it catches up some folks and, and puts them-- shifts them from that employee-employer relationship into this independent contractor relationship, which would be shifting those folks from their stable, career-based employment--

**ARCH:** Time, Senator.

**J. CAVANAUGH:** --to a less stable situation. Thank you, Mr. President.

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

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I rise in continued opposition to LB229, and I'm not exactly sure how the timing is going to work out this morning. I may not have a chance to officially close prior to a cloture motion if that comes forward, which I anticipate. So I wanted to make sure to add some additional

points to the record, or reaffirm such. So, proponents have not been clear about why this legislation is needed. No one has truly stated the actual reason for this bill or the clear purpose. There have been some general assertions about innovation and flexibility, yet neither of these justifications are separate from entrepreneurship and, in fact, employment and-- as is the case for most employment relationships that stifle neither innovation nor flexibility, yet bene-- yet better benefit workers and taxpayers, which are legitimate government interests. Today, currently, drivers for Uber and Lyft and similar marketplace contractors are already considered independent contractors under the status quo. We know from the experience in other states and the Nebraska Supreme Court case law that the four corners of the documents, while relevant, are not dispositive, and the same independent contractor status quo has led to costly, lengthy litigation in other states, which actually resulted in settlements regarding minimum wage in other matters. We have guidance from the Nebraska Supreme Court about an almost identical case regarding whether or not cab drivers were independent contractors or employees for purposes of worker compensation and other matters. And offen-- essentially, the court found that those drivers were employees and not independent contractors, and that they had been misclassified by the cab companies, which is very similar to the situation before us today. The companies that are going to receive the greatest benefit from this legislation are engaged in a well-established, well-documented, multi-state national campaign to change state law and to guard against litigation and uncertainties as to whether or not their team members are employees or are independent contractors. Even the companies themselves have-- at the very least have called for a third way, with some sort of employment protections. But those are not even present in this legislation at all, which is support-- which is telling from the supporters' lack of minimum wage standard or even basic application of nondiscrimination protections that the companies themselves have even agreed to and asked for in writings and in settlements. Finally, when we're looking at measures like this, which are generally classified as economic legislation, the legal analysis that we utilize is not the same as you might hear about when we're talking about protected classes or fundamental rights. Economic legislation has a low bar of great deference if challenged in the courts, and-- it's called commonly a rational basis test. Even though it is a low bar and a highly deferential standard, there still must be a rational relation to legitimate government interest, and it cannot be-- the legislation cannot be arbitrary or unreasonable. And this poses real questions, as what is the legitimate government interest here? There are no findings-- legislative findings within the text of the bill. The

statement of intent is simply written, three-sentence description that is conclusive and reflective of no actual justification or purpose of the bill. And how is this legislation reasonable to effectuate that? It is arbitrary. It gives special treatment to less than a handful of large corporations. Those businesses are specifically named in the statement of intent and on the committee statement. Look no further than the committee statement, which shows proponents at the hearing: one paid lobbyist for Uber. That's it. No drivers, no everyday citizens, no partners in local government, no local business groups, no entities representing entrepreneurs or innovators, no local small businesses. Look at this statement intent. It names specifically large corporations as the beneficiaries of this bill. This bill has nothing to do with protecting gig workers who have the same connection to supporters' stated policy goals regarding innovation and flexibility. Just is a narrowly-contrived definition to facilitate the demands of a few large companies like Uber, Lyft, and now DoorDash. I fear I'm going to run out of time at, at this time on the, the mic, but I want to also compare and contrast how this measure is actually quite--

**ARCH:** Time, Senator.

**CONRAD:** --dissimilar to other exemptions within the relevant section. Thank you, Mr. President.

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

**MOSER:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. This is an interesting bill to me. I think Uber came along and kind of disrupted the taxi business. They kind of came in under the radar, people drove their own cars, people got their own insurance, they drove when they wanted to; they came in with better rates than the traditional taxi services, and I'm sure it put pressure on other forms of personal transportation. If we allow Uber drivers to be considered employees, that's going to wind up costing Uber more, and they're going to lose their competitive advantage, and they're going to be just another taxi company eventually, if you just keep chipping away at them. I talked to one of my friends today that drives for Uber, and he enjoys it. He's got his benefits already taken care of, he's got his retirement put together already. He drives Uber for a little extra cash and for fun, and he considers himself an independent contractor, and he wants to continue. He said if, if Uber is going to tell him when to drive and what to do, he's going to quit. Because that's the appeal of it, is he can drive when he wants to, it-- the billing is handled through the app so he doesn't have to mess with the billing. He said it's-- it-- it's a really good alternative to the

traditional personal conveyances. You know, when we compare benefits for big corporations and we decry the fact that this in some way helps Uber, but the unions are big corporations, too, and this is a battle to make Uber employees-- well, make Uber cont-- sub-- independent contractors employees. And it just makes them more likely future union members. I think that's the gist of the, of the story. So, I'm going to support the bill. In one of the hearings, when we were talking about some bikeshare programs, a testifier said that he used Uber to get around, and then his bike when it was also available. But if he had to go a long distance in bad weather or somewhere that he didn't want to ride his bike, he used Uber. So, if we make Uber just another taxi company and the rates are the same as all the other taxi companies, and-- then it's not going to be that special under-the-radar form of conveyance that it has started out at. Thank you.

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

**DUNGAN:** Thank you, Mr. President. Good morning, colleagues. I do rise in favor of the return to Select File, and opposed to LB229 for a number of the reasons that have already been stated here today. But I think it's important to continue having the conversation on the record, especially on Final Reading, to sort of highlight the different objections that I have and that others have to the bill. I do want to say that I appreciate the conversation we've had thus far. As I've said on other rounds of this debate, I think this is a really interesting issue. Certainly, it's one that I think there's a, an interesting legal analysis you can go into. But Senators John Cavanaugh and Conrad actually talked about a couple of the things I was already going to say, so I want to dig into a little bit more detail about a couple of those comments. I was actually talking this weekend with a number of my friends about the Legislature. I was playing in my weekly cribbage league last night, and we were talking about the Legislature and what bills were coming up this week that were interesting to watch. And I mentioned this one in particular, and I started talking with them a little bit about what the bill does and what it doesn't do, and it got me thinking a little bit more in detail about what my objections are. Senator Conrad touched on this, but I really think one of my biggest objections to LB229 is that it doesn't enshrine any of the protections for the drivers or the, the, the workers that a number of other states who have addressed this issue have put into statute. So, I don't think we should be dealing with this at all in statute, and I'll talk about that more in a moment, but if it were to be "dealed"-- dealt with, if there is in fact a necessity to chime in and say what we as a state think these workers

should be classified as-- the other states that have actually done anything with this legislation have put into statute various protections such as mandatory minimum wage are amounts that cannot be reduced; they've put in the requirement for health insurance or other various protections, and, and, and I think that that's specifically one of the part-- one of the things that people need to note on this. Prop 22, which was in California-- we talked about that a lot on other rounds of debate-- was a vote of the people, and it was a vote of the people that determined that the, the workers working for Lyft and Uber would be classified as independent contractors. But part of the reason that people probably felt comfortable voting for that is because that language came attached with those additional protections, and I think that is something that we are lacking in this legislation. If LB229 classified these workers as independent contractors, but in fact did put in some requirements that the companies have to implement in order to protect those workers, I think that we'd be having a much different conversation. But instead, LB229 simply seeks to put its thumb on the scale when it comes to the classification of these workers without doing anything to make sure that they have the supports that they might need in order to, frankly, live off of this kind of work. As Senator Cavanaugh said earlier, there's a number of people who do this work and work, you know, 10, 11, 12-hour shifts. I've spoken with Uber and Lyft drivers who-- this is their entire job. And yes, there are certain, I guess, niceties that you, you have as part of that work, where you get to sometimes pick when you will be on or when you won't be on, but once you are on the clock, they work incredibly hard. And they really don't have a lot of say over how they do their job once they pick up a passenger, and, and how to get to where they're going. And I just think it's important that we, as a legislature, do everything we can to continue supporting those workers. Because these are people who are really giving it their all, and they, they, they do a real service to the state of Nebraska. I think it's easy to sometimes overlook the importance of these drivers, but getting from point A to point B matters for a number of reasons, not the least of which is that there's a number of people in our state who can't drive; who, who, who have issues physically, maybe getting from point A to point B. And these drivers provide a really special service to make sure that people can actually be mobile and get out into the community. So, I just want-- I see my light's on. I'll probably punch in one more time to talk just a little bit more about some of the, the legal issues that are at play here. But I just want to make sure that the folks at home and the people of Nebraska know that we are doing everything we can to support our workers who provide these essential services. And I just think it's doing them an injustice to pass a bill



like LB229 that doesn't enshrine any of the protections that other states have put into place. So, that is one of my objections. I'll talk probably in a little bit about some of my other concerns. But with that, I would encourage your green vote on FA28, and a no vote on LB229. Thank you, Mr. President.

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

**HALLSTROM:** Thank you, Mr. President, members. Beginning to sense that there's a full-blown filibuster going on here. And as a result, we will have a motion to invoke cloture I would guess probably within the next 30 minutes. I do want to make it perfectly clear for the record, I am opposed to FA29 [SIC], supportive of LB229, and would ask that you support the motion to invoke cloture as well. I think as I, as I alluded late last week in our last day of the discussion on LB229, I think those that are supporting the bill have two constituencies that they are supporting. One are the companies that have this unique business model that is predicated upon the flexibility of having independent contractors rather than employees, and the second is the workers themselves. A vast majority of workers are inclined to have another job where they are working 8 to 5. They most likely have benefits in that job, and they are looking at a second or perhaps a third job in order to make ends meet. And as a result, they need that job and they need that flexibility that comes with independent contractor status. We have not provided a new path in the unemployment insurance law, as I indicated earlier. There are some 21 exceptions where we treat different workers as non-employees for purposes of unemployment insurance. This is no different than that, therefore it's not unique or novel in its approach. Again, I would ask you to vote nay on FA28, and vote for the motion to invoke cloture, and to give final passage to LB229, and I thank you for your patience throughout this process.

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

**J. CAVANAUGH:** Thank you, Mr. President. I was just going to finish my thought from earlier about unnecessary and unintended consequences, and I was talking about the fact that the expansive definition of the type of people we're talking about-- which are, you know, mobile platform-based delivery services-- I'm concerned becomes expansive, and starts to include folks who are currently in an employee-employer relationship, and I thought Senator Moser made some interesting points that I wanted to talk about. One of them is-- there are folks here who are just anti-organized-labor, and I get that. There are people who don't like organized labor. I, of course, support in people's ability

and opportunity to come together and advocate together for a better life and working conditions for themselves, and obviously, organized labor has contributed so much to this nation and to our economy, and created the middle class. And so, I think it's really important to continue to support folks who work, you know, for a living. But that's not what this bill is really about. I understand that people think that I'm opposed to this bill because it would make it harder for people to organize. I'm opposed to this bill because it makes it harder for people to advocate for themselves. Organized labor is a mechanism by which people organize and advocate together for their mutual goals. So, if people are able to be employees, that maybe puts them in a position where they could advocate-- come together as a union and advocate for the, for the the group as a whole, their mutual interests, but does not mean they have to. Right? There are lots of employees in this state and this country who are not members of unions. So, it does not mean-- just because you're an employee does not mean you are a member of a union. It just-- there is more of an opportunity, perhaps, but it doesn't mean that. And so, to pass a bill because you want to undermine the strength or ability of organized labor to advocate for working people is wrong-headed, for one. But my concern about this bill is, is multifaceted, but one of them is that it does shift away, potentially, folks who are currently employees and earning a good wage and having benefits and working conditions that have maybe been negotiated by labor, but in some situations are not negotiated by labor. But shifts those folks to this independent contractor situation, which then, of course, shifts the responsibilities to make sure that people can afford food and housing more onto the government. A lot of people around here want to put work requirements on benefits like SNAP. And the thing is, we can have people who are on those sort of benefits are working, and they're working jobs like Uber because they don't get benefits and they don't get enough pay to make ends meet. And so, when we're talking about putting working requirements on all of these necessities that the government provides, those things are a subsidy to corporations like Uber because they do not provide adequate pay and adequate benefits. That's the problem with bills like this, is it perpetuates that system of people being able to work a 12-hour shift and still not be able to afford food and housing. That's why I don't like bills like this: it's unnecessary, it has unintended consequences. But it fundamentally perpetuates this system of shifting wealth higher up to the, to the owners and making people richer and making the working people poorer and less able to afford living, and then the government has to step in. This is a form of government subsidy to corporations. So, all the folks around here who stand up every time and say, "Well, I'm a

capitalist and I believe that we should get the government out of things"-- this is government inserting itself into this situation, into the employer-employee relationship; it is putting the marker down in favor of the corporation. That is not capitalism, that is not free market. This is the government weighing in. And as a result of the government weighing in to situations like this, the government then has to continue to be involved in these situations to make sure that these people can survive. So, that's my opposition to LB229. That's why I support FA28, and that's why I continue to oppose LB229. Thank you, Mr. President.

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

**CONRAD:** Thank you, Mr. President, and good morning, colleagues. I wanted to just continue in regards to a comparison or contrast with other exemptions in the relevant section of law that LB229 modifies. So, these are familiar, and do in some instances raise historical and present legal policy and practical concerns as well. But in many ways, I, I want to just lift up-- there's similar treatment for detasslers, for ag workers, for babysitters, some religious employees, elected officials, kids who are working for their parents, temporary emergency workers, poll workers, employment for some people with special needs, inmates who are working in the penal institutions, work-study students, real estate and insurance professionals who work solely on commission, those who are participating in scientific and medical research as study participants, newspaper delivery, and AmeriCorps. Also look at the existing law when it comes to motor carriers, and at the language which very carefully states in the-- as reiterated in LB229 on page 10, lines 9 through 18 [SIC], as reflective of existing law, that also this provision "shall not preclude the determination of an employment relationship between the lessor and any personnel provided by the lessor in the conduct of the service performed for the lessee," and compare that to the current language before you in LB229. I would contend that that would be a better way to go about achieving supporters' purported policy goals by also having a similar treatment in regards to that. Additionally, this new language was written specifically by and for the companies it benefits, and I appreciate that Senator Moser said very clearly and distinctly it's to help Uber and Lyft make more money. Special and local laws are actually prohibited in the Nebraska Constitution under Article III, Section 18, which is a restriction on this very Legislature by the people of Nebraska. The only reason these very few large global corporations and not all gig workers are getting this special legislation and this special privilege, and no other gig worker is afforded the same, is because they have better lobbyists. That's unreasonable, and that's

arbitrary. This bill does not further a legitimate state interest; it only furthers the interests of a few select companies that were able to hire high-powered lobbyists-- which is their right-- and to convince a majority of this body to move this measure forward. I'd ask that you support the motion to return to Select File, and I ask that you oppose LB229.

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

**McKINNEY:** Thank you, Mr. President. I rise to support the motion to return to Select File, and I still oppose LB229. I think we have to just be clear that-- are we senators for the people, or are we senators for corporations? Are we senators for individuals to ensure that they are not being exploited, or are we senators for the betterment of corporate gains and profits? I think that's what we have to think about when you think about a bill like this, and it's really sad that this bill has moved to Final Reading. It is going to prevent-- if one day-- because it's not happening now, but could happen tomorrow-- but if drivers of Lyft or Uber decided to say, hey, we feel like we're workers; we feel like we deserve more rights and benefits and those type of things, this bill would prevent that from happening or make it harder for that to happen. And why are we, as elected officials, doing something to prevent that? We talk a lot about the free market and government getting out the way, all those things, but this bill goes against all that; all the freedoms that people say our people should have. This is government overreach completely, but because, you know, these profitable organizations or companies or corporations, whatever we want to call them, don't want to one day have to pay up for exploiting drivers, we have a bill like this. And, and I don't understand why we don't see that as an issue. It should be an issue for everybody, but it is not because it's on Final Reading, which means some people are OK with that. But we'll hear conversations about the government shouldn't be in people business, the government should get out the way, the government should let the market be the market, the government should work in, in a different way. But this is complete government overreach. Completely government overreach. Why is the government trying to pass legislation to prevent Nebraskans from maybe-- we don't even know if it's going to happen-- but maybe one day saying, hey, we want to organize. Why does the government get in the way of that? That is government overreach. Why is the government telling the people what they can and can't do? That is government overreach. I don't-- that is just simply what this bill is. And you could disagree with me a million times a day, but this bill is complete government overreach. And people are going to vote for this just because, but that's just the facts. This is

government overreach. And a lot of people scream they are against government overreach all the time; the government should get out the way. But this is government overreach. And if you vote for this, I, I swear, you are a hypocrite for the rest of the days in this Legislature, if you stand up and say you're, you're against government overreach. Because this bill is government overreach. Why are we passing legislation that, that, that would prevent people from-- maybe, potentially-- saying we want to organize and, and, and get benefits. Why are we getting in that way? The government should not be doing that. No matter if you, if you care or don't care about people organizing, the government shouldn't getting in the way, we should let the people do what the people want to do. Why are we getting in the people's way? You should fundamentally be against this, and I'm really surprised about it, honestly. But thank you.

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

**DUNGAN:** Thank you, Mr. President. Again, colleagues, I do rise today in support of FA28 and opposed to LB229. I just wanted to punch in one more time to finish a couple of thoughts that I had with regards to this bill, and some of the concerns. I was just speaking with a couple of colleagues off-the-mic, too, about some of the issues I have with this bill, and what I think is interesting is this bill is simultaneously incredibly narrow in who it seeks to regulate, but also, I think, overly broad in the potential ramifications that it could have moving forward. So, we know from the hearing, and we know from the, the statements of intent language, and the, the, the conversations that we've had here on the floor that this bill clearly is seeking to regulate drivers of Uber and Lyft. Now, I'm sure there's a number of other companies that exist that try to do the same kind of thing with these ridesharing app-based businesses, but what we're talking about is Uber and Lyft. And I think it's, I guess, a little bit concerning or problematic to me when we regulate or legislate with one specific business or industry in mind. I'm not going to get too deep into the details, but there's other legislation we've seen this year that targets specific industries, and-- that's not always a bad thing; sometimes you need to have a little additional regulation, and sometimes we need to have, you know, red tape that we get rid of. I mean, we can, we can look at whether or not individual industries should or should not be regulated. But when you have legislation that is so clearly tailored for one specific business, I think it just sends up a red flag to me. And so, the fact that we are sitting here debating a bill that was essentially brought to the Legislature on behalf of a corporation by that corporation, it just makes me nervous, and it gets me a little bit, I guess, concerned with why we're doing

what we're doing. But when I say that it's overly broad, what I also mean by that is we don't know, I think, what the long-term ramifications of passing LB229 might be. This is exemplified by the fact that we had an amendment that was brought on this bill due to a conversation that happened on the floor, I know, between Senator John Cavanaugh and Senator Hallstrom with regards to whether or not this applied to Uber Eats. And then, that conversation sort of snowballed into a conversation of whether or not this applied to Amazon, where people can decide to be an Amazon driver on their own. And so, the fact that these kind of questions, I guess, are being sussed out during floor debate, to me, is indicative of the fact that LB229, I think, fails to, to necessarily contemplate what the future holds for a lot of these online apps and these companies. The gig economy is expanding, our workforce is changing. And due to the advent, I think, of a lot of these new applications and, and, and companies, we're seeing a shift in the workforce, and we're seeing a shift in labor and the way that it works. And so, I know that we had a discussion on at least General File, if not Select File as well, about the various factors that are used when determining whether or not somebody is an independent contractor or an employee; factors that are looked at by the Department of Labor. And those have evolved over time, and I think been whittled down to about six individual factors that are looked into. But I would like to reiterate again, I have concerns about whether or not those factors contemplate sort of the way that we're moving forward in the economy, and whether an online economic system that we're evolving into can be covered by those individual factors, or if they are in fact antiquated, and in fact don't actually take into consideration any number of concerns that we may have moving forward. So, I guess, to put it plainly, I'm worried that LB229 is going to mess a bunch of things up in the future based on the ever-evolving nature of the way that the gig economy works. So, I have concerns about that. Senator Conrad mentioned this Nebraska Supreme Court case that has to do with taxis and Uber and Lyft drivers. I found that case, and it's actually very, very informative. I don't have time to go into all of it right now, but essentially, our, our Nebraska Supreme Court says there's not one factor that we have to look at; it's a number of factors as to whether or not somebody is an employee or an independent contractor. And I think that the courts are well-equipped to handle this problem, and I don't think it's something that we as a legislature need to step into and put our thumb on the scale, especially if we do so without affording additional protection. So, with that, again, colleagues, I would urge your, your no vote on LB229, and I would encourage a yes vote on the return to Select File here on Final Reading. Thank you, Mr. President.

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

**SPIVEY:** Thank you, Mr. President, and good morning, colleagues and folks that are watching in the balcony, rotunda, and online. I was not going to punch in on this again to speak, but Senator Dungan made me recall something of a conversation that I think is important to uplift as we continue to have this dialogue. And, and do appreciate all of our colleagues for sitting in this space and critically reflecting on LB229 and, and what does it look like, and the impacts and unintended consequences that it may have. During, I think it was Select File, there was some conversation that I specifically raised around the new pilot with Metro Transit, and what does it look like from a rideshare perspective. So, it's a new hybrid model that is bus/rideshare, and the implications that this bill would have on those folks that would be operating and managing that rideshare bus service, and there was not clarity. And so, again, as Senator Dungan mentioned-- and I just wanted to uplift that example that I brought to the introducer, that there's a lot of implications from this bill, and I think that there would be a lot of unintended consequences that cause harm. As we think about the future opportunities, this doesn't stop rideshare drivers-- Uber and Lyft is who we're talking about-- from being independent contractors. As I mentioned, DoorDash was here before, when we first started debating this bill, when it was on General File, and they're already doing this. And so, these corporations can operate in the way in which they so choose currently without any inhibitions or barriers. And so, I'm still not clear on the intent of this bill, why we need to codify it in law this way. And then, as I mentioned, the unintended consequences of future contractors being able to organize and be classified as employees, and as I mentioned, the impact that would have in transportation spaces like this hybrid model that is happening in Omaha with this bus rideshare program. So, I am in favor of the FA28, to return this to Select File and in-- still in opposition of LB229. And again, appreciate all of the conversation that we've had each time this bill has come up. Thank you, Mr. President, and I yield the rest of my time.

**ARCH:** Senator Conrad, you're recognized to speak. This is your third opportunity.

**CONRAD:** Thank you, Mr. President. And I appreciate Senator Spivey for lifting up that very real example in the Omaha metro area, and still looking for clarity in regards to that innovation in public transportation and meeting community needs, and how, if at all, this legislation will impact that model. I, I think that's really

important. A couple other quick things, as this is my last time on the mic, but-- there was a very recent settlement, and if you Google it, you can find it out of New York, wherein the New York attorney general actually challenged the practices of DoorDash, that was-- at one-- in one characterization, people have said that DoorDash was stealing drivers' or Dashers' tips; in another it says it was misappropriating them to subsidize their minimum guaranteed rates, et cetera. But it shows the practices of these companies, and the settlement came in just under \$17 million very recently, in terms of how the business model is impacting their team members, and that instance is another recent example that we should look skeptically. The gig company carve-outs present in LB229, again, are part of a very well-orchestrated, well-funded national campaign. They have their roots in Arizona, our sister state, starting with legislation back in 2016, and then it moved on to the federal level in 2017. Then, there was a massive push for additional legislative and administrative carve-out efforts in states throughout 2018 and 2019 as well, and that goes on through today. These measures have been introduced in Nebraska before, and rightly pushed back by a more balanced committee. The endgame of these campaigns is to enshrine tax, tax breaks and forestall legal challenges to these particular companies' business models. They limit worker-led organizing and policy efforts to help people with gig jobs have better working conditions and fair treatments. They are moving to reshape the future of work and labor regulation with a consistent, steady race to the bottom that undercuts working families. The tactics that have been utilized are misleading and manipulative, and are well-documented in these campaigns. They are further bolstered by a significant amount of expenditures in regards to lobbying and political contributions on both the state and the federal levels. So ultimately, I don't think we're going to be able to stop this measure today, but I do think that we've had a good debate. And each side has very passionately defended their position and their policy reasons and political reasons and ideologies for bringing it forward. So, this will not be the last word on anti-worker legislation that's before the Nebraska Legislature this year, and we'll continue to have these discussions through a host of other bills that are moving through the Legislature, and may or may not be prioritized. I think it's also hopefully a wake-up call and a clarion call to working families to see very, very clearly where your elected leaders stand, when they have an opportunity to stand up for big corporations or to stand up for working families, and I think that will be clarifying and powerful to ensure accountability. It should-- also should be a clarion call to show that those in power who promised to disrupt the status quo and to help working families have a better chance to



succeed are doing little, if anything, to advance those campaign promises, but instead are moving forward quickly with all their political power to give special favors to the biggest corporations at the expense of working families in Nebraska and beyond. I'll continue to work with an open heart and an open mind with my community and my colleagues to help lift up working families, to find opportunities to help them succeed, because they're working harder than ever and they can't keep their head above water, and this measure goes against those kinds of common-sense kitchen-table economics that should draw us together and not provoke sharp divisions. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. I rise in support of FA28 and the motion to return to Select File. I was taking a little rest off the floor because I am struggling with the daylight saving-- you're welcome, Senator Cavanaugh-- change from today, and also just enjoying a beautiful weekend outside with the kids, with the warm weather. It was really nice to have the opportunity to be outdoors, and-- even though the snow finally melted on my front yard yesterday afternoon. But it was really nice to be able to be outside. We had our first soccer practice of the season, and I took the-- some of the neighbor kids to the park while my daughter had her soccer practice, and they were having a grand old time running around and getting a little bit muddy, so. But I was listening to the, the conversation happening here, and it kind of sparked some, some renewed interest in, in standing up on this bill, because I think it was Senator John Cavanaugh and Senator McKinney that made some remarks about workers versus corporations, and Senator Conrad talking about special legislation in our Constitution, and so even though I wasn't sitting on the floor, I was very much listening to what was being said. And I do have concerns and more global view of a lot of legislation this year that seems to be targeting workforce and seems to be targeting those that, you know, the wealth of the state is built on. And we have, over the time that I've been in this Legislature, enacted a lot of policies that do not benefit the working poor of Nebraska. And working poor is-- it's really an important term, because as Senator John Cavanaugh, I believe, mentioned, this idea of, of work requirements with those social safety nets that we have in this state, like SNAP, like child care subsidies, TANF, Aid to Dependent Children, and many more; Medicaid, Medicare. All of those things are really needed because of the working poor, and they are subsidizing businesses. We have tax incentives to businesses who don't pay livable wages. That was part of LB1107 in 2020, a bill that very few people in the Legislature at that time opposed. Myself and, I think, Senator

Hunt are the only ones currently in the body that opposed it, and one of my reasons for opposing it, in addition to creating the income tax credit for property taxes that now everyone agrees is a mess and has to be fixed-- in addition to that, being part of LB1107, were the tax incentives to companies that didn't have a requirement for them to pay their workers a livable wage. So, people who-- companies that get a tax incentive-- so, we're giving them a-- basically, money from the state to create jobs. Those jobs don't pay enough, so their employees qualify for SNAP and child care subsidies. So, we are double-subsidizing that business for their profit margins, and we do this at the detriment of our own state budget and at the detriment of those families, and then we systematize poverty and create just more barriers for families to get out of poverty. So, we don't need any more work requirements. You already are required to work to receive any of these benefits or be in school. So why are we not doing more to help people out of poverty? Why are we doing more to institutionalize and systematize poverty? That's why I won't be supporting this bill and many other bills that I've seen brought forward this year that I think are harmful to the working people of Nebraska. Thank you, Mr. President.

**ARCH:** Mr. Clerk, you have a motion.

**CLERK:** I do, Mr. President. Senator Hallstrom would move to invoke cloture pursuant to Rule 7, Section 10.

**ARCH:** Colleagues, this is a reminder that we are on Final Reading. I would ask that you take your seats and check in, please. Colleagues, this is a reminder that we're on Final Reading. I would ask that you would check in, please. Senator Dover, we are on Final Reading. We ask that you check in, please. Colleagues, the first vote is to invoke cloture. Senator Hallstrom has requested a roll call vote. Mr. Clerk.

**CLERK:** Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz voting no-- voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting no. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson voting no. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting yes. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting no. Vote is 33 ayes, 15 nays, Mr. President, to invoke cloture.

**ARCH:** The motion to invoke cloture is successful. The next item is the vote to return to Select File for FA28. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

**CLERK:** 11 ayes, 34 nays, Mr. President, on the motion to return to Select File.

**ARCH:** The motion to return is not successful. Mr. Clerk, the next vote is to dispense with the at-large reading. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

**CLERK:** 44-- 45 ayes, 2 nays, Mr. President, to dispense with the at-large reading.

**ARCH:** The at-large reading is dispensed with. Mr. Clerk, please read, read the title.

**CLERK:** [Read title of LB229.]

**ARCH:** All provisions of law relative to procedure having been complied with, the question is, shall LB229 pass? All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

**CLERK:** Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Bosn, Brandt, Clements, Clouse, DeKay, Dorn, Dover, Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Lippincott, Lonowski, McKeon, Meyer, Moser, Murman, Raybould, Riepe, Sanders, Sorrentino, Storer, Storm, Strommen, von Gillern. Voting no: Senators Bostar, Cavanaugh, Cavanaugh, Conrad, DeBoer, Dungan, Fredrickson, Guereca, Juarez, McKinney, Prokop, Quick, Rountree, Spivey, Wordekemper. Vote-- not voting: Senator Hunt. The vote is 33 ayes, 15 nays, 1 excused, not voting, Mr. President.

**ARCH:** LB229 passes. Mr. Clerk, for items.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

**CLERK:** Thank you, Mr. President. Your Committee on Enrollment and Review reports LB241, LB247, LB377, LB396, LB527, LB593 as correctly engrossed and placed on Final Reading. Your Committee on General Affairs chaired by Senator Holdcroft reports LB9 to General File with committee amendments. Your Committee on Revenue chaired by Senator von Gillern reports LB78, LB212 to General File, LB212 having committee amendments. Your Committee on Agriculture chaired by Senator DeKay reports LB245 to General File with committee amendments. Your Committee on Banking, Commerce and Insurance chaired by Senator Jacobson reports LB474 to General File with committee amendments. Notice of committee hearing from the Government, Military and Veterans Affairs Committee, as well as the Education Committee and the Natural Resources Committee. Amendments to be printed from Senator Murman to LB682. Notice from Senator Rountree that he has selected LB319 as his personal priority bill for the session; LB319, Senator Roundtree priority bill. Additionally, an announcement, Mr. President. Transportation Committee will meet in Room 1507 rather than 2102 today at 1:30, and Banking, Commerce and Insurance will meet in Room 2102 instead of Room 1507. That's all I have at this time, Mr. President.

**ARCH:** Mr. Clerk, you may proceed to the next item on the agenda.

**CLERK:** Thank you, Mr. President. General File, LB248, introduced by Senator Sanders. It's a bill for an act relating to the Childcare Licensing Act; amends Section 71-1910; exempts certain federal programs from childcare licensing requirements as prescribed; and repeals the original section. Bill was read for the first time on January 14 of this year and referred to the Health and Human Services Committee; that committee placed the bill on General File. There's currently nothing pending on the bill, Mr. President.

**ARCH:** Senator Sanders, you are recognized to open on LB248.

**SANDERS:** Good morning, Mr. President, colleagues, and Nebraska. LB248 addresses the intersection of childcare regulations and federal programs for military families. The Child Care Licensing Act has long ensured high standards of care for children in Nebraska. However, it is time we recognize the Department of Defense-- the DoD-- child care standards are not only comparable to Nebraska, they are often more stringent. For military families, child care programs on federal properties are already held to rigorous DoD requirements. To avoid unnecessary duplication, this bill would create an exempt certain federal child care programs from Nebraska's licensing requirements while still ensuring the highest standard of care. This change will reduce the burdens on military families and providers who already are

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

meeting the comprehensive federal regulations. This bill doesn't affect child care programs outside the military; it simply repeals regulations where federal standards already apply, making life more efficient for our service members and their families, ensuring military families have the streamlined, high-quality care they deserve while maintaining our state's commitment to child care and excellence. LB248 came out of committee with no opposition, including a positive committee hearing. Thank you, and I ask for your green vote on LB248. Thank you, Mr. President.

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

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

**ARCH:** Senator Sanders, will you yield?

**SANDERS:** Yes.

**M. CAVANAUGH:** Thank you. I'm sorry. I just hadn't known that this was on the agenda. So, I'm a, I'm a little confused as to why this is necessary, because we don't actually require all child cares to be licensed already. So could you just maybe explain a little bit more as to the reason-- the need for this?

**SANDERS:** When you have a daycare on-- oh I'm sorry. When you have a daycare on federal property, it requires a license.

**M. CAVANAUGH:** Ah. OK. Thank you. That clears it all up for me. OK. Thank you. I yield the remainder of my time.

**ARCH:** Seeing no one left in the queue, Senator Sanders, you are recognized to close. Senator Sanders waives close. Colleagues, the question before the body is the advancement of LB248 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

**CLERK:** 42 ayes, 0 nays, Mr. President, on advancement of the bill.

**ARCH:** LB248 advances to E&R Initial. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB229. Mr. Clerk, please proceed.

**CLERK:** Mr. President, next item on the agenda: General File, LB105 introduced by Senator Hughes. It's a bill for an act relating to public power and irrigation districts; amends Section 70-604.03 and

70-612; provides for the division of voting precincts for the purpose of establishing boundary lines for operating areas, charter territory, and district elections and eliminates the requirement of approval by the Secretary of State; harmonizes provisions; repeals the original section; and declares an emergency. The bill was read for the first time on January 10 of this year and referred to the Natural Resources Committee; that committee placed the bill on General File. There's currently nothing pending on the bill, Mr. President.

**ARCH:** Senator Hughes, you're recognized open on LB105.

**HUGHES:** Thank you, Mr. President. I rise today to introduce LB105. LB105 was introduced to me by-- on behalf-- or, is introduced by me on behalf of the Nebraska Rural Electric Association, who worked in conjunction with the Secretary of State's office and the Power Review Board to amend one section of Chapter 70 to address how power district subdivisions can be divided. Powers-- power-- public power subdistricts must currently follow precinct or county lines to contain-- or contain substantially equal populations. We are all aware of the fact that our public power districts are governed by an locally-elected board of directors, and this bill is intended to enhance and protect that local control. Presently, subdivisions for a public power district can be designed in a couple of different ways. Some rural public power districts have board members that run to hold a district at-large seat, while other districts have regional districts. Others break the districts up into multiple seats based on population, or some kind of combination of these options. Current state law provides that when designing these district boundary lines, public, public power districts can either follow county or voting precinct lines, or they can divide voting precincts, but only if the district can establish nearly identical populations for each district. Unfortunately, the boundaries of rural public power districts often do not follow county and precinct lines, and therefore, to comply, it requires districts to include an entire precinct or county. The result is that the inclusion of these areas-- the people who are not served by that particular power district-- this permits a person with no association to the power district to vote for members of a board of directors that they are not served by. This even allows someone to run for the board who isn't served by that public power district. Public power voting precincts are currently required to be established with substantially equal populations among each subdivision, and in rural Nebraska, this can mean that a subdistrict's population can deviate by only a few dozen people. This can be problematic to design. It becomes nearly impossible to draw these lines when the majority of a public power district's population resides in one community in a county, like

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

Howard County, Nebraska, with a population of 6,500, where you have 2,400 people living in the center of the county in the town of St. Paul. You are setting up a situation where the majority of the board members from the entire district could come from one community. LB105 would allow public power districts to split voting precincts when determining the boundary lines of subdistricts with-- without regard to population. For public power districts, this will ensure that district board member voting lines could mirror service territory boundaries, ensuring that only those who receive the power from the district can vote for and serve on that board. It is important to note that the Power Review Board will maintain the final authority to approve the boundary lines, and isn't-- and is tasked with ensuring the voting district boundaries do not prejudice the interests of the electric consumer. The board members of our public power districts should be customers of the power district they represent. LB105 will improve the election process and help to ensure that board member districts better align with power district boundaries. LB105 was heard in the Natural Resources Committee on February 12; it was reported from the committee 7-0, had no opposition, and there's no fiscal impact. I urge you all to vote green on LB105, and advance it to E&R Initial. Thank you.

**ARCH:** Seeing no one in the queue, Senator Hughes, you're recognized to close. Senator Hughes waives close. Colleagues, the question before the body is the advancement of LB105 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

**CLERK:** 38 ayes, 0 nays on advancement of the bill, Mr. President.

**ARCH:** LB105 advances to E&R Initial. Mr. Clerk, next item.

**CLERK:** Mr. President, LB266, introduced by Senator Dover. It's a bill for an act relating to local governments; prohibits ordinances which have the effect of imposing rent controls on private property; defines terms, provides limits on such ordinances; and provides applicability. The bill was read for the first time on January 15 of this year and referred to the Government, Military and Veterans Affairs Committee; that committee placed the bill on General File. There's nothing currently pending on the bill, Mr. President.

**ARCH:** Senator Dover, you are recognized to open on LB266.

**DOVER:** Thank you, Mr. President. Colleagues, today I bring before you LB266, which deals with rent control. Simply put, this bill prohibits

the government from telling private property owners what they can charge for rent. Some are going to ask why I'm doing this. Is there a problem with rent control in Nebraska today? Why create a statute or a law when there's no problem? I would respond in this way: Nebraska is one of only 13 states without a law prohibiting rent control, meaning 37 states have already addressed this issue, and hopefully, Nebraska will be the 38th. In a June 24-- excuse me, a June 2024 article, the Flatwater Press [SIC] talked about the rising cost of rent in Omaha. One of the solutions presented was a petition brought by an Omaha lawyer and a therapist advocating for rent control. In addition, Omaha's Housing affordable-- Affordability Action Plan mentions that the subject of rent control came up in the community engagement process. While the subject of rent control appears only twice in the plan, it is mentioned positively. That is why I'm putting LB266 forward now. Opponents may also say that this bill takes away local control. If a municipality feels that rent control is a good solution for them, why are we going to take that away from them? I believe local control-- I do believe in local control, however I do not believe that any "misippitality" has the right to tell a private property owner what they can charge people for the use of their property. The result of rent control ultimately takes away rights from property owners. In addition, rent control has many adverse effects, from discouraging developers to build new housing to potentially hindering upgrades, improvements, or even simple annual maintenance. Studies in some markets have shown that rent-controlled units can deteriorate over time, negatively impacting tenant living conditions; a current problem that exists today that would only get worse. A free-market approach allows price to reflect the actual value of housing based on location, amenities, and demand. This leads to a healthy housing market. A healthy housing market attracts residents, businesses, and investors, contributing to economic growth. And then, we all know economic growth is what solves many of the state's challenges, from lowering taxes to creating more job opportunities, leading to increased wages, which leads to retention of our youth here in our state. For clarity, my bill does not allow for some rent control-- does allow for some rent control when the property owner knows of it upfront, and has executed an agreement that clearly states the terms of rent control. In LB266, there are times that rent control may be allowed. One, quote, rent control would be allowed for the purpose of increasing the supply of affordable housing that does go through land use or inclusionary housing requirements, end quote. An example of this would be the Haymarket in Lincoln, where a certain number of units are set aside for affordable housing. Another example would be low-income housing tax credit programs, where there are mixed incomes



in a project. Also, tax abatements, parking reductions, and the right to build at higher densities may also be used to incentivize developers to build affordable housing. And two, quote, provides for a program that a private property owner voluntarily or contractually agrees to participate in that restricts rent and rent increases, end quote. This would be where a developer would receive incentives that would benefit the developer to offset the lost revenue of charging less for rent. Low-income housing-- low-income housing tax credit program, Section 8 housing and others would be examples of this. To sum it up, I believe in rent control-- I believe rent control has a negative impact on tenants, landlords, and our state as a whole, and needs to be prevented. With all that said, I would appreciate your yes vote on this legislation. Thank you.

**ARCH:** Turning to the queue, Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. Well, I rise in opposition to LB266, and I opposed this bill out of committee. It came out of the Government, Military and Veterans Affairs Committee. So, my opposition to this bill is I do think it's unnecessary. I don't think we should be putting standards on what local control can be. I'm not advocating for anybody adopting rent control, and no one is. Senator Dover referenced the Omaha Affordable Housing Action Plan; that did come up at the committee hearing, and what came up in that hearing was that it was-- the rent control was mentioned in a pop-out, or, like, a little inset on the document, not as actually part of any of the plan, but it was mentioned as one of the things that one person had brought up at one of the town hall hearing-- meetings about what we could do for affordable housing in Omaha. It was not integrated into the plan, it was not actually pushed by anyone that was involved, it's not being considered by the city of Omaha. It was brought up by a citizen as a suggestion, which-- citizens are certainly entitled to their opinions, and that's why we have these, these sort of town halls; meetings for people to kind of bring up ideas and brainstorm. But the fact that one citizen brought it up in a brainstorm sort of session is not a reason for the state of Nebraska to pass a law banning all municipalities from taking any action on this going into the future. I don't think rent control achieves the goal. I would not advocate for rent control. No one, no state-- city in the state of Nebraska, I think, is taking up this idea. In the hearing, we talked that some cities like San Francisco and New York have rent control, and apparently, St. Paul, Minnesota maybe has some form of rent control, but it was-- it's very limited in its use across the country. It is nowhere in the state of Nebraska. But we should not be passing bills about these sort of

prospective boogeymen that people are worried about that are not legitimate concerns, but we should also be concerned when we're passing a law that has to take into consideration-- this bill includes a consideration of excepting out other types of restrictions. So, the city of Lincoln does have-- if you get TIF funding, they have some sort of requirement about affordable housing. This bill, I think, seeks to allow Lincoln to continue to do that, to pay for-- to build affordable housing that way. There's also things like-- I think it's called LIHTC, which is federal money that can be used to build affordable housing. There are lots of programs we have to try to increase affordable housing in our state and our communities, and we want to do that, but they do have requirements attached to them. If you take-- draw down certain funds that you have the, the rate for the rent or the sale price of the, the house has to be at-- fixed at a certain rate for, you know, basically marketable-- marketability for the average income in the community, and to make sure that it's affordable. So, that is a, a sort-- it's not rent control, but it is a, a control on rent. And the problem-- the real problem with a bill like this is it's solving a problem that doesn't exist, and it has the potential to create other problems like undermining some of these systems that we do want to incentivize and encourage building of affordable housing. And so, when we create a broad-- cast a broad net like this to, to limit all local engagement in the-- in this space, it makes it harder for those municipalities to be innovative and to create these other programs that are going to allow for affordable housing. And I know that Senator Dover recognizes and appreciates this. He has a bill in the Urban Affairs Committee to try to increase the use of TIF for affordable housing. My concern would be that if we pass this bill, it's going to make it harder for local communities to do other things besides rent control, if they give out funds-- if the city of Omaha starts a program to build affordable housing and wants to put rent controls on the prog-- those developments, I would be worried we'd have to come back and make another statutory change to except out that program, because it doesn't specifically meet the definition and requirements that are currently in the statute that are contemplated as passed. So, this solves-- this is attempting to solve a problem that doesn't exist. No one is suggesting that we actually do this across the state, and it has the potential to put up roadblocks artificially to the very valuable objective of building more affordable housing in the state of Nebraska. So, this is very much a solution in search of a problem that has the potential to cause other problems. We need to be very cautious when we're doing things like this, because then we're going to be back trying to solve the--

**ARCH:** Time, Senator.

**J. CAVANAUGH:** --problems. Thank you, Mr. President.

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

**McKINNEY:** Thank you, Mr. President. I rise opposed to LB26-- LB266. This is another bill pre-empting things that are not currently happening in the state of Nebraska. And it's, again, to me, an issue going against the people, but also-- it also sparks a, a bigger conversation that I think we need to have, and that is the lack of affordable housing in the state of Nebraska. We have a lack of affordable housing in this state, we have a housing crisis in this state, and that's what we should be working on. We shouldn't be pre-emptively striking and saying, like, municipalities are-- shouldn't, you know, create rent controls. Rent goes up all the time. But we got bills that are going to try to limit how much individuals can make. We have bills that are going to-- well, one just passed that said people who drive Lyft and Uber probably will never be able to organize in this state unless we change that law. So, the bigger conversation is, why do we have a lack of affordable housing in the state? That's the problem, and that's the issue. This isn't about rent controls, because, to my knowledge, I don't know anybody or any city that's trying to put in place rent controls. I don't think anybody has even introduced a bill pertaining to rent controls. And maybe we need to have a conversation about rent controls. Maybe we do, because rent just keeps going up, and then you have property owners and landlords filling up the Judiciary Committee on landlord tenant day going against tenants. But rent continues to go up, and wages are wages, and housing just seems to get less and less affordable every year for people. And it's going to get worse, you know? We got an administration in D.C. that's implementing tariffs that's going to affect us all; they're slashing budgets with DOGE; it's going to affect us all. And housing is just going to get less affordable, and rent is going to continue to rise. But nobody sees the issue with that. It's a lack of affordable housing in this state and in this country, in every state. Should we tell property owners how much to charge and what not to charge? I don't know. We should have that conversation, because rent just keeps going up, and Americans and Nebraskans cannot afford it. People are going broke just paying for housing. Literally. But we have bills that are going to try to limit how much somebody can make, because we're upset that the people-- the people, not the government, because I had a bill to raise the minimum wage and that never came out of committee. But the people voted to raise the minimum wage in the state. The people did, not the

government. And we're trying to limit that, too, but we want to talk about rent control when everybody knows there is a lack of affordable housing in the state. This is, this is a wild session. It really is. We just keep having bill after bill that I would say is working against the people that we're supposed to serve. But people are going to vote for this, but there is a clear lack of affordable housing, and everybody knows it. This is-- it's just crazy. But, you know, in D.C., they're cutting budgets, slashing things, just going to make this worse. And rent controls might be a conversation we need to have because Nebraskans are going to be homeless. Thank you.

**ARCH:** Time, Senator. Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. I didn't-- I just pushed my light because I didn't get to finish my thought last time. And I did pull up the bill here so I could read you the section. So, the part I'm talking about is this bill has-- it's, well, page 2, which is really the only page of the bill-- line-- starting on line 10: this section does not apply to an ordinance that is adopted for the purpose of increasing the supply of affordable housing, and that does, does so through land use, or inclu-- inclusionary housing requirements, or provides for a program that a private property owner voluntarily or contractually agrees to participate in, and that restricts rent and rent increases. This section applies notwithstanding provisions of any home rule charter, so. What-- so what that is saying, that section is saying we have this requirement that you can't have an ordinance that limits municipalities' authority to create rent control, which, of course, is-- Senator Dover's intention is to say that no local government can create this. And again, I, I maybe disagree with Senator McKinney that I don't-- I just don't think that it's a, a tool we should pursue. But I'm opposed to telling everybody, every municipality that they can't pursue it, and in so doing, creating a problem for the other innovative things that they may do to try to solve this very real problem of a lack of affordable housing. And the bill itself recognizes that it may have that effect by excepting out these programs that we, I assume, already know about, which Senate Dover has crafted; this exception to include some of the programs we already know about. My concern is, if there are other programs that are not currently been started or do not specifically meet the definition that is in here, that we are inadvertently going to stifle innovation in solving the problem of affordable housing, which we need. We need innovation, because what we're doing currently is not, not successful, right? We don't have enough affordable housing. And so then, the Legislature is going to have to come back-- one, we're going

to have a delay because any innovation is going to have to go through a legislative process before it can take up innovation, but-- it delays that. Then, it's going to have to go through the Legislature, where we come back and try to repeal or amend this section of statute that is completely unnecessary so that we can have innovation. So, everybody around here-- or a lot of folks around here-- again say that they're capitalists who want to keep government out of the way, and that we should have less regulation. This is the type of thing we're talking about. This is an unnecessary regulation. No one is doing this, and it is going-- only can cause more burdensome regulation and hurdles to innovation, construction projects, affordable housing. That's, that's what it-- the possibility of this bill is. It's solving no problem other than to make certain people feel good that they won't have to face rent control in the future-- which, again, no one is actually proposing we do-- and it has the potential to prevent us from innovating in how we are building affordable housing in this state, which is a problem we need to solve. So, I oppose LB226-- LB266 because it solves no problem, and it has the potential to cause other problems. Thank you, Mr. President.

**ARCH:** Senator Hughes would like to recognize some special guests in the north balcony: 26 students and 3 teachers, fifth grade, from Heartland Community Schools. Please rise and be recognized by your Legislature. Returning to the queue, Senator Spivey, you are recognized to speak.

**SPIVEY:** Thank you, Mr. President. And good morning again, colleagues. And, Senator Hughes, I saw you up there waving, too. I was like, hey, I think I know her. So, glad that the students are here and recognizing our democracy at work. So currently, from what I have read, and appreciate some of this conversation, I am leaning to not support LB266, and I do agree with some of the sentiments from Senator McKinney and Cavanaugh. As they stated, it doesn't seem to be an issue in our state. And so, again, the reason that we're bringing this bill-- like, what is it here to solve? How does it make Nebraskans' lives better? It seems like there's not an issue, and so why are we bringing this? And so, I think just more clarity on that would be helpful. And then, this feels similar to the same conversation that we had around the Ubers and Lyfts, that we are pre-empting people and removing power from local political subdivisions to be able to organize or structure resources, policies, and practices in the way that makes sense for them, which is one of the reasons why I'm leaning towards not supporting this bill, because, again, there's no issue currently; Nebraska does not have rent control, local political subdivisions, at a county/city level; it's not at the state level. So,

if there was an opportunity to explore that and what it looks like, we're already saying no, you cannot. And so, again, I think this is taking that same approach as the conversation just-- we just had around Uber and Lyft and gig workers, and I think we need to, to really broaden our perspective; that if our goal is to address affordable housing and the impacts of people not having access to quality homes, whether they are renting or purchasing in our communities, this type of policy, again, is not addressing the core root issue. So, I think we need to take a step back and, and think collectively around if this is our goal, we know that this is a crisis across our state, we know that it adds to the workforce implications, it adds to our economy in the future, that I think we need to look at a more intentional policy that addresses the core root issue versus, again, an issue that is not an issue, and, and doesn't allow for that local control if they so choose to explore what rent controls in the future may be. And so, again, I appreciate the conversation that we have started to have, and, and hope to hear more about the intention of this type of policy and how it really does or does not invest in what we are saying is the issue that is in front of us. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. Well, I-- this kind of my annual speech on how rental properties work, and the fact that not every owner of a rental property is a large hedge fund that's just trying to maximize their rate of return. I start looking at the thousands of owners of rental properties who are individuals that have other jobs, and they buy rental property, or they buy property and turn it into rental properties as a secondary source of income. And fortunately, those people are out there. And so, if someone can't afford to buy a home but they can rent a home, they rent from these individuals. So, we talk about how far-fetched it would be to have rent control, but we were essentially there during the pandemic. I mean, during the pandemic, there was a freeze on raising rents. That sounds like rent control to me. OK? And I remember, I had some loans on some properties where individuals had good incomes outside that, but had a couple of eight-plexes, for example, and if they weren't able to collect rent on their eight-plexes, they weren't going to be able to make the payments that were due to the bank on the bor-- money that they borrowed to buy that place to begin with. So, it seems mind-boggling to me that we-- yes, we need more housing; we need more affordable housing. And yes, rents are going up. Here's why they're going up. If someone went out and bought a property five years ago and they got a fixed rate loan that was, say, repriced in five years, the price of the int-- the cost

of the interest went up significantly because cost of funds went up to their lender, and they passed that through. So, when you in-- increase interest rates and you increased insurance costs and you pass that through, it means higher rents are necessary to make the payments. I mean, this is not rocket science; this is just fundamental how the industry works. So, if you want cheaper rent, you're either going to drop down in the quality of the home you live in, or the apartment, or we're going to have to get a handle on increased property taxes, increased is in-- in, in insurance costs and lower interest rates. But those are the three big causes that are uncontrollable, that continue to move. And as an owner of a piece of property, and I'm not a, a-- I don't own a property that I rent out that's, that's residential. But that's why you're seeing rents go up, because they need to get that revenue to make their payments. It's pretty simple. So, when-- if we want to solve the affordable housing problem, first and foremost, people need to understand that if I rent a property that I'm not going to end up with rent control at some point, which could bankrupt me if I've gone out and leveraged myself to build these new properties, and we've got to be careful about what we do in our building codes that are going to increase the cost of construction. All of these things go into what the ultimate cost is for rent. So, I'm supportive of LB266 because this isn't a far-fetched example of what could happen, and the more things we could do pre-emptively to assure people who want to invest in properties or build new properties, that they're not going to be faced with this, the more they're going to be encouraged to build more housing. This is a supply and demand issue in Nebraska. We don't have enough housing for the people that want the housing. So, when you have-- when, when the supply and demand is out of whack and you have more demand than you have supply, prices go up. Now, if you look nationwide right now, we're starting to see that housing prices are going down, and they're going down because of what happens to interest rates and what, what people are viewing right now in terms of housing costs. That will ultimately trickle down to-- and we saw this in Lincoln in 2009. Home prices in Lincoln cut-- were cut almost in half. That's one of the risks of owning property as well. So, let's just keep in mind that there is a reason for this bill. It doesn't have to be here today, but if you want to encourage more people to invest in rental properties or invest in housing, we need to eliminate the impediments that are out there to allow them to do it. Thank you, Mr. President.

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

**McKINNEY:** Thank you, Mr. President. Again, I am opposed to this bill, and it is not rocket science, Senator Jacobson. Affordable housing is

an issue; it is a problem, it is unaffordable, and this bill is unnecessary because nobody is trying to implement rent controls. Why do we need this? That question isn't rocket science either. It also isn't rocket science to realize that if rents continue to go up, housing that already isn't affordable isn't going to be affordable. That's not rocket science. It also isn't rocket science that if we have bills that are trying to take back what the voters did when they decided to raise the minimum wage, that is going to create an issue. That's not rocket science either, Senator Jacobson. So, all these things are going to have harmful impacts on the people you're saying that you're trying to protect. How are the people going to pay for those rents if you vote for Senator Raybould's bill? It's just going to make it more difficult. But, you know, that's not rocket science. We don't need this bill. We didn't need LB229. Nobody was doing anything in the state of Nebraska. You just pre-empting things to pre-empt them. We're just going to-- I guess we're just going to have a session full of pre-emptions, like, oh, somebody, somebody is thinking about this, we might as well do it; somebody had this wild idea, we might as well do it. This is so-- I mean, it's just wild that we are deciding to do things because we think people might implem-- just think about it. This bill is being proposed because we think people might start advocating for rent controls. So, if that is true, then there is obviously an issue. What is the issue if people start thinking about rent controls? Just the idea. You know what the rocket science question would be? Housing is unaffordable. That is the answer. If people are even contemplating this. And which-- it must not be a lot, because the city of Omaha is not implementing rent controls, and I know of no city councilperson that is currently running for election advocating for rent controls. So, where is this coming from? But even if it's being contemplated, what is the core of the, the contemplation? The problem is the lack of affordable housing in this state. That is the biggest issue, is a lack of affordable housing. But that's not rocket science either. But we only care about corporations and property owners; we don't care about the people. But technically, according to the Supreme Court, corporations are people, which is another problem that has-- is, is an issue in itself. But we don't need this bill. We didn't need the last bill that was voted on today, but-- we have to start asking ourselves a fundamental question. Why were you-- why were we sent here in Linc-- to Lincoln? What is our purpose as senators? Is it to work for our constituents, or is it to serve other purposes? I think it's to work for your constituents. I think it's to work for the people. And if people are contemplating rent controls-- and which I haven't seen any evidence-- I would assume the issue is a lack of affordable housing. Rents are going up; wages



aren't. But we got bills to even limit the wages people make, too, and that is an issue. But we're going to pre-empt with rent controls, which are not happening. Nobody's introducing it. Where's the evidence? I'll wait for it. Please show it. Please show us some evidence that somebody's introduced a measure or an ordinance to implement rent controls and is passed in the state of Nebraska. Thank you.

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

**ANDERSEN:** Mr. President, I withdrew from the queue.

**ARCH:** Seeing no one in the queue, Senator Dover, you are recognized to close.

**DOVER:** Just to, just to answer some of the concerns. Why do we need rent control? Well, as I stated in my, in my openings, Omaha Housing Authority Affordability Action Plan mentions that the subject of rent control came up in the community engagement process, and while the subject of rent control only appears twice in the plan, it's mentioned positively. So, obviously it's under consideration. I think it's better to actually get the rules out there before we allow something to happen, and then have to bring statute to clarify afterwards. Another reason why do we need rent control in the state of Nebraska? I think we need to look at what's going on in the country and hopefully get in front of that instead of behind it. I think legislators are sometimes accused of not being proactive enough. Currently, Oregon, Wa-- and-- currently, Oregon and California have rent control and at the state level, while D.C., Maine, Maryland, Minnesota, New Jersey and New York also allow rent control at the local level. In 2023, California introduced a proposal to tighten its existing rent control law. Concurrently, Colorado, Georgia, Massachusetts, Michigan, New Mexico, North Carolina, Virginia, and Washington have seen recent attempts to enact rent control legislation, too. That's why I think we need to do something here. And really, if, if you look at states who have experience-- interesting enough, California's latest attempt to enact more rent control, Prop 33, was defeated by 62% of the voters. And when we talk about protecting the people, there's a-- we have a property management company in Norfolk, and we manage property for, for retirees a lot of times. So, you have an elderly husband and wife who maybe bought two rental properties so that they would have a retirement, and I think the last thing we can do is tell them what they can charge for rent. But anyway, that's why I think we need rent control, that's why I brought the bill. And I-- just so everybody knows, I am pro-affordable housing. I'm bringing affordable housing

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 10, 2025

bills currently, here in the Legislature, and that's why I also included the ex-- the exception so that we can have affordable housing in the state of Nebraska. Thank you.

**ARCH:** Colleagues, the question before the body is the advancement of LB266 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

**CLERK:** 32 ayes, 5 nays. Mr. President, on advancement of the bill.

**ARCH:** LB266 advances to E&R Initial. Mr. Clerk, for items.

**CLERK:** Mr. President, bills read this morning on Final Reading were sent to the governor at 11:35 a.m. Additionally, your Committee on Enrollment and Review reports LB290, LB428, LB140, LB144, LB478, LB113, LB177 to Select File, some having E&R amendments. Additionally, amendments to be printed from Senator Hansen to LB652, LR28CA. Notice of committee hearing from the Education Committee. New LR: Senator Bostar, LR66; that will be laid over. Additional name add: Senator Bostar name added to LB256; Senator Clements added to LR21. Finally, Mr. President, a priority motion. Senator Kauth would move to adjourn the body until Tuesday, March 11 at 9:00 a.m.

**ARCH:** Colleagues, you've heard the motion to adjourn. All those in favor say aye. Opposed, nay. We are adjourned.