

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifty-eighth day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is the Bishop Joe Hanefeldt, Bishop of the Grand Island Catholic Diocese, Grand Island, Nebraska in Senator McKeon's district. Please rise.

JOE HANEFELDT: We pray in the name of the Father, and of the Son, and of the Holy Spirit. Lord God, our creator, our redeemer, and our sanctifier, hear the prayers of your people this day, for we were created for the praise of your glory. Lord, we are men and women of faith, yet weak in so many ways. Help us, in your kindness, to exercise wisdom, understanding, collaboration, patience, and perseverance for the good of the citizens of this state, even as we seek your mercy, your pardon, and your strength for our faults and weaknesses. So, this day, we ask you to send your Holy Spirit upon us to enlighten us, to refresh us in the joy of your favor, and to lead us all to what is good and right and just. Fill us with confidence again this day that it is you, Lord, who rule the world, and that our work here is to extend your divine rule through government for the good of this great state of Nebraska. Bless this legislative body as they deliberate the matters before them this day and discern what is most beneficial for the common good. Increase their faith in you, Lord, and your power at work in them through their faith. And may honor and glory and praise be yours this day, through all that takes place here. And may your blessing come down upon them to assist them, unite them, and renew them in a thirst for righteousness. We pray this to you, O Lord our God, who live and reign forever and ever. Amen. In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

KELLY: I recognize Senator Sanders for the Pledge of Allegiance.

SANDERS: Please join me in the pledge to our great country. 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.

KELLY: I call to order the fifty-eighth day of the One Hundred Ninth legislative [SIC] session-- First Session. Senators, please record your presence. Roll call. Record, Mr. Clerk.

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

KELLY: Are there any corrections for the Journal?

CLERK: I have no corrections this morning, sir.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

KELLY: Any messages, reports, or announcements?

CLERK: There are, Mr. President. Committee report from the Transportation and Telecommunications Committee concerning gubernatorial appointments to the Board of Public Roads Classifications and Standards, as well as an amendment to be printed from Senator Brandt to LB561. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Lippincott would like to recognize a guest under the north balcony: Ron Burtz of Central City. Please stand and be recognized by your Nebraska Legislature. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR102, LR103, and LR104. Mr. Clerk.

CLERK: Mr. President, Final Reading. Senator Hansen has a motion to return LB148A to Select File for a specific amendment, that'd be to strike the enacting clause.

KELLY: Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. We're on Final Reading, correct? OK, thank you. No. All right. So, colleagues, a little procedural maneuver here. It turns out the Fiscal Office got back to me on LB148, and it turns out they didn't need-- we don't need to hire a full-time state patrolman to check the background checks on about three dentists a year, and so they're removing my fiscal note. And so the procedure here is to vote for this, to remove it back to Select File for a specific amendment to strike the enacting clause, to get rid of the A bill on LB148. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Seeing no one else in the queue, you're recognized, and waive closing. Members, the question is the floor amendment to-- motion to return. Motion to return to Select. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays to return to Select File, Mr. President.

KELLY: The motion is adopted. Senator Hansen, you're recognized to open on FA86.

HANSEN: Thank you, Mr. President. Again, colleagues, I encourage everyone to vote green. This is a bipartisan bill I think we can all get behind; might be the only one today. And so this is removing the fiscal note again on LB148A, so I encourage everyone to vote green on the strike the enacting clause. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I was hoping that my friend Senator Hansen might yield to a question in regards to the procedural issues at play in his motion and on this measure.

KELLY: Senator Hansen, would you yield to questions?

HANSEN: Yes.

CONRAD: Thank you, Senator. Why do we need to return this to strike the enacting clause? Why wouldn't we just hold LB148A from being passed on Final Reading?

HANSEN: From my understanding, it's-- procedurally, it's cleaner, so we don't have to keep something on Final, on Final Reading. We're bringing it back so we can just kind of strike it and get rid of it.

CONRAD: So when we ultimately pass LB148A, it will-- it, it will have no effect, it will have meaning; it has no enacting clause. So I'm not understanding why it's cleaner if we pass something with no enacting clause that's meaningless versus if we just leave something sitting on Final Reading without action.

HANSEN: It can't be-- it has to be with the companion bill, yeah. From my understanding, that-- fiscal notes have to be with the companion bill, otherwise we can't move forward with LB148. And so we have to bring it back to get rid of it, otherwise they have to move forward. So we can't leave it on Final Reading, because otherwise we can't address LB148.

CONRAD: But why does it need an A bill if there is no appropriation with it? Why doesn't the LB148A just go away?

HANSEN: OK, let, let me make sure I'm understanding your question. What are you-- what are you asking? Like, why do we have-- why do we have the A bill in the first place?

CONRAD: No, I understand what an A bill is. I'm, I'm asking procedurally why we're taking it back, removing the enacting clause to then later pass it, if in fact it's not going to have any appropriation attendant thereto because it does not have an enacting clause. So if you don't have an effective A bill, why, why do we need

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

to go through this procedure? Why do we not just hold the A bill on Final Reading if there is no longer an A bill associated with it?

HANSEN: So if my-- from my understanding, it's-- the rule is, again, if we don't bring LB148A back to Select File, and then when-- and we enact this-- we strike the enacting clause, that pretty much IPPs and kills, kills the amendment-- or kills the A bill. And so, again, we have to bring it back to the Select File. We can't move both forward, otherwise LB148 cannot move forward. We have to bring it, strike the enacting clause, which pretty much kills the A bill since we don't need it any more, because that's what Fiscal Office communicated to me.

CONRAD: OK. I, I appreciate-- I-- I'm not quite sure I'm, I'm following the, the logic there. I think you could accomplish the same both ways. But nevertheless, it's a, a good procedural point for us to have in the record today. Thank you.

KELLY: Thank you, Senators Conrad and Hansen. Seeing no one else in the queue, Senator Hansen waives closing. And, members, the, the question is the adoption of FA86. All those in favor vote aye; all those opposed vote nay. Has everyone voted who wishes to vote? Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays on the adoption of the amendment, Mr. President.

KELLY: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President, next item on the agenda, Select File, LB504 introduced by-- or apologies, Mr. President, pending on Select File was LB504 itself, as well as an amendment from Senator Bosn, AM856. I have additional amendments, Mr. President.

KELLY: Senator Bosn, you're recognized for a refresher: 2 minutes, both the bill and the amendment.

BOSN: Thank you, Mr. President. Good morning, colleagues. Again, LB504 with AM856 is the Age-Appropriate Online Design Code Act that I have brought forth as a measure to protect juveniles from some of the harms that are occurring on social media platforms specifically. This bill is a-- been a significant work in progress over more than just 1 year of work gone into trying to accommodate First Amendment protections, protecting kids without gutting the intent of the bill, and do so in a manner that we can actually see some meaningful change. It addresses the reality that social media is here to stay. So, again, I would

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

remind you this is a bipartisan issue; these are concerns that have been raised from almost every different group of individuals working with juveniles. I will hop on the mic when the bill is up again and go through some of the changes that the amendment makes, but ultimately I would appreciate your green vote on AM856. Thank you, Mr. President.

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

CLERK: Mr. President, Senator John Cavanaugh would move to amend AM856 with FA87.

KELLY: Senator John Cavanaugh, you're recognized to open on the floor amendment.

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. So FA87 is what the board says. Is that right? I think somebody said FA86. Did I mishear that? But anyway-- 87. FA87, what the board says. So FA87 is an amendment that just puts into the bill the clarifying language that the-- any fine assessed by not complying with this bill would go to the school fund, which is what is required by the constitution under-- I believe it's Article VII, Section 5 of the constitution. And I had expressed when we were talking on this yesterday that I think it's clear that fines are supposed to go to the common school fund, and I think that putting it into the statute is clarifying that that's our intention here, is to comply with the constitution. And, of course, I'm a stickler for clarity; I think it's always helpful if you can have clarity. And so just for way of context to understanding, that constitutional-- section of our constitution is a great thing that we have in the state of Nebraska for a number of reasons, but one of them is that other states have this real problem where they fund their local governments through fines assessed on traffic infractions and other offenses. And so, you know, a, a, a huge example of this in recent years was the city of Ferguson, Missouri, where they had something like 60% of the city budget was funded on these infractions and fees and things like that, and-- which then incentivizes criminalization or penalization of people to fund the budget. And then they have a whole other problem where people then get into the court system, and then they continue to charge interest and assessments on that. And this is-- happens not just in Missouri, but a lot of other states have this problem, and it's because they don't have this, this constitutional requirement that, that you can't raise local funds on this; it just goes to the school funds. And the school fund-- obviously, schools don't have policing authority, so the cities can't raise their, their revenue, or the counties can't raise revenue off of this. So it, it prevents that perverse incentive to over police

or over, over prosecute or over fine people. So Nebraska is in a much better position for those things across the, the nation, and other states look to us for that and say how is it that you haven't run into this problem? It's because we have this in our constitution. So I think it's really important that we continue to commit to that, and I think this is-- the-- I-- the constitution, I think, is clear that these fines should go to the common school fund. So all this amendment says is that the fines assessed in this will be apportioned per Article VII, Section 5 of the constitution. So I don't think it undermines Senator Bosn's intention on this bill; I don't think it does anything to water down the efficacy of the bill. It just puts clarity into the statute purposefully so that we are making sure that there is no confusion; that there's no shenanigans at some point in the future to apportion the funds differently or to pay, you know, for the costs of these prosecutions through the fees and fines; just that it would be the penalty in and of itself is meant to be a penalty to dissuade companies-- or to persuade them to comply, and that that money should go to the common school fund when it is assessed. So that's all this does. Pretty straightforward, I think nonoffensive. I think Senator Bosn had said she didn't think it was necessary. And so I guess we disagree on that point. But I think whether folks think it's necessary or not, I don't think that it hurts the bill. I think that makes it stronger and clearer, and so that's why I proposed this. And so I'd encourage your green vote on FA87. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I rise in support of the floor amendment, and am glad that we'll have an opportunity to talk more about the enforcement mechanisms in the measure that Senator Bosn has put forward. So we started to talk a little bit about this, I think, yesterday in our debate, and then ran into the noon hour and, and didn't have an opportunity to conclude the deliberation. But I guess in, in regards to Senator Cavanaugh's amendment, which I think is good faith, it is important that we have some sort of sense about what happens with the enforcement penalties. And I appreciate Senator Bosn's perspective that we don't need to restate current law, but it would be perhaps conspicuous if we leave it open-ended as well in regards to this new measure coming forward. And I think it's really important, in addition to the example from other jurisdictions that Senator Cavanaugh brought forward in regards utilizing fines and fees to fuel government, that we have a better way in Nebraska. And what's particularly important about this instance and

this enforcement is-- are, are really a couple of things. Number one, the Attorney General has already beat a motion to dismiss in Lancaster County Court against TikTok utilizing the Nebraska Consumer Protection Act and the Uniform Deceptive Trade Practices Act. You can go look for yourself. So I-- and he's alleging much of the same sort of design harms and negative impacts on Nebraska children as a basis for that suit. So I don't understand why we need a new measure as contained in LB504, if amended, if in fact there's already a basis under Nebraska law for the Attorney General to effectuate the same goal, number one. Number two, I have a significant amount of headache and heartburn when it comes to giving the Attorney General just more latitude to secure settlements, and here's why. It's good that he utilizes the authority granted to him to litigate on behalf of Nebraska consumers who are harmed; that is an important function of that office. However, this Attorney General has utilized significant settlements, squirreled them away into his settlement fund, and then rather than devoting them to consumer protection issues to help Nebraska consumers, he has grown his budget and he has allowed for cash sweeps-- \$15 million at least-- to help fill budget holes, or under the name of property tax relief. So it's a bait-and-switch on the utilization of the Attorney General's power under consumer protection auspices. And if we're somehow giving a new grant of authority, even though he has existing authority as evidenced by the TikTok case and the successful effort to beat a motion to dismiss in Lancaster County Court just this year, I-- I'm just very perplexed why there would be any sort of opposition to ensuring any sort of penalty would be specifically devoted to our common schools funds, which, by the way, also help to effectuate property tax relief and keep our great public schools great. But any sort ambiguity or uncertainty which allows for the Attorney General to negotiate significant settlements against some of the biggest tech companies in the world and then squirrel those funds away in his settlement fund to grow his office or to give to the governor to pug-- plug budget holes is something that should cause pause for concern. And that's part of what is at play with FA87 and, thus, I do urge your support of that measure. I would also like to hear from proponents of the underlying measure why in fact this measure is needed if in fact the Attorney General already has remedies under existing law to effectuate the same. Thank you, Mr. President.

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

HALLSTROM: Thank you, Mr. President, members. I rise today in support of LB504, somewhat ambivalent with regard to the floor amendment. I would agree with Senator Bosh that it's not necessary. I haven't been

able to look through all the litany of statutes, but I would rather imagine that we don't make this type of provision in each and every statute that has a penalty or a fine that ultimately makes its way to the school-- permanent school fund for distribution. I think, in support of the bill, there's no right or wrong on this issue. There's no right or left, more importantly. I think this is an issue that should ultimately be a bipartisan, to protect the children. I certainly commend Senator Bosn and her staff for addressing the concerns that have been expressed both outside the glass and inside the body. I know that Senator Conrad had quite a few issues that were raised, and I, I think, as I understand, that those have been addressed by way of the Bosn amendment that's pending, AM856, and I'm going to support that amendment as well. I think this is one where we've probably had enough talk about whether or not the folks on the outside that are throwing grenades at the bill from afar believe that it might be unconstitutional. I read some materials that came out recently, and there were a lot of buzzwords like "may," "likely to," "could be." I think what we have to do is look at protecting our children from harm, adopting the Bosn amendment, moving on to the next item on the agenda. So I would encourage you to support AM856 and LB504.

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

M. CAVANAUGH: Thank you, Mr. Senator-- Mr. President. I rise in support of FA87. In listening to Senator Conrad's comments about the AG and budget concerns, I was actually already-- this was already what I was planning to talk about, so thank you for setting that up for me, Senator Conrad. So we've-- we're in a manufactured deficit, as we have discussed many times this year. Or, I guess, I have; everybody else has kind of just said we're in deficit, but we're not, we have choices. So some of those choices are the AG's budget. And in Appropriations, we have allowed the AG's Office-- Senator Conrad, you might-- have already told you this, but we have allowed the AG's Office budget to grow when we are cutting everybody else's budgets, including public health departments, the university-- let's see, what else are we cutting? Behavioral health, water projects. But the AG's Office, the AG's Office we are allowing to grow. So I appreciate an amendment that clarifies that this money will go exactly where it's supposed to go because I don't trust our government anymore. I don't trust the executive branch to follow the letter of the law. Even if we do pass this, I still don't trust it. Being a part of this appropriations process so far, just for however many days-- 50 days? How, how many days? 58 days. 58 days of being a part of this

appropriations process, and I, I pretty much just find it to be a charade. It's the governor's budget, which is this red book, and the Appropriations Committee's yellow book, and I think for the first time in who knows how long, the budget is not going to come out of the committee 9-0. There's no way that that budget is coming out 9-0. Yesterday, we-- yes, we did vote to not cut the university's budget, but to give them a pittance-- again, expanding the AG's budget-- we voted to give him a pittance. Really, I just say they got rolled. And what does that mean? Well, the university's not going to go away; we essentially just approved the raising of tuition across the state, which is-- you know, it's a public institution, public education; we're trying to make education accessible and affordable to everyone. But we essentially are going to make the University of Nebraska a private institution because that's how much it's going to cost to go there. But the AG's budget is growing. Then, we-- inexplicably to me, never before yesterday, I walk into the meeting over lunch, handed a piece of paper, we voted to take \$100 million out of the Health Care Cash Fund. WTF, guys? Like, seriously, \$100 million out of the Health Care Cash Fund. You know who also should be concerned about that? The AG, because that helps him too, the tobacco settlement money. That, that is so important that, actually, the reason we are giving the Attorney General more money is for litigation around the tobacco settlement, which I don't understand because that was settled years ago. But we're taking \$100 million out of that to pay for something that we already allocated the funds for. Why are we doing that? Property tax relief for the governor and my colleagues who sit on that committee, who will financially benefit from that decision. But screw you, Nebraska, and your education. Just doesn't matter anymore. Grateful that LB3 failed yesterday, but that was just a distraction from what's really going on. What's really going on in our state is that we are defunding government for property tax relief that financially benefits not only the governor but members of this Legislature, and Nebraska should be angry. Nebraska should be very, very angry. We're hiding the ball, we're hiding money, we're shifting things around, and we're doing things-- if that had been in the original budget, there would have been several hours of hearings of medical communities coming out and saying how bad that was. So much so that members of the committee--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you. I'm in the queue, I will get back to this.

KELLY: Thank you, Senator Cavanaugh. Senator Dorn, you're recognized to speak.

DORN: Thank you. When I looked up there earlier, I was number three, and somebody-- somehow, I got moved ahead. Probably wasn't going to speak this morning, but as Senator Cavanaugh started speaking, I think-- I want to explain a little bit of what also else is going on in the budget process. As many people know-- and there's various reasons why, and we could get into a lot of detail-- we started the year with a budget shortfall anywhere from \$430 million to-- down to \$189 million, back up to, with the preliminary budget, \$289 million. I could give you multiple reasons why that budget shortfall is there. One of them, yes, being property tax relief. There are also other things that, through the years, as we have developed budget, as agencies have, I call it, spent funds, we've also increased that at-- when inflation was 2% and we were increasing the spending at greater than 2%. So there's multiple things; there isn't just one thing when we say property tax relief. There's multiple thing that have us in the position we are. As many of you know, the one thing that we need to do, April 29, we will have a balanced budget to the floor. We will make most of those decisions about 3 days earlier than that, our final decisions, because that bill has to go to the printer. That thing will be a half-inch, three-quarter inch thick. Then, we do-- or will be allowed 10 days of budget discussion on the floor. There will be multiple amendments, I can tell you that today. There will be multiple amendments on adjustments in that. Senator Cavanaugh is only, I call it, explaining part of the story, though. Yes, we are cutting things so that we do get a balanced budget. I've also visited with a lot of people-- we need some revenue. We passed Senator Jacobson's bill on Final Reading for the rural hospital assessments, basically; that brings in some revenue. If we pass the teacher retirement thing, that will bring in some revenue. But as we sit here today, if that doesn't pass on Final Reading before we bring the budget to the floor, I'm pretty sure we're not going to put that in the budget because we can't assume something's going to be passed. There are so many discussions, so many things. We have 74 agencies, 270-some programs; we get a budget from every one of those, we look at every one of those. Can we fund it? Should we fund it? Do they have excess funds? Is there interest growing in something that we can now, I call it, acquire the interest? All of those are used to develop a budget. I've told people for quite a while, it's like a giant puzzle. We start putting pieces in, taking pieces out because they don't fit. And, at the end of the day, this body-- you can say the Appropriations Committee did this or this; we're bringing you a guideline, we're bringing you a balanced budget to the floor. It's still up to this body whether or not they decide to pass that, to make amendments, to change something. It's up to this body how we end up with the total budget. We will give you our

best, our best budget we can so that we get that balanced budget, but that don't mean that everything in there is 100% right. There are decisions that I vote for or against that I wish I didn't have to. But yet, we know that we're required to bring that balanced budget to the floor. I got a little time left yet. The Forecasting Board now will meet on the 25th. Other years, I didn't pay much attention to it; this year, again, it's kind of important because will they decrease or increase what they did in February 29? Those all affect the budget. And how this body ends up making those decisions, whether it's property tax or other things, will be how that budget eventually gets passed. Thank you.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I appreciate colleagues giving a budgetary update. No doubt, we are all following that closely in conversation with them and in recent media reports. But it seems that, of course, what my good friend Senator Dorn forgets to mention is the reason we have a significant budget deficit is because the governor and his allies in this Legislature have charted a course of Kansas-style tax cuts that primarily benefit the wealthiest and largest corporations. That is what blew a hole in the budget. We are not in a recession. We do not see dwindling receipts because of economic factors. We see dwindling receipts due to political choices made by this body and this governor that are inequitable and unsustainable. And now everyone's scrambling around to try and find revenue, and I'm glad my friend Senator Dorn at least said the quiet part out loud. We have to raid teacher retirement to prop up the budget and the tax cuts. We have to increase fees and tuition to prop up the tax cuts. We're going to have bill after bill after bill to increase fees, to bring in other revenues, because this body and the governor can't manage a budget in a thoughtful way, so. Nevertheless, here we are. OK. The other thing that I want to point out, in addition to the enforcement components in regards to the underlying measure here, is I'm not quite sure what the ultimate goal is from an implementation perspective. I understand the underlying policy underpinnings on LB504 and other similar copycat legislation across the state-- or across the states or on the federal level, or model bills, however you want to term them. And what is clear, after following kind of a complex and dizzying array of different court decisions on different measures from different circuits with a pretty complex procedural posture, is that states are really in this kind of cat-and-mouse game with passing legislation and then fighting in the courts to try and advance what ultimately is a government censorship

measure. It comes under the guise of child protection, but it has significant implications for the free speech rights of children and adults and companies which have an ability to exercise editorial discretion in regards to their platforms and operations as well. So I don't know-- and, and Senator Bosn has been responsive to some of those recent negative court decisions in regards to similar aspects in her bill, and that cat-and-mouse game continues in regards the subsequent series of amendments where she's trying to thread the needle and, and navigate a path forward, being responsive to court decisions on aspects that did seem to violate the First Amendment or be overly vague or lift other legal concerns, which is part of how the process works. But my, my question is, if our ultimate goal is to protect kids, we, we got to get it right, and we've got to have a very, very narrowly tailored remedy to achieve a legitimate policy goal. And, and this seems to sell-- still really paint, sweep with too broad a brush, and still doesn't seem to be able to overcome many of the free expression concerns that are part and parcel with this legislation and that have been subject to litigation in other states. So we shouldn't rush; we should wait to get a clear sense from the courts about how to navigate that landscape, if in fact it is possible to do so. Because rushing forward could spark litigation which would enjoin this, and then the status quo remains. Unless the introducer and proponents are seeking to set up some sort of test case, novel case, or circuit split, and if indeed that is the ultimate objective, they should be clear about that on the record. Thank you.

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

M. CAVANAUGH: Thank you, Mr. President. Senator Dorn is correct. I am only portraying a part of the situation because I've been, to date, the only one willing to stand up and talk about it. So I appreciate you getting into the conversation. Otherwise, it is just me. Budget is a moral document, and a moral document has choices. We have \$1.2 billion going into a property tax relief fund, a tax we don't levy. We're supposed to fund education, we're supposed to fund public health, we're supposed to fund roads and infrastructure. And when the conversation came up about roads and infrastructure, my colleagues in the committee waxed poetically about how important infrastructure and roads are, how essential it is to the government to fund these things. So is healthcare. So is food. So is childcare. So is housing. You know what isn't an essential government function? Your property tax relief. That's not our job. And if it is our job, what we should actually be doing is care less about getting the credit by having a property tax relief fund in statute for a tax we don't levy and instead fund things

appropriately. Stop cutting programs that we fund at the county level so that counties can lower the property taxes. Start funding education at a higher rate at the state level so counties can lower property taxes. But we can't do that because then we don't get the credit. You know how I know that? Lou Ann Linehan said that to my face when we passed LB1107, the quagmire that started this ridiculousness. She said, we can't do it that way, Machaela, because if we do, we won't get that credit. And I said, yeah, we won't. Who cares? We'll get the outcome. But no, no, no, no, we can't have that. We can't make government function. We can't have government be transparent and accessible so that people understand what we're doing. And there's no mystery happening in Appropriations, colleagues and Nebraska. It's not as complex as my committee members make it sound. It's very superficial. We get a sheet of issues, and it's, do we approve this FTE or not? Well, I don't know. Do they need it? Well, I don't know, we didn't ask them any questions when they came to the committee hearing, so how do we know if they need or not? Well, they didn't mention it. Well, we didn't ask them. Huh. I guess they don't need it. That's it. That's the process. I'm not really showing you anything secret because these meetings are open to the press. And that is how the conversation goes. And then five hands or I'd like a record vote. That's it. So the mystery that I thought for 6 years, that I just didn't understand the budget-- I just didn't understand it because I wasn't in the room. And now I'm in the room, and I'm, like, oh no, yeah, it really is this superficial. And it really just matters if you have the votes in the committee to get what you want. And unfortunately for me and Nebraska, the only thing that I want is a sound budget that delivers on our promise to Nebraskans to be good stewards of their taxpayer dollars and to fund government appropriately. And because that is the only thing I want, I get nothing. Because I don't want any personal gain like some of the other members of the committee; I just want a good governance, so I get nothing. I'm sorry, Nebraska. Fortunately for my colleagues, I only have another year after this, and then they don't have to listen to me talk about good governance anymore. They can just go back to doing these things--

KELLY: That's your time, Senator.

M. CAVANAUGH: --the way they do them. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Juarez, you're recognized to speak.

JUAREZ: Thank you very much. Good morning, everyone. Senator John Cavanaugh, I was wondering if you would yield to a question for me, please.

KELLY: Senator John Cavanaugh, would you yield to questions?

J. CAVANAUGH: Sure.

JUAREZ: OK, so I'm looking at this floor amendment that you introduced, and I was looking at this section, and I want to make sure I understand it correctly. It says here: all such fines, penalties, and license money shall be appropriated exclusively to the use and support of the common schools in the respective subdivisions where the same may accrue. So, with this, since this is an online bill that we're taking a look at, how does that mean where the fines would go when it's an online aspect that we are looking at?

J. CAVANAUGH: Yeah, so that's a good question. So the constitution requires the apportionment to the jurisdiction where it is. So if you get pulled over for a speeding ticket in the city of Omaha, that money goes to the city of Omaha school-- like-- so if OPS or something like that, it'd go into the school fund there. If it's somewhere else in Douglas County, it might go to those different school districts. So with something of statewide concern that doesn't have a specific, you know, site where the offense occurred, then it would probably be apportioned to a-- you know, the statewide fund, and then that would be just sort of doled out, I think, proportionately. This-- obviously, the constitution was written before there was the Internet, so that--

JUAREZ: Right.

J. CAVANAUGH: --sort of a concern. And so it would have to be probably either figuring out-- apportioning it based off of, you know, relative across the state or if there are particular offenses, meaning a kid is using this in Omaha and the-- and TikTok, as an example, is fined for that kid, then it should be apportioned probably to the Omaha common school fund. So the site of the offense, it would be where you would apportion it. But I would imagine, if you get down to the path of where this is actually going to be enforced, it'll be at a much higher level than one individual kid as offen-- as the offense; it'd be a systematic, you know, kids in Omaha, Lincoln, Scottsbluff would be the victims. And so I think it'd either have to be apportioned based on that pro rata basis of where each kid is, or it would be apported across just as-- to the whole state. But the key is that it has to go to school funds and education, and that it has to be apportioned on

that perspect-- that, that-- at that level. So it's the most important thing is that goes to education, and then figuring out how to apportion it based off of where the offense occurred, I think, is a secondary question.

JUAREZ: OK, thank you.

J. CAVANAUGH: Sure.

JUAREZ: I'll yield the rest of my time to Senator Machaela Cavanaugh.

KELLY: Thank you, Senator Juarez. Senator Machaela Cavanaugh, you have 2 minutes, 7 seconds.

M. CAVANAUGH: Thank you. Thank you, Senator Juarez, and I'm back in the queue. So LB-- let's talk about how we got where we are. In LB1107, which was a must-do transformational bill in 2020-- we even came back in a middle of a pandemic to pass it. And it had the hospital-- the UNMC project; it had the Imagine Act tax incentives, which I still, to this date, have no clue if those have been beneficial or not; and then it had the creation of the property tax fund. And what I loved about that particular bill, it was very long. And everybody acted, again, like it was a mystery and it was so complex you couldn't possibly understand it. So I did this crazy thing at the time: I read it. I printed it off, I put it in a binder, I got little-- I got highlighters and sticky notes, you know, like you do in college or high school, and I read it. And when I had questions, I highlighted them, and then I found the lobbyists who worked on those issues, and I asked them questions. I remember specifically talking to a lobbyist about some oil and-- not oil. What is the word? Ethanol. It was an ethanol piece in it, and I was, like, what is this, explain and walk me through this. So that's what I did. And I came to realize it wasn't that mysterious. It did those three main things. It created a, it created a fund that was completely unusable so that during the special session we had last year, we attempted to fix that, although I think we all could agree to disagree or agree to agree that we did not fix it. But--

KELLY: That's your time.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Lippincott would like to recognize a guest under the north balcony, and that's Norm Kaiser of Central City. Please stand and be recognized by the Nebraska Legislature. Senator Dorn, you're recognized to speak.

DORN: Oh, me again. Thank you. I, I always look over at the, I call it, the queue there, and I didn't think I was up. But thank you. I'm up or whatever. Thank you, Mr. Lieutenant Governor. And, by the way, I'm, I'm for LB504 and AM856, and probably vote against the floor amendment. I didn't think we were going to have a budget discussion yet on the floor, but apparently we are, and so I wanted to update a little bit more. You can go on the Legislature website and you can look at home page, it has the financial status. Last year, I talked a lot about it. Pulled it up again this year, and this, this financial status was updated after the Forecasting Board met on the 29th of February. So this is the current one, and this is the one-- as we have budget discussions in Appropriations, this is the one we're looking at. And I think a couple of key numbers here are, as we sit and look at this, line 21, \$289 million deficit in the first 2 years of the 4-year budget cycle. The first 2 years are the ones we're approving this year that we are making the budget for. The 2 years, '25-26, '26-27. The others are-- the other 2 years out there, for the new people, those are estimates. They have built-in things for revenue, and they have built-in things for, I call it, appropriations. If we appropriate some bill today that is ongoing at \$1 million, that is included in those, in those out years. 880-- excuse me. Looking through the glasses wrong. \$866 million deficit out there in the second 2 years of the biennium. How did we all get here? You can start by looking-- this breaks down our revenue. In the current year, our revenue is \$6.4 billion. First year of the biennium, they're estimating that to be \$6.9 billion. This comes-- these numbers come from the Forecasting Board. And then, 7-- a little over \$7 billion, that's our revenue. The next line down is general funds transfers out, and Senator Machaela Cavanaugh is right on some things here. These General Fund transfers out, they are the Tier 1 property tax, which are today at about \$420 million; the Tier 2 property taxes, which are just the school part of your payment. Now, you get a credit. We front-loaded that in the special session, so you are getting, right now, at about \$750-60 million. So between those two, yes, that's over \$1.2 billion. Also included in there, though, in the General Fund transfers out, is the \$250 million we put in the future education fund [SIC], and then also the credit for the community colleges. That is up to about \$250-60 million. That will be-- in a couple more years, that will be-- it will be front-loaded next year, and we'll be up over \$300 million. There's two or three or four, I call it, other smaller things in there. Then, you go on down and you add in the other lines, what-- committee preliminary-- what we are having some, I call it, interest money, and it gives us the General Fund net receipts. Then, the next line is-- we call it appropriations, and it's what is the budget being

made of, what we are spending. Mainline budget, what we included in it, and then it gives you a net general funds. Line after that is ending balance, where we're at. We are, as a state, required to have-- most people call it a 3%; it's not exactly that. When you visit with our Fiscal staff, there are nine to ten things that are in that equation. It's \$328 million. It takes in the revenue, it counts for some of those things, and then there's an equation based on that. That's how we come up with a \$289 million deficit. In Appropriations, that is what we are trying to come up with balancing that part. As I've been here, the 7 years I've been here, I came the year after they had a billion dollar deficit. We had no expenditures that year on bills on the floor; since then, we've gone to a high of-- in a rainy day fund-- over \$2 billion. ARPA funds, federal funds. We've used those. ARPA funds had to be used. We are now at the point, though, where, I call it, myself, personally, we are facing a deficit the first time I've really--

KELLY: That's your time, Senator.

DORN: --dealt with a budget on that issue. Thank you.

KELLY: Thank you, Senator Dorn. Senator Bosn, you're recognized to speak.

BOSN: Thank you, Mr. President. I wanted to clarify some things on FA87 from Senator Cavanaugh. I am not opposed to this amendment. I, I do agree with his assessment that I indicated I don't think it's necessary and is probably redundant, but the reality is the funds go to the schools. We could say the funds are going to Senator Bosn and they're still going to go to schools. So, if we say it, if we don't, if we say something else, they're still going to the schools. And, to be totally honest, in crafting the bill, I initially thought that the best use of the funds would be to go towards juvenile mental health treatment programming, and they told me, oh, you can't do that, it has to go to the schools. So I, I am a green vote on FA87, and don't object to that. I wanted to go through some of the sections in here and address some of the concerns that have been raised about what this bill does, what it doesn't do, and what changes have been made, starting with Section 2 of the bill as modified or as amended in AM856, and those definitions, specifically with subsection (5) that defines what constitutes a covered online service. And if you look on page 2, there are a number of (i), (ii), (iii), (iv), (v); one, two, three, four, five qual-- requirements that have to be met in order to be considered a covered online service. So this isn't a you have to be one of these five, or you have two of the three-- two or three of the

five; it's if you are these five things: one, conduct business in the state of Nebraska; two, you alone or jointly with your affiliates, subsidiaries, or parent companies determines the purposes and means of the processing of consumers' personal data. Essentially, does your company determine how you process the data of the individuals using your product? Subsection (iii), has annual gross revenue of \$25 million. There was a concern that was raised that we were scooping up these starter companies, these mom-and-pop shops that weren't making the kind of money in order to, to-- unnecessarily scooping them up. And so this is language that we put in there to reflect that this is really designed to go after the mass companies that are really having a negative impact on minors. Subsection (iv), it requires that you annually buy, receive, sell, or share the personal data of not just some of your consumers-- 50,000 or more consumers, households, or devices alone or in combination with your other companies. So do you annually sell the data of 50,000 individuals or more? And the fifth requirement is that you derive 50% of your annual revenue from the sale of this data. So if this is a company that tangentially sells data but it's not making-- it's not how they make their money, that's not what we're trying to protect minors from. What we're to protect minors from are companies who are solely based on the income they receive from selling your data. Think about this: Facebook, TikTok, they're not selling a product. You get nothing out of-- tangibly, out of spending time on these platforms. They are profiting off of your being on there by selling your data. How long did you look at this ad? Did you click this? Did you buy these shoes? Are you interested in this? That's how-- that's the sole reason they make money. So if a company meets all five of those qualifications, they are considered a covered online service. But it goes on. It indicates specifically that this is targeted towards companies who are not just 50% minors, primary users; it's 98%. It says: a covered online service does not include an online service with actual knowledge that fewer than 2% of its users are minors. So this is clearly narrowly tailored; it is clearly specifically targeting online platforms that are directed towards minors. Those are important changes that were made in this amendment. As requested by Senator Conrad, we included a definition for dark patterns. That's on page 3, and that is a definition we took from other statutes within the Nebraska Revised Statutes so that it was consistent. There were a number of concerns that we had over making sure that dark patterns--

KELLY: That's time.

BOSN: Thank you, Mr. President.

KELLY: Thank you, Senator Bosn. Senator Machaela Cavanaugh, you're recognized to speak, and this is your third time on the floor amendment.

M. CAVANAUGH: Thank you, Mr. President. So there's-- the question about how the ques-- the decisions we have to make. And so I was talking about LB1107, which created the property tax income tax relief fund. And for years after that was passed, I stood on this floor and explained to Nebraskans how to actually get that tax-- income tax credit. And I remember one day, the previous Journal clerk, prior to Jenni, she told me one day that she got that on her income taxes because of what I told her on the-- when I talked about it on floor debate. And I was, like, great, well at least one person got that income tax credit. So it was going so underutilized because it was so convoluted that, eventually, we had to do a look-back that people could claim it more than just the previous year because so many people didn't know about it. And then we had a special session, and I don't even know what we did now. I'm not quite sure. So there's that; that's one thing. Then, a previous Legislature before my time created a different property tax credit fund that shows up on your property tax statement, and it is state aid. That one at least makes a little bit more sense, because it's just, like, direct property tax aid to counties. So that's two. And between those two funds, we currently are putting aside \$1.2 billion for a tax that we don't levy. And we are not funding other things. Then, we created the Education Future Fund that nobody understands and is not sustainable and is going to run out of money, and we're just ignoring that massive circus elephant in the room. Some might even say it's like Dumbo; it's like a flying circus elephant, so we're working really hard to not see it, because it's-- I mean, it's distracting. But we'll just pretend like it's not there. So then there's that. And then we have all these water projects, and that's fine and dandy. We've put aside this money for all these water projects. And then we kind of took some of it back because we just felt like it. And then we decided to stop funding certain water projects and to just steal money from the Environmental Trust Fund. Because that's totally cool and not at all unconstitutional. Oh, wait-- it is unconstitutional, drat. Well, we'll do it anyways. Who cares? That pesky constitution. We did, however, fix one thing that we did during the special session, which was to take money from the Board of Education Land Funds [SIC], the BELF; we did fix that, or we're going to fix that in the budget. Good thing, because if we don't-- this is fun-- found out during the hearing on that that that is actually part of the enacting clause with the federal government for our state to exist. So it is not only unconstitutional, but puts us in

violation of even existing as a state. So I guess we cared enough about that one that we decided not worth that fight, right? Territory of Nebraska, that would have been fun. But at least we wouldn't have state income taxes and state property taxes anymore, it'd all just be federal. So there's that, I guess. And then there's the prison. And we got all this money set aside to build a prison. And I've been talking about this for years. I see I'm out of time. We're going to get to a vote on Senator John Cavanaugh's floor amendment, and then I'm going to get back in the queue and talk about the prison and Texas and Kansas next. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you're recognized to speak, and this is your third time on the floor amendment.

CONRAD: Thank you, Mr. President. Good morning, colleagues. I, I guess I want to just kind of go back to the enforcement components herein, and I'm just trying to get an understanding about perhaps what moves the hearts and minds of my colleagues in the Legislature, or if this is just the most recent iteration of power and privilege on display. But serious questions have been brought forward about the substantive components in this measure while recognizing the shared and laudable goals, and the fact that Senator Bosn has worked super hard and in good faith. The fact that she has worked super hard in good faith should be the standard. Nevertheless, commendable. But even though she has worked hard and in good faith, that doesn't necessarily create a meeting of the minds when-- about execution of the policy goals when there are-- there's legitimate and serious free expression issues at hand that have been litigated in our sister states and all the way up to the Supreme Court, to very recently help establish the appropriate legal framework for evaluating issues like this, as the law catches up to this application of technology. So my question, though, is what, what does cause this body pause? A vote of the people? Nah, we sweep that aside. Successful litigation that's relevant and on-point from other states? Nah, sweep that aside. Successful litigation right here in Nebraska that's very, very recent, including this year? Nah, we sweep that aside. OK. Editorials? No. But as noted yesterday, at least when the second house speaks out, there does seem to be some responsiveness to actual citizens, so we'll hold on to that. I'm not sure that a novel litigation framework for social media companies is going to generate an outpouring of support from our second house, but we don't know. So my question in terms of the enforcement-- and I think we can all agree that this floor amendment is-- should be noncontroversial-- is exactly how the new penalties perhaps in-- contemplated in LB504, civil-- or at least by reference, there are some criminal components or enforcement issues in the Uniform

Deceptive Trade Practices Act for violations; some misdemeanors, I think perhaps a felony for violation of an injunction or otherwise, but it's primarily a civil enforcement scheme. But my question is trying to get an understanding about exactly how this enforcement mechanism would be an addition to the remedies that are in place under the existing acts, and exactly how they were selected. Is it just an arbitrary selection of \$50,000 per violation or is that moored on some other that we can look to or is that seen by proponents as perhaps a fine that's high enough to catch the attention of, I guess, these multistate global companies? I'm not sure \$50,000 will do it, but just trying to get an understanding of what the enforcement mechanisms ultimately are, how those comply with existing enforcement mechanisms, and then why the thresholds were chosen. Thank you.

KELLY: Thank you, Senator Conrad. Senator Bosn would like to recognize some guests in the north balcony: they are ninth graders from Standing Bear High School in Lincoln. Please stand and be recognized by the Nebraska Legislature. Senator Dorn, you're recognized to speak, and this is your third opportunity on the floor amendment.

DORN: Thank you, Mr. Lieutenant Governor. Part of what the discussion-- oh, by the way, I'm for LB504 and AM856, and probably 87-- FA87. Part of what a lot of the conversation settled around too this morning is property taxes. I keep hearing all the time about how such an advantage the rural property taxes get. Here comes the numbers from Bruce Rieker from Farm Bureau, who is one of the leading ag groups in the state, who have been very involved in all the property tax discussions. Total property taxes levied for 2024 in the State of Nebraska-- yes, the Legislature does not get any of this money; it's schools, cities, there's about nine different entities-- \$5.3 billion. Those have gone up on average every year by about \$275 to \$300 million dollars. That includes railroad and public service entities are included in that total property taxes. Taxes levied for agriculture land amounts to 24% of that, taxes levied for industry and commercial amounts to 20% of that, and residential's 54% of that. So all of these tax relief things that we've been giving, 75% goes to commercial and residential. Yes, we all partake in this tax relief. As you've come up here, as you've ran as a senator, one of the things you always hear is property tax relief. There are other things we hear now-- childcare, university, other things-- property tax relief. I think one of the main things all what I think needs to be more part of the discussion is we've had property tax relief since the early '90s by a formula called TEEOSA, and we don't have enough discussion on that. 10 years ago, 15 years ago, 150 schools out of the 244 in Nebraska received TEEOSA. Probably more like 15 years ago because of ag land valuations

going up; not residential, there was a shift. 10 years ago, 5 years ago, in that time period, we were down to 85 schools, mostly the big schools, getting TEEOSA funding. There's multiple things in there, about 14 things-- part of it's equalization aid-- that is some of the things we're having discussion on, especially with LB303 and how that affects that. But it's been, the last 10 to 15 years, \$1 billion. Today, with our future education fund [SIC] and the foundation aid, when you look at the data, equalization aid, only 60 schools are getting that. We are still at the billion dollars; we've been that way for 10, 15, 20 years. So when I look at residential and commercial, most of those also are in that TEEOSA formula. Very little ag land because it's been bumped out of it because of the valuation increases. TEEOSA today, \$1 billion in direct property tax relief. Because if we pulled all that funding away, most of that would go back on the property taxpayers, also has been going to many of these big schools. When we had 85 schools, Omaha was getting over \$300 million-- or, no, excuse me, \$275 million; Lincoln was getting \$130 million. They were getting over \$400 million out of that billion dollars. That is property tax relief also. So when you want to sit on the mic and talk about property tax relief, we've been giving it for 20 years to certain entities. We're trying to balance all of this. We're try to make this, I call it, more fair to everybody. Thank you much.

KELLY: Thank you, Senator Dorn. Mr. Clerk, for an announcement.

CLERK: Mr. President, the Education Committee will have an executive session in Room 2022 at 10:30 a.m. Education, 2022, at 10:30. General Affairs Committee will have an exec session at 11:00 in Room 2102. General Affairs, 11:00, 2102. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. I'm not really engaged in the conversation about property taxes that's going on in this floor amendment. I got no problem with the floor amendment; it seems like a commonsense thing that should be noncontroversial in terms of the intent of the bill. And I've read through the amendment from Senator Bosn. I was strongly opposed to the original bill, and I see how Senator Bosn has adapted this amendment to concerns from opposition. But I-- and I really am trying to kind of think about where I come down on this, because I understand the intent of the bill as well. But what I'm having trouble understanding and squaring, and what I am having cognitive dissonance about, is the same people who just passed a bill, LB241, that shields corporations from liability when there's a data breach, are promoting and pushing LB504, which requires companies

to collect more data about children. So in effort to protect kids with LB504, we're requiring these, these tech companies to collect more data about their kids; about who they are, where they are, you know, their identity, their location. But with the passage of LB241-- are you listening? With the passage LB241, if that data is breached, if that data is leaked, there is no consequence for those companies. And so if the goal is to keep kids safe, which is the underlying goal of a lot of legislation we hear lately, how are they safer if that data is breached and there are no consequences for the company? I see in the amendment-- I don't think I'm misunderstanding, but looking at the part about civil penalties-- let me find it here, civil. So civil penalties for violations of this act. So there could be a fine for that, but I don't think that that would include a, a data leak because of the passage of LB241. So, you know, I think we have once again kind of fallen into the trap of tribalism and teams here in the Legislature. You know, we passed Senator Hallstrom's LB241 because he was on the conservative Republican team, and we're going to pass LB504 because Senator Bosn is on the conservative Republican team. But, colleagues, these bills don't talk to each other. If the goal is to keep kids safe by collecting their data, but if that data is breached there's no consequences, that's not keeping them safe; that's another way of protecting corporations who, at the end of the day, are going to collect that data, sell it, and have no consequences for that because they can't prove gross negligence, wanton negligence. And so I would love to protect kids, but at the end the day, if the data's leaked, there's no consequence for that. So I don't, I don't think that we really come on top there. I would like for Senator Bosn to take some time to rebut what I've said, or, or assuage, provide some reassurance that because of the passage of LB241, LB504 isn't going to be rendered meaningless and potentially harmful. I do not want to have a side conversation about that, I would like that responded to on the record on the mic. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Seeing no one else in the queue, Senator John Cavanaugh, you're recognized to close on FA87.

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I appreciate the incredibly robust conversation on FA87. Just so everybody knows what we're talking about, FA87 is not about the budget and it's not about a lot of other things; it is noncontroversial belt-and-suspenders approach. So FA87 just puts into the AM856 and then ultimately LB504 that any fines that are levied under this act will be apportioned consistent with the constitutional provision, Article VII, Section 5, which says: that all fines levied shall belong and be paid over to the counties respectively where the same may be

levied or imposed, and shall-- and all fines, penalties and license monies arising under the rules, bylaws, ordinances of cities, villages, precincts or other municipal subdivisions. So all penalties and fines, license shall be appropriated exclusively to the use and support of the common schools in their respective subdivisions where they shall accrue. So basically, the constitution says any penalty we assess in a monetary form goes to support the school wherever the offense occurred. The constitution has been clear on that. This is a good function of our constitution. It sets us apart from other states that have these problems where they attempt to fund their local governments on these fines and fees and other-- try to fund their other portions of the government. So this is already something that you have to do. We have, in other sections of our statute, explicitly said that these fines and fees will be apportioned in compliance with this section. And we've done it specifically in the Deceptive Trade Practices Act, which I looked at earlier, and which I took that language from, which I believe is 87-303.11 is the section. And, you know, I was looking at AM856, and it specifically says that the-- any violation of the All-Appropriate [SIC] Online Design Code Act shall constitute a deceptive trade practice. So, of course, in the section we're talking about, we're already simi-- doing similar things, so I think it is-- it doesn't undermine Senator Bosn's intent in this bill. I think it does just reassert this good principle in our constitution, it clarifies it in this statute that any monies collected under the enforcement of this are supposed to go to the, the common school fund in whatever jurisdiction the offense happens. So I just think it's a clarification, a belt-and-suspenders approach to get this-- make sure that this is done appropriately whenever it is enforced. So-- and I appreciate Senator Bosn speaking that she doesn't oppose this amendment, so I encourage your green vote on FA87. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Members, the question is the adoption of FA87. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays, Mr. President, on adoption of the floor amendment.

KELLY: FA87 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Dungan would move to amend AM856 with FA91.

KELLY: Senator Dungan, you're recognized to open on FA91.

DUNGAN: Thank you, Mr. President. Good morning, colleagues. I do rise today just to talk a little bit about this floor amendment, and hopefully have a discussion a little about what the bill-- excuse me-- does and does not do. So I did talk with Senator Bosn prior to introducing this amendment, and I think that she and I may just disagree about some of the language in here, but I do look forward to hearing her respond to some of these questions because I know she was legitimately trying to get to some answers for me. So I talked about this a little bit on the mic yesterday. There are certain philosophical concerns that we can have about the bill, but at the end of the day, I also think that if we're passing legislation, we should make sure that that legislation is constitutional. One of the things that we discussed briefly, and I think it's been touched on by some others today, is First Amendment rights to free speech extend to a number of different circumstances. And one of the circumstances that has been, I think, an interesting evolution in First Amendment law over the last 5 to 10 years is what the state-- which, that's us, we the state-- can tell a social media or online company to do or to not do. And there are some cases out there, one of them is the *NetChoice v. Moody* [SIC] decision, which is from the Supreme Court, that goes into a lot of detail about some other laws that were passed that sought to essentially curb what social media companies could or couldn't publish, or how they published things on their website or on their apps. And in that opinion, it essentially gets at the general concept that the state cannot tell a private actor how to curate the content on their social media site with an effort to either include or exclude certain aspects of speech. And so-- I mean, to put this more simply, we the state cannot tell Facebook, for example, how to curate the content on your feed, the thing that you see when you log into Facebook, because it is akin to us exercising or telling, for example, a newspaper how to exercise their editorial discretion. There's a whole line of cases that, that get at this, and it's discussed in that *Moody* case, and I want to go into just a little bit of detail about that real quick. Essentially, the courts, going back to the 1970s and the *Miami, Miami Herald Publishing Company* case, established that there is a First Amendment right to exercise editorial control and judgment over the content that a newspaper or another publication puts out. The court cannot get involved-- I'm sorry, the state cannot get involved in telling those companies what they can and cannot publish in their newspapers. Through a progeny of cases from then on, the courts have sort of taken that and they've applied it to a more modern approach. And all the way up until this *Moody* case, they've worked towards this general First Amendment, I guess, belief or, or, or truism that we cannot tell private actors like Facebook or Snapchat,

or whomever the, the company de jour is, how to curate the content of their app or their website because it does inherently infringe on the speech of that company or the individuals that are trying to seek-- or that are seeking to put out information on that app. So, knowing that, I was reading through AM856, and I want to take a step back, also, to echo what I said yesterday, which is that I do legitimately believe that Senator Bosn has responded to some of the critiques and the concerns that have been brought up on General File, as well as myself and other conversations that we've had, and during the committee hearing. That being said, there can still be philosophical debates about whether or not this is something the government should be involved in, and there can still be concerns about the constitutionality of various aspects of the new amendment, AM856, that we have before us. So AM856 in particular has two different sections that I guess raise concern with me. One of those is the section that applies to the various tools that a covered online service has to provide with regards to the, quote unquote, covered design features. And this is Section 4 of the amendment, so starting on page 6. It outlines in paragraph 1, that they have to provide these tools, and then it goes on to list a number of different tools they have to have. For example, the covered online services-- so these websites or these apps-- have to limit the ability of other users or visitors to communicate with a covered minor, prevent other individuals from viewing the personal data of the minor-- those kind of make sense-- but then, specifically, control the operation of all design features, including but not limited to the covered design features-- so targeted advertisements, infinite scroll, things like that-- that are unnecessary in order to provide the covered online service by allowing the covered minor to opt out of the use of all unnecessary covered design features or categories. Subparagraph (d), control personalized recommendation systems by allowing a covered minor to opt in to a chronological feed, or by preventing categories of content from being recommended. So that one in particular says that there has to be a tool in place that allows a minor to opt out of the chronological feed or opt into the chronological feed, and essentially a tool that you can check a box that controls how information is presented to you. The problem, though, is as you look on to later in that section, there is subparagraph (3), which is what my amendment speaks to, that requires the online service to establish that as a default setting. And that is where the issue lies, is that we are, as a state, telling a private actor that, as a default setting-- which in my reading of a default settings means that it is the automatic sort of way that this information is being curated and provided to an individual-- saying that they have to change the way the information is presented to the

minor. If you then continue to look on Section-- sorry, Section 5 has a similar provision that then speaks to the default settings, and yet again on page 8, lines 4 through 6, requires that a covered online service has to have particular default settings in place that specifically affect the way that information is curated or pushed through notifications to a minor. So, colleagues, I'm going to put this more simply. We as a state don't get to, according to the Supreme Court, tell these private actors how to curate the content that is consumed by an individual who is on an app. So my floor amendment speaks to those two sections specifically, and it removes the provision in the bill that requires that a private actor has to curate their content in a particular way for consumption by an individual who's using the app. There's a number of other cases out there that specifically talk about what it means to be narrowly tailored. I'm sure we're going to get into a conversation more about the First Amendment. But-- excuse me-- to put it simply on that, in order to infringe upon somebody's First Amendment rights when you are infringing on that content-based sort of discrimination, it has to be narrowly tailored and it has to be a compelling governmental interest. I think we all agree that it is important, certainly, for us to make sure kids are safe, and to make sure that there is not these negative side effects of social media. But courts, as recently as, I believe, earlier this month or last month in Arkansas, have found that similar bills are not narrowly tailored enough in order to infringe on that speech. So, again, I believe that in order to be compliant with the First Amendment, it is important that we not curate the speech that is being made by these private actors. And so I do believe that my amendment speaks to both of those sections, and removing those lines, I think, gets us closer to being in line with the First Amendment by not compelling certain individuals to speak in a certain way, and by not infringing on the long-held belief that we, as a state, don't get to infringe on the editorial discretion of how content is presented to users. So I would encourage your green vote on FA91. We can continue to have a conversation about the First Amendment. I'm sure there's some interesting things we could talk about. But I, I would appreciate your green vote on the amendment. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Dungan, for that robust opening. I actually wasn't going to speak on this amendment and just get back to the underlying amendment, but I know that some of our colleagues are in executive session at the moment and they wanted to be engaged in the conversation that we're having on

this bill, so I am going to continue with some of my own conversation about the budget. So when I last left you, Nebraska, I was starting to discuss Texas and their corrections reform. So I've talked about this in the past, that Texas, back in, I think, 2016-- was it Governor Perry at the time signed the bill? The legislation for corrections reform in Texas. And then ALEC-- I think you all are familiar with ALEC, which stands for American Legislative Exchange Council. ALEC has done a lot of reporting on the Texas model, and I believe-- and I always say I will stand for correction, but I believe CJI, who we hired to help us with our own corrections reform is who Texas hired and did their model. So what did Texas do? Well, they-- first of all, which I love in this particular article from August of 2018-- they made it presumptive that 17-year-olds would be treated as juveniles. And that didn't mean that they couldn't be treated as adults, but it was presumptive automatically that 17-year-olds, 17 and younger, were treated as juveniles. So that was a big change. They did sentencing reform, they tried to get people out of the system faster for lower-level offenses, they did more investment in community corrections, and on and on. And guess what happened? They saved, like, a billion dollars in the first year. They stopped building prisons in Texas. So then we hire that same consultant, they gave us some really great ideas, we introduced legislation, we had late-night debate here. But the problem was that it was Senator Lathrop's bill. That's it. That was the problem. That was it. Senator Lathrop's bill that he brought after working with an entire committee of diverse voices in the Legislature and the same consulting firm that helped Texas do things smarter and more cost-effective, but the wrong person brought the bill. So we're building a prison. Yay. Because I guess the right person brought that bill, I don't know. So then we had Senator Wayne bringing this legislation over the last biennium, and we passed something, and then it got vetoed and, you know, we're building a prison. We have a manufactured deficit, and we refuse to have corrections reform. We refuse-- instead, we actually have a bill on the agenda today that creates another enhanced penalty for assault, so we're, we're just going to keep building up that prison system. And we-- yeah. We're just, you know, overall making what I would say are poor financial choices. Short-sighted might be a term that I would use. I am almost out of time, so I'm going to get back in the queue because I still haven't gotten to Kansas and TEEOSA. But we could do things smarter in Nebraska. We could have corrections reform, we could have cost savings. When people talk about government waste, government waste basically comes down to pettiness. We're petty in here. If my name is attached to a bill, even if it's a family support waiver for children with developmental disabilities, it gets filibustered--

KELLY: That's your time, Senator.

M. CAVANAUGH: --because it's mine. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Storm would like to recognize some guests in the north balcony: they are seniors from Cedar Bluffs High School. Please stand and be recognized by the Nebraska Legislature. Continuing in the queue, Senator Bosn, you're recognized to speak.

BOSN: Thank you, Mr. President. I rise in opposition to the floor amendment, FA91. I-- and that's only because I've just seen it today and I don't really think that I can adequately prepare myself to strike those sections without doing a little more research. Certainly, the bill was filed a week ago and-- over a week ago now, and so I'm happy to look at those requests, but I'm-- I am a "no" on FA91, and I've already discussed that with Senator Dungan. I will go back to addressing the sections that I think are relevant here to AM856, and why I think this is a narrowly tailored version of the bill that does not have any concerns for violation of the First Amendment because of those things that have been stripped out of the bill. I would encourage everyone who's concerned about what's going on in California in the California case, which I have, in fact, read, one of which is 18 pages, one of which is 56 pages. I don't know how to say this, but I can't-- I can tell you that the language that's in those-- the California version isn't in my bill, but I can't make you understand it. I can you tell it's not in there. So, it's not in there. If you can find it or you have those concerns and you can streamline them, maybe explain it to me; I'm happy to look at those things. But I'm telling you that the concerns in the court opinions have been stripped out of my version of this bill with AM856. Looking at-- I left off with Section 5. This is the section-- also an important section. It talks about minimizing the amount of data collected. And I'm going to be really honest with you, I don't think anyone in here actually thinks these companies aren't already collecting this data, because I would assume all of you know that they are. But it is an effort to minimize the amount of data that's going to be collected, and certainly has expressly stated that no data needs to be collected in order to comply with this act. So I think that's also a relevant component of the modified amended version of this bill. It says in Section 5 that you will only collect it-- the minimum amount of necessary data, that it's not to be require-- there is no requirement to collect data in order to comply with the act. So, again, that's subsection (2). I think that's an important part, and I'd encourage you to look over that as well. Subsection (3) talks about any data

that you do collect, you can only retain as long as necessary to provide specific elements of your service, so then you have to get rid of it. So we're not telling you to collect any; if you're collecting it anyway for whatever purpose your online covered service provides, you have to get rid of it when it's no longer necessary. Subsection (4) talks about not targeting advertisements to a covered minor. Also a, a laudable accomplishment in order to protect kids; certainly goes directly to the intent that I've said about reducing the harms that some of these social media companies are having on juveniles. Subsection (5) talks about if you're going to use precise geolocation information on a covered minor, that you have to provide them a sign that you're doing so. OK, that seems reasonable. If we're tracking where you're at, we're going to let you know that we're doing it. It also talks about-- excuse me-- the use of notifications and push alerts, and it provides that they're prohibited during what I would consider sleep-- reasonable sleeping hours and school hours. So no notifications or push alerts between 10 p.m. and 6 a.m. Seems pretty reasonable and clearly narrowly tailored to be during a time period when minor children should be sleeping. It also talks about 8 a.m. and 4 p.m. on school days during the school year; narrowly tailored so that those things are accomplishing their goal to protect kids. To that end, I want to just take a quick moment-- also agree there were-- so constitutional law at Creighton University was a first-year class. It was a great class. I had Professor Fenner; I assume Senator Cavanaugh knows Professor Fenner. He was a fantastic teacher, and we spent a considerable amount of time going over First Amendment, what it means, how you can hold things to certain levels of scrutiny under-- when you're, when you're doing things like addressing-- is this a, a needed service for juveniles? Is it narrowly--

KELLY: That's your time, Senator.

BOSN: --tailored? Thank you.

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

M. CAVANAUGH: Thank you, Mr. President. I, I actually meant to go back to the comments that Senator Hunt had made on the previous amendment about a previous bill that we moved, and whether or not these bills are in conflict with one another. And I'm wondering if, if that's going to be addressed or not, but-- because we're not going to hold those companies liable, I believe was what that legislation did, and I don't recall where that bill is at, if we passed it or if it's on Final. But getting back to budgetary conversation. So education-- and

kind of in tandem with LB1107, one of the largest ticket items, I think it's 60% of property taxes go towards education. And Nebraska has one of the lowest state aids in education in the country. I don't know, we were like 47 or 40 last time I looked. So what happened in Kansas was they made a lot of choices about how they were funding government, and ultimately ended up "unfunding" education. They went to 4-day weeks because they couldn't afford 5-day weeks, they had massive budgetary shortfalls, and then the entire Republican administration was thrown out. So we're pretty much walking in the footsteps of Kansas, which, you know, I guess if you want to have Democrat leadership again in the state, then we should keep on the path that we're on, because that's probably what we're going to result in or we could make sensible choices and be responsible fiscally conservative legislators that are public policy-minded and believe in transparency and good governance, and we could fix these mistakes. We could stop implementing massive income taxes for the wealthy that are going to bankrupt the state. We could take the property tax relief money and fund the things that property taxes pay for currently at the state level. And then, miraculously, if we fund the things that property taxes are paying for at the state level, your property taxes will go down. Imagine that. I had a conversation with one of my colleagues here who is new this year about this whole thing and why don't we do that? And I said, well, we don't get the credit. That's why we don't do it. And they're like, well OK, but beyond that, why don't we do that? And I said, well, the other thing is that we don't trust county boards to cut property taxes. And they were like, what? And I was like, I know, it's interesting because some people in here actually used to serve on those same county boards, and they're predominantly Republican-led county boards. But we cannot trust local county board members, even if they're Republicans, to cut property taxes if we do it that way. Because, as we all know, elected officials never want to tout that they've cut your property taxes. Who would want to do that? Who would want to run on that for reelection? I mean, I've never met an elected official who's like, you know what I want to do? I want to cut your property taxes, and then you'll think I'm doing a good job and you'll reelect me. That's not-- why would that be the real thing? That's not. I'm being very sarcastic, for transcribers, for the future of this. So, yeah. So those-- but those are actually things that people in the Legislature have said to me that-- reasons: we can't do it because we don't get the credit, we can't do it because we can trust local governments to cut property taxes. And I'm like, cool, that makes no sense. I don't believe that. I believe that Douglas County Board would happily lower our property taxes if the state would take back the unfunded mandates and the cuts that the

state made to local governments during other actual budget crisis. If the state took those things back, if the state started funding it--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Dungan, you're recognized to close on FA91.

DUNGAN: Thank you, Mr. President. Colleagues, I would encourage your green vote on FA91, as I believe it really does get us closer to a place where AM856 is in compliance with the First Amendment. We've talked a lot about the First Amendment and kind of why-- whether it does or doesn't apply here. I know Senator Bosn has indicated that this bill does not contain the same unconstitutional provisions as the California bill, or the California law that has now been enjoined. I guess I would respectfully dispute that. I understand there is a provision in particular in the California Bill, the DPIA, DIPA, that is removed from this. And certainly I would agree that there are portions of that California bill that have been taken out of LB504 and not included in AM856, which make it better. But at the end of the day, the current California regulation, the law that has now been enjoined, it still addresses the same underlying issue, which is that it seeks to regulate speech in a way that is overly broad. That is the concern that we have. The court, in their most recent injunction on the California law, specifically said that the California law does, in fact, regulate businesses that provide an online service, product, or feature that is likely to be accessed by children and that specifically, by virtue of the way that that works, is going to regulate content. It is going to regulate specific content that the, the kids or that the minors who we're targeting here could otherwise access. And so the question is, is it content-based or is it content-neutral? This does seek to regulate protected speech that youth would otherwise be able to consume or express on these underlying apps. In doing so, I believe it does that in an overly broad manner. And part of the problem that we talk about here are some of the definitions like dark patterns that are, I believe, included in that California law, which I think have been found to be potentially overly broad. So I don't think it's as cut-and-dry, potentially, as has been argued. These concerns that we're raising are not frivolous. Every step of the way, bills similar to this have been stopped. Whether they're identical or not, the courts have expressed a great concern over government exercising what is effectively censorship at a state level over what these individual entities can or cannot express

on their social media apps or their websites, or what other services there are. So I just want to be very clear: whether it's Arkansas or California, courts have consistently said they have concerns about bills similar to this. FA91 specifically and very narrowly limits or, rather, cuts out parts of the bill that essentially tell these entities how to act. And so if we remove the two sections that I'm trying to remove with this floor amendment, I do believe we get a little bit closer to being in line with the First Amendment by not compelling entities to either express certain things or withhold certain things on their websites. It is a long-held provision under First Amendment law that editorial discretion is protected, editorial discretion is protected speech. And what AM856 seeks to do is to tell entities, private entities, how to express content on their website or on their social media app. So what we are doing with AM856 is we are essentially compelling speech. The courts have found time and time again it is compelled speech to infringe on the editorial decision-making process of these entities. It doesn't have to be speech that we like, it doesn't have to be speech that we even support, but once we, the state, step in and start telling any kind private entity-- be it a person or a company, according to the Supreme Court-- how to present content, we are stepping into potentially treacherous waters. And so, colleagues, I would encourage your green vote on FA91. I don't think it perfects the amendment, but it certainly gets us closer, along with Senator John Cavanaugh's amendment that came up before, to a place where I think that this is a more agreeable piece of legislation. I want to again thank Senator Bosn for her continued work on this. We've talked off the mic a couple of times about this yesterday and today. I did just drop this amendment this morning, but I do encourage my colleagues to look at it, to look through the amendment, to look through the bill, and understand the concerns that are being expressed here are not frivolous, like I said. These are not just things to take up time; these are real concerns that we have. And I think we need to be careful when passing legislation.

KELLY: That's your time.

DUNGAN: Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Members, the question is the adoption of FA91. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house be placed under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

CLERK: 17 ayes, 2 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. All unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Andersen would like to recognize some guests in the north balcony: they are 93 fourth graders from Whitetail (Creek) Elementary in Omaha. Please stand and be recognized by the Nebraska Legislature. Senators Clements, Kauth, Hunt, please return to the Chamber and record your presence. The house is under call. Senators Kauth and Clements, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the question is the adoption of FA91. All those in favor vote aye; all those opposed-- the vote was underway. Senator Dungan, would you rec-- would you accept call-ins?

DUNGAN: I will.

CLERK: Senator Hunt voting yes. Senator Holdcroft voting no. Senator Kauth voting no. Senator Murman voting no. Senator Dorn voting no. Senator Hardin voting no. Senator Sorrentino voting no. Senator Moser voting no. Senator Lonowski voting no. Senator Lippincott voting no. Senator Riepe voting no. Senator Strommen voting no. Senator Meyer voting no. Senator Sanders voting no. Senator Conrad voting yes. Senator Spivey voting yes. Senator Storer voting no. Senator Juarez voting yes. Senator DeKay voting no. Senator Rountree voting yes. Senator Hughes voting no.

KELLY: Record, Mr. Clerk.

CLERK: 10 ayes, 26 nays, Mr. President, on the floor amendment.

KELLY: The floor amendment fails. I raise the call. Seeing no one else in the queue, Senator Bosn, you're recognized to close on AM856.

BOSN: Thank you, Mr. President, and again, thank you, colleagues. I would appreciate your green vote on AM856. I'm happy to go through any other concerns, or address issues that you may have to try to get everyone on board with what I think is necessary legislation in order to protect juveniles who are more and more frequently using online services, and who are screaming for our help. And so I am open to the conversations, open to working through things, having those conversations either between now and, and the next time that this bill is debated. Please let me know, and I would appreciate your green vote on AM856. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

KELLY: Thank you, Senator Bosn. Members, the question is the adoption of AM856. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 45 ayes, 0 nays, Mr. President, on adoption of the amendment.

KELLY: AM856 is adopted.

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

KELLY: Senator Guereca, you're recognized to make the motion.

GUERECA: Mr. President, I move that LB504 be advanced to E&R for engrossing.

KELLY: That's a, that's a debatable motion. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Again, good morning, colleagues. I had at least one more substantive point that I wanted to make sure that we had some dialogue on. I believe I posed the same questions during General File, and then-- I don't remember the exact details on the email communication I had back and forth with my friend Senator Bosn, but I, I do just want to see if Senator Bosn would yield to a question in regard to one of the exemptions listed in Section 3 on the amendment just adopted.

KELLY: Senator Bosn, would you yield to a question?

BOSN: Yes. And I apologize, I was answering someone else's question, so I didn't hear anything that you said.

CONRAD: No, that's OK. I was just kind of teeing up the general context for it. But Senator Bosn, I, I think we talked about this on General File. It may have been part of our email communications, but maybe you have a better handle of those in your brain than I do. I know we're all kind of overloaded with emails. But one question that I have, a substantive question that I have, and I think I posed it on General File as well-- I'm not sure if it was part of our email exchange. But one thing I don't understand about the measure is that the bill, and now the bill as amended goes through and it lists a host of different design features or dark patterns or other things that you find problematic in regards to social media companies and children's mental or behavioral health. Is that a fair assessment of where you're at with the, the measure?

BOSN: It does outline a number of-- it-- in an effort to be narrowly tailored--

CONRAD: Yes.

BOSN: --it does, yes, I think.

CONRAD: OK. So my question, Senator, is if your contention is, is that these design features, these algorithms, these dark patterns are harmful, and are harmful to children-- and I, I understand what you're basing that contention on-- my question is why do you exempt out governmental entities that utilize the same dark patterns potentially, or the same design features from liability?

BOSN: So it's, it's not so much what I want. My understanding in conversations is that that is-- you can't regulate them the same that we can private entities. And so we did briefly discuss that, I think, and that was one of the concerns that you raised on the first round of debate. And I don't remember exactly where it is in the original bill, but there was a section that said a number of-- there was a couple of unique acts that were exempt, and then the portion that your concern was is on the old Section 3: federal, state, tribal, or local government in the ordinary course of its operations. And my understanding is, is that we, we can't do that. I'm happy to look more into it. That is--

CONRAD: OK. Yeah.

BOSN: I, I did, and that's what I was told.

CONRAD: No, I appreciate that, and if there is some sort of bar, I'm not quite sure what it would be. But I, I think that my, my general point would just be one of consistency. If you find that these practices are objectionable and harmful to children's development or mental health, if the same tools are being utilized, say, for example, in a school setting or by a health department, or, I don't know, in a law enforcement context, whatever the governmental utilization and application thereof might be-- if in fact the contention is the design is harmful, I-- it does-- it would seem to me that providing a kind of a special grant of additional immunity or exemption to governments that are utilizing these tools just-- it seems to undercut the goal of, of the legislation. So I don't know if it's based on sovereign immunity or some other principle, or if it's part of boilerplate that's been tested in the other litigation. But I do know, for example-- and, again, my adeptness in regards to the tech components

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

is lacking, but I do know that many ed tech products do use continuous feed and in-game incentive and otherwise, and they do collect data and they use some of these, these same practices. Now, perhaps they have a legitimate learning activity behind them, but we do know from the research and litigation that sometimes things like Google Classroom or ABCmouse, or other applications--

KELLY: That's time, Senators.

CONRAD: -- can-- thank you. Thank you, Mr. President.

KELLY: Thank you, Senators Conrad and Bosn. Senator Bosn would like to recognize some guests in the south balcony: they're ninth graders from Standing Bear High School. Please stand and be recognized by the Nebraska Legislature. Returning to the queue, Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I-- this probably is going to be the last time I speak this morning, I think. So the budget-- you know, it's been interesting, had a conversation with Senator Moser just this morning about it, about the process and how you negotiate for things in the budget. And, you know, I served on a committee with Senator Moser for 6 years; he's the chair of that committee currently, and so I totally understood where he was coming from in this process of, of how you work as a committee in committee. But that has not been the experience that I've had on Appropriations. There isn't really an opportunity to have those kind of conversations and negotiations like I've experienced on HHS and tel-- Transportation and Telecommunications because the committee has secret meetings without three members of the committee being included, so can't really function that way. You can't run a committee when-- and have a genuine policy conversation when you are actually running a shadow committee behind closed doors without all of the members or the press being available to attend. Now, this happened yesterday, and I addressed it with the chair and the vice chair of the committee. And then I brought it up in our executive session for the whole committee to discuss; there wasn't a lot of discussion. To his credit, Senator Dorn did discuss it a little bit. And there was no commitment that they wouldn't do it again. So when you wonder why a member of the Appropriations Committee stands up on the floor of the Legislature and talks about what is going on-- I almost said a bad word there-- the, we'll say "muckery" that is going on with the budget, and you wonder, why is she doing that? It's because I don't have any other option to make any changes to the budget. When the committee, the majority of the committee, meets behind closed doors, which, apparently,

technically is not against our rules-- though I find it to be suspect at best that it isn't against our rules, because when I read the rules and I look at, let's see here-- it is Rule 3, Section 16(b): Except as provided in Rule 3, Section 5(c)(ii), all other meetings of a committee shall be public unless the committee, by a majority vote of all its members, determines that a meeting should not be open to the public, including members of the news media, in a particular instance, due to rare and extraordinary circumstances. The meeting shall be reconvened in open session before any formal action taken. So the spirit of our rules would say that that's a big no-no, and history of how we conduct ourselves would say that that's a big no-no. I've never before, to my knowledge-- and this place is like a high school gossip mill, so I'm pretty sure I would have found out-- I've ever had a committee hold a majority meeting that I wasn't invited to. I could have chosen not to attend, but not one that I was invited to. And I cannot even imagine how you all would feel if Senator McKinney did that and only invited the Democrats. I don't think it would go over well. But apparently, it's OK when Appropriations does it, and there's no repercussions at all or public discussion about it at all. So we're going to have a terrible budget come out with no discussion within the committee. It's not going to come out unanimous, and it's--

KELLY: That's your time, Senator.

M. CAVANAUGH: --going to be fought on the floor. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Spivey, you're recognized to speak.

SPIVEY: Thank you, Mr. President, and good morning, colleagues. I appreciate the discussion that we're having this morning, and missed some of this because I had a doctor's appointment that I could not change and needed to attend. And so I was hoping that Senator Bosn would yield to a few questions, if possible.

KELLY: Senator Bosn, would you yield to some questions?

BOSN: Yes.

SPIVEY: Thank you, Senator, and I appreciate you coming by yesterday to kind of talk about where I am on the bill. And I was reading the text and trying to catch up on the amendments, and so I just have some clarifying questions because I don't know where I am with LB504. I've heard some of the discussion around the amendments and understand that

Senator Cavanaugh-- John Cavanaugh's amendment was adopted, and so those were some of those changes. But would you mind, like-- is there a, like, kind of synopsis that you can give around-- here's what the amendment that we just passed did, here is the difference from the bill-- the other bill that Senator Hunt referenced, and any of, like, the constitutional measures that I know have come up in, like, conversation just around can we do this or not?

BOSN: I sure can. Probably not in the amount of time that we have left here, but as I started with yesterday, I went through each of the sections that was changed, and I'm happy to go through that with you as well. Regarding LB241, that was Senator Hallstrom's bill. My brief recollection from the General File debate was that we talked about that multiple times with Senator Hallstrom and how that dealt with cybersecurity events; this bill is directly addressing the ability to protect juveniles from some of the known harms that are occurring online. So I don't--

SPIVEY: So yours is about data, I'm a-- data protection versus cyber security events? Am I understanding that correctly?

BOSN: Correct.

SPIVEY: OK.

BOSN: What was your other question? I'm sorry.

SPIVEY: Just around some of the-- addressing some of comments and feedback, just around-- is this constitutional? Are we able to, to regulate these types of platforms in this way? I know that-- you mentioned that there was some addressing of it and some of those things weren't existing, and so I just want to make sure again I'm understanding correctly.

BOSN: Sure. So to your initial question, yes, I supported Senator Cavanaugh's clarification that was this morning. I think everybody sort of agreed that that's where the funds were going anyway; his request for clarification is not a problem for me, and I am fine with that. As far as the constitutionality of this bill, on the first round of debate, there were a number of concerns that were raised on specific portions that I was able to hear, and when someone tells me specifically where those concerns are, I took that feedback, I worked with the stakeholders on it, and either completely removed those sections, so you'll notice the amended bill is substantially shorter because I removed a number of sections or I modified the language in

an effort to address the concerns that were raised. So the goal of this bill is to provide the tools for parents to have in order to protect their covered minors, which is what we're calling them because they're under a certain age, and-- but also to not impede on those First Amendment protections, right? So providing the ability for a platform to still have all of those protections and those rights for freedom of expression and all the things, but still putting up guardrails that are narrowly tailored with a specific goal in mind in order to keep kids safe. I don't have any First Amendment concerns with the amended version of this bill, but if someone brings me something specific, I'm happy to reevaluate.

SPIVEY: Thank you, Senator. And I again appreciate you taking the time to explain. I'm sorry I missed this morning's debate, but I know we'll be probably coming up to a vote soon, so I just want to make sure I have full information to, to be able to decide. I appreciate it, and I yield the rest of my time, Mr. President.

KELLY: Thank you, Senators Spivey and Bosn. Mr. Clerk, for an announcement.

CLERK: Mr. President, the Transportation and Telecommunications Committee will hold an executive session at 11:30 under the south balcony. TNT under the south balcony at 11:30. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Returning to the queue, Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Again, good morning, colleagues. I would maybe pose these rhetorically for the record, or perhaps-- well, let, let me just go right to the heart of it. Senator Bosn is incredibly passionate and knowledgeable about this issue, and I know with her legal training she's parsed through every single line, so it would probably be most effective just to ask her if she'd be kind enough to yield to a few technical questions on the measure as amended.

KELLY: Senator Bosn, would you yield to questions?

BOSN: I will try, yes.

CONRAD: Very good. Thank you, Senator. Sorry, I was over in Education exec so I didn't have a chance to ask you this. But just looking at the amendment that most recently was successful, I was hoping that you could shine some light on the record for how the thresholds of

application were chosen. Because at first blush, they seem a bit arbitrary, but perhaps they're borrowed from another model bill, or perhaps they're grounded in a specific goal to target specific companies. But how, how was-- how were the threshold-- the application thresholds chosen for \$25 million in revenue or 50,000 consumers-- or 50-- 50,000, not dollars, 50,000 or more consumers, households, or devices. Could you just help me to have an understanding about, about kind of how those application thresholds were developed?

BOSN: Yes, I can. So--

CONRAD: Thank you.

BOSN: --I think what you're speaking to is on page 2, and--

CONRAD: Yes.

BOSN: --it basically encompasses the entire page.

CONRAD: Yes.

BOSN: So this was one of the changes that we made. I guess it's not the entire page. It goes down to page-- line 19.

CONRAD: Yes.

BOSN: So, obviously, we want to narrowly tailor this. So we-- it-- you have to conduct business in this state. We're not controlling what other businesses out of our state do. We're saying that you have to be a business that is actually processing personal data of consumers. We're not looking to target individuals who don't qualify as processing individuals' consumer data. The amount of \$25 million, I can get you an answer on that, I don't have it off--

CONRAD: That's OK.

BOSN: --the top of my head, but I do know that that was model language based on something. There was a, a purpose to that, and I will get that answer to you. The subsection (iv), we're targeting companies that are-- actually buy, receive, sell, or share your personal data, and you have to set a threshold, right? So you don't want to scoop up some-- I think I gave you off the record,--

CONRAD: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

BOSN: --and if I didn't, I apologize-- the example of Kelley Blue Book getting scooped up. Are they targeted for minors? Are-- is that what their business is based upon? No, but they do-- oh, I guess that was the next subsection that we talked about.

CONRAD: No, I understood what you mean. Yes, right.

BOSN: Do you want me to finish, or do you want--

CONRAD: Yes, please. Sorry.

BOSN: OK, sorry. I didn't--

CONRAD: Yes. Sorry, I was just agreeing.

BOSN: --I didn't mean to take more of your time than necessary, but--

CONRAD: No, no, no. It's helpful. It's helpful.

BOSN: The 50,000 or more consumers-- so you're not targeting some startup, small tech company. We're really looking to address the, the platforms that are profiting significantly off of the data that they're selling for these children. If, if you have a small startup company, like I think you used an example of one of these ed tech companies, and I'll only use that as it relates to they're, they're providing a specific service to a small number of users. Then, you go to subsection (v), and you're looking to target-- that was my Kelley Blue Book example of--

CONRAD: OK.

BOSN: --somebody who's actually deriving all of their revenue from the sale of personal data. No, they're selling, they're selling cars.

CONRAD: Right, very good. And, and I think that, that is helpful, Senator. Thank you. And the next question would just be for lines 29 through 31 on the same page, too, of the amendment. It, it basically has what looks to me to be, like, kind of like a de minimis exception or something to that nature that provides, I guess, a safe harbor, or doesn't extend the liability to a covered online service that has less than 2% of its users who are minors. And then again, the question would just be, why 2%? Is it-- why not 5%? Why not 10%? Why not 1%? Is it-- is that pegged to some sort of existing kind of de minimis standard?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

BOSN: I, I believe the answer to that is yes. And so this was a change from the original bill, so this is new language from the previous version. This was a, a modification made at the request of several of the companies, the stakeholders, when we had those meetings where they said, you know, how about companies much like Kelley Blue Book where--

KELLY: That's time, Senators.

BOSN: Sorry.

KELLY: Thank you, Senator Conrad and Bosn. And Senator, Senator Conrad, you're next in the queue, and this your final time on the bill.

CONRAD: Very good. Thank, thank you, Mr. President. And if Senator Bosn would continue the dialogue, it's-- we'll try and work through it as quickly as possible. I, I appreciate her, her sharing her time and her knowledge on it, if Senator Bosn would yield.

KELLY: Senator Bosn, would you yield to questions?

BOSN: Yes.

CONRAD: Sorry, Senator, we just got cut off there. But just wanted-- it sounds like the modification in terms of the de minimis exception was part of a negotiated dialogue with some of the impacted online service companies, perhaps?

BOSN: That's correct.

CONRAD: OK. OK, very good. And then the last question I had, I think I may have an understanding, or maybe you have talked about it as well. But there are different age thresholds in play from the definitions on page 1 applying to minors who are 13 and under, and then there's an additional age definition on page 3 for minors who are 18 years of age or younger than 18 years of age. Could you just help to provide some clarity on how those different age applications came to be, and how they apply in different ways for purposes of the amendment?

BOSN: Sure, and I'll try and be as brief as possible--

CONRAD: No, that's OK.

BOSN: --and then if you have a clarification question, I can do that as well. But this bill applies to covered minors, so this bill applies to anyone 18 and under, which is the definition on page 3 subsection

(8), which is on line 12, talks about minors. The definition for "child"-- so we're differentiating between minor is under 18, child is under 13. There is existing law that provides additional protections for children under 18 that I am not seeking to expand to 18-year-olds. This is a bill that is, in an effort to narrowly tailor it, directed only at those who are under 18, and not those heightened standards for under 13.

CONRAD: Thank you, Senator. I, I really appreciate that. And I think maybe that was a shift from the original legislation to maybe where we are today, or maybe I'm conflating it with, with what I was reviewing out of California, but I, I, I do really appreciate that. Thank you. I think that those were the technical questions that I had, so I'll just perhaps add a couple of additional ideas to the record in my remaining time. I-- the one thing that I, I think maybe is important to just note for the record-- and I understand, believe me, I understand sometimes we, we don't always speak precisely in the midst of floor debate. But it does seem to be that there's a misunderstanding about what it means to have a naily-- narrowly tailored remedy in regards to advancing a legitimate governmental interest. And, of course, we're all thinking and working through the, the legal standard herein. So-- but the narrowly-- the narrow tailoring of such remedy goes, goes to the remedy or the alternative; it doesn't go to trying to cast the net more narrowly in terms of companies impacted. It doesn't go to trying to cast the net more narrowly in terms of kids or minors that are impacted. But the, the necessity under the law for a narrowly tailored remedy has to look at whether or not government has another alternative available that is less intrusive or restrictive for purposes of free expression or First Amendment. So that, I think, is another piece that perhaps is, is lacking from the discussion, and was actually apparent at the committee level. For example, I had a chance to review the committee transcript, and there was an expert there, an expert witness, so-to-speak, from the State Patrol, and he was talking about his incredible work to keep kids safe. But he also noted that one of the most important things we can do, in an exchange with Senator Hardin at the committee level, was to educate parents, to educate kids, to ensure that they're in communication, to make sure they're aware of red flags for how to navigate being safe online and how to utilize online services. Those kinds of public education and engagement strategies are actually much more narrowly tailored to advancing a legitimate government goal than a ban, bar, or restriction that implicates the First Amendment rights of companies, individuals, minors, and adults. I again appreciate and understand Senator Bosn's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

passion for this and her work on this. I think when she first identified this--

KELLY: That's time, Senators.

CONRAD: Thank you, Mr. President.

KELLY: Thank you, Senators Conrad and Bosn. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Colleagues, again, I rise just wanting to clarify a couple of points. I'd had a lot of my questions answered, but the conversation between Senator Conrad and Senator Bosn triggered a little question in my mind. And one of those is-- I know that we're talking a lot about social media and we're talking a lot about social media applications and websites. And a lot of the concern that came up during the committee hearing-- which, again, I was on the, the Banking, Commerce and Insurance Committee when this was heard-- were about things like Snapchat or Instagram or Facebook. I know the kids don't use Facebook, really, anymore, but all of these other various social media apps that do cause these harms. But once the bill advanced out of committee, there was a number of folks who work in different industries that had reached out to me expressing concern that maybe they had, I would like to say, inadvertently gotten lumped in with the definition of what a covered online entity is. I know Senator Bosn has, I think, worked to further sort of, I guess, try to explain what the entities are that are covered, but I just had a couple of quick questions for Senator Bosn, if she'd be willing to yield to those questions.

KELLY: Senator Bosn, would you yield to questions?

BOSN: Yes.

DUNGAN: Thank you, Senator Bosn. I just asked you this off the mic and I wanted to make sure it was clarified on the record, given that some folks had reached out to me about this. One of the industries I know that kind of got, I think, maybe inadvertently wrapped up in all of this in the original version of the bill was the video game industry, because video games nowadays operate online and there's a lot of online play that happens; it's not just one person sitting at home playing the game by themselves. Did you have any conversations with any of the individuals from the video game industry, and, I guess, have any chats with them about ways to modify the definition of a

covered online entity to ensure that they weren't inadvertently wrapped up in this?

BOSN: Senator Dungan, I will answer your question, but I'm first going to hijack a little of your time and say hello to my son who is up in our balcony with his class, and thoroughly embarrass him. Hi, J.R. The answer to your question, though, is yes. So we did have those conversations. And, to your point, the modified definition under (5) (a) of covered online service, where it requires 50% of their revenue-- annual revenue to be from the sale or sharing of data, did address the concern that they were going to be scooped up in this legislation.

DUNGAN: OK. And so that was intended to make sure that the companies that are covered by this aren't ones that-- because video games maybe do gather and sell some of that data, but is it, I guess, their contention then that less than 50% of their revenue comes from that source?

BOSN: Correct.

DUNGAN: OK. Thank you, Senator Bosn. So, colleagues, the reason I bring that up, (A) is to clarify that on the record because I know sometimes we have certain intentions with regards to how legislation is going to be enacted, but then once it ultimately goes into effect, the powers that be that I guess put these in place and then have to enforce our regulations don't always, I guess, interpret them the way that we intend. So having spoken with a number of people who were concerned that the video game industry might get wrapped up in this, I wanted to clarify that on the record. I also just briefly wanted to say that it speaks to a larger concern that I have, which is when we have these unintended side effects of well-intentioned legislation. I think that reasonable minds can disagree about whether something is the right policy. Certainly, I think we can also disagree about whether or not something is, in fact, constitutional, and whether or not it is going to stand up to that strict scrutiny if and when that is applied. But I, I do think that we also need to be in the business of passing legislation that simply works. And so I make it a habit-- for those who are in my committees, I, I hope that you see this to be true-- where even when I disagree with a bill, I will sometimes have recommendations or proposals of ways to modify it simply to make it work better, or to address a concern that's been raised in a committee hearing, even if ultimately I don't agree or vote for the passage of that piece of legislation. And I think that's the way that legislation here should work. I think that we can disagree about whether something

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

should be implemented, but if there's a, a true critique or a true criticism that we raise, I think it's important that we listen to those as well. So I really, again-- I'll echo the same sentiment I think I've said every time I'm on the mic, which is I appreciate the intent of what we're trying to do here. I appreciate Senator Bosn's willingness to engage and work towards, I think, answering a number of these questions that we've had. And certainly, I appreciate the body being willing to dig into this issue. When we start to get into First Amendment problems, I know that it can be frustrating sometimes, because people can say, well, why can't we just do this? I think it's a good idea. But, unfortunately, we do have to--

KELLY: That's your time.

DUNGAN: --adhere to the rules of the constitution, so. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator Clements would like to recognize the fourth graders from St. Joseph School in Lincoln, as well as J.R. Bosn in the north balcony. Please stand and be recognized by your Nebraska Legislature. Senator Spivey, you're recognized to speak.

SPIVEY: Thank you, Mr. President, and welcome, J.R. I'm sure you are so proud of your mommy, and that's really exciting that you get to see her do her thing on the floor today. I yield the rest of my time to Senator Conrad, Mr. President.

KELLY: Senator Conrad, you have 4 minutes, 47 seconds.

CONRAD: Very good. Thank you, Senator Spivey, and I think we all concur in that regard. It's very special to have Senator Bosn's son here, particularly on a big day when she's carrying a measure that she's very passionate about. And to have our children see us in action is, is always really, really exciting, and it's always special to welcome the students in as well. There's a special friend of my family here today as well, so I give her a shout-out. But the other thing that I just want to lift up are some of the, the general considerations. I know when Senator Bosn and I had an opportunity to visit about this approach actually presession-- she reached out to me presession. We had a really thoughtful, really cool, really good conversation about shared concerns in regards to kind of where young people are, frustrations parents may have, kind of trying to sift through and sort through the impacts of engaging online, being online, some of the concerning attributes that may pop up that, you know, can

be alarming for children and parents when they are online and they're trying to carry out a mundane task, and, you know, a few, a few videos later, they're in a weird, strange place. I think all of us as parents have experienced that phenomenon as our kids move online, and the challenges that we have sometimes with trying to monitor and appropriately ensure sound content in their engagement. But I think the other piece, fundamentally, is that Senator Bosn worked with NCSL and other legislate-- legislators to identify kind of targeting the practice or the algorithms or the design features as a more thoughtful and perhaps more viable remedy or alternative to addressing these issues than, say, for example, age bans on social media, which we know have received swift negative treatment in the courts as those efforts have moved through our sister states. And I know we have a bill moving forward in Nebraska on that topic as well. And, again, Senator Storer's intentions are fantastic in regards to the measure, but I, I know that just those, those age limitations have, have posed a, a pretty swift response from the courts in-- on First Amendment and other grounds. So at the heart of this measure as well, as Senator Bosn was trying to navigate a different remedy that wouldn't run into that same sort of legal trouble, at the time, it seemed like this might be the best path forward. But now, as the case law continues to develop, we're seeing that even this path has posed a significant-- contains significant risks from a vagueness perspective, perhaps preemption, and a free expression perspective as well. And here's why: because what happens on social media is speech. And what happens when kids engage on social media or in other online services, kids also have the right to free speech and expression, and that is on-- that has only been curtailed in very limited ways, for example, in regards to such expression within the confines of a school, or such expression including the ability to access information, to read information, to communicate in very narrowly prescribed situations like, for example, in regards to age restrictions on what would be deemed obscene materials and otherwise. But social media bans themselves cannot satisfy strict scrutiny when it comes to the free expression rights of adults, the editorial discretion of the companies, and the young children themselves that, while well-intentioned, these bans do implicate. The bottom line is that government intervention--

KELLY: That's your time, Senator.

CONRAD: --and restriction should be the nuclear option, and it's not narrowly tailored. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, members, the, the motion was previously made by Senator Guereca to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

advance LB504 for E&R Engrossing. All those in favor say aye. Those opposed say nay. LB504 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB504A. Senator, I have nothing on the bill.

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

GUERECA: Mr. President, I move that LB504A be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor say aye. All those opposed say nay. LB504A is advanced to E&R Engrossing. Mr. Clerk, for items.

CLERK: Mr. President, your Committee on Enrollment and Review reports LB78A, LB177A, and LB230A to Select File. The Appropriations Committee will meet in executive session at noon in Room 1003. Appropriations, 1003 at noon. And, finally, Senator Dorn would move to recess the body until 1:30 p.m.

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

[RECESS]

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

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

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

CLERK: I have one item, Mr President. Notice of committee hearing from the Health and Human Services Committee.

ARCH: Thank you, Mr. Clerk. We will now proceed to the first item on this afternoon's agenda. Mr. Clerk.

CLERK: Mr. President, Select File, LB256 [SIC--LB265], first of all, there are E&R amendments, Senator.

ARCH: Senator Ballard, for a motion.

BALLARD: Mr. President, I move the E&R amendments to LB265 be adopted.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

ARCH: Colleagues, you heard the motion. All those in favor say aye. Opposed, nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Sorrentino would move to amend LB265 with AM900.

ARCH: Senator Sorrentino, you're recognized to open.

SORRENTINO: Thank you, Mr. President, and good afternoon, colleagues. I bring to you today a combination of LB265 and AM900. The original bill was brought at the request of the Nebraska Department of Labor. The purpose of this bill was to provide for a simplified and consolidated funding mechanism for Nebraska's workforce development programs through the Workforce Development Program Cash Fund. The Nebraska Department of Labor currently has both the Nebraska Workforce Training and Support Cash Fund and the Workforce Development Program Cash Fund. Both funds are used to award workplace development grants. By combining the funding sources for separate workforce development programs, the state will streamline efficiencies and better align workforce programs within the state. LB265, the underlying bill, combines the funds currently held in separate accounts and importantly consolidates the funding mechanisms for those accounts. While LB265 makes it clear the Department of Labor is responsible for administering the fund, I am offering a white copy amendment, AM900, which provides the Nebraska Workforce Development Board to serve as an advisory board to the Commissioner of Labor to help set forth strategies and initiatives designed to develop the workforce in this state. For those senators that may be unfamiliar with the Nebraska Workforce Development Board, it is a Board authorized by the federal Workforce Innovation and Opportunity Act, otherwise known as WIOA, and is comprised of representatives from the legislative and, and executive branches of state government, as well as representatives from business and labor organizations from across the state. The board meets multiple times throughout the year with the primary mission of convening state, regional, and local workforce partners to enhance the capacity and performance of Nebraska's workforce development systems, and aligns and improves the outcomes and effectiveness of federally funded and other workforce programs and investments and through these efforts promote economic growth in Nebraska. I would also note that the newly appointed and approved Commissioner of Labor, Katie Thurber, also a member of the Nebraska Workforce Development Board and Department of Labor staff already facilitate Board meetings. AM900 offers the following: The Nebraska Workforce Development Board will submit grant proposals to the Commissioner of Labor for her consideration. Two, the grant proposals submitted by the board will

serve as a foundation for workforce development policies aimed at cultivating Nebraska's next generation of skilled workers. AM900 also includes another of my bills, LB536, which creates the first pilot program in manufacturing. This pilot program will be used as a potential guide to future pilot programs that will eventually become self-sustaining and increase other workforce development programs in other workforce areas throughout the state. I had the unanimous support of the Nebraska and Omaha Chamber behind LB536. This is-- you'll also see eventually on the board that there is another amendment to be offered. It'll be AM977 offered by Senator Conrad just a few hours ago. I consider this to be an unfriendly amendment and that when LB265 was on General File, it was-- we had the issues at hand and we decided at that point to pass onto Select File and discuss and alleviate those concerns a bit later. We voiced those concerns, we listened to those concerns. We drafted AM900 to alleviate those concerns. We also made a number of requests to get together. We were not able to do that. We forwarded that bill over for comments. We did not receive any, and it wasn't until recess day this Monday when we received news that there would be yet another amendment, that being the AM977. I would say that we have an issue with AM977 in that, in, in our opinion, it's an attempt to make-- move financial decisions from elected officials to an appointed board, and I don't believe that's the way to govern. So I would ask for your support on AM900, as well as LB265. But upon the introduction of AM977, I would say, no, that is not within the scope of this bill. Thank you, Mr. President.

ARCH: Senator Sanders would like to recognize some special guests today. There are around 250 people in attendance of Catholics at the Capitol Advocacy Day from all across the state. They are located in the north and south balcony. Please rise and be recognized by your Nebraska Legislature. Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Conrad would move to amend AM900 with AM977.

ARCH: Senator Conrad, you're recognized to open.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I appreciate Senator Sorrentino sharing his perspective in terms of the substance and process, which led us to our debate and deliberations this afternoon. And I think-- I, I definitely have perhaps a, a slightly different lens to apply in regards to some of those components. But as everyone is well aware, the process of legislat-- legislating is rarely linear and almost never perfect as is the, the case at hand here. But I do think there are some significant, both

procedural and substantive issues that are worthy of additional debate and deliberation today. I was hoping that this might be kind of a kumbaya moment where we could show good faith negotiations with members of the business community and members representing working people and unions could come together and find some common ground and solutions to help us move forward. And, in fact, that's exactly what is reflective in AM977 on the board. It is a meeting of the minds from union leaders and business leaders in the state who came together to try and negotiate a thoughtful path forward for how these funds are utilized, what structures are in place to ensure robust community engagement, and that are deeply rooted in and reflective of basically our practice in providing workforce development grants, job training grants, over the course of almost 3 decades. So we'll have plenty of time to dig into those issues perhaps, but the gist of it being is that there's been a board-- boards in place, in one instance, a board for over about 29 years, the workers training board, that has-- is comprised of members of community colleges, the Department of Labor, public citizen representatives and then also employee representatives, union representatives, and employer representatives from the business community. And this diverse group of stakeholders has worked together again in good faith for over 29 years to figure out ways that we can direct funds to good job training programs, to advance our shared workforce goals, and it's been a very dynamic and a very effective and a very efficient process. So at the committee level if you go back and you look at the transcript or watch the hearing on LB265, Senator Sorrentino presented this measure as a measure to kind of streamline some existing boards and commissions and to streamline some existing job training programs. All laudable goals. Appreciate and understand that. At the hearing level, business representatives were very clear that they didn't want to see a complete elimination of these, these existing boards, but if they were not going to be engagement and approval boards, at the very least, they should be advisory boards. On the other side of it, you had representatives from working men and women, unions who said we prefer to have the current structure in place to really provide a framework for the utilization and decision-making on these funds. There was a commitment at the committee level to work on those issues to try and find a meeting of the minds. Nevertheless, the bill came flying out of the Business and Labor Committee with no concessions and no work to address said concerns after those commitments had been made. So we take it up on General File, I've got a host of different amendments filed to try and provide some policy options to structure the debate, but it seemed that we probably weren't going to be able to sort a lot of that out during debate and it might be better suited for negotiation. So in

good faith, I had a brief conversation with the governor's office and Senator Sorrentino and the business community and representatives from Labor and I said I'm going to go ahead and in good faith remove my amendments that I have filed on General File so that we can continue negotiation and deliberation on these important issues. So that's what happened. We had a meeting after General File with representatives from Senator Sorrentino's office, the business community, the Department of Labor, myself, and unions present as well. We had some technical difficulties, but the gist of it was when I asked about why are we moving forward with this bill, the Department of Labor indicated that we need to have better awareness about these funds, and we need be more nimble with these funds, and we need better communication in regards to how these funds are utilized. Again, all laudable goals. But my question back is why do you need a bill to accomplish those goals? And we never heard any response. So then we were presented with an amendment from Senator Sorrentino via email, an invitation to me, which did not work because I had a committee hearing that afternoon. And then after we had a chance to look at the amendment and have discussions, Business and Labor put their heads together over the recess and then came up with a negotiated compromise that is reflective in AM977 for how to provide a good framework to utilize these job training funds and workforce development funds. I know that sometimes things don't come together on a perfect timeline, and everybody wishes they had more capacity to talk and think and digest. But what's reflective in AM977 is anything but unfriendly. It is actually a good faith compromise that the stakeholders to these funds and activities have agreed to. This should be a kumbaya moment. This should be an opportunity to say, wow, it's cool. Actually, we do have a lot of shared goals and values when it comes to workforce development. But that is not amenable to my friend Senator Sorrentino and others that are involved in this debate. So I'm going to be very candid. I think that we can and we should adopt AM977. And to be clear, I think working people and unions made far too many concessions in this amendment, far too many, but they were willing to make those concessions to help find a path forward and show this body how to be collaborative and work in good faith according to the word that they gave, despite the fact that nobody worked in good faith with them at either the committee level or on General File. So I'm proposing to you a path forward. AM977 should be adopted and if it is adopted we can move forward with the bill as quickly as possible and onto other things on the agenda. If AM977 is not adopted, we will stay on the bill for the rest of the day, as long as it takes, and we'll have the same treatment on Final Reading. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

ARCH: Returning to the queue, Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. Point of order, germaneness.

ARCH: Please state your point of order.

McKINNEY: I don't think AM900 is germane to LB275-- LB265.

ARCH: Senator McKinney, Senator Sorrentino, please come forward. Colleagues, it is a ruling of the chair that there is germaneness here and, and it is based upon that this is a white copy amendment. LB-- LB-- or AM900 actually guts the bill, LB265, and replaces it with white copy, so it is not a question of germanness to LB265, it is germane as being a white copy, and that is consistent with precedent. Senator McKinney, for what purpose do you rise?

McKINNEY: Overrule the chair.

ARCH: The ruling of the chair has been challenged. Each member is allowed to speak once to the issue. Members may not yield time to one another, but they may ask questions of other senators. Senator McKinney, you're-- you are recognized to speak.

McKINNEY: Thank you, Mr. President. I am overruling the chair because I think it is-- it's, it's not germane. [MALFUNCTION] Hello? Oh, here we go. But, but I don't think it is germane because the original bill came from the Banking Committee, although it is a white copy amendment, it is currently not attached to the bill and is going to set a precedent. But, you know, I love when precedents happen because I don't want nobody to complain when somebody else does it later on in the session. I'm just saying I don't think this is germane. His original bill was voted out, although voted out 8-0 from Banking, it did not, it did not come from-- LB265 is coming from Business and Labor. I don't, I don't think we should be doing that. That's why I'm overruling the chair. Because what this, what this is basically saying is you could have a bill on the floor, just white copy amendment, no matter what committee it comes from, and you could just put any bill on the floor. That is exactly what this is saying no matter the committee. I don't-- I've seen white copy amendments on bills, I just don't remember white copy amendments on, on bills from different committees. I'm trying to remember if I have, I probably have, I don't think so, but I don't remember. And that's why I don't think it's germane. I think we should stick-- if it's going to be a white copy amendment, we should stick it to the committee of jurisdiction. That's

my overall reason for doing this. I think if you're going to do it, you should stick it with the committee of jurisdiction because you're going to have people crossing bills across committees. It's going to incentivize a lot and once you open up Pandora's box, you will not be able to close it for the rest of this biennium. And you might like it or you might or might not. Just don't complain about it after this happens. That's all I'm saying. I think we should just keep it to the committee of jurisdiction. That's all I'm saying. That's why I don't think it's germane. I'm not even saying I oppose the bill that he's trying to attach. I'm just saying just as a matter of just processing rules, we should keep it within the committee of jurisdiction. That's all I'm saying. That's why I don't think it's germane. And that's really it. Thank you.

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

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. [MALFUNCTION] Hello? There we go. Do I get those 5 seconds back? OK, so we're on a motion to overrule the chair, so this is-- everybody gets to talk once, and I think, as I recall, you can't yield time to somebody else, but you can ask questions. But-- so here we are on a white copy amendment, and it sounds like this is a-- what the chair has ruled is that there's a portion of this bill-- well, I guess I don't know if the chair is ruling on the portion of the bill, but the argument that Senator McKinney is making is, this white copy amendment includes some original language and change to the underlying bill, LB265. And then it includes an entirely new bill from a different committee. And so Senator McKinney is saying that entirely new bill is not germane. And the mistake that the chair is making here is saying, that because it's a white copy amendment, that we can do this and germaneness is not going to apply here. Folks, this is going to be an exception that will swallow the rule. OK? So this is a really dangerous thing to do, and you should take it seriously, and there are other things we can do if we want to get to where you want to get. But don't, don't do this. OK? So here is the germaneness standard in the, in the rules. It is Rule 7, Section 3 (d): No motion, proposition, or subject different from that under consideration shall be admitted under color of amendment. Any amendment that is not germane is out of order. Germane amendments relate only to the details of the specific subject of the bill and must be in a natural and logical sequence of the subject matter of the original proposal. A nongermane amendment includes one that relates to a substantially different subject. So, first off, it has to be germane to the original proposal. Whether you're eliminating the entire original proposal is not the question. The question is whether it is germane to the original proposal. And,

clearly, a bill coming out of a different committee covering a different subject matter is not germane to the original proposal. OK? And a nongermane amendment included in one that relates to a substantially different subject. So it's nongermane, it includes or is related to a substantially different subject. There are a lot of ways to get things accomplished in this body and everybody has to use the things that they have at their disposal to get things done. But if we start allowing nongermane subjects into bills if we only draft it as a white copy, that is going to become the norm. We're going to have all kinds of bills jammed together, log rolled, by the way, together as white copy amendments. This is a really bad idea. And the rule is clear, that the germaneness standard is, as it pertains, is it germane to the original proposal? Not is it, is it germane if you ignore anything being relevant to. It can be-- it cannot be germane to nothing, right? And that's essentially what we're saying here. A white copy amendment means that there is no germaneness rule. So I am asking-- Senator McKinney, I really appreciate you raising this issue, but we should vote to overrule the chair here. We can put up different amendments, we can put individual amendments, you can find another way to get to what your, your intended goal is here. But if we go down this path of saying germaneness doesn't apply when we have a white copy amendment, we are going to be in a really bad spot. So I encourage your green vote to overrule the chair. I'm happy to talk with folks off the floor because you only get the one chance to talk on this. But the fact that this bill comes from a different committee, covers different subject matter, is really-- it is not germane to the original underlying bill and that is the standard we should hold ourselves to, is germaneness to the issue at question. Thank you, Mr. President.

ARCH: Senator Storer would like to recognize a special guest, Tracy Olson, her sister from North Platte, who is located under the north balcony. Please rise and be recognized by your Legislature. Returning to the queue, Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. I join in Senator McKinney and Senator John Cavanaugh in my questions as it pertains to germaneness and encourage my colleagues to vote to overrule the chair. Ultimately, colleagues, what we're looking at here is an underlying bill that has to do with the elimination of cash funds, essentially, in different organizational boards. And then the amendment is completely separate and apart from that creating an entirely new program or, I guess, law that comes out of a different committee. And so I, I want to make sure that this is clear, that we're talking about two very separate bills

here. Senator Sorrentino, I was wondering if you'd answer some questions on the mic?

ARCH: Senator Sorrentino, will you yield?

SORRENTINO: I will, Mr. Chairman.

DUNGAN: Thank you. And I apologize I didn't get a chance to let you know I was going to ask these questions but this is mostly for clarity. So, Senator Sorrentino, you brought the underlying bill, LB265, is that correct?

SORRENTINO: That's correct.

DUNGAN: And LB265, the one liner is to eliminate funds and change provisions relating to the state unemployment insurance tax rate and the workforce development program, right?

SORRENTINO: Generally, yeah.

DUNGAN: So that's kind of the broad bill with LB265 that we were talking about that had to do with the elimination of those funds, right?

SORRENTINO: Correct.

DUNGAN: And then LB536 was a separate bill that you brought that we heard in the Banking, Commerce and Insurance Committee, right?

SORRENTINO: Correct.

DUNGAN: And that bill was the Adopt the Manufacturing Modernization Pilot Investment Act, correct?

SORRENTINO: Correct.

DUNGAN: And that bill is now lumped into AM900. Is that-- am I understanding that correctly, that AM900 includes language from LB536?

SORRENTINO: I would say merged, not lumped, but yes.

DUNGAN: Sorry. That's an imprecise term. It was merged into the amendment.

SORRENTINO: Merged, yes.

DUNGAN: And also contained in AM900 is some of the original language from the underlying LB265. Is that right as well?

SORRENTINO: Some, yes

DUNGAN: Some of that, OK. Thank you, Senator Sorrentino. So I, I just wanted to make sure it's clear-- and this is, I think, the concern. I understand that normally a white copy amendment does not have the same germaneness conversation. But as has already been said, and I want to make sure my colleagues are listening to this, if we allow a white copy amendment to completely circumvent the germaneness rule in any circumstance, but then also allow language from the underlying bill to be included in that white copy amendment, the germaneness rule no longer has any meaning whatsoever. I would be allowed to introduce an amendment to any bill, have it say strike the original provisions and insert the following provisions, and put language from some Judiciary bill into a Revenue bill, and just say it was a white copy amendment, so germaneness doesn't matter. And so I think that's the concern that we have here. I, I was not talking with Senator McKinney beforehand so I was, I guess, anticipating the germaneness debate that we're having here today. But I do think, based on a plain reading of the germaneness rule from our Rule Book, there is nothing in there that includes language pertaining to a white copy amendment. So while that may be the practice and procedure that has happened in the past, I don't think it adheres to the actual language of the rule. And I think it opens up a can of worms, frankly, that puts us in a very problematic position. Now, if this ultimately is the precedent moving forward, I would anticipate we're going to see a lot more of this happening. Which, again, if that's what we want to do, that's fine. One of the interesting things I learned about the Legislature is we are a self-governing body, for the most part, insofar as we get to implement our own rules. But a lot of what we talk about during the rules debate is cautionary with regards to what could happen if certain, I guess, certain cans are opened up. And so, colleagues, I do, in this circumstance, think that we should respectfully overrule the, the chair's finding that this is in fact germane or that germaneness doesn't apply. Simply because it's a white copy amendment, I do believe that's not enough to overcome the germaneness requirement. So I would encourage my colleagues to vote yes on the motion to overrule the chair. Thank you, Mr. President

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

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I appreciate my friend Senator McKinney raising the germaneness

challenge and question and then filing a, a motion to overrule the chair so that we have an opportunity to discuss the issues, use the process piece as a learning opportunity for all members. And then, as is typically the case, it has provided an opportunity for members to not only weigh-in on the process point, but also to perhaps find other solutions that would help us to accomplish the same goals. So, nevertheless, I, I do think that there is an interesting and important question at play here. So, typically, let's be clear, when we talk about a white copy amendment, we generally are talking about a white copy amendment, an amendment that replaces the bill that the committee introduce-- usually the, the primary introducer brings to the committee level upon introduction at the hearing on their bill where they say, hey, Madam or Mr. Chairman of the Banking and Labor Committee [SIC], I'm actually bringing forward AM, whatever the number is, as a white copy to my bill. So it's automatically germane. It's automatically before the committee of jurisdiction, occasionally the committee itself will utilize the committee amendment and kind of colloquially call it a white copy amendment on the bill. What's different about this instance is that the white, quote unquote, white copy amendment that Senator Sorrentino has brought forward here today is actually component parts of LB536 that was referenced to the Banking Comm-- Banking and Insurance Committee [SIC], had a hearing, has been advanced from the Banking and Insurance Committee with amendment and is on General File. So he is now shoehorning a Banking Committee amendment and bill that's already on General File and could easily be amended into any other Banking bill that, you know, conceivably is germane into a bill that emanated from the Business and Labor Committee, and that is a Business and Labor bill. So that is the point of contention. Whether or not there has been precedent or historical practice here, that remains a bit murky. But we have had this debate squarely, at least in the last biennium, when we were looking at all of the different package bills during 2023, and the Speaker set forward a general rule or policy that we would not be combining measures from across committees. You might remember, I think Senator von Gillern had a measure that he was looking at and he was going to add it to a bill, and I can't remember the specifics of it right off the top of my head, but he ended up pulling back from that because it was from a different jurisdictional committee. I was actually kind of interested in that idea at that point in time but, nevertheless, the Speaker stepped in at that time and said we, we don't jump committees, we're not going to do that with the packages. But that's what they're allowing for here under the guise of calling something a white copy amendment. OK? They're basically-- Senator John Cavanaugh said it perfectly well. You're allowing the exception to

swallow the rule. The rule on germaneness is to ensure clarity in the record and to ensure that we're not logrolling and to ensure fidelity to single subject and to assure that we are having a focused debate. So by allowing Banking Committee measures to come into Business and Labor Committee measures through a, quote unquote, so-called now all of a sudden white copy amendment, it eviscerates the germaneness rule and the policy underpinnings thereto. And when you look at the details on germaneness, what's important to remember under Rule 7 Section 3(d) is that the amendment is not germane and it could be out of order because the amendment must relate to the details of the specific subject of the bill. So how a manufacturing bill in Banking relates to workforce training board in Business and Labor, there is absolutely no relation to the specific details and subject of that bill on its face. And it must be a natural and logical sequence to the subject matter of the original proposal. A nongermane amendment would be anything that's a substantially different subject. Two different committees,--

ARCH: Time, Senator.

CONRAD: --two different programs, different subjects, not germane. Thank you.

ARCH: Senator Jacobson would like to recognize some special guests from across Nebraska and the United States from the Nebraska Insurance Federation, 15 members that are located in the north balcony. Please rise and be recognized by your Nebraska Legislature. Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. Having listened to my colleagues, a couple of, I think, points, and having the Rule Book in my hand and reviewing it like everyone else on this issue, I find nowhere in the actual rules of the Legislature where the source of the original bill does not prevent another bill from being merged into it, particularly in light of the fact that we have a white copy amendment which guts the first bill. I am looking unsuccessfully to find where the chair could, of course, rule that Senator McKinney's motion to over-- overrule the chair would be valid. I don't find anything specifically in the rules on points. So we're looking for an interpretation that I see has no precedence. I would also say that what we're looking at is in LB536, which not only once, but twice, referenced the state statute 81-407 in the amendment as well as the bill. To the point of germaneness, we are relying on the exact same statute in both the amendment and the bill. Again, state statute 81-407, which was part of, or I should say, a part LB1413 passed in 2024 in a special session. I'll read that to you: The Workforce

Development Program Cash Fund is hereby created. The funds shall consist of a transfer authorized by the Legislature, the Department of Labor shall administer the fund to provide workforce development grants. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act or the Nebraska State Fund. What-- excuse me, what that does is create the underlying statute for both the amendment and the bill. I would note that when this was passed last fall, Senator Conrad voted in favor of it on Select File and on Final Reading. I think the basis for inclusion by reference to the same exact LB-- 81-407 should be germane to the issue of dismissing the motion to overrule the chair. Thank you.

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

M. CAVANAUGH: Thank you, Mr. President, colleagues. I'm trying to catch up here. I had to step out for a meeting at the start of this debate. And so I'm not entirely clear on what the new amendment does, but what I'm gathering in my understanding from what's been said so far is that this is a white copy amendment. And I do want to just first tell people what that means, because we've gone paperless. So when-- before we went paperless, our bills were printed on green paper, and so we always called an amendment that totally gutted the bill a white copy amendment because it would be on white paper. And so that's just one of those sort of, I don't know what you would say, colloquialisms that just stuck. And so for legislatures moving forward who will never have worked with the green copy, which is the original copy, you're going to be, like, why do we call this a white copy amendment? It's because it's not the green copy, which also isn't a thing anymore. But my understanding is that the white copy amendment that's being put forward, while, as Senator Sorrentino has said, opens up the same area of statute is out of two different committees. Now, we did amend a bill out of two different committees earlier this year. I think it was Senator Guereca's amendment actually. And we had this conversation over germaneness, and the reason that it was germane in that particular instance was because it was the Planning Committee's priority. Oh, the tribal committee's. OK, still, a committee, a select committee, not a standing committee's priority. Therefore, we could amend bills from different committees into one. And that is why it opened up the same section in the statute and it was a standing, or a select committee's priority, so it could amend multiple committee bills into one. Now, as to germaneness and sections of statute, this is up to interpretation, and it is up to us as a Legislature or the chair to decide. I once introduced an amendment, it wasn't a white copy amendment, but it was an amendment to Senator Tom Briese's bill.

It was out of the same committee, it was the same statute, exact same section of statute. And guess what? The chair ruled it was not germane. And the body ruled it was not germane. Same committee, same section of statute. So it's not as clear cut as all of that. And we do have precedent. And we need to decide if we're going to honor precedent or if we're going to blaze a new trail. But when we blaze a new trail, you must remember that you are not just doing this for Senator Sorrentino, that you are doing this for all of us. So when you challenge germaneness on another bill, that something, like, similar is happening and you disagree with it, and you don't think it has anything to do with anything, we're setting a new precedent for this Legislature if this is deemed germane. And I, honestly, I don't know if the amendment is germane or not because I haven't had a chance to look at it and I will. I do-- as I told Senator Guereca at the time, I was uncomfortable with amending two different committee bills into one, and so I did not vote to do that. And I am, again, uncomfortable with amending a, a priority bill out of one committee with an entirely new bill out of a different committee. I think that there might be an opportunity to take this current amendment that's being put forward and find a, a more appropriate home for it that has a bill out of that committee that we could-- that Senator Sorrentino could amend that into. And if there's some issue with the underlying bill, I know there were negotiations on this-- the bill that he-- is his priority, maybe those aren't working out, I'm not really sure, but we could always pass over it and come back to it after there's something worked out or Senator Sorrentino has made some other decisions. But this does feel a bit rushed, which I understand, we do things rushed here all the time, but we don't have to necessarily. We can pass over this, and we can come back to it when there's maybe more consensus on a direction or we have--

ARCH: Time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

ARCH: Senator Rountree, you are recognized to speak.

ROUNTREE: Thank you, Mr. President, and I rise just to-- I, I wanted to have a question for Senator Sorrentino, but I see he might have stepped out of the room with that. But as I'm on the mic, I do want to yield the remainder of my time to Senator Cavanaugh. I know she was just about-- what is the difference then in these-- as I'm looking at the bill and we're talking about germaneness and referencing from the two different committees, and so forth, I'm seeing that we have one fund in the bill that's going to be deleted and we are going to open

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

up a workforce development fund, I'm just looking to see if I could tell the differences in these funds and why we had to have a change in those? Well, he is back now.

ARCH: Senator Cavanaugh, will you yield to a question?

M. CAVANAUGH: I will, but I think that Senator Roundtree now has a new person he'd like to have, so thank you.

ROUNTREE: Mr. Speaker, I stand corrected. So I would like to ask-- I wonder if Senator Sorrentino will yield to a question?

ARCH: Senator Sorrentino, will you yield to a question?

SORRENTINO: Yes, I will.

ROUNTREE: Thank you, Senator Sorrentino. As I've gone down through the bill, I'm looking at as one, one type of fund is being cancelled and another type is being developed as far as the workforce trust development fund. Could you tell me a little bit more about that, why one fund was not sufficient, why we have to delete that one and why we had to do a new fund?

SORRENTINO: Sure, thank you for the question. It's not that it isn't sufficient, it's just that in the, in the order in the government's-- governor's plan to streamline efficiency, we are trying to merge funds from an accounting standpoint, also to the extent we can limit the amount of, you know, touching of an, an amendment to get it to where it needs to be. Nothing sinister, just efficiency.

ROUNTREE: Oh, I would never imply sinister, just understanding, with all that good and good understanding, so that was a, a good question, so. All right, thank you so much then, Senator Sorrentino. And with that, Mr. Speaker, that answers my question, so I yield back the rest of my time.

ARCH: Senator Guereca, you're recognized to speak.

GUERECA: Thank you, Mr. President. I guess I'm just trying to catch up and do a little digging on LB356 [SIC]. I was hoping my colleague, Senator Sorrentino, would yield to a question.

ARCH: Senator Sorrentino, will you yield?

SORRENTINO: I will.

GUERECAL: Thank you. Thank you, Senator. So I'm, I'm looking at LB536, and I'm looking at the fiscal note. So the, the \$250,000 for grants, that's money that's already been appropriated and set aside?

SORRENTINO: No, that, that bill, of course, has not, you know, gone-- come out of committee, but it has not been appropriated as of yet. It is a matching program of \$50,000, if indeed the manufacturer puts up \$50,000 of their own. So if-- doing the math, if everybody took 50, it'd be 5 [INAUDIBLE]. It's the 1-year pilot program, and then it'll be assessed. But there's been no appropriation as of yet.

GUERECAL: OK. All right, because I'm looking at the fiscal note and they're giving you a pretty hefty fiscal note.

SORRENTINO: Right.

GUERECAL: OK. So that, that-- this just creates the pilot program, we would then need to go after the appropriations--

SORRENTINO: Correct.

GUERECAL: --at a later date. OK. And, and the intent is to entice our manufacturing industry here in the state of Nebraska to modernize and expand?

SORRENTINO: Specifically, for certain types of high-end, high-tech jobs. It will create jobs, probably more of the hardware, software technician, engineer types of jobs.

GUERECAL: Excellent. Thank you, Senator Sorrentino. Yeah, I guess I'm just, you know, just trying to read through the bill and come to a conclusion on, on germaneness. And, yeah, I will do that, and I will highlight that the state of our tech workforce, we are currently ranked 33rd in the country according to the state chamber, so definitely, I think on face value, I would support LB536. As to the issue of germaneness, I would need to keep reading on, but definitely encourage more investment in the, the high-tech industry here in the state of Nebraska, definitely an industry that there's a lot of growth potential. So always-- I'm open to a conversation with my colleagues about how we can entice industry to grow and expand here in Nebraska. Thank you, Mr. President.

ARCH: Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President. And I'm just trying to think back in my time when I served before from 2017 to 2021 and if we'd had any

bills come up that where this might have happened and I don't remember directly, I do, I do know we had germaneness issues that came up and it was really important to make sure that, that those bills actually were, were-- had, had common ground to, to put them together. But also I do remember, it seems to me, that if there was bills out of separate committees, that just didn't happen, it seemed like to me. You know-- and for me right now, I'm being careful about what-- I wanted to amend one of my bills into another bill. And even though they came out of the same committee, I was being very careful about how I would go approach that and if I could actually even put this-- put the bill I wanted to see happen onto someone else's bill. And, you know, some of my bills I was able to do that in committee and that's where these type of things seem to be-- it's the best way for you to do that is amend a bill you have in that same committee on in committee, and bring it out that way. And not to say that it doesn't happen, I allowed Senator Dover to amend a bill to my-- one of my bills and that I believe they came out of the same committee. So, you know, it's important that we keep that germaneness, make sure we're, we're abiding by the rules so we don't have difficulties down the road. And I know I'm going to keep listening to some of the other debate on these other bills. I do think probably the, the two separate bills alone that Senator Sorrentino has are-- you know, at least the one would be OK, the other one I still have some issues with. If we can amend Senator Conrad's bill to that, or amendment, I think that would be great. And with that, I'll yield the rest of my time. Thank you, Mr. President.

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

JACOBSON: [MALFUNCTION] Mr. President. So there was an original bill that came to Banking. I think some people, as many bills this year, said why did this bill go to this committee and not that committee? In fact, Senator McKinney, I think you were one in many times in Referencing that we had disagreements on where a bill should be referenced, because should it be referenced to this committee or should it referenced to that committee? This particular bill got referenced to Banking, but it dealt with, with employee training, job training. So the bill was heard in committee, it came out of committee 8-0, and Senator Sorrentino has amended it into a bill dealing with job training in Business and Labor. So in my-- in the old days, I remember germaneness meant does the bill have same language, is it dealing with the same subject, a training fund, which it does. So anyone that reads the two bills can see that this deals with job training and that's why it went to-- he took it to this committee and amended it into this bill. We could have kept it in Banking, we could

attach it, we still have room to attach it to a Banking priority bill and bring it that way, but everything else in the bill would be different. It would be ruled germane because it's coming out of committee, and it's going into committee priority and so everything is germane, but he chose to go this route. But if you look at the two bills, you will see that there is-- that they're dealing with the same part, part of law, they're dealing the job training. So I guess just simple view, the germaneness is we're dealing with the same subject in a different committee. So with that, I'll yield my time.

ARCH: Senator McKinney, you're recognized to close.

McKINNEY: I withdraw my motion to overrule the chair.

ARCH: So ordered. Returning to debate, Senator Sorrentino, you are recognized to speak.

SORRENTINO: Thank you, Mr. President. In light of the revocation of the motion to overrule the chair, and pending the motions that we have for amendment under AM977 and AM900, [MALFUNCTION] I would request that the Speaker ask for a pause in the debate on this issue to be continued at the discretion of the Speaker and in concert with the sponsoring senators and sponsoring amendments. Thank you.

DeKAY: Thank you, Senator Sorrentino. Senator Arch, you are recognized for an announcement.

ARCH: Thank you, Mr. President. As you've heard Senator Sorrentino speak, at the request of the introducer, we'll be moving to the next item on the agenda. Thank you, Mr. Speaker-- Mr. President.

DeKAY: Thank you. Mr. Clerk, next item.

CLERK: Mr. President, Select File, LB254, first of all-- excuse me, LB245. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that the E&R amendments to LB245 be adopted.

ARCH: Colleagues, you heard the motion. All those in favor say aye. Opposed, nay. E&R is adopted.

CLERK: Mr. President, Senator Dekay would move to amend with AM759.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

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

DeKAY: Thank you, Mr. President. During General File debate, the body adopted the committee amendment to LB245 which added the provisions of LB394 making changes to the weights and measures program. Among changes was a revision of the fee schedule under that program. In addition to setting new beginning fees and statutory caps, the bill provides that when adjusting fees, the department would round the fee calculation to the nearest dollar. AM759 is a minor but necessary technical adjustment. It would specify that the fee be instead rounded to the nearest half dollar. The intent of rounding to the nearest dollar was to allow for easier calculation of fees owed. However, due to the wide range of fee amounts from \$10 to \$150 for different types of devices, a new issue was created. Because the fees for each device category are required to be increased or decreased by the same percentage, any increase of less than 5% would result in a \$10 fee never being increased, while the larger fees would continue to be increased every year. Rounding to the half dollar addresses this issue while meeting the initial intent for the language to simply-- to simplify fee calculations. I would ask for your green vote on AM759. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're recognized to close. Senator DeKay waives close. Colleagues, the question before the body is the adoption of AM759. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 31 ayes, 0 nays, Mr. President, on adoption of the amendment.

ARCH: The amendment is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB245 be advanced to E&R for engrossing.

ARCH: All those in favor say aye. Opposed, nay. It is advanced. Mr. Clerk.

CLERK: Mr. President, Select File, LB295. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca, for a motion.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

GUERECA: Mr. President, I move that the E&R amendments to LB295 be adopted.

ARCH: All those in favor say aye. Opposed, nay. They are adopted.

CLERK: Mr. President, Senator Ballard would move to amend with AM797.

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

BALLARD: Thank you, Mr. President. AM797 is a technical amendment that was brought to my office by Bill Drafters, in which falls out of the normal E&R process. LB295 updates the list of eligible identification documents under the retirement statutes. Since current law, only those individuals who are United States citizens are lawfully present and eligible to participate in the state retirement systems. While the green copy updates the lists in the various sections of the statute, governing each of their state retirement plans and inadvertently did not update a similar list elsewhere in the statute. AM797 would simply make some changes to the certain green copy to addition of section-- a section in Chapter 4. I ask for your green vote on the adoption of AM797. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Ballard waives close. Question before the body is the adoption of AM797 to LB295. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 38 ayes, 0 nays, Mr. President, on adoption of the amendment.

ARCH: AM797 is adopted.

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

ARCH: Senator Guereca, for a motion.

J. CAVANAUGH: Mr. President, I move that LB295 be advanced to E&R for engrossing.

ARCH: All those in favor say aye. Opposed, nay. LB295 does advance.

CLERK: Mr. President, Select File, LB78. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that the E&R amendments to LB78 be adopted.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

ARCH: All those in favor say aye. Opposed, nay. The E&R amendments are adopted.

CLERK: Mr. President, Senator Bostar would move to amend with AM784.

ARCH: Senator Bostar, you're recognized to open.

BOSTAR: Thank you, Mr. President, and good afternoon, colleagues. This is a simple amendment to fix effectively an error in the underlying bill. There's an inconsistency in the legislation related to the name of the fund that's being created. So in some places in the bill, it is referenced as the Domestic Violence and Sex Trafficking Survivor Assistance Fund. In other places, Domestic Violence and Sex Trafficking Survivor Housing Assistance Fund. This amendment simply adds the word housing to the one reference in the bill that is inconsistent and makes that correction. I would encourage your green vote on AM784. Thank you very much.

ARCH: Seeing no one in the queue, Senator Bostar, you're recognized to close. Senator Bostar waives close. Colleagues, the question before the body is the adoption of AM784 to LB78. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 0 nays, Mr. President, on adoption of the amendment.

ARCH: AM784 is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB78 be advanced to E&R for engrossing.

ARCH: All those in favor say aye. Opposed, nay. LB78 does advance. Mr. Clerk.

CLERK: Mr. President, Select File, LB287. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that the E&R amendments to LB287 be adopted.

ARCH: All those in favor say aye. Opposed, nay. They are adopted.

CLERK: Mr. President, Senator McKinney would move to amend with AM990.

ARCH: Senator McKinney, you are recognized to open.

McKINNEY: Thank you, Mr. President. So AM990 is an amendment that I worked on with the Omaha Housing Authority and a local organization and also with the city of Omaha to clean up some of the language in the bill to, one, clarify that-- clarify the complaint process to make it align with LB840, which we passed last year to require the Omaha Housing Authority to kind of restructure their complaint and grievance process. And we wanted to make sure that whatever we passed here aligned with that. And OHA actually reached out to my office and offered up this language with others. So this is actually a friendly amendment that was brought to my office by the Omaha Housing Authority. Also, we worked on some language with the city of Omaha to clean up some of the language around reporting. So instead of just a direct report, it will state that a housing authority for a city of the metropolitan class shall submit a report every 6 months to the city and to the Urban Affairs Committee of the Legislature. The report shall include information regarding any pest control management activities undertaken in a 6-month period, the number of eviction filings during the 6-month period, the number and nature of complaints or grievances filed during the period, and current vacancy rates and any relevant updates from meetings and agencies. And that's it. And there's also some language in here for Senator Sanders' LB321, which clarifies some of that language in that bill, and that's what this amendment does. But this is an amendment, again, that I worked on with the Omaha Housing Authority and the city of Omaha to clean up some things from General to Select for anyone that has questions. So that's what we've been working on. And I do have another amendment that I worked on with the city as well. So thank you.

ARCH: Turning to the queue, Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. I'd like to ask Senator McKinney a couple of questions.

ARCH: Senator McKinney, will you yield?

McKINNEY: Yes.

ARCH: So with this amendment, and I haven't had time to read it, I'm sorry, does this set out a reporting requirement for OHA or for the city?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

McKINNEY: It's a reporting requirement for OHA to submit a report to the Urban Affairs Committee and to the city every 6 months on the number of eviction filings, the pest control management, the number and nature of complaints and grievances filed, and any other relevant things that goes on with the board activities.

KAUTH: OK, and so-- and how did you come up on 6 months? Was that just--

McKINNEY: Well--

KAUTH: --was it happening that frequently that you need to keep on top of it or is it-- how, how did you come to that?

McKINNEY: We got the 6 months because the-- number one, with these issues, they've been popping up so frequently they're in class action lawsuit, and I wanted to make sure that we were as much in the know as possible so I think 6 months is kind of a reasonable time every 6 months instead of a year because a lot could happen in a year but in 6 months something might happen in, in that 6-month period that we could hear about and probably respond to a lot faster than a whole year. So that's why.

KAUTH: And that report goes to Urban Affairs Committee?

McKINNEY: Yes, and the city.

KAUTH: And does he get shared with the rest of the legislative body?

McKINNEY: Yes, I could definitely share it with the whole body.

KAUTH: That would be great. And then, so-- does this separate out because OHA is responsive-- I mean the Legislature is essentially in charge of OHA, correct?

McKINNEY: We have authority, yes.

KAUTH: OK. And so does the city-- is the city required to pay for mitigation?

McKINNEY: No, the city isn't required. In the, in the bill, it says that OHA is required to pay for the cost. The city, the city wouldn't be.

KAUTH: OK.

McKINNEY: Yep.

KAUTH: So the city's not on the hook because they don't have any ability to actually make changes--

McKINNEY: No.

KAUTH: --within OHA?

McKINNEY: Yeah.

KAUTH: OK.

McKINNEY: And it just gives the city-- it says the city may-- in the other amendment, it says the city may look at code enforcement, inspections, and those type of things.

KAUTH: To help OHA.

McKINNEY: And the city would have to pass an ordinance in order to take on that. It just would give them the option to take on those additional powers.

KAUTH: OK.

McKINNEY: Yep.

KAUTH: OK. Thank you. And you said you have another amendment coming up?

McKINNEY: Yes, with that language.

KAUTH: I may have more questions.

McKINNEY: All right.

KAUTH: Thank you. I yield my time.

McKINNEY: No problem.

ARCH: Senator McKinney, you're next in the queue.

McKINNEY: Oh, yeah. Well, I'll get back out. So thank you.

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

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. Well, I just punched in to support AM990 and LB287, and I know folks who are new here may wonder why we're spending so much time talking

about a housing authority in a city of the metropolitan class this year but believe it or not we've talked about it a lot in my 4 years here and one of the reasons is there's a number of the housing towers in Omaha, the city of the metropolitan class, that have a lot of the residences that have become uninhabitable as a result of lack of pest control and, and oversight and, and things like that. And there's actually two pending lawsuits about this in the city of Omaha, and it's, it's a big problem. And so LB287 seeks to solve that, and one of the ways it seeks to solved that is to put a little bit more oversight authority in, in the hands of the city and the Legislature, specifically for metropolitan class housing authorities. The amount that was originally-- is in the original LB287 was more than the city of Omaha is comfortable with, and so Senator McKinney has worked very diligently with the city to get to this compromise amendment of AM990 that puts-- makes it clear that the city has existing authority for code enforcement and things like that. And then it adds this additional part about reporting requirement. And so the Legislature-- I know we talk a lot about reports that nobody ever reads and things like that, but this requirement that Senator McKinney's bill-- AM990 creates would require that the housing authority let us know, the Legislature know about what it's doing for-- well, its current vacancy rate and information from its board meetings, but specifically about what it's doing for pest control management activities. So what-- essentially, we would-- we want to know, we need to know what they're doing to remediate these problems because there's a lot of concern that things aren't happening, apartments are not being cleaned up. And so that's-- AM990 requires that they file a report every 6 months with the Legislature and the city of Omaha. I heard the city is concerned about the, the fact that it's every 6 months and would like it to be a year. And so I certainly-- we can have-- after the vote here we can talk about if there's a necessity for a change on that. But basically they'll send the report to us, they'll send it to the city of Omaha. If there is, obviously, glaring issues in there, the city has some-- has code enforcement authority and can look into those things and the Legislature can take appropriate action. But one of the reasons we have a 6-month report on here is we've had a lot of reports that are 6 months. My first year, I passed a bill that required a report about how many evictions happen in the state of Nebraska and it was supposed to be filed by the courts every 6 months and I point to that as a reason for-- well, every 6 months, but when people complain about reports being not useful, the-- that report is not as useful as we would like it to be because the courts have refused to report the data in the way that we told them to. And, therefore, we get the data in a, a maybe less clear and, and more convoluted way, which makes the

report less useful. We have tried to fix that and had great pushback to make that report more useful, but reports serve a purpose in terms of oversight, they serve a purpose in informing our decision-making going forward, and they certainly allow us to know what's going on, what problems are, are coming. So that's why this part-- the reporting part is really important in AM990, and the concessions that Senator McKinney has made in AM990 to help alleviate the city of Omaha's concerns on this bill, our demonstration of the compromise of the problems raised on committee hearing level, at the first round of debate level, and in the conversations. So I encourage your green vote on AM990. Thank you, Mr. President.

ARCH: Senator Bosn, you're recognized to speak.

BOSN: Thank you, Mr. President. I had-- was a PNV on the first round of the floor debate and, and in addition to the concerns that I think Senator McKinney has worked on, my concern remains the Section 3 that amends Section 37-752 regarding sanitary and improvement districts, known as SIDs, prohibiting assessing property that is not accessible outside district boundaries or not specifically benefited by the improvements with listed exceptions. But this section allows for general benefit assessment and provides options for funding improvements outside the district boundaries. So, essentially, you're collecting taxes levied on properties outside of the boundaries of the SID. So the SID is a defined area, and now we're saying, OK, this road to the SID benefits everybody along the way. So even though they weren't included in the SID, now we're going to increase their property taxes. And that's a real concern that I have. So I don't know if there's a solution to that or what the feedback anyone wants to provide, but I remain concerned about that portion. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator McKinney, you're recognized to close.

McKINNEY: Thank you, Mr. President. Again, this is-- to me, I feel like we've made a compromise and some concessions from General to Select to get here. And I've tried to be reasonable and listen to all stakeholders in the process. And that's how we got to this amendment. And I would hope to get your green vote. Thank you.

ARCH: Colleagues, the question before the body is the adoption of AM990 to LB287. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

CLERK: 34 ayes, 0 nays on adoption of the committee amendment, or excuse me, the amendment, Mr. President.

ARCH: AM990 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator McKinney would move to amend with AM961.

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

McKINNEY: Thank you, Mr. President. This is another amendment that we got from the city and we came to an agreement on. It states that to require any housing authority in the city of the metropolitan class to comply with any city rental inspection and registration ordinance, code enforcement, and inspection of residential properties. That's all it says. And that is a compromise that we've got to with the city as long as we said that OHA just had to submit a report to the Urban Affairs Committee and to the city of Omaha. And that's how we got to this amendment. I would hope to get everyone's support on this. Thank you.

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

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. I again rise in support of AM961, which demonstrates another compromise Senator McKinney has made with the city in the interest of moving this forward. And I did want to make sure, I don't know if I was clear on AM990, which I just talked on a minute ago. As it pertains to the reporting requirement, the requirement is one that we have created, we will create if we pass this bill, as the Legislature, and that requirement requires the housing authority to submit a report to the Legislature, and that report is also shared with the city. So the city is not being empowered to ask for this report or to, you know, ask for any of the specific details in it or the timeline of when the report would be given to them. They will just be able to receive the same report that the Legislature also receives. So just want to make clear that the city of Omaha or any city of the metropolitan class, whichever other ones there may be in the state of Nebraska, is not being granted any new authority to request for reports. They are just being listed as a recipient of a report that we are creating. So I wanted to make that clear, but, again, I support AM961 and LB287. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator McKinney, you're recognized to close on AM961.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

McKINNEY: Thank you. Again, this is another compromise amendment that we reached with the city and I will hope to get your green vote on this amendment. Thank you.

ARCH: Colleagues, the question before the body is the adoption of AM961 to LB287. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 0 nays, Mr. President, on adoption of the amendment.

ARCH: AM961 is adopted.

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

ARCH: Senator Guereca, for a motion.

GUERECA: Mr. President, I move that LB287 be advanced to E&R for engrossing.

ARCH: All those in favor say aye. Opposed, nay. LB287 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB474, introduced by the Banking Committee. It's a bill for an act relating to interest loans and debt; amends several sections of Chapter 8, 45, 76; renames the Nebraska Installment Sales Act; transfers provisions of and eliminates the Nebraska Installment Loan Act; changes and eliminates provisions relating to installment sales and installment loans; harmonize provisions; provides an operative date; repeals the original section; outright repeals several sections of Chapter 45. The bill was read for the first time on January 21 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments. There are additional amendments, Mr. President.

ARCH: Senator Jacobson, you're recognized to open.

JACOBSON: Thank you, Mr. President. I've, I've got a brief opening on each the committee bill and also the amendments. I trust that you've all read the 203-page bill, so I probably won't have to go into a lot of detail, but if you stayed awake through all of it, congratulations. So I'm asking for your green vote on LB474, one of the Banking, Commerce and Insurance Committee priority bills. LB474 was introduced at the request of the Nebraska Department of Banking and Finance. It would modernize the Installment Loan Act, Chapter 45, Section 10-- Article 10 of the Installment Sales Act, Chapter 45, Article 3. The

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

Installment Loan Act governs persons to-- who make service or participate in direct loans of less than \$25,000 to consumers. As of the end of the year 2024, the department licensed 139 installment loan companies. These licensees are examined by the department and licenses are granted or denied after application. A hearing is, is required unless the applicant does, does not directly make loans to Nebraskans in which case a hearing waiver may be granted by the department of the-- the director of the department following-- followed by publication of a notice of application. Each office of an applicant must be separately licensed under the act. The major-- the majority of the current licensees are loan servicers or participants. The Installment Sales Loan-- Sales Act governs persons who purchase retail installment contracts from businesses such as car dealers or furniture and appliance dealers. Installment sales companies are also known as sales finance companies. Licensees are granted or denied after application, review, and no hearing is required. As of year end, the department licensed 92 installment sales firms and 53 branches. The department confirms examinations upon complaint-- or excuse me, performs examinations upon complaint. LB474 was revised and combined the two acts for a coordinated system of regulation for these consumer finance lenders. The application process for installment loans would be the same as it is in installment sales contracts. This would result in efficiencies for the installment loan industry and the department as the time frame from application decision would be shortened considerably without a waiver publish-- publication or hearing. Branches of installment loan companies would be authorized, which will allow for joint examination of multiple offices of the licensee. This would allow examiners time to conduct more examinations per year, better protect citizens and have the install-- the industry-- the expense of-- and save the industry the expense of separate examinations. The types of examinations and the surety bond requirements will not change. Reporting requirements will be updated. The office has an operative date of October 1, 2025. Again, I would appreciate your green vote on this important bill. Thank you, Mr. President.

ARCH: As the Clerk indicated, there is a committee amendment. You are welcome to open on the committee amendment.

JACOBSON: Thank you, Mr. President. The committee amendment is AM37-- AM307, adds an additional subsection to Section 45-336. This would clarify that loans made by financial institutions that are serviced by or purchased by a licensee shall not be subject to the interest rate limitations of the Nebraska Installment Sales and-- Sales Act. I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

appreciate and support-- I appreciate your green vote for support of this amendment to LB474.

ARCH: Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Jacobson would move to amend with AM669.

ARCH: Senator Jacobson, you're recognized to open.

JACOBSON: Thank you, Mr. President, and again, good afternoon, colleagues. AM669 is the amendment to the committee amendment, and it would add, it would add three bills in the committee priority bill, LB474. Normally, we would have attached these bills to LB474 in committee, but with the fast pace at which bills were moving during the first part of the session, all the bills that would be served as appropriate vessels for a BCI Christmas tree bill were already on the floor. Before I briefly describe the three bills being added into LB474, I'd like to make clear that all four bills, including LB474, came out of BCI Committee with 8-0 votes. The first bill added to LB474 by AM669 is LB473. LB473 is a committee bill introduced at the request of the Department of Banking-- Nebraska Department of Banking and Finance. LB473 can be found in the amendment at Section 4 and Section 6, 249 [SIC]. It would update and revise, revise the Money Transmitters Act based on the Nebraska Money Transmitter [SIC] Modernization Act, which is a model law drafted as a result of years of collaborative work between state financial regulators through the conference of state bank supervisors and industry stakeholders. The model act would provide greater consistency and harmonize across the nonbank financial industry through a streamlined state licensing system of the money transmitters. The money act is a, is a set of nationwide standards and requires designated requirements designed to protect consumers and to enact local innovation. Until recently, each state has had its own laws and the rules to the-- regulate license and regulate money transmission, which greatly-- which created a complex compliance requirement environment for companies operating in multiple states. Money transmitters are regulated currently under the money transmitters-- the Nebraska Money Transmitters Act, Section 20-- Section 8-2701 to 8-2747. As of February 1, 2025, Nebraska had approximately 200 entities licensed under the act, almost all these entities located outside of the state. The industry is in, is in, in support of the Modern Act-- Modernization Act, with the exception of Article 13 covering digital assets. Article 13 is not included in LB473 because it conflicts with the Nebraska Financial Institution-- Financial Innovations Act which was passed a couple years ago. To date, more than half the states have adopted the, the model act in

full or in part. LB73 [SIC] would adopt many of the provisions of MTMA. LB473 also retains aspects of the current law not included in the model act, such as the abandonment process for applicants who do not complete an application within 120 days after a deficiency has been set on the application, and the department's, department's authority to cancel the license because of failure to maintain the requirement of the required surety bond without going through a revocation procedure. The licensing fees would be increased to the initial amount of the application fee charging from \$1,000 to \$1,500, and the renewal application fee from \$200 to \$750. A new fee of \$1,500 would be added for, for a change of control applications. These fees are in line with many states which-- while being lowered-- lower than other surrounding states. The proposed bill would go into effect October 1, 2025, so that it will cover license renewals for calendar year 2026. The renewal process begins on November 1 of each year. The department would continue to utilize the nationwide registration and licensing system to process all facets of the licensing. AM217 is a minor adjustment to LB473 that would allow for disclosures on the websites. LB278, the second bill being introduced by LB474 by AM669 is LB278. The bill was introduced by Senator von Gillern, was heard on-- in the BCI Committee on February 21, and was voted to the floor on March 5 on an 8-0 vote. LB278 can be found in the amendment at Section 52. LB278 would amend Section 44-4109.01, a statute that places restrictions upon health insurance policies and contracts between preferred providers and insurers. Specifically, such policies and contracts would be prevented, prevented from including a provider solely because the provider holds a visiting faculty permit as authorized in Section 38-2045. The third and final bill being added to LB474 by AM669 is LB232 as amended by AM470. LB232 was introduced by Senator Hallstrom, was heard on the BCI Committee-- at the BCI Committee on February 1-- or February 11, 2025, and was voted to the floor on March 5 on an 8-0 vote. LB232 can be found in the amendment at Section 50. LB232 creates two sections of law relating to life insurance. The bill would provide-- would require insurers of certain life insurance policies to provide notice of lapse of termination of such policies to the assignee of these policies. It would also authorize a senior citizen with a certain life insurance policy to designate a third party to receive certain notifications regarding such senior citizen's life insurance policy. In order to address all-- address some mild opposition heard during committee, the compromise amendment AM470 was adopted. AM470 strikes and replaces the entirety of LB232, adding a new subdivision, a subdivision to Section 44-502. The new subdivision provides that for policies issued or delivered in this state on or after July 1, 2026, the notice will be sent

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

electronically or mailed to the last known address of the policyholder and any assignee on record with the company at least 15 days prior to policy termination or lapse due to nonpayment of any premium. Any assignee would have the same legal standing as the owner with respect to this subdivision. With that, I would appreciate your green vote. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Jacobson, you're welcome to close on AM669. Senator Jacobson waives close. Colleagues, the question before the body is the adoption of AM669 to AM307. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 0 nays on adoption of the amendment. Mr. President.

ARCH: AM669 is adopted. Next question is the adoption of AM307 to-- Senator Jacobson, you're recognized to close on AM307. Senator Jacobson waives close. Question before the body is the adoption of AM307 to LB474. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: AM307 is adopted. Senator Jacobson, you're recognized to close on LB474. Senator Jacobson waives close. Question before the body is the advancement to E&R initial of LB474. 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: LB474 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB398, introduced by the-- by Senator Moser. It's a bill for an act relating to motor vehicles; amends Sections 60-4,144.01, 60-4,144.02, Sections 18-1737, 60-107, 60-119.01, 60-169, 60-302.01, 60-336.01, 60-386, 60-3,113.04, 60-3,193.01, 60-462.01, 60-479.01, 60-4,111.01, 60-4,131, 60-4,132, 60-4,134, 60-4,144, 60-4,147.02, 60-4,168, 60-501, 60-628.01 60-6,265, 60-2705, 60-2909.01. 75-363, 75-364, 75-366, 75-369.03, 75-392, and 75-393; adopts updates to the federal law and updates certain federal references; changes provisions relating to commercial driver's licenses and CLP-commercial learner's permits; redefines terms, provides duty for the Reviser of Statutes; repeals the original section; declares an emergency. The bill was read for the first time on January 17 of this year, and referred to the Transportation

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

Committee. That committee placed the bill on General File. There are no committee amendments. There is an additional amendment, Mr. President.

ARCH: Senator Moser, you're recognized to open.

MOSER: Thank you, Mr. Speaker. Good morning-- good afternoon, colleagues. LB398 is a bill that was brought to the TNT Committee by the Nebraska State Patrol and the Department of Motor Vehicles. It serves as the annual update bill ensuring that Nebraska statutes remain aligned with federal regulations covering motor vehicle safety, licensing, registration and commercial driver requirements. These updates are essential for maintaining compliance with federal law and ensuring that the continued safety and efficiency of our state motor vehicle operations. The bill updates statutory references to federal motor vehicle regulations, ensuring that they reflect the regulations in existence of-- as of January 1, 2025, including compliance with the Federal Motor Carrier Safety Administration regulations, the national medical registration requirements, and the international registration plan. It incorporates updates to requirements for low-speed 4-wheel vehicles, manufactured homes, wrecker or salvage dealers to align with applicable federal safety standards. It also ensures that Nebraska remains compliant with the FMCSA final rule for the national medical registration by updating medical certificate-- certification requirements for CDL holders. It also adds provisions for the implied consent to federal drug and alcohol clearinghouse requirements and mandates timely updates to the commercial driver's license information system. It updates civil penalties for certain motor carrier violations consistent with federal guidelines. The bill also creates statutory mechanisms for updating references to federal regulations on an annual basis. It was heard in the Transportation and Telecommunications Committee on February 3, 2025. There were three testifiers in support of the bill and no opposition. It was advanced from committee on a unanimous vote of 8-0 and placed on General File March 3. It will allow Nebraska to maintain compliance with federal motor vehicle and commercial transportation laws, ensuring continued access to federal funding, and promoting safety and efficiency of the state's motor vehicle operations. For these reasons, I ask your support advancing in LB398 to Select File.

ARCH: Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Moser would move to amend with AM842.

ARCH: Senator Moser, you're welcome to open.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

MOSER: Thank you, Mr. Speaker. We advanced LB398 to General File before we added some other amendments to make it kind of the committee package and so I'll go through those bills that were put into this amendment and then intended to be added to LB398. And I'm going to give each of the makers of those bills a moment to describe what their bill does. So LB398, I've already described, so we can skip that and then it includes LB568 by Senator Fredrickson, and I'm wondering if Senator Fredrickson would want to give a quick update on his bill?

ARCH: Senator Fredrickson, 9 minutes, 20. Excuse me, Senator Fredrickson, would you yield to a question?

FREDRICKSON: I will.

MOSER: Yeah, we don't want to burn all 9 minutes on his part of the bill.

FREDRICKSON: I mean, I could.

MOSER: But please go ahead.

FREDRICKSON: Thank you, Mr. President. Thank you, Chair Moser. So good afternoon, colleagues. So Senator Moser mentioned AM842 includes my bill, LB568. So this is a bill that-- I'm going to be completely honest, I used to be a hater on the license plate bills when I first got on Transportation and Telecommunications because you hear all sorts of license plates. But now this year I actually brought a license plate bill and I'm really excited about it. So LB568 establishes a home of the Arbor Day license plate. So Nebraska, as many of you know, one of the points of pride in our state is that we are the origin of the Arbor Day holiday. However, we do not have an Arbor Day license plate. So the plates will be designed in consultation with both the Arbor Day Foundation and the Nebraska Statewide Arbor-- Arbor-- Arboretum. I always say that word wrong. Arboretum. Thank you. This bill received no opposition testimony and was voted out of committee unanimously. It has no fiscal impact. And the funds that come from this bill and this-- these license plates are going to go to the Statewide Arboretum, which is going to help ensure that trees continue to get planted throughout our state. So I'm really excited about this bill, and I look forward to seeing these plates on Nebraska cars. Thank you.

MOSER: Thank you, Senator Fredrickson. Another section of the bill is LB134 by Senator Holdcroft. I'm wondering if he would be willing to give a quick update on his section of this amendment?

ARCH: Senator Holdcroft, would you yield to a question?

HOLDCROFT: Yes, I will. And I wanted to thank Senator Moser and, and the TNT Committee for including LB134 in AM842. LB134 alters fees and provisions related to disabled veteran, prisoner of war, and Purple Heart license plates. Also, the United States Space Force is added to-- as an organization whose veterans can apply for military honor plates. The fees for specialty plates related to prisoner of war and disabled veteran plates are waived. Trusts whose beneficiaries are veterans can apply for such plates. The Department of Veterans' Affairs disability rating threshold to receive disabled veteran plates is lowered from 100% to 10%. The, the committee amendment to LB564 allowed the option of vanity license plates for military honor plates. So this committee, the hearing only had 1 proponent, no opponents, no neutral. Written statements were 3 online proponents, and the, and the committee added this LB134 to the committee package 8-0. Thank you very much.

MOSER: Thank you, Senator Holdcroft. OK, another part of the bill-- and I hate license plate bills too, but there are so many people interested in them, and so we combined them all together to try and save time for ourselves and for the body also. Another section of the bill, in fact two, LB343 and LB563, were both brought by Senator Brandt, and I was wondering if he would give us just a quick update on his parts of this amendment?

ARCH: Senator Brandt, will you yield to a question?

BRANDT: Yes, I will. So thank you, Senator Moser, and I serve on the TNT Committee for putting these into the Christmas tree for the committee. The first one, LB563, would give owners of commercial fertilizer trailers the option to purchase a permanent plate instead of renewing their registration annually and replacing the plate every 5 years. A commercial fertilizer trailer is defined as a fertilizer trailer owned by an individual or business that sells ag fertilizers or chemicals, the most common example being in hydro-sulfuric acid tanks. Businesses like Farmers Co-op own thousands of these trailers and must spend a significant amount of time applying new registration stickers annually. The goal of this legislation is not to reduce trailer plate fees for businesses, but to streamline the registration process for both trailer owners and county treasurers by eliminating the task of putting on new stickers every year. A permanent plate option would accomplish just that. The second one, LB343, would reduce the cost of an organizational license plate from \$70 to \$40, aligning it with the cost of a specialty license plate. When the Legislature authorizes a

new specialty plate, for example, the czech license heritage plate last year, which is now available for purchase, the cost is \$5 for a general alphanumeric plate, or \$40 for a personalized plate. However, if an organization applies to the DMV directly for its own specialty plate, like the Nebraska corn growers or the cattlemen, the cost is \$70 for both alphanumeric and personalized versions. It is important to note that organizational plates do not generate additional revenue for the sponsoring organization. All proceeds go to the DMV Cash Fund and the Highway Trust Fund. In contrast, a portion of the revenue from some specialty plates supports a foundation or account associated with the sponsoring organization. Otherwise, the funds go to the DMV cash fund. I'd like to thank the committee and urge everybody to vote green on AM842.

MOSER: Thank you, Senator Brandt. OK, the last section of our committee bill is LB114, and that's the section of a bill, that's a section of the bill that I brought. It is amended into AM842, and it changes fees charged by the DMV for driver and vehicle records. So when an insurance company or, well, anyone asks for a driving record to see whether a person is a licensed driver and what their driving experience is from the state, they get charged a fee. And as part of this bill, that fee is increased in several small increments, and then one of them is increased by \$7. So the fee for a monitoring service would be increased from 6 cents to 15 cents. The driver recorder, recorder header information including name, license numbers, date of birth, address, physical description, will be increased from \$18 to \$30 per 1,000 records. The fee for a driver record abstract will be increased from \$7.50 to \$15. This increase in \$7.50 will be distributed to the DMV cash fund and it's used for the update of the computer system for the DMV. The fee for the vehicle record will be increased from \$1 to \$3. The fee for bulk vehicle records will be increased from \$18 per 1,000 records to \$25 per 1,000 records. The fee will be increased to \$30 per 1,000 records beginning July 1, 2026. So the new computer system for the DMV is around \$32.7 million, and so this increase will help pay for that new computer system, the current one is run on a mainframe that's older than some of the younger members of the legislative body. And while most of us are still in the prime of our lives, that does not make an efficient computer system when it's 20 years old or 30 years old. So that's the reason for those increases. So I would appreciate your support for AM842 and for the master bill of LB398, and I'd be glad to answer any questions if there are any. Thank you, Mr. Speaker.

ARCH: Senator Ballard, you're recognized to speak.

BALLARD: Thank you, Mr. President. I would first like to thank Senator Moser and the Director of the DMV for, for working with the committee on this, on this package. I do rise with some concerns over the bill that Senator Moser just talked about, LB114. It was a pretty substantial fee increase to pay for this monitoring system, which I agree that this is needed, is an archaic system that needs some updating. And so I agree that part of this fee, most of this fee will go to that, that operating system. And the DMV being a, a solely cash-funded agency is, is important that these fees are collected and used for that purpose. But just the, the real-world, real-world ramifications, we have companies in this, in this state that this will increase their, their expenses by over \$1 million from insurance companies' perspective and companies across the state that utilize this, that utilize this record request. So it's just something that this, this body should think about when, when undergoing fee increases for the funding of government, that this has real-world implications and will be a cost increase for some of our, some of our businesses in the state. With that, I'd like to thank Mr. President.

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

JACOBSON: Thank you, Mr. President. I agree with what Senator Ballard brought on his amendment. I know I did speak with Senator Moser ahead of time to make sure that he was OK on, on bringing, bringing this amendment which is basically a sunset in 5 years and if they still need that kind of income that we would extend it but to try to put a sunset on it and not take it out quite so far and just have them pay between now and then to update the system. So that's what we're looking for. It is a real-world example of over \$1 million to one insurer that's domiciled in the state of Nebraska. So that is a real cost. But, again, I think Senator Moser is agreeable to this. I think that's what our conversation was, so. But, otherwise, it's a good bill and I would encourage you to add-- vote green on the amendment. Thank you.

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

M. CAVANAUGH: Thank you, Mr. President. I can never not take an opportunity to fangirl over Director Rhonda Lamm and her excellent stewardship of the Department of Motor Vehicles. She's a true public servant, an amazing steward of taxpayer dollars. She talked to me about this bill earlier today because she knows that I pay close attention to fees and we talked it through and I'm just so grateful to her and for her service to our state. And I will be voting green on

this bill, so-- with-- well, with the amendment. So thank you and thank you, Director Lamm. I will never stop fangirling over you.

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

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I really appreciate my colleagues who are on the committee of jurisdiction or who were formerly and have more expertise on these matters, helping to, to shine some light on the mechanics of how we fund these functions of government. And I really also truly appreciate Senator Moser for reaching out to me. And I think other members in advance of the General File debate to just troubleshoot questions, concerns, and, and I, I think that is always good practice, and it was able to alleviate a lot of initial concerns that I had been looking at the measure itself. But I'm still just trying to put a finer point on some of the related fee issues that I think have been raised in the measure, and I just want to ensure that there hasn't been any recent or ongoing sweeps of cash funds for plugging budget holes from these different particular cash funds at the DMV, I want to make sure I have a better understanding about whether or not the software or computer updates or upgrades, are those historically cash-funded activities or are they actually better suited for General Fund obligations? And, if so, why aren't we using those? And then just trying to get an update and understanding as to whether or not the fees, the increased fees that will be assessed against the businesses that primarily, primarily utilize some of this information in these reports, will those be assumed or will those be passed on to the consumers with the ultimate additional nickel and diming of Nebraskans in order to carry out government function or to plug budget holes? So I'm just trying to get a clear, better sense on that. And I'm sure we'll be able to do that from General to Select. Thank you.

ARCH: Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Good afternoon, colleagues. So we're here at our Transportation and Telecommunications priority bill, which we're doing in a slightly unorthodox way, putting it together on the floor, bygones. I would like to address a little bit Senator Conrad-- ooh, I almost called you Cavanaugh-- that's usually what I get called-- Senator Conrad's questions with respect to these additional fees. So Director Lamm, as Senator Cavanaugh pointed out, has been incredibly responsible with her fees in the various different fees she gets in the Department of Motor Vehicles and making sure that they get lowered if they have more money in the cash account that those fees go into, and that sort of thing. So when this bill originally came to

TNT, there was an \$11.50 additional fee increase over what we're seeing in this amendment that went to the general funds. And the committee had took exception to that, because we didn't think we should be essentially quietly raising taxes, which is when you raise a fee like that over what the cost of use is. And so the committee elected to ask to have everybody look again at this bill and lower the costs from their original suggestion. And that's the amendment that you have in front of us where there is not an additional amount of money that is being generated through these fees for the general funds. So I want to thank Director Lamm for being responsive to the committee's concerns in that direction. Additionally, there were some extra funds in a cash fund that the DMV had from some other fees that were generating more than expected, and there were several million dollars from that additional cash fund that are being used to help support the program where these fees are being raised for. So, actually, in order to do the program, if we didn't have that additional cash fund, we would have had to raise the fees even more. Luckily, they're just not sweeping their own cash fund, but using the funds that are extra from that cash fund in order to support the program that they're using these fees for. So they are incredibly good stewards of their money. And I really appreciate Director Lamm recognizing where there is extra cash within her department so that she can use that to support these before raising fees. I am confident that when this program is fully in place and she no longer needs the additional fees, that she will once more come back to the Transportation and Telecommunications Committee, and I'm sure I'll be gone by then, and ask for these fees to be lowered. We know that she has a history of doing that. She came to us last year and asked us to lower a fee that she no longer needed the excess in. So that's kind of what's happening here. So, in fact, instead of, you know, some kind of sweeping going on, there's a, a sort of internal verisimilitude of all of the cash funds in order to support these programs that she's using. So I'm in support of this. Even though I don't like the fact that we're going to raise fees on this, I strenuously object to using fees to raise money for general funds. That portion of the bill has been taken out, and now we have a bill where the cost is going to be commensurate with the services that are being provided. So thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Moser, you're welcome to close on AM4-- AM842.

MOSER: Thank you, Mr. Speaker. The projection of costs over the next several years was researched by the DMV, and they said that the cost to maintain and produce drivers' records for the '25-26 fiscal year

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

will be about \$18 per record. Under the provisions of this bill with the amendment, the DMV will receive \$13.25. So there's about a \$5 slippage right there. And in the next year that cost will drop to \$17.72 per record, and again with this bill and the amendment, the DMV will receive \$13.25. So there's \$4 slippage more or less there. Ongoing costs will be \$13.04, and under the provisions of this bill and the amendment, the DMV will receive \$13.25 per record. So it should be able to fund itself going forward. They have about \$7 million or so in a couple of their accounts where they were going to update some parts of the system, and rather than do that, they're going to get rid of the green screens and the old mainframe and get with a more technologically up-to-date system and pay for it over a number of years based on what they sell records for. There are still some interfaces that will need to be built from various departments so that they can access this database and those will have to be worked out between the agencies that request those records and the DMV moving forward. So with all of that said, I would greatly appreciate your support for AM842 and the underlining bill-- underlying bill, LB398. Thank you, Mr. Speaker.

ARCH: Colleagues, the question before the body is the adoption of AM842 to LB398. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 0 nays on adoption of the amendment, Mr. President.

ARCH: The amendment is adopted. Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Hallstrom would move to amend with AM765.

ARCH: Senator Hallstrom, you're recognized to open.

HALLSTROM: Thank you, Mr. Speaker. Members, AM765 to LB398 contains the provisions of what was LB175, which was advanced earlier this session by the Transportation and Telecommunications Committee on a vote of 8-0. For the record, Omaha Public Power District had appeared in opposition at the committee hearing stage, but they subsequently informed both myself and Senator Moser that they were standing down and had dropped their opposition to the bill, and as I indicated, it was subsequently advanced by the committee on an 8-0 vote. AM765 amends Neb. Rev. Stat. Section 74- 1335, to clarify that a successor in interest to a railroad has the same obligations as the railroad itself to provide and keep in repair at least one adequate means for a landowner who owns land on both sides of the railroad right-of-way to

cross the right-of-way. The only condition that may be imposed under the existing statute is that the landowner must bear one-half of any expenses incurred in excess of \$1,500 if the Department of Transportation requires overhead, underground, or grade crossings, and wing fences at underground crossings or requires existing crossings to be relocated for safety reasons. In mid-2023, I represented a client who had that particular circumstance, i.e., he owned land on both sides of a railroad line and needed to have access. And while the access was provided, there were conditions put on the granting of access that were not in alignment with what the statute allows or only that which is required of the landowner. In the process of trying to obtain financing to acquire a piece of land in order to use the land as collateral, the lender had suggested that there needed to be a perpetual easement, which OPPD at the time was unwilling to grant. And so the bottom line is they put conditions on what they were willing to grant, they were going to put it on a term of years, which is not in alignment with the statute. They were requiring the owner of the land who was gaining access to be responsible for certain repairs that went beyond what the existing statute required. And, in essence, what the bill does is it recognizes what is the reality that in this case OPPD or in any case in which a successor in interest has acquired title to railroad lines and the adjacent rights-of-way that they have the same statutory obligations to provide access under the same conditions as a railroad itself would as the original And with that, I would request your affirmative vote on AM765 to LB398, and thank you.

ARCH: Turning to the queue, Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I stand in support of my good friend Senator Hallstrom's AM765. Even though Senator Hallstrom and I sometimes disagree about things, I don't take personal anything we disagree about. And so I'm here to support his bill because it's a good bill, because I weigh the merits of the bill itself. And I look at this bill, and I say successors having the same rights as the railroad makes a lot of sense to me. So because I care about what the bill says, I'm going to support this bill, and I would like all of you to support it because it's a good bill. Thank you, Mr. President.

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

MOSER: Thank you, Mr. Speaker. Senator Hallstrom's amendment should be considered a friendly amendment. I think the committee had sympathy on the problem that he's trying to solve here. When a railroad sells a property to a subsequent owner, and then the adjacent owners want to

be able to get from one-half of the property to the other, they need to get across that railroad right-of-way. So this would just require successor owners of those properties to provide the same access as the railroad would be providing-- required to provide if they still owned it. So it's kind of a technical problem that you wouldn't think would be a big deal, but if you had a property that you couldn't get from one-half of to the other half, you'd think it's a big thing. So I'd appreciate your support of AM765. Thank you.

ARCH: Seeing no one in the queue, Senator Hallstrom, you're recognized to close on the amendment.

HALLSTROM: I will just close briefly, Mr. Speaker. I appreciate Senator DeBoer's support and her not-so-subliminal message that she just sent to me. And with that, I would ask that, that you support the amendment. Thank you.

ARCH: Colleagues, the question before the body is the adoption of AM765 to LB398. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 0 nays, Mr. President, on adoption of the amendment.

ARCH: The amendment is adopted.

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

ARCH: Senator Moser, you're recognized to close.

MOSER: Thank you, Mr. President-- Mr. Speaker. Colleagues, I appreciate the support of the amendments. And I'd appreciate your support of LB398 as amended, keeping in mind that we included three or four license plate bills that you didn't have to listen to closings for. Thank you very much.

ARCH: Colleagues, the question before the body is the advancement to E&R Initial of LB398. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 0 nays, Mr. President, on advancement of the bill.

ARCH: LB398 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB36, introduced by Senator Brandt. It's a bill for an act relating to the Wellhead Protection Area Act; amends Section 46-1501; provides for notification of certain

regulations and permits to controlling entities by counties, cities, and villages; harmonizes provisions; and repeals the original section. The bill was read for the first time on January 9 of this year and referred to the Natural Resources Committee. That committee placed the bill on General File with committee amendments. There are additional amendments, Mr. President.

ARCH: Senator Brandt, you're recognized to open.

BRANDT: Thank you, Mr. President. Good afternoon, colleagues. Today, I'm introducing the Natural Resources last priority bill for the session. LB36, which I originally introduced, created a new law under the Wellhead Protection Area Act. The original language of the bill is stricken by the committee amendment, and LB36 is a shell bill for one of the Natural Resources Committee's priority bill. The committee added six bills to LB36. And those bills are the contents of the committee amendment, which I will begin to address now. I'll let the senators who have bills included speak to their bill, but do want to let you know that, as amended, the Natural Resources priority bill provides opportunities to protect the state's land and water resources by, one, protecting land and water from contaminants by enacting the safe storage and recycling of batteries under Senator Hughes's LB309 as amended. Would Senator Hughes yield to a question?

ARCH: Senator Hughes, will you yield?

HUGHES: Yes.

BRANDT: Could you tell us what your bill is about?

HUGHES: Yes, I'm happy to do so, happy to do so. So LB309-- thank you for including this Senator Brandt in the Natural Resources Committee priority bill-- it was voted by a vote of 8-0 by the members of the committee. And the primary purpose of LB309 was to address a public safety issue. I have sent around a one-pager that everybody has on their desk. Nebraska has the second highest fire rate per ton of solid waste in the nation, and batteries are a significant and growing cause of these fires. They cause millions of dollars in damages, increased insurance costs, and our property taxpayers who fund our emergency fire responders to these fires, which are highly difficult to, to fight. So, basically, I'm just going to summarize, the, the Safe Battery Collection Act uses the producers of these batteries. They're coming together. This is a nationwide problem. It's not just an issue with Nebraska, but we will collect these batteries, and I'm going to queue in after this and do a little bit more, but feel free to glance

through the one-pager, and if you have any questions, and then I'll, I'll get in the queue for the, the next time around. Thank you.

BRANDT: Number two, encouraging weatherization programs that can contribute to water conservation and easing strain on water resources through creating a home weatherization clearinghouse under Senator Conrad's LB549. Would Senator Conrad yield to a question?

ARCH: Senator Conrad, will you yield?

CONRAD: Yes, of course.

BRANDT: Senator Conrad, can you tell the group what your bill is about?

CONRAD: Yes, thank you, Senator Brandt. So I brought forward a bill this year in collaboration with my friend Congressman Mike Flood. We had the opportunity to serve together in the Legislature and have remained friends since his ascension to, to our nation's Capitol and to Congress. And as part of our ongoing dialogue, we talk a lot about issues facing Lincoln and the first district. And one of the issues that is a frequent topic of conversation is what we can do to work together to increase access to affordable housing. One of the issues that-- one solution that he identified to try and improve access to affordable housing stock was to streamline existing programs that happen on the federal, state, local levels in regards to weatherization or energy efficiency or other similar related programs to try and pull those together into kind of a, a, a clearinghouse, so to speak, so that you could do whole house, house investments or you could tackle an entire city block or a small community, and that by having a more streamlined approach to these existing programs, you actually can get the dollars to go further. You can make them more accessible to the residents who are sometimes caught up in the red tape of trying to figure out the different application processes that might exist and you can make it actually more efficient for the contractors themselves instead of going out to do one energy efficient project, one heat pump at one house, maybe they can cover a lot of, a lot of houses in need of the same and eligible for such in the same area. So Congressman Flood worked in a bipartisan way to put forward a pilot project on this very idea in Congress that's moving through Congress. The idea was to create a similar clearinghouse to have better awareness of these different programs and to have a more streamlined approach to their utilization in the overall effort to increase access to affordable housing by ensuring we're rehabbing existing housing as one of the solutions attended thereto. So I've

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

worked with Congressman Flood. I'm grateful for the committee's support. I am grateful for the Department of Energy and Natural Resources working with us to bring the fiscal note down to zero and to have a designation with existing staff and resources to start this clearinghouse process. Is that helpful?

BRANDT: Yes, it is. So we'll move on to the next one. Protecting endangered species, habitats often involving conservation wetlands and highway construction projects through mitigation banks authorized by Senator Moser's LB590 as amended. Senator Moser, would you yield?

ARCH: Senator Moser, would you yield to a question?

MOSER: Yes.

BRANDT: Senator, could you tell us about your bill?

MOSER: Yes, thank you. This part of the bill would allow the Department of Transportation to operate a mitigation bank or in lieu fee program by contracting with public or private parties to meet its mitigation obligations for endangered species and other environmental impacts under state and federal law. The DOT and Natural Resources Committee worked to make the environmental permitting process more efficient. And currently the DOT performs its own compensatory mitigation, including managing property put into mitigation banks. They still have to follow the federal rules, but this allows them to contract with people who may already be doing mitigation or who are more passionate. That's the reason for their existence is protecting the environment in various ways and so it might save money for the state, it might be quicker, and they might do a better job than just the Department of Transportation. Department of Transportation is into building roads and their mitigation was done because it was required of them to do it and it's still going to be required under both state and federal law. So it still has to be done correctly, but this just gives them another option in how to get it done more efficiently. Thank you.

BRANDT: Thank you, Senator Moser. Encouraging use and authorizing flexibility surrounding Nebraska's recreational waters through Senator DeKay's LB480. Would Senator DeKay yield?

ARCH: Senator DeKay, will you yield to a question?

DeKAY: Yes, I will.

BRANDT: Senator DeKay, can you describe LB480 for us?

DeKAY: Yes, right now there's about \$85 million in the Water Recreational Enhancement Fund. With the funds that would be available to us, this gives the Game of Parks the flexibility to determine how those funds would be spent. So with that being said, following conversations I had with Speaker Arch, who chairs the STAR WARS special committee, I introduced LB480 to, to provide more flexibility for the Game and Parks Commission to use the remaining funds in the Water Recreational Enhancement Fund on smaller projects that still align with the intent of STAR WARS. The Game and Parks Commission has prepared a series of contingency projects that could implement should some funds fall through, which might include campground improvements at Niobrara State Park, as well as improving some recreational roads and boat docks at Lake McConaughy. There are ongoing negotiations with various members of the STAR WARS Committee, the Appropriations Committee, and the Governor's Office regarding sweeps of the Water Recreational Enhancement Fund. Given the ongoing uncertainty, however, the Game and Parks Commission may end up needing more flexibility to make the promised investments that align with the vision of the STAR WARS with the remaining funds left in the fund. LB480 was advanced out of the General File on an 8-0 vote. There is no fiscal impact by passing this legislation. Again, the bill just gives the Game and Parks Commission more authority to spend down the money it has in the Water Recreational Enhancement Fund that was appropriated by a previous Legislature. I would appreciate a green vote in favor of this committee amendment, AM635, and the underlying bill, LB36. Thank you.

BRANDT: Thank you, Senator DeKay. I've got two more bills. I'm first up in the queue. I will wait until my turn.

ARCH: Senator Brandt, you're recognized to open on the committee amendment.

BRANDT: So we've got two more bills in the committee amendment, which is AM635, and that would be my bill, LB562, providing clarity and more funding to protect the state's parks and waterways through fees, including boat permit fees used to locate, limit, and eliminate invasive species. LB562 is brought on behalf of the Nebraska Game and Parks and proposes updates to several statutes related to park permits, wildlife management, and conservation efforts. The bill primarily focuses on increasing statutory fee caps for resident motor vehicle park permits and nonresident aquatic invasive species stamp, while also making necessary clarifications and adjustments to Game and Park statutes. These changes do not impose immediate fee increases, instead they update the maximum allowable caps, ensuring the Commission has the flexibility to propose adjustments through the

Administrative Procedure Act process, which includes public comment, a public hearing, and approval by both the Commission Board and the governor. The final bill in the package updates the sunset dates for municipalities concerning water appropriations set in 2005 through LB344, which was brought to me by the Department of Natural Resources, which proposes amending a section of the Nebraska Groundwater Management Protection Act pertaining to groundwater allocations for municipalities and municipal-served and self-serve commercial or industrial users in fully and over-appropriated areas of the state of Nebraska. As originally enacted in 2006, this law created an exemption from imposing allocations for municipalities after November 1, 2005, which was to apply for a 20-year period ending in 2026, at, at which point allocations may be set based on certain criteria in the statute. This bill seeks to remove the post January 1, 2026 allocation for municipalities and seeks to clarify the post January 1, 2026 allocations for large municipal-served commercial or industrial uses and proposes certain reporting requirements for large water users. Thank you, Mr. President.

ARCH: I would like to recognize approximately 40 guests today that are here for Youth Day at the Capitol from Church of Jesus Christ of Latter Day Saints, representing across the state. They are located in the north balcony, and if I could ask you to please rise and be recognized by your Nebraska Legislature. Mr. Clerk.

CLERK: Mr. President, Senator Prokop would move to amend with AM930.

ARCH: Senator Prokop, you're recognized to open.

PROKOP: Thank you, Mr. President, and good afternoon, colleagues. To start, I want to thank Senator Brandt for working with me on this amendment. I'm introducing AM930, and that includes my bill, LB595. This bill creates the Research Excellence Cash Fund to be administered by the University of Nebraska, designed to support vital ongoing research and data collection efforts. These efforts are crucial for addressing both the current and emerging challenges we face here in our state. The goal is simple, to ensure that Nebraska is prepared to invest in the kind of research that can truly make a difference in the lives of Nebraskans. One prime example of such research is the Nebraska Mesonet system. This network of weather stations spans across the state, is invaluable to a range of sectors from agriculture to disaster preparedness. It provides data that helps our farmers, ranchers, energy suppliers, and emergency responders to make more informed decisions that impact both their operations and public safety. The data provided by the Nebraska Mesonet system is integral

to the success of a variety of sectors. It aids in agricultural production, energy management, emergency response, research programs, and global forecasting. It is used to improve the accuracy of weather forecasts, which in turn helps Nebraska farmers and ranchers, as well as energy suppliers and local government agencies. From flood predictions to drought monitoring, wildfire management, and even irrigation scheduling, the Mesonet's data is crucial. Moreover, this data feeds into federal programs, such as the U.S. Drought Monitor, and helps shape disaster relief efforts for Nebraska's farmers. It also supports U.S. Risk Management Agency insurance programs, including the pasture, range, and forage program, an essential resource for many of our state's agricultural producers. With this bill, Nebraska has the opportunity to set a national example and lead the way in research and data-driven solutions. I believe our Mesonet system can be a model for other states to follow in advancing both technology and research for the benefit of our communities. This bill also includes a provision that prohibits the use of funds for any electronic equipment or components from foreign adversaries. Specifically, it applies to data-gathering equipment that is or will be located within a 10-mile radius of any military installation. This bill already passed through the Natural Resources Committee and had a broad range of support at that hearing at that time. I'd respectfully ask for your green vote on AM930. Thank you.

ARCH: Turning to the queue, Senator Brandt, you're recognized to speak.

BRANDT: AM930 is a, a friendly amendment. The Mesonet is invaluable to agriculture in Nebraska. I don't know how many stations they've got set up across the state. I personally had a station on my farm for 30 years. This is, this is great information, particularly in light of what's happening to the National Weather Service at the moment. This is just one more tool out there for rural and urban people to understand what's happening around them. Thank you, Mr. President.

ARCH: Senator Hughes, you're recognized to speak.

HUGHES: Thank you, Mr. President. I support AM930 from Senator Prokop, AM635, and then the overall bill, LB36. I just wanted to get back in the queue and talk a little bit more about the battery program. And so LB309, which is what it was, a Safe Battery Collection and Recycling Act is to provide for public safety and for the end-of-life management of batteries. Management and funding for the collection, transportation, recycling, and the public education of LB309 will be paid for by the battery manufacturers as part of the battery

stewardship organization. It's called a BSO. The BSOs will report to the Nebraska Department of Environment and Energy, NDEE, which will have the oversight of the act. Covered batteries are portable, like power tools, flashlights, etcetera, and medium format batteries are like e-bikes, from e-bikes, lawn and garden equipment, etcetera. Batteries that are not included in this program are electrical vehicle batteries, like from cars, they have their own program; grid storage, which are really big; and embedded batteries, which are, like, in vape devices, cell phones, and toys. This battery recycling act does not cover embedded batteries because they are glued into the product. Their removal is problematic as it damages the battery which can then lead to fires. They can explode. It is further expected, is that the European Union's 2027 mandate ban on embedded batteries will probably result in their eventual removal from the global marketplace. We had some initial concerns raised at the hearing on the impact on retailers and scrap recyclers. LB3-- the battery act ensures that the retailers can serve as collection sites if they so agree and they can negotiate with the BSO on how that would work in their retail space. There is absolutely no requirement or condition that any retailer has to participate as a collection site, it is completely voluntary. The original bill also ensures that retailers will be provided a list of batteries that are covered in this act and they will be available online, the BSO and the NDEE's websites. A majority of the more than 250-plus battery manufacturing companies are expected to join this BSO as they have in other states that have passed similar legislation. We also had an amendment when we did this that addressed concerns by retailers, we added an exclusion to allow retail businesses like hobby stores that resell used products that contain covered batteries. They may be older or have been manufactured by a business, or by a business that's no longer in business, and then they wouldn't be eligible to participate in the BSO. That takes care of that issue. We also had an amendment that addressed concerns by our in-state battery recyclers that are already established. And any Nebraska recycler that has a fee-based collection program, they can continue to collect these covered batteries and keep them-- oh, my gosh, sorry, I let my children ring through because if it's an emergency. Sorry about that. So anybody that has a fee-base collection program can continue to collect covered batteries and keep them for the purposes of recycling. They can continue to do this as long as they report it to the NDEE on their collection and recycling activities. These recyclers would not receive any reimbursement for their collection, transportation, and recycling efforts from the BSO. And this allows, this allows Nebraska businesses who generate revenue from collecting and recycling batteries to continue to do so. And I'm going to just talk on that a

little bit. My husband had some batteries that he was taking to Interstate Battery here in Lincoln to recycle. And he had to actually write them a \$140 check to take the batteries. So once this program gets up and going in 2028, that will no longer be the case. Anyone can take their batteries to one of these recycling places, drop them off, no fee charged. So that's the intent. Otherwise, if you're having to pay \$140 to get rid of some batteries, guess what's going to happen? You're going to throw them in your trash, and they're going to end up in our landfill and potentially start a fire. So this bill and the result of the Recycling Act was a result of more than a year of hard work, many discussions and meetings with various stakeholders, and, and their efforts to get this program up and going. So I urge the adoption of AM930, AM635 to LB36, and I please ask for your support. Thank you.

ARCH: Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. I have a couple of questions about some of the bills in the package that just kind of-- I was listening to how all the senators were describing their bills and this is something I probably could have asked Senator Brandt beforehand but these shouldn't be, I'm assuming, too difficult questions to answer. I don't know if Senator DeKay was out here, if I could ask him a question? Is he-- he might be off the floor? Maybe Senator Brandt can answer this question. If Senator Brandt would yield to a question, please?

ARCH: Senator Brandt, will you yield?

BRANDT: Yes, I will.

HANSEN: I had a question about the flexibility we're giving Game and Parks, a little more specifics about the flexibility we're giving them with the ability to spend funds that we allocated towards STAR WARS programs. I know we're, we're, we're using them to maybe enhance some of the parks, you know, marinas, etcetera. Like, what's different we're doing now compared to the flexibility we gave them before?

BRANDT: I see Senator DeKay is back, if you'd like to ask him that.

HANSEN: Yep. Would Senator DeKay yield to a question?

ARCH: Senator DeKay, will you yield?

DeKAY: Yes, I will.

HANSEN: Did you catch that question?

DeKAY: Yes.

HANSEN: What kind of-- what's the difference we're doing now with the Game of Parks, the flexibility we're giving them to spend funds we've allocated towards the STAR WARS program now compared to what they had before?

DeKAY: Well, originally, the funds were dedicated specifically toward different projects. Now it would be given in a lump sum, so now this gives Game and Parks a flexibility to dedicate a certain amount of funds to each project and make them all viable as much as we can.

HANSEN: Could, could they potentially spend all that money? Like, what's the stopgap we have here to say what, what approval process is there for the Game and Parks? Does the Legislature have any approval? Like, they, they, they propose certain plans to spend this money, we have to come and approve it or the committee does, is there any of that?

DeKAY: This gives them the flexibility to use their working knowledge of the state park system to see where they can appropriate those funds. I don't think we will be-- they will be mandated to come to us and get our approval on them. We are giving them the money and the flexibility to dedicate a certain amount to each project, whether it's Lewis and Clark, Lake McConaughy, or Niobrara.

HANSEN: OK. And one more quick question, then I have a question for Senator Brandt. Do we know how much we're talking about here? How much money?

DeKAY: That all depends on what Appropriations Committee comes up with giving us.

HANSEN: OK. Thank you, Senator DeKay. Will Senator Brandt yield to a question, please?

ARCH: Senator Brandt, will you yield?

BRANDT: Yes, I would.

HANSEN: Did you want to expound on that at all?

BRANDT: Yes, I did. I think-- I was on the original STAR WARS Committee 3 years ago. We were allocated \$200 million. We were going

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

to spend \$40 million at McConaughy and \$40 million up at Lewis and Clark, 40 or 50 at each of those places. And then spend the rest on a proposed lake called Lake Mike (not Flood) up there just north of the Platte River. Subsequently, what's happened is that money has been downsized and Appropriations could tell you, but I believe we're either at \$40 million or \$25 million. We have not expended those funds and what this bill is about is the money for the lake would not be used and the money would be appropriated between McConaughy and Lewis and Clark, and one of the projects at Lewis and Clark has already gone for Niobrara. So this gives them the flexibility, Game and Parks, to allocate the remaining funds of the STAR WARS money between the two projects.

HANSEN: And one more quick question, maybe pertaining to your portion of the bill that has to do with the fees.

BRANDT: Yeah.

HANSEN: I know we're increasing the cap because that's typically how we do it, we give them the authority, but we set the cap.

BRANDT: Right.

HANSEN: Do you know what we're going from now, what the new cap will be?

BRANDT: We are going from, and I'll put this in perspective, right now we're at \$35, that's our current cap, we're up against it, we would go to \$50 cap. Now, our commissioners that serve Game and Parks aren't necessarily going to raise that because they're kind of a self-funded agency, but let's say a couple years down the road they might look at raising it to \$37 or \$40. By raising this cap to \$50 it buys them some time so they don't have to come back to the Legislature every year. To put that in perspective, Nebraska is \$35, South Dakota is \$40, Colorado is \$80, and Wyoming is \$48.

HANSEN: And those fees-- the, the fees that we-- that the Game and Parks collect is exclusively used for Game and Parks and, you know, improving, you know, park access, etcetera.

BRANDT: Yes.

HANSEN: It doesn't go to the General Fund or any of that kind of stuff?

BRANDT: Right, it's a self-funded agency for the most part.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

HANSEN: OK. All right. Thank you. Appreciate the Senators answering some questions. Just want to get some clarification as we move through some of these bills. Thank you, Mr. President.

ARCH: Seeing no in the queue, Senator Prokop, you're recognized to close. Senator Prokop waives close. Colleagues, the question before the body is the adoption of AM930. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: AM930 is adopted. Senator Brandt, you're recognized to close on the committee amendment. Senator Brandt waives close. Question before the body is the adoption of AM635. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The committee amendment is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Brandt, I have FA88 with a note that you would withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, I have nothing further on the bill.

ARCH: Senator Brandt, you're recognized to close on LB36.

BRANDT: I just have one note here, a couple of senators asked me how much Game and Parks can increase the fee. They are limited by statute to 6% annually, and if they don't do it on 1 year they get to carry that over for up to 3 years. So the most they could, if they didn't increase the fees for 3 years, they could do 18%. If it's currently 35 bucks they could probably increase it maybe 5 bucks if they had to. But statutorily, they could not go from \$35 to \$50 overnight. Just a clarification. I encourage everybody to advance LB35 [SIC].

ARCH: Colleagues, the question before the body is the advancement of LB36. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please recall.

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

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

ARCH: LB36 does advance. Items for the record, Mr. Clerk.

CLERK: Thank you, Mr President. Your Committee on Transportation, chaired by Senator Moser, reports to LB114 to General File with committee amendments. Additionally, your Committee on Revenue, chaired by Senator von Gillern, reports LB650 to General File with committee amendments. Your Committee on Enrollment and Review reports LB332 to Select File with E&R amendments. Amendment to be printed from Senator McKeon to LB561. That's all I have at this time.

ARCH: Mr. Clerk, please proceed to the next item.

CLERK: Mr. President, next item on the agenda, General File, LB453, introduced by Senator DeBoer. It's a bill for an act relating to guardians and conservators; amend Section 30-2630.01, Section 30-2602.02 and 30-2626; changes requirements for background checks; harmonize provisions; repeals of the original section. The bill was read the first time on January 21 of this year and referred to the Judiciary Committee. That committee placed the bill on General File. There's currently nothing pending on the bill, Mr. President.

ARCH: Senator DeBoer, you're recognized to open.

DeBOER: Thank you, Mr. President. Good afternoon, colleagues. Today, I am happy to open on LB453. LB453 clarifies current Nebraska statute, which requires a background check to be performed for those nominated to be a guardian or a conservator. Nebraska Revised Statute 30-2602.02 currently states in relevant part: A person who has been nominated for appointment as a guardian or conservator shall be-- shall obtain a national criminal history record check through a process approved by the State Court Administrator. However, unfortunately, this language is not specific enough to ensure the background check done utilizes the Federal Bureau of Investigation's national criminal history check system. In order to access this system, our statutes need to specifically authorize the Nebraska State Patrol to collect fingerprints and submit them to the FBI for background checks. I happen to be a member of the Supreme Court's Commission on Guardianship and Conservatorship. The other member from this body is our own Senator Kauth. And last fall, we were informed in our regular meeting of a problem with the background checks for conservators and guardians. There was, for example, an individual who nominated themselves to be a guardian and nothing was flagged by the background check done pursuant to 30-2602.02. The Nebraska Office of Public Guardian did their due diligence, contacted their colleagues in Iowa as the prospective guardian was an Iowa resident and were informed

that the guardian had been denied a guardianship in Iowa because of previous criminal activity. I asked the State Court Administrator and the Office of Public Guardian to find a solution and committed to bringing a bill to address this immediate need. LB453 resolves the issue. LB453 had its hearing in the Judiciary Committee on March 6, 2025, had no opposition testimony, has no fiscal impact, and was voted out of committee on an 8-0 vote. Thank you to the Judiciary Committee for advancing this bill unanimously, and to Speaker Arch for recognizing the need for this bill by selecting it as a Speaker priority bill. I'm happy to answer any questions that you may have, but basically this, in order to use that federal-- FBI background check, we have to specifically authorize it in the way that it is done in this bill so that we're not just doing-- catching Nebraska crimes, but if they've committed crimes in other places, obviously we do not want guardians and conservators to have crimes that would disqualify them, financial crimes, etcetera, etcetera, etcetera, and that is the purpose of this bill. Thank you, Mr. President.

ARCH: Turning to the queue, Senator Clements, you're recognized to speak.

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

ARCH: Senator DeBoer, will you yield?

DeBOER: I would be delighted to.

CLEMENTS: Thank you. I'm glad to see there's no fiscal impact. The agency is able to do this without an additional cost. Is that correct?

DeBOER: Yeah, it just changes the system that they run it through because they don't have the specific authorization needed at this point.

CLEMENTS: And if-- I know people who are guardians currently, would they be required to now do a background check?

DeBOER: No, I think this would be, going forward, as we do our background checks, this is how we would do our background checks.

CLEMENTS: Just new applicants?

DeBOER: Yeah.

CLEMENTS: All right.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

DeBOER: I suppose-- I guess I'll have to find out if they are currently a guardian and they apply to be a guardian of a new person.

CLEMENTS: Well--

DeBOER: I don't know if--

CLEMENTS: No, I just wanted if they're continuing to be the same guardian for the same person.

DeBOER: I don't, I don't think it will have any effect on them at all.

CLEMENTS: All right. Thank you. Is it going to be making it more difficult to be a guardian than it is now?

DeBOER: Only insofar as you have criminal activity that would disqualify you from being a guardian or conservator in other states. Yes.

CLEMENTS: That the approval process isn't going to be longer, you don't think?

DeBOER: I have no reason to expect that it will be.

CLEMENTS: Very good. Thank you. I am in support of this bill, LB453. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator DeBoer, you're recognized to close.

DeBOER: Colleagues, thank you very much for your attention to this bill. I do want to give a shout-out to Marla Fischer, our head of our public-- Office of Public Guardian. She's our public guardian, does a fantastic job. Michelle Chaffee had that job, and she retired. Her last-- I, I can't remember if she was at the last meeting or not, but she's also a fantastic individual. This Office of Public Guardian, we've done a lot of work on, if you recall, the last couple of years. You-- this body and I have worked on supporting them. And I'm happy to report that the work that we have done and that they have done has really made a difference. As you recall the Office of the Public Guardian acts as guardians for those who have no one else to be their guardian, to make decisions on their behalf. And we used to have a waiting list of 100 people waiting for a guardian. And we've made some changes, and they've done some hiring and been able to hire some great individuals. And as a result, when I talk to them, it's usually more like 20. So we have made a absolutely significant difference on that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

by the work that we do. We don't always see the fruits of our labor and my congratulations to Marla Fischer and Michelle Chaffee before her for the excellent work that they've done and to this body for the support of the Office of Public Guardian and the good work that they do in this state. Thank you, Mr. President.

ARCH: Colleagues, the question before the body is the advancement of LB453 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: LB453 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB667, introduced by Senator Storer. It's a bill for an act relating to the Motor Vehicle Industry Regulation Act; amends Section 60-1438; changes provisions relating to compensation for diagnostic work and compensation for parts; and repeals the original section. The bill was read for the first time on January 22 of this year and referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with committee amendments, Mr. President.

ARCH: Senator Storer, you're recognized to open.

STORER: Thank you, Mr. President, and good afternoon. I am pleased to introduce LB667. This is a bill that will change the provisions of the Motor Vehicle Industry Regulation Act. So for a little bit of background on, on the basis and the need for this, we're going to-- I'm going to talk for a minute about franchise laws. So every state has franchise laws that regulate the dealer-manufacturer relationships due to the imbalance of bargaining power. So dealers cannot collectively bargain due to antitrust laws and have minimal ability to negotiate those franchise agreements. Franchise laws protect dealerships, ensuring access to local vehicle sales and service, and especially in rural states like Nebraska. So this bill specifically addresses the warranty, the process for compensation on warranty repair work to dealers. So manufacturers currently establish the vehicle warranties and then the dealers perform the repairs under those warranties. Originally, Nebraska law required that manufacturers pay dealers the same rates charged to fleet or retail customers. But over time, there were disputes that arose regarding how dealers proved their labor rates and parts markups. A past legislative solution allowed dealers to submit 100 consecutive repair orders in order to establish what those local rates were. Manufacturers have since

attempted to manipulate those reimbursements, shifting more and more cost over to the dealers and ultimately that cost is passed on to you, the consumer. So what we-- what we're doing in LB667, really, it appeals for the time allowance for warranty repairs, page 2 of, of the bill is, is the first thing. Some repairs, obviously, might take longer than what the manufacturer allows for a variety of reasons. And this section creates a process for dealerships to appeal those time allowances or those time restrictions currently in law. Based on California law, this provision has been effective in addressing very similar issues. This also eliminates the word "reasonable" from rate standards. That's a, a key component of what we're addressing here. So manufacturers have over time misinterpreted what the word "reasonable" means. They've interpreted that to mean average, which has reduced the dealer compensation. So this bill removes the word "reasonable" to ensure that rates are based on actual repair orders, not manipulated averages. We also clarify what major repairs and parts are used in the rate calculations in LB667. So we actually are pulling out, for example, it excludes nonwarranty services and ordinary maintenance parts from dealer rate calculations. Those cannot be used in determining the reimbursable rate. It ensures the intent of the law is preserved and focuses on skilled technician repairs and significant warranty work and it removes tires from calculations. You may ask yourself why are we removing tires? That is because tires have little to no markup due to the very competitive market in that particular segment. So the last thing, it prevents manufacture cost-saving tactics on defective parts, page 4 of the bill, lines 16 through 28. So some manufacturers reduce the price of defective parts or ship them for free to avoid paying full reimbursement. And instead of following standard warranty repair pricing, they'll impose set installation fees, which ultimately violates current law. The bill restores proper reimbursement practices on those defective parts, ensuring fair compensation for dealers. So just to put this all in perspective, there are only 13 states currently that still use the word "reasonable" in their franchise or their warranty work legislation, 9 states have taken out the word "reasonable" and 2 states currently, very recently took that out, Delaware and Colorado. And as we are-- sit here today, there are 6 states, that includes us, that have pending legislation to remove that verbiage as well. We do have, I, I guess, a couple of notes. The new car dealers worked very hard to find an agreeable language here in the revision in LB667. They worked with the Alliance for Automotive Innovation and that for perspective that Alliance includes BMW, Ford, General Motors, Honda, Hyundai, Isuzu, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Porsche, Stellantis, Subaru, Toyota, Volkswagen, and Volvo. There was representation on a call

prior to the introduction of this bill where there was consensus that this was acceptable. You will see in your committee statement that after the fact and Ford representatives were on that call with the Alliance, they came back with a few concerns after that, after they'd agreed to it. And so you will see on the committee statement that they did express some opposition. We've worked through some of those concerns and that is reflected in the amendment, the committee amendment that Senator Moser will introduce on. So with that, I will yield the rest of my time.

ARCH: As the Clerk mentioned, there is a committee amendment. Senator Moser, you're recognized to open.

MOSER: Thank you, Mr. Speaker. AM395 allows for a dispute resolution process between the dealers and the manufacturers if the manufacturer believes that rates that they are paying are not what is being charged for nonwarranty work. It represents an agreement between the manufacturers association and the dealers association. Once, in a 12-month period, they may request that the dealer choose 100 orders so that the manufacturer may audit the rates charged to them for warranty work. Dealers must choose the orders within a 90-day period. Thereafter, the manufacturers have 30 days to rebut a presumption that the dealer's rates are similar for nonwarranty work and warranty work. Nothing prevents the manufacturers and dealers from reaching an agreement on a mutually acceptable rate. Thank you, colleagues, and I urge you to vote green on AM395.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Moser waives close. Colleagues, the question before the body is the adoption of AM395 to LB667. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: AM395 is adopted. Senator Storer, you're recognized to close on LB667.

STORER: Thank you, Mr. President, and thank you again, colleagues. I appreciate your support on LB667 as amended. I think this is just a good move forward for the state of Nebraska, for our local car dealers, and ultimately for the consumers. So, again, appreciate your support and ask for your green vote on LB667.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

ARCH: Colleagues, the question before the body is the advancement of LB667 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: LB667 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB133, introduced by Senator Holdcroft. It's a bill for an act relating to crimes and offenses; amends Section 28-1008; changes the definition of law enforcement officer for the purpose of certain offenses relating to animals; appeals the regional section; declares an emergency. The bill was read for the first time on January 13 of this year and referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments, Mr. President.

ARCH: Senator Holdcroft, you're recognized to open.

HOLDCROFT: Thank you, Mr. President, and thank you for the opportunity to present LB133. I also want to thank Speaker Arch for selecting this as a Speaker priority bill. LB133 is a targeted and time-sensitive effort to address a newly discovered gap in Nebraska statutes regarding the authority of animal control officers to carry out their critical responsibilities. I introduced LB133 at the request of the Nebraska Humane Society with the support of the Sarpy County Sheriff's Office, the Douglas County Sheriff's Office, and police chiefs from the cities of Omaha, Papillion, Bellevue, Ralston, and La Vista. A recent judicial interpretation out of Sarpy County highlighted ambiguities in the statute effectively pausing animal control officers' ability to effectively obtain search warrants and address pressing animal welfare concerns. LB133 was, therefore, introduced to provide clear authority to ensure that animal control officers can continue working as they were, effectively partnering with law enforcement agencies without placing additional burdens on sworn law enforcement officers who are already stretched thin. The bill needs to be passed this session to address the ambiguity created by the Sarpy County decision, Sarpy County decision. LB133 advanced from the Judiciary Committee 7-1 with a committee amendment. Timely passage of LB133 will ensure that animal control officers can continue to execute their duties and will remove ambiguity in Nebraska statutes. I urge your support of LB133. Thank you, Mr. President.

ARCH: As the Clerk indicated, there is a committee amendment. Senator Bosn, you're recognized to open.

BOSN: Thank you, Mr. President. The Judiciary Committee amendment, AM251, adds a separate definition for, quote, animal control officer and includes the definition of, quote, animal control officer wherever law enforcement officer is used in certain sections of law. Those are Sections 28-1012, 28-1012.01, and 28-1019 to allow both animal control officers and law enforcement officers to do certain things, including to swear to warrants, to conduct investigations, to issue citations, and seize animals under animal control laws. More importantly, AM251 amends Section 28-1012 to allow an animal control officer who has reason to believe that an animal has been abandoned or is being cruelly neglected or cruelly mistreated to seek a warrant authorizing entry by law enforcement or by an animal control officer accompanied by law enforcement officers upon private property to inspect, care for, or impound the animal. This was a negotiation that was done through a number of stakeholders. And for those reasons, I urge your support of AM251 and LB133. Thank you, Mr. President.

ARCH: Turning to the queue, Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I was the one committee member that voted no on the bill, but the amendment actually clears up a lot of things I disagreed with originally. I still do have a, a issue with if we're going to say animal control officers are law enforcement officers. I do think they should go through law enforcement training. But looking at the amendment they will be accompanied with law enforcement officers, so I guess that's kind of bridging the gap there, but I do believe that if we're going to say they're law enforcement officers, they should go through law enforcement training. But I guess the, the amendment is bridging a gap, so I guess we could live with that, but I do think if we are going to say they are law enforcement officers, they go through law enforcement training. And that's really it. I just wanted to say that the amendment did clear up a lot of questions I had at the hearing or about the bill, but I do believe that maybe next session we need to have a conversation that if we're going to say people are law enforcement officers, they do need to go through law enforcement training. Although they're animal control, if we are going to say they're law enforcement officers, I think they should go through law enforcement training. Just we either say they either are or they are not law enforcement officers. And if they are, I believe they should go through law enforcement training. That's it. Thank you.

ARCH: Seeing no one in the queue, Senator Bosn, you're recognized to close on the committee amendment. Senator Bosn waives close.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 9, 2025

Colleagues, the question before the body is the adoption of AM251 to LB133. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 40 ayes, 0 nays on adoption of the committee amendment, Mr. President.

ARCH: The amendment is adopted.

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

ARCH: Senator Holdcroft, you're recognized to close. Senator Holdcroft waives close. Question before the body is the, is the advancement of LB133 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 2 nays on advancement of the bill, Mr. President.

ARCH: LB133 does advance. Mr. Clerk, for items.

CLERK: Mr. President, amendment to be printed from Senator Ballard to LB322. Name add: Senator Dover and Senator Meyer, both added to LB561. Finally, Mr. President, a priority motion. Senator Meyer would move to adjourn the body until Thursday, April 10 at 9:00 a.m.

ARCH: All those in favor say aye. Opposed, nay. We are adjourned.