

ARCH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the seventy-sixth day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is Pastor Haywood Wright, Jr. from Victorious Living Ministries in Omaha, a guest of Senator Victor Rountree. Please rise.

HAYWOOD WRIGHT, JR.: Praise God. Let us bow our heads. Father God, as we come before Your presence this morning, we humbly ask for your mercy, your grace, and divine wisdom to be upon this body of legislators that have been assigned the responsibility to represent the people of the state of Nebraska. Lord, we realize that without your divine wisdom and direction, even the smallest matters cannot be resolved. We cannot accomplish the good work that is necessary without your help. No amount of human intellect can take the place of your divine wisdom that can only come from you. So today we invite your powerful and peaceful presence to come in and make yourself known in the midst of this legislative session. The words of the Apostle James tells us, if you need wisdom, ask our generous God, and he will give it to you. He will not rebuke you for asking. But when you ask him, be sure that your faith is in God alone. Do not waver, for a person with divided loyalty is as unsettled as a wave of the sea that is blown and tossed by the wind. Lord, there are many that need answers to life's most precious, pressing issues and challenges they are facing. They need their hope to be restored and to be healed where they have been broken. The challenges are real and burdens sometimes get heavy. But we are reminded of the words of the Lord Jesus when he said, come unto me, all ye that labor, and are heavy laden, and I will give you rest. Take my yoke upon you and learn of me, for I am meek and lowly in heart. And ye shall find rest unto your souls, for my yoke is easy and my burden is light. This is our prayer that we lift up before your most holy and righteous name. In the name of Jesus we do pray. Amen.

ARCH: I recognize Senator Dorn for the Pledge of Allegiance.

DORN: Colleagues, please join me for the Pledge of Allegiance. I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

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

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

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

CLERK: I have no corrections this morning, sir.

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

CLERK: There are, Mr. President. Agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website. In addition, report of registered lobbyists for May 8, 2025 will be found in today's Journal. That's all I have at this time.

ARCH: Senator Rountree would like to recognize some special guests. They are located under the north balcony, Cheryl Rountree, his wife; Isaac Rountree, his son, who is celebrating his birthday today, by the way; Vickie Wright, the wife of the chaplain, from Omaha. And they are located on the north balcony. Welcome. Senator Jacobson would also like to recognize Dr. Hunter Allen of North Platte who's serving as today's Family Physician of the Day. Thank you. Thank you, and we will now proceed to the first item on the agenda. Mr. Clerk.

CLERK: Mr. President, Select File. LB260. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca for motion.

GUERECA: Mr. President, I move that the E&R amendments to LB260 be adopted.

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

CLERK: Mr. President, Senator Clements, I have FA156 with a note that you'd withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator Clements would move to amend with AM1362.

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

CLEMENTS: Thank you, Mr. President. LB260 is what we call the deficit bill, which is adjustments to the budget for this fiscal year up till June 30th. This amendment makes very minor change, a couple of technical corrections. The first section of it is regarding the Community College Future Fund, which we add a phrase that says the Community College Future Fund shall be no greater than the amount

certified pursuant to Section 85-1543. Just lang-- clarifying language into how the Community College Future Fund works. Then the second section, the-- is about aid to education. And there are a whole bunch of different factors, different areas where education aid comes in. It turned out in the bill, the total of the separate items that we put in was \$50 higher than the actual total. So it's reducing the total amount of education aid by \$50 from 1 point-- \$1,276,856,451, taking \$50 off of that. So that the total in the bill matches the individual parts of those items, and those are just two cleanup items. Thank you, Mr. President.

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

SPIVEY: Thank you, Mr. President. Happy Friday colleagues and folks that are watching online. I just want to take a point of privilege, one to just wish Senator Rountree's son a happy birthday again. This part of May seems to be like a really great day, so outside of his birthday, we also have Senator Hunt's birthday and her daughter. They are celebrating today, so her daughter's off getting her permit, hopefully. So I wanted to wish them a happy birthday as well. Today is also my wedding anniversary so six years with my husband before we got married and this is our second wedding anniversary. And so we actually are excited to celebrate along with, what, we have Mother's Day weekend coming up so congratulating all the mothers in the body and folks that are watching, as well as wanted to wish my mom a happy heavenly birthday tomorrow. We are not in session so I would have gotten on the mic tomorrow to talk about it, but she would have been 59. And I think for me, everything that I do, the work that is in front of me, why I wanted to get into public service, why I've dedi my-- dedicated my career to doing public service type of work is because of my mom and her legacy. And so May is just a special time for a lot of different reasons and hopefully we can take some of this good energy that we are celebrating and holding today and have meaningful and fruitful debate as we continue to work on behalf of some of the most important people across our state. Thank you, Mr. President.

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

CLEMENTS: Thank you, Mr. President. I just want to commend the Fiscal Office when their total is within \$50 of \$1.2 billion. It shows how hard they work and how accurate they are. And I urge your green vote on AM1362. Thank you, Mr. President.

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ARCH: Colleagues, the question before the body is the adoption of AM1362 to LB260. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted.

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

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB260 be advanced to E&R for engrossing.

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

CLERK: Mr. President, Select File LB262. Senator, I have nothing on the bill.

ARCH: Senator Greco, for a motion.

GUERECA: Mr. President, I move that LB262 be advanced to E&R for engrossing.

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

CLERK: Mr. President, Select File LB263. There are no E&R amendments. Senator Clements, I have FA158 with a note that you'd withdraw.

ARCH: So ordered.

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

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB263 be advanced to E&R for engrossing.

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

CLERK: Mr. President, General File LB371, issued by Senator DeBoer. It's a bill for enacting the Uniform Civil Remedies for an

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Unauthorized Disclosure of Intimate Images Act; it amends section 25-3502, 25-3503; redefines terms; provides liability for images created by a computer generation or digital manipulation; and repeals the original section. The bill was read for the first time on January 16 of this year and referred to the Judiciary Committee. That committee placed the bill on General File. There is nothing currently pending the bill, Mr. President.

ARCH: Senator DeBoer, you're recognized to open on LB371.

DeBOER: Thank you, Mr. President. Good morning, colleagues. Today, I'm happy to open on LB499. LB499 makes changes to-- Wrong bill. Good morning, colleagues. Now I'm happy to re-- open on LB371. LB371 is a modest update to the Uniform Civil Remedies for the Unauthorized Disclosure of Intimate Images Act, an act I passed in 2019. The Uniform Act provides a civil cause of action against individuals who disclose intimate images without authorization from the individual in the image. It's commonly referred to as revenge porn. LB371 adds definitions to the act, so it now covers deep fakes, images which were not contemplated in 2019. If there is an ima-- intimate deep fake video or image made featuring someone and that deep fake is shared without their consent, or that person is threatened with the release of that deep fake without their consent, they deserve to have recourse. LB371 was heard by the Judiciary Committee on February 6, 2025, had no opposition testimony or comments, advanced from committee on an 8-0 vote, and has no fiscal impact. Thank you to the Judiciary Committee for their support and to Speaker Arch for designating LB371 a Consent Calendar bill. I'm happy to answer any questions you have.

ARCH: Seeing no one in the queue, you are recognized to close. Senator DeBoer waives close. Colleagues, the question before the body is the advancement of LB371 to E&R initial. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB371 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File LB490 introduced by Senator McKeon. It's a bill for an act relating to the Motor Vehicle Certificate of Title Act. It amends section 60-137; allows applications for certificates of title for certain vehicles; and appeals to the original section. The bill was read for the first time on January 21 of this year and referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File. There are

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no committee amendments. There is an additional amendment, Mr. President

ARCH: Senator McKeon, you're recognized open on LB490.

McKEON: Thank you, Mr. President and Senators. LB490 is a technical cleanup brought to me by the Cattlemen's Association to other members of the organization of the farm and agricultural leaders to clarify that self-propelled equipment used to feed leased-- livestock and other applications that are not used on public roads do not have to be licensed or a personal property tax are paid, not licensed or registration fees. There has been some confusion in the county treasurer and the Department of Revenue. LB490 will clear that up so everyone knows which tax should be paid. In cases where the owner of these unlicensed pieces of equipment may need to obtain a title, LB490 allows them to obtain just the title without additional licensing fees. They still pay personal property tax. The primary reason for needing a title or to finance or sell the equipment. I ask for your green vote.

ARCH: Mr. Clerk?

CLERK: Thank you, Mr. President. Senator McKeon would move to amend with AM213.

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

McKEON: Mr. President, I would like to open on AM213. AM213 was brought to me by the Nebraska Bankers Association. The amendment is intended to and will protect the security interests [INAUDIBLE] taken by a bank in a non-titled ag or ranching equipment, with that equipment specifically defined in the amendment. The Uniform Commercial Code provides a uniform set of laws for banking in Nebraska and across the country for securing collateral and thus creating a lien when financing is provided to the borrower. The language contained in AM213 provides the same framework presented by the National Bankers Association representing at the time of the hearing of LB490 and goes like this. When an agricultural producer or rancher has a piece of ag or ranching equipment that has been previously pledged as security collateral and a lien has-- had been previously placed on that piece of equipment, this amendment provides that the prior perfected lien in the non-titled piece of the equipment continues to be attached and will be noted on the certificate of title. The amendment also provides a mechanism so that if the owner of the equipment doesn't obtain the certificate of title, the bank, as

the holder of the lien, is able to obtain a certificate of title and note the lien on the new certificate of titles. Bear in mind that the prior legislation created the same approach as presented in this amendment when the other previously non-titled vehicles transition from the status of not having a certified of title-- certificate of title to require previously non-titled vehicles to become titled. The same procedure as described in this amendment was used with all terrain vehicles, utility type vehicles, and mini bikes that were transitioned from a non-titled status to using certificates of title. The framework for the law presumed in place is located in section 60-164 and 60-165. These stat-- statutory changes were completed in 2005 and were brought about for the same reason as found in this situation where a non-titled item was subject to the lien and the lien continued after a cer-- certificate of title was obtained and the prior lien was newly noted on the newly issued certificate of this title. I ask that you adopt AM213 and then advance the amendment LB490.

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

BRANDT: Thank you, Mr. President. Would Senator McKeon be available for a question?

ARCH: Sir McKeon, will you yield?

McKEON: Yes.

BRANDT: Senator, in a nutshell, this is about trucks that never leave the reservation or the feed yard, is that right?

McKEON: That's correct, like a, a feed truck.

BRANDT: And today they are required to be both licensed and have a registration even though they never go on the road.

McKEON: That is correct.

BRANDT: So what would happen if we pass this and they go on the road?

McKEON: That's a great question. But I'm ass-- I'm assuming that they probably would be getting a fine somehow or other.

BRANDT: All right. Do you have any idea how many trucks this will affect in the state of Nebraska? About.

McKEON: Not off the top of my head.

BRANDT: OK. All right, I apologize for not speaking with you earlier about this, but I think maybe people just want a little clarification that this does not affect very many vehicles in the state and it's, it's very limited and this is something that should have happened a long time ago. I support both the amendment and the LB. Thank you.

ARCH: Senator Hallstrom, you are recognized to speak?

HALLSTROM: Speaker, members, Senator Brandt, I wasn't sure what you were asking to clarify, I was talking with Senator Clements over here, but I do rise in support of the amendment and the bill itself. Basically, what the amendment does, it's designed any time we have an existing system in which a security interest that a lender takes is secured by what we call an Article IX financing statement, that's good for a period of five years and can be continued for, for five-year periods thereafter. When we change the rules in the middle of the stream by saying we're going to change it from an Article IX security interest perfection mechanism to putting a lien on a certificate of title, the amendment will provide protection for those that have an existing security interest until their five-year period runs out. In the meantime, they'll go in and get their lien noted on the certificate of title, and they'll be entitled to maintain that priority position. So, I support the amendment and the bill.

ARCH: Seeing no one left in the queue, Senator McKeon, you're recognized to close on AM213. And he waives close. Colleagues, the question before the body is the adoption of AM213 to LB490. 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.

ARCH: AM213 is adopted. Seeing no one in the queue, Senator McKeon, you are recognized to close on LB490. And he waives close. The question before the body is the advancement of LB490 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: LB490 advances. Mr. Clerk, next item.

CLERK: Mr. President, General File LB422, introduced by Senator Storer. It's a bill for an act relating to the Nebraska Uniform Real Property Transfer on Death Act; amends section 76-3401, 76-3410; changes provisions relating to required warnings on transfer on death

deeds and insurance policies on certain real property; harmonizes provisions; and repeals of the original section. The bill was read for the first time on January 17 of this year, and referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments, Mr. President.

ARCH: Senator Storer, you're recognized to open on LB422.

STORER: Thank you, Mr. President, and good morning. LB422 is the Property Transfer on Death Act. It is a bill that extends insurance coverage on property to property transferred via a transfer on death deed. As amended, the deceased owner's insurance policy would temporarily remain in effect for 30 days following their death, providing short-term coverage for the new owner. After that 30-day period, the policy would no longer apply. Under current Nebraska law, our transfer on-death deed provisions do not contain a provision relating to insurance coverage of real property after the death of the transferor. As a result, after the death of a-- of the transferor, a beneficiary is left without protection in the event damage or loss of the property occurs. This can lead to significant losses in the event that damage occurs before the beneficiary has an opportunity to obtain insurance. After negotiations and collaboration between attorneys who practice in this area and representatives of the insurance companies, the language of the amendment addresses concerns raised about previous iterations of the bill. As amended, the bill will give Nebraskans a reasonable window of certainty for insurance coverage when transfer on death deeds are involved, while also providing written notice in statute and in transfer on death deeds about the actions beneficiaries should take to secure insurance coverage after death. This bill was advanced from the Judiciary Committee to General File on April 8, 20-- this year, with a mini-- with a unanimous 8-0 vote. The bill had no opponent testifiers at the public hearing. I ask for your green vote on LB422 as well as the upcoming amendment, AM841.

ARCH: As the clerk indicated, there is a committee amendment. Senator Bosn, you are recognized to open on AM841.

BOSN: Thank you, Mr. President. Good morning, colleagues. AM841 is the Judiciary Committee amendment to LB422. Sort of as Senator Storer already alluded to, it's a white copy that strikes and replaces. LB422, as introduced, provides that when a transfer on death deed is on file and the transferor dies, coverage of their insurance policy, the transferor's insurance policy, extends for a period of 60 days following their death. AM841 provides that when the transferor dies, the designated beneficiary shall be deemed an insured party under the

transferor's property insurance policy for that period until the first of-- the first thing to occur of the following list. One, the death of the policy period as determined if the transferor was still living; two, the date the designated beneficiary obtains alternative coverage; or three, 30 days after the transferor's death, only if any premium required for the additional days beyond that policy period is paid. Colleagues, I know this is a confusing area, so if you have any questions, I'm happy to answer them. But I do ask for your support of AM841 to LB422, and thank you, Mr. President.

ARCH: Seeing no one in the queue, you are recognized to close. Senator Bosn waives close. The question before the body is the adoption of AM841 to LB422. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted. Senator Storer, you are recognized to close on LB422.

STORER: Thank you. Just briefly, I just want to thank-- this bill has been about a three-year work in progress and so very grateful to get it to this point. Thank you to the Bar Association as well as the insurance industry to work together to finally get something across the finish line. So I do ask again for your green vote on LB422. And real briefly, just want to wish mothers, I may not be back on the mic again today, so happy Mother's Day to mothers this weekend.

ARCH: Colleagues, question before the body is the advancement of LB422 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: LB422 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File LB499, introduced by Senator DeBoer. It's a bill for an act relating to the Crime Victims Reparations Committee to amend section 81-1802, 81-1803, and 81-1804; it changes provisions relating to membership of the committee; harmonizes provisions; repeals the original sections. The bill was read for the first time on January 21 of this year and referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments.

ARCH: Senator DeBoer, you are recognized to open on LB499.

DeBOER: Good morning, colleagues. Now I am happy to introduce to you LB499. LB499 makes changes to the membership of the Crime Victims Reparations Committee. I have worked on issues related to CVR programs and the committee for multiple years. And this bill is another step in ensuring the program fulfills the mission of serving victims of crime. This is one of those ways where we can directly help victims of crime. Currently, the committee has three public members appointed by the governor. LB499 adds two members and changes the qualifications for all public members. Under this bill, the membership would be two members representing charitable organizations that engage in providing services to victims, dependents, and relatives of victims, and two members that have training and relevant work experience with victims, and one member who is a victim of crime themselves. The goal of these changes is to ensure that the individuals working with the victims of crime have experience in assisting victims. To put it bluntly, victims and survivors of crime have needs that are different from someone who has never been a victim of crime. A program that is designed to help and assist victims and survivors should include individuals with an expertise in working with victims and survivors. LB499 was heard by the Judiciary Committee on March 6, 2025, had no opposition testimony or comments, advanced from the committee on an 8-0 vote, and has no fiscal impact. The committee amendment, AM438, adds one statutory definition of sexual assault to the bill, which was inadvertently left out on the green copy. Thank you to the Judiciary Committee for their support of this bill and to Speaker Arch for designating this bill a consent calendar bill. I'm happy to answer any questions you have, and I appreciate this body attempting to directly assist victims. Thank you, Mr. President.

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

BOSN: Thank you, Mr. President. AM438 is the Judiciary Committee amendment to LB499, which increases the number of public members of the Crime Commission, or excuse me, Crime Victims Reparations Committee from 3 to 5 public members and also changes the required qualifications, including experience working with victims of sexual assault. AM438 adds that victims of sexual assault of a child under Section 28-319.01 are victims of sexual assault for purposes of LB499. These were inadvertently left out, and the committee amendment seeks to correct that oversight. I ask for your support for AM438 to LB499. Thank you, Mr. President.

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ARCH: Seeing no one left in the queue, Senator Bosn, you're recognized to close, and she waives close. Question before the body is the adoption of AM438 to LB499. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: AM-38 is adopted.

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

ARCH: Senator DeBoer, you're recognized to close on LB499. Senator DeBoer waives closes-- waives close. Question before the body is the advancement of LB499 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 41 ayes, 0 nays in advancement from the bill, Mr. President.

ARCH: LB499 does advance. Senator Hardin would like to recognize some special guests. Karen Wilson from Kimball and David Wilson from Kimball. David recently retired after 37 years serving as the Kimball County Attorney. They're located under the south balcony. Welcome. Mr. Clerk, next item.

CLERK: Mr. President, General File LB558, introduced by Senator von Gillern. It's a bill for an act relating to transportation infrastructure; creates the Infrastructure Review Task Force and provides duties. The bill was read for the first time on January 22 of this year and referred to the Revenue Committee. That committee placed the bill on General File. There are no committee amendments. There is an additional amendment, Mr. President.

ARCH: Senator von Gillern, you're recognized to open on LB558.

von GILLERN: Thank you, Mr. President. Good morning, colleagues. Good morning Nebraskans. I rise today to introduce LB558, a bill to establish the Infrastructure Review Task Force. The task force will work across Nebraska's legislative and executive branches with the goal of reviewing and analyzing Nebraska's transportation infrastructure network from a strategic mindset to anticipate future needs and examine relevant research, investigate current and possible sources of funding, and engage with experts and stakeholders. The primary effort of the task force would be to consider development needs for transportation infrastructure, primarily from the perspectives of safety and economic development. This past December, the Nebraska Department of Transportation presented their needs

assessment at a joint hearing before Transportation and Telecommunications and the Appropriations Committees in which the department presented its annual report on Nebraska's projected transportation system needs over the next 20 years. That report will be a huge part of the information gathering of this, of this group. Having spent my career in the construction industry, I consider Nebraska's transportation infrastructure to be one of our state's greatest needs. It's an engine for economic development in our state. Nebraska's known for its agriculture, manufacturing, and industry, and we're a production economy, and leader in transportation and logistics. To remain successful and competitive and continue punching above our weight as a low population state, we have to be able to move goods and people efficiently. Because of this, we have a serious responsibility to maintain and improve our transportation infrastructure. This body conducts interim studies with varying outcomes. We sometimes hear the annual reports, but the Legislature has not held a strategic comprehensive conversation in over a decade, well before any of us were serving. LB558 offers a framework for such a conversation to take place. Now is the time to start this conversation and begin formulating a plan. Nebraskans trust us to take charge of difficult matters and pursue them to positive outcomes. If we do this well, it will improve the safety and efficiency of our roads and systems and promote economic vitality in communities both urban and rural across the state. AM1317 is a white copy amendment proposed for your adoption. This amendment simply states that non-legislative members of the task force shall serve in a non-voting capacity in order to guard our legislative prerogatives. With that I thank you and respectfully urge you to advance LB558 and AM1317. Thank you, Mr. President.

ARCH: Mr. Clerk for an amendment.

CLERK: Mr. President, Senator von Gillern would move to amend with AM1317.

ARCH: Senator von Gillern, you're recognized to open on AM1317.

VON GILLERN: Thank you, Mr. President. As I mentioned, AM1317 is a white-copy amendment. It only clarifies that non-legislative members of the task force shall serve in a non-voting capacity. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're recognized to close. Senator von Gillern waives close. Question before the body is the adoption of

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AM1317 to LB558. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: AM1317 is adopted.

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

ARCH: Senator von Gillern, you're recognized to close on LB558, and he waives close. The question before the body is the advancement of LB558 to E&R Initial. All those in favor vote aye; all opposed vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB558 does advance. Mr. Clerk, next item.

CLERK: Mr. President, Select File LB120, Senator, I have nothing on the bill.

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that we advance LB120 to E&R for engrossing.

ARCH: All those in favor say aye. Opposed nay. LB120 does advance.

CLERK: Mr. President, Select File LB614. First of all, Senator, there are E&R amendments.

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that we adopt the E&R amendments to LB614.

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

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

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB614 be advanced to E&R for engrossing.

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

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CLERK: Mr. President, Select File LB385. Senator, I have nothing on the bill.

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB385 be advanced to E&R for engrossing.

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

CLERK: Mr. President, Select File LB69. 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 LB69 be adopted.

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

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

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB69 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 LB470. Senator, I have nothing on the bill.

ARCH: Senator Guereca for a motion.

GUERECA: Mr. President, I move that LB470 be advanced to E&R for engrossing.

ARCH: All those in favor say aye. Opposed, nay. LB470 does advance. Mr. Clerk, we will move to Final Reading. Members should return to their seats in preparation for Final Reading. Members, please check in. Senator Sanders, please return to the Chamber for Final Reading. Senator Sanders, please return to the Chamber for Final Reading. Mr. Clerk, the first bill is LB90 and the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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CLERK: 45 ayes, 1 nay to dispense with the at-large reading.

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

CLERK: [Read Title of LB90 on Final Reading]

ARCH: All provisions of law relative to procedure having been complied with, the question is, shall LB90 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: Voting aye, Senators Andersen, Arch, Amandariz, Ballard, Bosn, Bostar, Brandt, Cavanaugh, Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Dungan, Fredrickson, Guereca, Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Juarez, Kauth, Lippincott, Lonowski, McKeon, McKinney, Meyer, Moser, Murman, Prokop, Quick, Raybould, Riepe, Rountree, Sanders, Sorrentino, Spivey, Storer, Storm, Strommenn, von Gillern, and Wordekemper. Voting no, none, not voting. Senator Hunt. Vote is 48 ayes, 0 nays, one excused not voting, Mr. President.

ARCH: LB90 does pass. Mr. Clerk, next item.

CLERK: [Read LB183 on Final Reading]

ARCH: All provisions of law relative to procedure having been complied with. The question is, shall LB183 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

Voting aye, Senators Andersen, Archer, Armandariz, Ballard, Bosn, Bostar, Brandt, John Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Dungan, Fredrickson, Guereca, Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibacg, Jacobson, Juarez, Kauth, Lippincott, Lonowski, McKeon, McKinney, Meyer, Moser, Murman, Prokop, Quick, Raybould, Riepe, Rowntree, Sanders, Sorrentino, Spivey, Storer, Storm, Strommen, von Gillern, and Wordekemper. Voting no, none. Not voting, Senators Machaela Cavanaugh and Hunt. The vote is 47 nays, 0 nays, 2 excused not voting, Mr. President.

ARCH: LB183 does pass. Clerk, next item.

CLERK: [Read LB419 on Final Reading]

ARCH: All provisions of law relative to procedure having been complied with, the question is, shall LB419 pass? All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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CLERK: Voting aye, Senators Andersen, Arch, Armendariz, Ballard, Bosn, Bostar, Brandt, John Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Dungan, Fredrickson, Guereca, Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Jearez, Kauth, Lippincott, Lonowski, McKeon, McKinney, Meyer, Moser, Murmen, Prokop, Quick, Raybould, Riepe, Rountree, Sanders, Sorrentino, Spivey, Storer, Storm, Strommen, von Gillern, Wordekemper. Voting no, none. Not voting. Senators Machaela Cavanaugh and Hunt. The vote is 47 ayes, no nays, 2 excused not voting. Mr. President.

ARCH: LB419 does pass. Senator Dekay would like to recognize some special guests. There are 40 4th grade students from Laurel-Concord-Coleridge in Laurel, Nebraska. They're located in the north balcony. Students, if you would rise and be recognized by your Nebraska Legislature. Mr. Clerk, please proceed to the next item.

CLERK: [Read LB519 on Final Reading.]

ARCH: All provisions of law relative to procedure having been complied with, the question is, shall LB519 pass? All those in favor, vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: Voting aye, Senators Andersen, Archer, Amandariz, Ballard, Bosn, Bostar, Brandt, John Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Dungan, Fredrickson, Guereca, Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Juarez, Kauth, Lippincott, Lonowski, McKeon, McKinney, Meyer, Moser, Murman, Prokop, Quick, Raybould, Rountree, Sanders, Sorrentino, Spivey, Storer, Storm, Strommen, von Gillern, Wordemper. Voting no, Senator Riepe. Not voting, Senators Machaela Cavanaugh and Hunt. The vote is 46 ayes, 1 nay, 2 excused not voting, Mr. President.

ARCH: LB519 passes. Mr. Clerk, we will proceed to LB635, and the first vote is to dispense with the at-large reading. All those in favor vote aye. All those opposed vote nay. Mr. Clerk, please record.

CLERK: 43 ayes, 1 nay to dispense with the at-large reading.

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

CLERK: [Read Title of LB635.]

ARCH: All provisions of law relative to procedure having been complied with, the question is shall LB635 pass? All those in favor vote aye. All those opposed vote nay. Mr. Clerk, please record.

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CLERK: Voting aye, Senators Andersen, Arch, Ballard, Bosn, Bostar, Brandt, John Cavanaugh, Clements, Clouse, Conrad, DeBoer, DeKay, Dorn, Dover, Dungan, Guereca, Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Juarez, Kauth, Lippincott, Lonowski, McKeon, McKinney, Meyer, Moser, Murman, Prokop, Quick, Raybould, Riepe, Rowntree, Sanders, Sorrentino, Spivey, Storer, Storm, Strommen, von Gillern, and Wordekemper. Voting no, Senators Armendariz and Fredrickson. Not voting, Senators Machaela Cavanaugh and Hunt. The vote is 45 ayes, 2 nays, 2 excused not voting, Mr. President.

ARCH: LB635 does pass. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB90, LB183, LB419, LB519, and LB635. Mr. Clerk, please proceed to the next item on the agenda.

CLERK: Mr. President, the next item, General File LB454, introduced by Senator Quick. It's a bill for an act relating to public health and welfare. It amends section 71-809 and section 71-812. It changes powers and duties for regional behavioral health authorities and repeals the original section. The bill was read for the first time on January 21 of this year and referred to the Health and Human Services Committee. That committee placed the bill on General File with committee amendments. There is an additional amendment, Mr. President.

ARCH: Senator Quick, You're recognized open on LB454.

QUICK: Thank you, Mr. President, and good morning, colleagues. I first want to thank Speaker Arch for selecting LB454 as a Speaker priority bill. LB454 makes two overarching changes, both targeted at increasing access to mental health services. First, LB454 updates the procedural requirements for regional behavioral health authorities to ensure providers can offer mental health care services. This bill allows the regional behavioral health authorities to expand and add services that current providers can't offer. This would also include pilot projects approved by the Department of Health and Human Services. Pilot projects approved must be limited to one year, apply only to existing services, and have pre-approved outcome measures established by the re-- by the regional behavioral health authority, allowing more flexibility for pilot projects to get off the ground and make sure that regions and their partner providers can respond and adapt, ensuring that providers can offer services needed in their communities. Allowing more flexibility in securing service offerings will result in increased innovation, better quality of care, and greater access to services. This will all lead to stronger mental health outcomes. Second, LB454 clarifies the definition of individuals

who have access to funding for housing needs. Under current law, some funds used by regional health-- behavioral health authorities are restricted and may only provide rental assistance to those services with mental health illness. This bill expands the scope of housing assistance to include low-income adults with substance use disorders. This aligns with the rea-- reality of individuals who need access to assistance with housing, and aligns with the Nebraska's comprehensive approach to behavioral health care by recognizing that secure housing is crucial-- is a crucial factor in recovery and long-term stability. In developing this measure, we've engaged with key stakeholders, including mental health providers and the Department of Health and Human Services. LB454 will strengthen Nebraska's behavioral health system to be more efficient and flexible. LB454 came out of the Health and Health Services Committee 7-0. There was no opposition, testimony in the hearing, and there is no fiscal note. Thank you for your attention and I ask for your green vote on LB454.

ARCH: As the clerk indicated, there is a committee amendment. Senator Hardin, you are recognized to open on AM547.

HARDIN: Thank you, Mr. President. And I'm standing here without anything to report. Thus, I shall waive.

ARCH: Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Quick would move to amend with AM952.

ARCH: Senator Quick, you're recognized to open on AM952.

QUICK: Thank you, Mr. President. AM952, I think a-- the-- a committee amendment that Senator Hardin was going to mention. This would address those concerns that we heard from DHHS at the hearing. AM952 is a result of continuing conversations I've had with DHHS and the behavioral health regions. They suggested language-- a language change on page 3, section 5 to further clarify the bill and ensure it's viable for the department. I ask for your green vote on AM952 and also on AM547 and on the LB454. Thank you, colleagues.

ARCH: Seeing no one in the queue, you're recognized to close on AM952. Senator Quick waives close. Colleagues, the question before the body is the adoption of AM952. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

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ARCH: The amendment is adopted. Turning to the cue, Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I actually just pushed my light as sort of as, I guess, I wouldn't say personal privilege, but I was just told by our, our friends in the press over here that one of our capital reporters, Juan Salinas, is not here today because he just graduated, walked across the stage at University of Texas Arlington, so finished his degree, so I just thought I'd, I'll read a little bit of his bio. Reporter Juan Salina covers local and state government for numerous outlets in Texas before joining the Examiner. His coverage focuses on showing everyday people the impact of politics and government. Salinas was born and raised in North Texas and was a two-time reporting fellow with Newsroom Parter-- Partner, the Texas Tribune before that. He in-- interned at Public Radio Station KERA and was year-long reporting fellow with the Fort Worth Report. So just wanted to say congratulations to Juan. It's exciting to graduate from college. I'm sure he'll be back here with us. But so I just thought I'd take a minute to congratulate Juan, and I thought maybe it would give the HHS committee a chance to have something to say on the close of this amendment. So yeah, the Legislature congratulates Juan on graduating today from University of Texas Arlington. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Hardin, you are recognized to close on AM547. Senator Hardin waives close. The question before the body is the adoption of AM547 to LB454. All those in favor, vote aye; all those opposed, vote nay. Mr. Clerk, please record.

CLERK: 32 ayes, 0 nays on adoption of the committee amendment, Mr. President.

ARCH: AM547 is adopted. Seeing no one in the queue. Senator Quick, you're recognized to close. Senator Quick waives close. The question before the body is the advancement of LB454 to E&R initial. All those in favor, vote aye. All those opposed, vote nay. Mr. Clerk, please record.

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

ARCH: LB454 does advance. Senator Hunt would like to recognize a guest, Robert Navarro, from Atlanta, Georgia, who is located under the north balcony. Welcome. Mr. Clerk, please proceed to the next item.

CLERK: Mr. President, General File LB217, introduced by Senator Fredrickson. It's a bill for an act relating to child welfare; it amends section 71-1904 and section 71-1924; requires suicide awareness and prevention training for employees of child-placing agencies and child welfare workers; provides an operative date and repeals the original section. The bill, is read for the first time on January 14 of this year, and referred to the Health and Human Services Committee. That committee placed the bill on General File. There are no committee amendments. There is an additional amendment, Mr. President.

ARCH: Senator Fredrickson you're recognized to open on LB217.

FREDRICKSON: Thank you, Mr. President, good morning, colleagues, good morning, Nebraskans. I am here today to introduce LB217 and want to thank the Speaker for the Speaker priority designation. LB217 is a reintroduction of my LB927 from last session which ultimately ran out of time to be heard on the floor and did not find a vehicle. LB217 requires suicide awareness and prevention training for certain employees of child placement agencies, foster care providers, and employees of the Department of Health and Human Services. Requirements established in LB217 follow recommendations made by the Nebraska Office of the Inspector General for Child Welfare in a report from 2023. This report examined death by suicide in the child welfare system and found opportunities for better preventative measures including training recommendations, specifically introducing gatekeeper training for DHHS employees, standardized training requirements for child placing agencies, and gatekeeper training for foster care providers. As the Inspector General report pointed out, adolescents in general are at an increased risk of death by suicide, and youth involved with the child welfare system are impacted at an even higher level when compared with their peers. Simply put, this is an at-risk population that needs special attention. The more touch points we have in place with children who might be at risk for suicide, the likelier it is that we can prevent someone from making an impulsive decision to self-harm or engage in suicidal behavior. Again, I want to thank Speaker Arch for the Speaker priority designation, and it is a natural fit with his work on LB298 that shores up the Legislature's oversight through the Office of our Inspector General. LB217 was heard by the Health and Human Services Committee on February 12. It had no opposition testimony, has no fiscal note, and advanced from committee unanimously. Thank you for your time and attention, and I'd be happy to take any questions.

ARCH: Mr. Clerk for an amendment.

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ASSISTANT CLERK: Mr. President, Senator Fredrickson would move to amend with AM1031.

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

FREDRICKSON: Thank you, Mr. President. So AM1031 is a pretty simple amendment. This represents a simple change requested from providers. So while the Inspector General's report had recommended specific time requirements for the training, after some discussion with providers, it was determined that sticking to current best practices would achieve the same goal while not limiting the department's flexibility in the future if new evidence is available. So AM1031 remi-- removes the time requirement and states that training should adhere to current best practices. Thank you.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Fredrickson waives close. The question before the body is the adoption of AM1031 to LB217. 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: AM1031 is adopted.

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

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

FREDRICKSON: Thank you, Mr. President. Just want to thank the speaker again for the speaker priority designation. I also want to highlight and thanks Jennifer Carter, Jennifer Carter, who is the Inspector General for Child Welfare. For folks who don't read the reports that come out of that office, that's exactly where this piece of legislation came from. They do really valuable work. I want to thank my staff and all the stakeholders who provided recommendations for this and I ask for your green vote. Thank you, Mr. President.

ARCH: Colleagues, the question before the body is the advancement of LB217 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 advancement of the bill, Mr. President.

ARCH: LB1-- LB217 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File LB77, introduced by Senator Bostar. It's a bill for an act relating to insurance; adopts the Ensuring Transparency in Prior Authorization Act; provides operative dates; and provides severability. The bill was read for the first time on January 9 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments. There's an additional amendment, Mr. President.

ARCH: Senator Bostar, you're recognized to open on LB77.

BOSTAR: Thank you, Mr. President, and good morning, colleagues, LB77, the Ensuring Transparency in Prior Authorization Act, implements comprehensive reforms to the health insurance prior authorization system to reduce delays in care, improve transparency, and ease administrative burdens on health care providers. The bill prohibits insurers, insurers from requiring prior authorization for emergency and preventive services, ensuring patients can access time-sensitive and routine care without unnecessary barriers. It establishes clear timelines for prior authorization response, 72 hours for urgent requests, shortened to 48 hours beginning January 1, 2028, and 7 days for non-urgent services. If an insurer fails to respond within these time frames, the request is automatically deemed approved. To improve transparency, LB77 requires health insurers publish all prior authorization requirements on their websites and to provide at least 60 days notice to providers before making any changes. The bill also streamlines prior authorization procedures by creating a universal form across all insurers requiring that adverse determinations be made by a physician and ensuring peer-to-peer consultations are available when requested by the treating provider. Appeals must be reviewed by a physician in the same or similar specialty and insurers are barred from using artificial intelligence as the sole factor in denying authorization. LB77 specifies that prior authorizations are valid for at least one year in most instances and may follow the patient for 60 days if they change health plans. It also prohibits insurers from retrospectively denying services after a prior authorization has already been granted. The bill requires payment to providers for services that receive prior authorization approval, reducing instances of uncompensated care. Finally, the bill includes provisions expanding access to biomarker testing for cancer, Alzheimer's disease, and other serious conditions, ensuring that Nebraskans benefit from most-- from the most advanced diagnostic tools available. LB77 is the result of extensive stakeholder collaboration as a strong supporter of Nebraska's physicians, hospitals, patient advocacy organizations, as well as insurers. I want to thank the Speaker for giving this legislation a priority designation, and the Banking, Commerce, and

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Insurance Committee for their unanimous vote to advance the bill with AM1187. I'd ask for your green vote on the amendments and the underlying bill, and thank you, Mr. President.

ARCH: As the clerk indicated, there is a committee amendment. Senator Jacobson, you're recognized to open on the committee amendment

JACOBSON: Thank you, Mr. President. This is more kind of a technical amendment, I think I'll kick it back to Senator Bostar and I'll let him explain the change. I would like to just say that I appreciate Senator Bostar for bringing the bill to the Banking, Commerce, and Insurance Committee. It had quite a bit of pushback; however, being the veteran he is, worked with all of the parties that were opposed and got them all on board. So I can tell you that this has industry support. It was a great compromise and I, I can tell you this as chair of the BCI committee, we get a lot of bills that have pushback. And my view is that you need to work your bill. You need to work your bill, get rid of the pushback, get the best deal we can. We'd like to have everybody little bit unhappy. I think that's how we ended up, but I think everybody's willing to move forward and they like the bill and would like to see it passed. So I'll turn the rest of it over to Senator Bostar to explain the rest of the amendment.

ARCH: Senator Bostar, eight minutes, 50.

BOSTAR: Thank you, Mr. President, and thank you, Senator Jacobson. It was-- this has been a, a, a multi-year process of getting to this point. And I am very appreciative of all the stakeholders and all the time that was invested by all of them in this process, for the, the hospitals, physicians, and insurers specifically. We met, you know, over the years countless times to get to this place. And I think that it's, it's, it's very good legislation. What I described in my opening represented the where we, where we landed, so to speak, with the committee amendment. So, so that was already described, but I just really appreciate everyone's dedication and hard work at getting to this point. And for the committee's input and, and Chairman Jacobson's leadership on advancing this and other issues is, is what, you know, ultimately makes all this happen. And with that, I ask for your Green Vote. Thank you.

ARCH: Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Bostar would move to amend the committee amendment with AM1261.

ARCH: Senator Bostar, you're recognized to open on AM1261.

BOSTAR: Thank you, Mr. President, this amendment just captures the intent of what was agreed to before and is a simple additional update that adds dementias to the Alzheimer's definition in the biomarker list, which was, was effectively intended the whole time. The amendment is, is also supported by all parties on the bill. So I would ask for your green vote on AM1261, AM1187, and LB77.

ARCH: Seeing no one in the queue, you're recognized to close on AM1261, and Senator Bostar waives close. Colleagues, the question before the body is the adoption of AM1261. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: AM1261 is adopted. Senator Jacobson, seeing no one in the queue, you are recognized to close on AM1187. Senator Jacobson waives close. The question before the body is the adoption of AM1187 to LB77. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 32 ayes, 0 nays on adoption of the amendment.

ARCH: The amendment is adopted.

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

ARCH: Senator Bostar, you're recognized to close on LB77.

BOSTAR: Thank you, Mr. President. And again, this is a bill that was agreed to by all parties after years of, of work and compromise. And so I would ask for your green vote. Thank you.

ARCH: Colleagues, the question before the body is the advancement of LB77 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: LB77 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File LB391 introduced by Senator Murman. It's a bill for an act relating to revenue and taxation. It amends section 77-2716; adopts the Give to Enable Scholarship Act; provides for certain income tax adjustments; and repeals the original section.

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The bill was read for the first time on January 17th of this year and referred to the Revenue Committee. That committee placed the bill on General File with committee amendments, Mr. President.

ARCH: Senator Murman, you're recognized to open on LB391.

MURMAN: Thank you, Mr. Speaker. I also want to thank Speaker Arch for designating LB391 as a Speaker priority bill. Between difficulties finding employment, the high cost of health care, limited educational resources, and asset limits on benefits, Nebraskans with disabilities and their families face increased economic hurdles. This is why our state has the Enable program, which allows Nebraskans with disabilities to create tax advantaged savings accounts to pay for disability-related expenses. Without these accounts, individuals would not be able to save more than \$2,000 in assets before running into issues with benefits such as SSI. Nebraska signed the Enable Savings Plan into law in 2015, and it is seen-- and it is overseen by the Treasurer's Office. In its 10-year lifespan, the Enable program has helped individuals with disabilities open and maintain over 4,000 accounts and holds over \$47 million in assets under management. These accounts help Nebraskans with disabilities have a place to save money, no longer having to needlessly spend money to keep under the asset limits and to encourage independence. Despite this, some Nebraskans might still struggle to create an Enable account. LB391 creates a fund that can be used to help individuals to open Enable savings accounts who otherwise may not be able to do so. Once open, they can take advantage of the Give to Enable platform that was launched this summer and ask family, friends, and others to help them save money for things they need and qualify for a tax deduction for those contributions. If you look now at givetoenable.com, people are raising money for things like service dogs and handicapped accessible vehicles, things that are both expensive and not covered otherwise. The concept is similar to websites such as GoFundMe. But since they go into Enable accounts, the account users do not have to worry about the asset limitations. I will note there is a fiscal note, but when we think about the immense benefits this has for Nebraskans with disabilities, it is relatively minor, and if you were to ask Treasurer Briesse, he would point to the high return this program creates. The Enable program is for some Nebraska families not just another benefit but an economic lifeline and as the name implies a way to empower Nebraskans to achieve a better life experience, and this bill is just one of the ways I hope we can strengthen it. At the hearing, LB391 was supported by the Treasurer's Office as well as the disability advocates at ARC Nebraska, and had no opponents. The bill also came out of the committee on an 8-0 vote. Thank you, Mr. Speaker.

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ARCH: As the clerk indicated, there is a committee amendment. Senator von Gillern, you're recognized to open on the committee amendment

von GILLERN: Thank you, Mr. President. Caught me off guard there. LB--AM187 is a revenue committee amendment. It strikes and replaces original sections, changes the name of the act, and makes some other harmonizing changes. The amendment also removes a prohibition on using the principle of the fund for purposes other than the investment. The bill and the amend-- as amended came out 8-0 from committee and I would encourage your green vote on the amendment and on the bill when it comes to the vote. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're recognized to close on the amendment. Senator von Gillern waives close. The question before the body is the adoption of AM187 to LB391. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 30 ayes, 0 nays on adoption of the amendment, Mr. President.

ARCH: The amendment is adopted.

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

ARCH: Senator Murman, you're recognized to close on LB391. Senator Murman, waives close. Colleagues, the question before the body is the advancement of LB391 to E&R initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 0 nays to advance the bill, Mr. President.

ARCH: LB391 does advance. Mr. Clerk, next item.

ARCH: Mr. President, General File Legislative Bill 391A is by Senator Murman. It's a bill for an act relating to appropriations. It appropriate funds to aid in carrying out the Provisions of LB391. It was read for the first time on April 8 of this year and placed directly on General File.

ARCH: Senator Murman, you're recognized to open on LB391A.

MURMAN: 391A is the appropriations on LB391. LB391, as I explained just earlier, is a great program that enables families with handicapped individuals to have an account that their family can, and friends can donate into for the account. Thank you.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Murman waives close. Colleagues, the question is the advancement of LB391A to E&R initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 0 ayes on advancement of the bill, Mr. President.

ARCH: LB391A does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File LB707, issued by Senator von Gillern. It's a bill for an act relating to the Good Life Transformational Projects Act. It amends section 77-4405; changes provisions relating to project eligibility; and repeals the original section. The bill is read for the first time on January 22 of this year and referred to the Revenue Committee. That committee placed the bill on General File with committee amendments, Mr. President.

ARCH: Senator von Gillern, you're recognized to open on LB707.

von GILLERN: Thank you, Mr. President. Good morning colleagues, and good morning Nebraskans. I rise today in support of LB707 and the White Copy Amendment AM1336. We've got some other amendments that will be withdrawn. AM1336 is the most recent committee amendment that was kicked out. I want to thank, thank those who took the time to attend the briefing earlier this morning on this topic. It'll make this discussion a little simpler. For those of you who are not able to attend, I've got a briefing sheet coming around. Now that I've pushed the page button, that will come around. Sorry, I should have done that sooner. It became apparent over this past year that the original Good Life bill, which was part of LB727 passed in 2023, amended by LB1317 in 2024, needed some additional guardrails added. Thank you. As a refresher, the Good Life District program was an incentive to encourage transformational developments in Nebraska. The objective was to draw new-to-market retail to our state and make a development fashion using an approach in some ways modeled after some successful developments across the country. The threshold for approval for a proposed Good Life District is high, requiring \$1 billion of development investment in a city of the metropolitan class, \$750 million in the city of the primary class. \$500 million, and then \$100 million for smaller population centers. In exchange for cities, investors, and developers taking on this massive risk in private financial investment, the state agreed to, to cut the state sales tax rate in half within a Good Life District with the understanding that the remaining half, or 2.75% of the state's sales tax, would be reinvested within the district. Those savings are captured via a local

sales tax by the city partners and then utilized to cover costs of infrastructure, facilities, buildings, and other development costs which were specifically identified in the original bill and subsequent amendments last year. The original plan still presents an opportunity for a terrific return on investment for the state of Nebraska. The logic behind the program is as follows: significantly boosting sales tax revenue for the long term once these projects are up and running will more than offset the state's investment in the form of foregone sales tax revenue in the near term. My LB707 with AM1336 is designed to refine certain language and concepts and to address a number of matters that have arisen since the Good Life Districts were first proposed two years ago. The measures contained in LB707 include the following. First, ensuring there is a requirement for a means to collect the sales tax surrendered by the state for the Good Life development before the incentives begin. Next, resolving confusion between cities and Good Life District awardees on how the collected sales tax revenue may be expended. LB707 requires the city and the awardee to have a memorandum of understanding regarding these matters. Next, the creation of project areas in the amendment ensures what I would refer to as a sub-Good Life District or a district within a district to provide clarity about how a Good Life District awardee may or may not influence other developers intentionally or unintentionally included in their district. Next, LB707 clarifies that a tax-exempt entity cannot be approved in the future and ensures that sales tax will be collected on construction materials at any project owned by a tax exempt entity. It was never intended by the bill's authors for a tax exempt entity to be awarded a Good Life designation. However, that has occurred. A tax exempt entity, without this change, would not collect sales tax on materials used in construction, and in some circumstances not collect sales tax, clearly not the intent of the bill. The AM fixes that problem. Next, in section 4, LB707 changes a "shall" to a "may," granting the Department of Economic Development greater discretion over whether to approve proposed expansions of the boundaries of existing Good Life Districts. Additionally, it includes specific requirements that proposed expansions must satisfy in order to be approved. Next, LB707 clearly states that eminent domain shall not be used to coerce or force sale of land for a Good Life District as some developments may have considered doing to acquire property to complete their Good Life District. Next, the original bill stated unequivocally that Good Life Districts must be transformational in nature and that new-to-market retail would be required. LB707 more clearly defines this concept and includes a concrete new-to-market retail threshold for developers to utilize. Next, LB707 requires that land in a Good Life District either be owned or the developer must

have a controlling interest. Good Life Districts have been created where the land was not owned by the developer. Again, not the intent. Next, LB707 improves the ability of Department of Economic Development to vet Good Life District applicants by requiring the demonstration of economic viability. Lastly, the amendment inserts an e-clause to ensure that these measures enter immediately into effect and address issues that are both ongoing and urgent, requiring the clarity LB707 provides as soon as possible. I know that there are ongoing issues that need to be worked out with various parties between General and Select File, and I've committed to working with each of them to arrive at solutions that best balance interest to the state with the needs of developers and communities responsible for the implementation of the Good Life Districts. I want to thank all the parties involved for their active collaboration and for their patience throughout the long process of investigation and discussion needed to make this program work and thrive. I'm sure there are questions and I'll be happy to address as many as I am able. Thank you, Mr. President.

ARCH: As the clerk indicated, there is a committee amendment, AM1336, and you are recognized to open on that committee amendment.

von GILLERN: Thank you, Mr. President. AM1336 is the white copy amendment that does everything I just talked about. So I've covered the amendment, so I will waive the remainder of my time for the amendment. Thank you, Mr. President.

ARCH: Mr. Clerk, for an amendment. I have nothing at this time, Mr. President.

ARCH: Colleagues, the question before the body is-- Oh, excuse me. Turning to the queue, Senator Lippincott, you're recognized to speak.

LIPPINCOTT: Thank you, sir. This isn't just about the possibility for Grand Island. It's becoming a reality that will reshape our communities, bringing jobs, economic vitality, and a renewed sense of pride. As a Good Life District, Grand Island and others will become a magnet for major investment with projects injecting millions into our economy and creating new jobs. This isn't theoretical. Grand Island is on the cusp of creating these opportunities for our residents, from construction workers building new retail centers to service workers in bustling shops and restaurants. These jobs will keep our families here thriving in Grand Island. The district will anchor our workforce, ensuring that our young people have rewarding careers without leaving home. The economic boost will be undeniable. Businesses in the district will reinvest savings into our city, and this means more

vibrant retail along the corridors like Highway 281, with stores and eateries that draw crowds from across Nebraska and beyond. Being a Good Life District will turn Grand Island into a regional destination, filling our hotels, restaurants, and local shops with tourism dollars. Our small businesses from coffee shops to boutiques will feel, feel the ripple effect as visitors spend generously in our community. The Good Life Districts will fund modern roads, utilities, and public spaces that make our city more connected and welcoming. It will revitalize downtowns and create new spaces of inviting plazas, improved lighting, and pedestrian friendly streets where families gather for events. These enhancements will make daily life better for everyone from commuters to kids playing in new community spaces. These districts will feel more like a home we're proud to show off. This destination will also strengthen our community's heart. The projects shaped from-- with input from city leaders and property owners, will reflect each district's unique spirit, our hard work, diversity, and warmth. Whether it's a new entertainment venue or an expanded retail hub, these developments will give us places to celebrate, connect, and build memories. The district will ensure that Nebraska isn't just a stop on the map, but a place where people want to live, work, and raise their families. With the changes to accountability measures like investment deadlines, the Good Life District will deliver on its promises. The five chosen districts will have the opportunity to emerge as a beacon of Nebraska's good life, cities that are thriving, not just surviving. It will give our residents opportunities, our businesses growth, and our community a legacy of progress. Let's embrace this moment knowing that the Good Life District will make Nebraska stronger, prouder, and more vibrant for generations to come. Thank you, sir.

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

JACOBSON: Thank you, Mr. President. First, I want to thank Senator von Gillern, and I think we all owe him a debt of gratitude for all the time he's spent on this particular bill and project. There were problems from-- that we found with the Good Life Districts, and in fact we kind of vowed not even to say the word out loud to begin-- at the beginning of the session. But Senator von Gillern, to his credit, has worked with all the parties, tried to figure out what made sense, what was the real purpose of the Good Life Districts, and getting us back on track with specific details that will achieve the return on investment that we're looking for, for the state. As, as the, the project implies, the state's giving up 50% of the sales tax revenue, but they're doing it in Good Life Districts where they're bringing new-to-market, new retail outlets that otherwise would not be

coming to Nebraska. And because of that, we're making more retail sales, we're rising-- raising the tide so speak. And we're not only getting back the dollars that we put out for this particular incentive, but significantly more along with jobs, new development, property tax revenue, and so on. This is a way to grow our state. I think the idea was a great idea. Senator von Gillern brought the details together to make certain that we had the guard rails in place to make this work. He made the changes to make sure that this didn't get used predominantly for residential. That's not what this is about. This is about retail. This is bringing new retail to the state. Also it would be-- I have to give a little bit of a shameless plug for Kearney, the fifth one is still open, I'm hoping it will be awarded to Kearney. Again, as we look at the state of Nebraska, we need to look at that entire state. Clearly we're aware that right now Grand Island has a Good Life District, but all the rest of them are located east of, of Lincoln. So, Kearney, I know, has 13 or 14 new retail brick and mortar stores ready to come into Carney if they can make this happen. They would be right along the interstate on the unit's property. He has donated the land for the Good Life District there. They have a new sportsplex there. They have lot of hotels there. It's a perfect fit for this program. Might be the purest project of them all from the standpoint that everything coming in will be new retail. And so I'm hoping that they will be in the number five, but I will tell you that the changes that have been made, the change that have negotiated by Senator von Gillern have been great changes. I hope everyone gets behind this and embraces it. This is a win for Nebraska. It will produce new revenue for Nebraska. This is what a good incentive program looks like. Thank you, Mr. President.

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

QUICK: Thank you, Mr. President. And first I want to thank Senator von Gillern for all the work that he's put in on this. And I know that Grand Island has been in negotiations with him as well, and I just spoke with him this morning too about some of the issues that Grand Island has as well. One of the things for Grand Island is, is that-- I mean, this will be a, a really good project, the things that they want to do in our community. I think it's going to be really-- it'll be good for Grand I-- Grand Island, it will be an economic boom for them. One of the issues that we're facing with some of the, the changes is, is the, is the cap. So the \$5 million dollar cap will be a, certainly a challenge for us because currently the way our in-- or our sales tax receipts are between \$7.5 and \$7.6 million. So capping in at five will put us, put us at a \$2.5 million deficit. So that's one of the things that we're hoping that we can address between General and Select and

I, I know I've had some conversations with Senator von Gillern about that. I know the stakeholders from Grand Island have had conversations and so I'm hoping for continued maybe an improvement to that, to that cap. We'll see what happens. And I think what we would see in Grand Island with-- if we could expand that project, the future revenues are going to more than replace what those sales tax dollars that, that the state is giving up. And so I think this is a really, it's a really good project. I'm hoping we can make these changes and go move over from there. So thank you, Mr. President.

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

CLOUSE: Thank you, Mr. President, and I do stand in support of this amendment and the bill. Thank you, Senator von Gillern, and also Senator Jacobson for the shout out for everything that Kearney, he took all my thunder, so I appreciate that. Kearney has been sitting here for the last year or so, working through this process. Every time a question come up, we've answered it. Every time an issue come up we've answer it. We've got everything in place. We just needed to get an answer out of the Department of Economic Development. And it's my understanding that this amendment will give the Department of Economic development the certainty or the things that they need in their control to make this decision. And that's why I support this amendment. Everything on the bullet points and the list that Senator von Gillern laid out, Kearney is ready and willing and able to do it. And I think if you look at the committee testimony that took place in February, in fact, Mr. Younes and our city manager, Brenda Jensen, they were here during one of those blizzards. Couldn't even make it back home to Kearney after their testimony in the committee. The issues that we talked about is when can you start? They can start immediately. The challenge we have is by all these delays, we've lost one whole construction season, basically to get contracts awarded, to get the, you know, the shovels in the ground. The Kearney's position is it's ready. We need to be moving on some of these things. We, we don't have a lot of patience I think in Kearney because we know what we're doing, we know how to make it work, and we know that this will be good for the state. And so I would encourage a green vote on this amendment and, and the bill. There's a lot issues surrounding it, but I think it's ready to go, and I think we to move forward. Every time we delay on this, and we have some communities, and specific I'm going to regard to my home community, Kearney, the longer we wait, the, the more money and more revenue that we lose as a state. And that's all we heard about all week, is how do we increase sales tax? How to-- what is new growth? How do we keep moving forward? What's our revenue stream look like? By sitting on this some more, I think we can make a

strong argument that the City of Kearney and our, our partners that we put together on this will make it work. And I'm giving a sales pitch basically to the Department of Economic Development, and I'm not trying to put down the other communities, but I stand here and say it will be successful if it's given to Kearney, we will make it work, and the state will benefit. So to my colleagues on the floor I ask for your green vote to AM1282 and LB707. Thank you.

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

HOLDCROFT: Thank you, Mr. President. I happen to be blessed to have two Good Life Districts in my, in my district. I have both Gretna and the Bellevue projects. And I actually had a bill to, to try to address some of the issues at Gretna, which now have been incorporated into LB707. And so I am supportive of going forward with LB707, certainly for the Gretna project. But addressing the, the Bellevue project, which is truly a transformational project. We are talking about the fourth largest water park in the United States. Totally enclosed, so that it can be year round, so think about that, in January, February, minus, 10, 10 degrees, you can go to, to, go to the water park there in Bellevue. It's going to have hotels attached, it will have restaurants, it is-- it will probably turn into an, an office park. And, and so it is, it's-- Bellevue has some great plans for that, and I think it's truly a transformational effort. But as Senator von Gillern said, they are a tax-exempt organization. They are tax-exempt developers. So they would not have to pay, normally would not to pay sales tax or tax on, on construction material. And so, I, I think going forward in the future, that's certainly fair. The, the, the whole idea behind the Good Life District was to, you know, do these-- give, give some seed money, some starting money for these projects, and, and then with the idea of reaping, you know, tremendous revenues for the state in the future. So, going forward, I can, I, I can agree with not including tax-exempt developers. But we made this deal with Bellevue. I mean two years ago we made this deal with the Bellevue. We granted them the Good Life Districts. They went out, they planned for this. They planned not having to pay for building materials. And so to, to impose that on them now would run them about, about \$2million in additional costs. Now, it's probably not enough to kill the deal, but it is certainly going to make it a lot harder. So I have committed to work now with Senator von Gillern to see if we can come to some kind of accommodation for Bellevue between General and Select File. But for now, I support the amendment AM1336 and also LB707. Thank you, Mr. President.

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ARCH: Seeing no one in the queue, Senator von Gillern, you're now recognized to close on AM1336.

von GILLERN: Thank you, Mr. President, and thank you to all those that offered their kind words during the, the conversation today. I'm trying to figure out how to say this in a tactful way. Everything that is in this amendment is good for the state of Nebraska, but it's also been done in conversation with the development groups and with the cities. Where we started in this amendment and where we've ended up today is dramatically different. In fact. The clerk is going to, in a minute, he's going to say, you got a whole bunch of amendments to withdraw, and I'm going to yes, because we've been through multiple iterations of, of amendments to get to this point, and it's been very collaborative. I've had meetings with, with the, the different parties all in one room together. I've met with them individually. Not everybody likes where it is today, and there, there are some changes that we have to make between General and Select, and I'm aware of that. I know that there's some of the things in the, the bill, in the amendment caused some what they would term as hardships for Grand Island and for Bellevue and they've mentioned those today but I believe that those-- what's in the bill is fiscally responsible for the state of Nebraska. It caps the amount of incentives that goes out and we can't have an unlimited number on that. So everything that's in the amendment is designed to maximize the amount of sales tax revenue coming into the state of Nebraska and I appreciate everyone's cooperation in getting to that point and, and again we'll work on this hard between General and Select but for today I ask for your green vote on the AM1336 and when we get to LB707. Thank you, Mr. President.

ARCH: Colleagues, the question before the body is the adoption of AM1336. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President. Senator von Gillern, I have both AM615 and AM1282, both with notes that you would withdraw.

ARCH: So ordered.

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

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ARCH: Senator von Gillern, you're recognized to close on LB707. And he waives close. The question before the body is the advancement of LB707 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: LB707 does advance. Senator Lippincott would like to recognize some special guests. There are 70 4th grade students from Central City Elementary and from Central City, Nebraska. They are located in the north balcony. Students, please rise and be recognized by your Nebraska Legislature. Mr. Clerk, next item.

CLERK: Mr. President, Select File LB434. First of all, Senator Ballard, there are E&R amendments.

ARCH: Senator Ballard for a motion.

BALLARD: Mr. President, I move that the E&R amendments to LB434 be adopted.

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

CLERK: Mr. President, Senator Wordekemper would move to amend with AM1334.

ARCH: Senator Wordekemper, you are recognized to open.

WORDEKEMPER: Thank you, Mr. President. Colleagues, today I rise to introduce AM1334 to LB434, an amendment that aims to address concerns raised during our General File debate regarding the proposed increase to plan review fees. After listening carefully to the concerns voiced by a few senators, I worked directly with the Fire Marshal's Office to find a reasonable compromise that would still allow their office to function effectively while reducing the financial impact on Nebraska businesses and citizens. This amendment would lower the maximum plan review fee from \$10,000 to \$5,000, cutting the highest potential fee in half. Under this amendment, plan review fees would start at a minimum of \$50 and increase By \$1.50 for each \$1,000 of contract amount, officially maxing out at \$5,000. Additionally, for late plan fee review submissions, there would be a base fee of \$100 plus 50% of the total plan review fee. I want to assure my colleagues that the Fire Marshal's Office has confirmed they will still generate the revenue necessary to perform their essential public safety functions under this amendment. It will simply not be to the same extent as what was initially proposed in the committee amendment. As I mentioned

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during our first round of debate, many of these fees have remained unchanged for 20 to 30 years despite rising costs of providing essential public safety services. This amendment represents a good faith effort to balance the operational needs of the Fire Marshal's Office with the concerns expressed about the impact of increased fees. I believe this amendment strikes a-- excuse me, I believe this amendment strikes the right balance and demonstrates our willingness to work together to find reasonable solutions. I was grateful for the level of support this bill received on General File. I would greatly appreciate your support for AM1334. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're recognized to close. Senator Wordekemper, waives close. The question before the body is the adoption of AM1334 to LB434. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 0 nays to adopt the amendment, Mr. President.

ARCH: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Jacobson would move to amend with FA201.

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

JACOBSON: Thank you, Mr. President. First, I want to thank Senator Wordekemper for, A, bringing the bill, and, B, for his willingness to work and amend the bill to make it more palatable. My general philosophy on fees is that fees should be charged to users of various services so that that cost of the service doesn't get passed on to the taxpayer. And so we're going to see a theme on future bills that are raising fees that haven't been raised in decades and are grossly under the cost of providing the service. And so by raising those fees the people who are actually benefiting from the service are paying for that service and less of that cost is being passed on to the taxpayer. That's really in my mind what these fees represent. And I think with this bill you're seeing fairly significant increases. We scaled them back a little bit in his amendment, but yet they are substantial increases that better reflect the cost of providing that service. The only thing I would say when it comes to fees is that fees should not really exceed the cost of providing the service, and the fee should not be out there to pay for services that you're not getting when you pay the fee. And so therefore my amendment really deals with page 5 of the amendment AM750, AM750 on page 5, line 15. And I'm just striking the words "and other agency duties." So in other words, the fee could be up to \$5,000, but it should be reflective of the cost of providing

the fee- providing the service and not for something above and beyond other costs. And so that's the only change in this. Otherwise, I think it's a great bill. I would encourage a green vote on AM201 and I would encourage a green vote on LB434. Thank you, Mr. President.

ARCH: Senator Wordekemper, you are recognized to speak.

WORDEKEMPER: Thank you, Mr. President. Senator Jacobson, he, he brought me this concern after General File and, and so I, I reached out to the Fire Marshal's Office and this, this was their answer to, to his concern and I'd like to read that. The State Fire Marshal has numerous other agency duties associated with the plan submittal review process. The submittal and review of the plans triggers multiple other inspections such as fire alarm inspections, fire sprinkler inspections, any needed consultation inspections during the construction, the request for final inspection, and any needed revisits to complete that final inspection. There are a variety of costs associated with the review and inspection such as employees' salaries and benefits, agency vehicles and mileage, necessary equipment such as cell phones, laptops, computer programs, and any needed specialized equipment based on the type of facility and inspection. Further, there are other areas of the agency that receive no form of cash funds for the services such as the training division and the Fire Investigations Division. The remaining General Fund allocation will still need to cover the costs associated with those programs which can't generate any fees. As such, the increased cash funds have to be used to cover a multitude of items associated with the duties of the agencies. That was their response. And I'd like to say, I believe if we strike this language, it will restrict the Fire Marshal's discretion on how they use funds to provide services to keep our citizens safe. We have an agency here that does a great service to our community, keeping our buildings safe and all that. And they have to use money out of the General Fund allocation set by appropriations, you know, figuring that out, and their cash balance that they receive from fees. And I don't believe we should restrict how they use those fees to provide a critical service to Nebraska. Thank you, Mr. President.

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

DOVER: Thank you, Mr. President. I just want to thank Senator Jacobson for bringing FA201. I do, being involved in real estate all of my adult life and involved in construction in commercial and residential, it's an expense to pay for these inspections. And my main concern is I'd like to thank Senator Jacobson for basically lining out that these

costs can help to offset other agency duties. The, the, the fees involved with this, if there are additional duties perhaps required to pro-- to produce a specific inspection, then, then that should be what the cost of that is, but I really think-- I want to thank for reducing, Senator Wordekemper for reducing from \$10,000 to \$5,000, but I really think \$3,000 is probably is more in line for the correct fee. Again, we're just adding the cost of doing business and passing it on to the people really that generate the tax dollars that actually run government. And I also want to just point out, in the past, and I think I talked to, and I thank Senator Wordekemper for providing some answers to the questions we had the first time the bill was up. And initially, just so everybody knows that, the-- I'm going to re-- just going to read this to everyone here. For the purpose of maintaining the Office of, of the State Fire Marshal and such other fire prevention activities as the governor may direct, every foreign and alien insurance company, including non-resident attorneys for sub-- subscribers to reciprocal insurance exchanges shall, on, on or before March 1, pay a tax. Now, this is, this how originally the agency was funded. Pay a tax to the Director of Insurance of .75% of the gross direct writing premiums and assessments received by each of such companies during the preceding calendar year for fire insurance business done in this state. That was done is, is my understanding, I-- and some people-- talking with people I don't know how you verify things that go back a ways but my understanding that that wasn't always as consistent as they would have liked to have seen it for funding. And so they said you know since, since we're to fund it-- fund any deficit requirements that you have anyway for the State Fire Marshal Agency, why don't we just take those enti-- those insurance dollars, put them into the General Fund, and we'll just fund you directly from General Funds. Well, it seems to me that there seems to be kind of going back on that a little bit trying to make everything fee-based, and just I think some, some Important numbers are in, in fiscal year '22 the agency received General Fund allocation for the program, 2025, of \$3,300, I'm going to round, \$3,000-- \$3.3 million, so \$3.3 million The tax insurance fire amount that went to the General Fund was over \$6 million. So again, they were given \$3.3 million, but the way they used to be funded was over \$6 million. In fiscal year '23, the agency received the General Fund allocation of close to \$3.5 million. The tax insurance fund amount received in that year was \$6.8 million. And so I guess I'm just concerned-- I know that Senator Wordekemper, one thing that we do share in common is a deep desire to take care of our firemen, both pub-- I mean both that are employed and also volunteer. I would just hate to think-- hate to see this agency cut for lack of funding when the old way of funding it was more than--

was plenty of money. They didn't need that-- quite that much money. So again, when we're getting the revenue of the old-way of \$6 million, yet you're only funding at \$3.3 million or \$3.5 million, I think really we maybe, maybe need to look at funding that, but I'm concerned with not funding the State Fire Marshal Agency sufficiently. Thank you.

DeBOER: Thank you, Senator Dover. Senator Jacobson, you're recognized.

JACOBSON: Thank you Madam Chair. Let me just clarify again what, what's in this amendment. The-- When it comes to fees that are being charged for blueprints, shop drawings, etc., if there are costs outside of direct costs, in other words, if there's overhead costs, those costs should be allocated and they can put that into the fee and determine what their fee is. But the fire marshal does things outside of what this-- these particular fees go to. If there's a fire, they go and inspect the fire, what happened to the fire. I don't know anybody's paying a fee for that. So I don't want the fees from users to be able to cover the entire cost. I think that there needs to be limits. Now of course there is a fixed price of \$5,000 for the fee and in many cases they probably will get to \$5,000. I just don't like the open-end language of "and other agency duties." If there's overhead costs, pack them into the fee, and if the fee ends up being \$5,000, it's \$5,000. It, it's probably a matter of semantics, but I just don't like the idea of having this open-endedness when it comes to what the fee should be. The Fire Marshal should be fully repaid for all their cost, fixed and variable, to do a particular service, but not more than that, and that's really what I'm after with this amendment. Thank you, Madam President.

DeBOER: Thank you, Senator Jacobson, Senator Wordekemper, you're recognized.

WORDEKEMPER: Thank you, Madam President. And I guess just for clarification. If, if your fee that you're going to be charged for your plan review and your inspections is \$5,000, that's what you're gonna be charged. And that's gonna include the services. There's not gonna be an open-ended, oh, now we're gonna, you know, charge you mileage or we're going charge to review this. The fee is the fee based on what I said, it, it's \$1.50 per \$1,000 contracted amount. So if, if you're building a building that costs \$500,000. Your, your fee will be \$750, and that's going to cover all the costs. And that's gonna go into the cash fund of the Fire Marshal's Office, and then they're gonna use that money as they see fit to provide the service to the state and, and all the ones that they don't charge for. So it's not

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open-ended that they can say, oh, and now we're gonna add this on, now we're gonna add this on. That, that's not what that language says. And in talking with the Fire Marshal's Office, they don't like this amendment and this change. And at this point, I'm not in support of FA201. Thank you, Madam President.

DeBOER: Thank you, Senator Wordekemper. Senator Dover, you're recognized.

DOVER: Thank you I just wanted to speak to I wish that we would have-- I know there was a hearing for this but what my understanding is the bill was somewhat long and believe it or not some people missed the \$10,000 but I wish they would have a hearing on all the fee-- on the fee schedule and make sure that that is-- that all the, all the people that are involved, whether it's commercial realtors, and those, and those-- that group, are all involved in setting the fees and can arrive at a fee that, that makes sense. And again, I'm just, I want to thank Senator Jacobson for, for lining out or striking through "other agency duties." A fee should not be used to pay for some-- a person should not have to pay a fee that's actually paying for somebody else's fee. I don't think that's fair. So again, I would urge a, a green vote on FA201 and a green on LB434. Thank you.

DeBOER: Thank you, Senator Dover. Seeing no one else in the queue, Senator Jacobson, you're recognized to close. Senator Jacobson waives closing. The question is the adoption of FA201. 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 go under call? All those in favor vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 24ayes, 0 nays on-- to place the house under call.

DeBOER: The house is under call. Senators, please record your presence. All those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house under call. Senator Conrad, Senator Raybould, Senator Storer, Senator Quick, Senator Bostar, Senator Dungan, Senator Bosn, Senator Hansen, Senator John Cavanaugh, the house is under call. Please return to the Chamber and record your presence. Senator Conrad, Senator Storer, Senator Bostar, Senator Hansen, please return to the Chamber, the house is under call. Senator Hansen, please return to the Chamber, the house is under call. Senator Jacobson, we're lacking Senator Hansen. Is it OK to proceed? All unauth-- unexcused senators are now present. Mr. Cler-- The

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question is the adoption of FA201. Senator Jacobson, will you accept call-in votes? Mr. Clerk.

CLERK: Senator Clements voting yes. Senator Bosn voting yes, Senator Hansen voting yes. Senator von Gillern voting yes. Senator Andersen voting yes. Senator Lonowski voting yes. Senator Kauth voting yes. Senator Storer voting yes. Senator Raybould voting yes. Senator Machaela Cavanaugh voting no. Senator Conrad voting yes. Senator Juarez voting no. Senator Hughes voting yes. Senator Clouse voting yes. Senator Arch voting yes.

DeBOER: Record, Mr. Clerk.

CLERK: 25 ayes, 6 nays and adoption of the amendment.

DeBOER: The amendment is adopted. I raise the call.

CLERK: I have nothing further, Madam President.

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

GUERECA: Thank you, Madam President. I move that LB434 be advanced to E&R for engrossing.

DeBOER: Colleagues, you've heard the motion. All those in favor say aye. Those opposed say nay. The bill is advanced. Items for the record, Mr. Clerk.

CLERK: Thank you, Madam President. Bills read this morning were presented to the governor at 10:12. Amendments to be printed from Senator Arch to LB376, Senator Clements to LB261. Motions to be printed from Senator Conrad to LB468. New A bill, LB316A issued by Senator Kauth. It's a bill for an act relating to appropriations; appropriate funds to aid in the carrying out of the provisions of LB316. LB608A, interested by Senator Bostar. It's bill for act relating to appropriations; appropriate funds to aid in the carrying out of the provisions of LB608. New LR, LR154 from Senator Hardin. That will be laid over, LR155 from Senator DeBoer. That will be--excuse me, LR155, LR156, LR157, all from DeBoer. LR158 from Senator Storer. LR159 from Senator Brandt. Those will all be referred to the Executive Board. LR160 from Senator Sanders. That will be laid over. As well as LR161 from Senator Prokop, also laid over. As, as it concerns the agenda, Madam President, Select File LR19CA. There are no E&R amendments. Senator Dover would move to amend with AM1353.

DeBOER: Senator Dover, you're recognized to open on your motion.

DOVER: OK. I just want to-- I'll do a little background here. So basically, when I got down to the Legislature, I realized that going to two term, two terms significantly really, I think, somewhat devastated the institutional knowledge of the senators here. And so my initial bill was very simple. It simply went-- it changed-- scratched the number two and put three and that was my initial bill. Then there was a committee amendment bill that was filed and it stated it-- struck, quote, the general election in November, and inserted, quote, a special election on May 12th, which is-- would be the, the primary election. And so in order to do a primary election, you need 40 senators to ver-- to vote for that. And I ran a card, and I had 39-- 34 yes and five leaning yes. And so I didn't have the required 40 votes to place it in the primary. And I know there were some people here that actually preferred to have it in the general because it had more people voting on that amendment and that's what I did. So my amendment basically says strike the standing committee amendment. It puts it back to the original bill which puts it in a general election. So I would encourage a green vote on AM1353 and a green vote on LR19CA. Thank you.

DeBOER: Thank you, Senator Dover. Seeing no one in the queue, Senator Dover, you're welcome to close on your amendment. Senator Dover waives closing. All those in favor of AM 1353 please vote aye. All those opposed please vote nay. Record, Mr. Clerk.

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

DeBOER: It is adopted. Mr. Clerk

CLERK: Madam President, Senator Lippincott would move to amend with AM1233.

DeBOER: Senator Lippincott, you are welcome to open on AM1233.

LIPPINCOTT: Thank you, ma'am. I advocate for a critical adjustment to our state's legislative term limits. If we are to amend the law to allow Nebraska state senators to serve three consecutive four-year terms, that would be 12 years total, then we should extend the mandatory sit-out period from four years to eight years before they can run again. This change is essential to preserve the spirit of term limits, promote fresh perspectives, and prevent the entrenchment of political power. Let me explain why. The purpose of term-limits was to prevent career politicians from dominating our Unicameral Legislature, ensuring new voices and ideas could shape our state's future. Currently, senators can serve two consecutive four-year terms, eight

years, before sitting out for four years. While this turnover has brought fresh faces, it's also sparked debate about whether two terms are enough for senators to gain enough knowledge to operate smoothly. Extending to three terms addresses this concern, allowing 12 years to master complex issues like tax policy or education funding. But without a longer sit-out period, we risk undermining the very turnover term limits were meant to achieve. An eight-year sit-out period ensures meaningful breaks in service, preventing senators from cycling back too quickly and monopolizing seats. With the current four-year sit-out, a senator can serve eight years, wait one election cycle, and return, potentially serving 16 out of 20 years with only a brief pause. If we allow three terms, that is 12 years, a four-year sit-out would mean a Senator could serve 24 of 28 years with a short break, resembling a career politician's tenure. An eight-year sit-out, however, doubles the gap, requiring two full election cycles before a return. This ensures that a senator serving 12 years would be out for a significant period, long enough for the new leaders to emerge, new issues to reshape the agenda, and voters to experience governance without that individual's influence. It respects the pre-year 2000 average tenure of five and a half years as noted by the Nebraska Examiner by keeping long-term dominance in check. An eight-year sit-out period promotes diversity of thought and prevents entrenched power networks. A senator who serves 12 years builds substantial influence, relationships with lobbyists, deep knowledge of legislative processes, and name recognition. A mere four-year absence allows them to maintain these advantages, making it easier to reclaim their seat over newcomers. An eight-year blo-- break, however, levels the playing field. It forces former senators to re-engage with their communities outside the Legislature, perhaps as teachers, farmers, or business owners, gaining fresh perspectives that entrench their potential return. Meanwhile, new senators can establish themselves without the shadow of a looming predecessor. This aligns with Nebraska's nonpartisan unicameral ethos, where ideas, not dynasties, should drive policy. An eight-year sit-out mitigates voter fatigue and encourages accountability. Nebraskans value choice. But constant reappearances of familiar names can stifle competition. After 12 years, voters deserve a longer break from seeing the same candidates cycle through. An 8-year gap ensures that if a senator returns, they face a new electorate, new challengers, and new expectations, not just a continuation of their prior campaign. This fosters a dynamic Legislature that involves with Nebraska's needs from rural broadband to urban development. Now, some might say eight years is too long, potentially discouraging experienced senators from returning. But this is precisely the point. Term limits are about renewal, not recycling.

If we value expertise, three terms, twelve years, provide ample time to contribute. After that, an eight-year break ensures the Legislature remains a place for public service, not a lifelong fiefdom. Senators need time to live under the law they create and see its effects outside this institution. Others may worry about losing institutional knowledge, but Nebraska's Unicameral has robust staff and resources to bridge gaps, and new senators bring energy that complements experience. In conclusion, if we extend Nebraska's term limits to three consecutive terms, we must pair it with an eight-year sit-out period. This change un-- upholds the voter-driven intent of term limits. It fosters legislative turnover and ensures our Unicameral remains a vibrant, responsive body. Let's embrace a system that balances experience with renewal, giving Nebraskans a Legislature that reflects our state's diversity and our dynamic environment. Thank you, ma'am.

DeBOER: Thank you, Senator Lippincott. Senator Dover, you're recognized.

DOVER: Thank you, Madam President. While Senator Lippincott is friendly, a very friendly gentleman, this is not a friendly amendment, everyone. So I'm urging you to vote red on AM1233. I guess I'll give a couple things. Look around, look to the left, look to the right so you can spot the political cronies in the room, because if you listen to Senator Lippincott's statements you are all a bunch of political cronies with entrenched power networks and deep knowledge. And it's funny he used the word deep knowledge because that's actually what I'm trying to hopefully get to is that the senators have the experience to have deep knowledge because right now the, the most limited voice in the capitol are the people's voice. And he talks about somehow sitting out eight years is better. I guess I have more trust in the people than Senator Lippincott more trust in the second house. I think that the second house is gonna vote for the senator that they choose. They're gonna look at what their senator did for them and they like it, they're gonna put them in. They don't like them, they gonna put it out. And I guess one example I would use is there was an incumbent senator in Senator Erdman's district years ago, and his son, who is, I believe, just still maybe in college, just getting out of college, a very young gentleman, Phil Erdman, ran against the incumbent and beat the incumbent because he had a better message. I think the challenge to senators really is to provide a better message, a better vision, listening to the second house. And I-- Senator Lippincott, I really do trust the people to make the best choice. And while I understand your position, I think I understand it, I apol-- I don't want to speak for you. But I, I do think that we shouldn't take the choices away from

the people, from the second house. I think if they like their incumbent and they want their incumbent to come back after they have sat out to satisfy the term limit statute, I think they should be able to vote that senator back in. So I, I believe in giving less restrictions to the second House, trusting the second house to make that vote. So I would urge a red vote on AM1233 and a green vote on LR-19CA. Thank you.

DeBOER: Thank you, Senator Dover. Senator Guereca, you're recognized.

GUERECA: Thank you, Madam President. Will Senator Lippincott yield to a question?

DeBOER: Senator Lippincott, will you yield?

LIPPINCOTT: Yes.

GUERECA: Senator Lippincott, has there been any senator that has served eight years, sat out for only four, and then came back to serve another eight years?

LIPPINCOTT: Off-hand-- Well, several people have, have sat up for four years. I know that. But you're asking, have they sat up for eight years and then come back?

GUERECA: No, as there been any senator that after serving a full eight-year term or two consecutive terms, sat out four and then come back to serve another two four-year terms after.

LIPPINCOTT: To my knowledge, no.

GUERECA: OK. Thank you. Thank you

DeBOER: Thank you, Senators Guereca and Lippincott. Senator Arch, you're recognized.

ARCH: Thank you, Madam President. As you know, I spoke to this on the first round, and I'm, I'm very much in favor of extending the term limits. I have a-- I, I think I'm going to be voting no on this particular amendment, and, and it's a very practical reason. We can debate the-- we can debate whether it, it should be four years or eight years as to whether to sit out, but my concern is it adds another variable to the, to the proposal. One more thing for the voter to consider, well, I may like, I may like extending the 12 years, but I don't like extending eight years, or you know, In my mind, I think that this term limit initiative should be, should be a very simple,

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clean, up-down 12 years, three, four-year terms or not, and the more variables we add to it I think it, it just lends itself to the need for more education, the more discussion, the more, more explanation. And for that reason, I, I would propose that we keep it to one issue on this, on this LR19CA. So for that reason, I won't be supporting AM1233. Thank you, Madam President.

DeBOER: Thank you, Senator Arch. Seeing no one else in the queue, Senator Lippincott, you're recognized to close. Senator Liffincott waives closing. The question before the body is the adoption of AM1233. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 5 ayes, 24 nays on adoption of the amendment, Madam President.

DeBOER: The amendment is not successful.

CLERK: I have nothing further on the bill.

DeBOER: Senator Guereca for a motion.

GUERECA: Thank you, Madam President. I move that LR19CA be advanced to E&R for engrossing.

DeBOER: Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk for items.

CLERK: Thank you, Madam President. Your Committee on Enrollment and Review reports LB261 and LB264 to Select File, LB264 having E&R amendments.

DeBOER: Senator Clements, you're recognized for an announcement.

CLEMENTS: Thank you, Madam President. This is regarding the budget that's going to be coming up Monday, and there are two bills. LB261 is the mainline budget, and I had told you during that discussion there would be a Select File amendment. I have filed the Select File amendment and it is a white copy amendment, which does the final balancing of our budget. That will be AM1320. If you're wanting to file an amendment to the mainline budget, you should amend AM1320 to LB261. Then the other bill that will be coming is the funds transfer bill, AM2-- LB264. There is not an amendment like that from the committee. We already took the committee amendment up. So, we would amend LB264 if you want to amend the funds bill. Thank you, Madam President.

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DeBOER: Thank you, Senator Clements. Mr. Clerk.

CLERK: Madam President, Select File LB647. First of all, there are E&R amendments, Senator.

DeBOER: Senator Guereca for a motion.

GUERECA: I move that the E&R amendments to LB647 be, be adopted.

DeBOER: Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. The E&R ro-- E&R amendments are adopted.

CLERK: Madam President. Senator Sanders, I have FA80 with a note to withdraw and substitute AM1360.

DeBOER: Without objection, so ordered. Senator Sanders, you're recognized to open on AM1360.

SANDERS: Thank you and good morning, Madam Chair, Colleagues, and Nebraska. I withdraw FA80 and replace AM1360 as an amendment. I'm offering to, to LB647. It makes two primary changes, so let me go into more detail on those changes. First, if you would expand eligibility for the Sports Arena Facility Financing Assistance Act under the amendment, even if a building permit hasn't been issued, applicants can receive temporary approval if the relevant government body or nonprofit has passed a resolution to pursue financing or bonds for the sports arena. This temporary approval becomes a permanent if the building permit is secured within 24 months. Otherwise, it becomes void. The amendment also clarifies the definition of a lease in this context as a contractual agreement between the government and the nonprofit applicant for the use of sports arena at fair market value for up to 20 years. Additionally, applicants are now allowed to use state funds to lease privately owned sports complexes for governmental use at fair market value for a maximum of 20 years. The second change the amendment makes is the adoption of the Recreational Trail Easement Property Tax Exemption Act. My version offers a fundamental improvement. Instead of a dollar amount deduction, the amendment proposes exempting the portion of the property directly encumbered by the trail easement from property taxes altogether. This is a more direct, equitable, and sensible approach that ensures fair tax relief for landowners who generously contribute to a recreational infrastructure. This change allows for crucial streamlining of the Act's administration. Because the exemption now applies to the specific land under a perpetual easement, the cumbersome annual

application and recertification process becomes unnecessary. This will reduce periodic burden for both landowners and local governments. Finally, the move to adjust direct land exemption, the concept of carryover deductions, becomes obsolete and is therefore removed. This simplifies the act and makes its implementation clearer and more efficient. Thank you, Madam President.

DeBOER: Thank you, Senator Sanders. Senator Sorrentino, you're recognized.

SORRENTINO: Thank you, Madam President. Thank you, Senator Sanders for your summary of LB314. I will just add a few things to that for, for potential clarification. The most recent amendment passed just last year, LB1197, brought by the Revenue chair, von Gillern. LB1197 allowed for political subdivisions and a nonprofit to be co-applicants to enter into a contract to create a public-private partnership to request turn-back funds. A private non-profit can agree to build and operate a sports facility, size and type of sports facility, whether it be volleyball, basketball, softball, baseball, track, is determined by the co-applicants and it meets the needs of their community. The application is approved by a turn-back board, which consists of five members, the governor, the State Treasurer, chairperson of the Nebraska Investment Council, chairperson of the Nebraska State Society of Public Accountancy, and a professor of economics on the faculty of a state post-secondary educational institution appointed to a two-year term on the board for the Coordinating Com-- Coordinating Commission for Postsecondary Education. If a nonprofit agrees to build and operate the facility, the nonprofit is taking on the risk of failure or default, but the facility is eligible for turn-back dollars. State assistance can be used in one of the following ways. To lease all or a portion of the such nonprofit sports facilities for the government use or political su-- of the political subdivision, to promote sporting events which are open to or made available to the general public, or finally to pay back amounts expended or borrowed through one of the more debt issues to be expended by the nonprofit corporation co-applicant to acquire, construct, improve, or equip a privately owned sports complex. I would now withdraw my amendment, and thank Senator Sanders for supplanting her amendment with the language from mine. Thank you, Madam President.

DeBOER: Thank you, Sor-- Senator Sorrentino. Senator Dover, you're recognized.

DOVER: Thank you. I just want to thank the Revenue Committee for incorporating in my bill for trails in Nebraska. I think that it's a

constant challenge for us to find people from out state to help subsidize our taxes. I think recreation is a wonderful way to do that. I think the younger crowd who are trying to keep here and attract here definitely enjoy the great outdoors. What the bill does, the Recreational Trail Easement Property Tax Exemption Act, included in LB647, provides a property tax exemption for land encumbered by a perpetual, publicly accessible trail easement that connects to parks, exiting trails, cultural sites and other distinctions. In fact, in my district in Norfolk, Nebraska, we're looking at-- we have the Cowboy Trail, which goes along the river, and we're going to get a trail from Norfolk and then down to it to connect to the Cowboy Trail. So this will, this will help this trail and many other trails across Nebraska. The key provisions applies only to perpetual easements that are located and provide public-- provide public access. The event must be held by a qualified non-profit or public entity with a recreation or conservative mission. The tax exemption applies only to the portion of the land under easement. It uses the standard process under Nebraska Revised Statute 77-202.01, ensuring consistency with other tax-exempt land classifications. Once granted, the exemption continues indefinitely until the easement is removed. Landowners must submit an initial application, but no annual reapplication is required. Property assessments should reflect the total encumbrance of the easement, including physical trail footprint, access restrictions, adequate setbacks, equipment clearance, and any areas rendered practically unus-- unus-- unusable due to the easement's presence. And what are the benefits to Nebraska? It expands public access to trails across rural and urban areas. It encourages landowner cooperation by offering fair, meaningful tax relief, protects local tax base by limiting the exemption only to the encumbered portion of the land, streamlines the administration for assessors and local offic-- officials, aligns with conservative values and long-term land stewardship. The amendment removes the original \$0.10 per square foot rate exemption and replaces it with a proportional exemption based on the assessed value of the encumbered portion. It avoids unconstitutional over-waivers that could exceed a property's total taxable value, it builds consensus. Amendments have support of the Nebraska Association of County Officials, NACO, and the League of Nebraska Municipalities. And it clarifies its administration through existing statutes to ensure fairness across counties. The balanced approach ensures landowners are fairly compensated for giving up long-term control the la-- of land while maintaining equity and consistency in Nebraska's property tax system. Thank you.

DeBOER: Thank you, Senator Dover. Mr. Clerk for an announcement.

ASSISTANT CLERK: Thank you, Madam President. The Education Committee will hold an executive session now in room 2022, Education Committee in room 2022 now. Thank you Madam President

DeBOER: Thank you, Mr. Clerk. Senator Clements, you're recognized.

CLEMENTS: Thank you, Madam President. I hadn't heard of an easement for a trail before this, and I was-- kind of had some more questions. Would Senator Dover yield to a question?

DeBOER: Senator Dover, will you yield?

CLEMENTS: Senator Dover, I'd like to ask you a question.

DeBOER: Senator Dover, will you yield?

DOVER: Yes I will.

CLEMENTS: Could you explain more about the exemption, the property tax exemption? Say if you have 100 acres and 10 acres of that, it goes under this permanent easement. How would the tax be on the rest of the property?

DOVER: Yeah, I guess I'm going to, I'm going to answer your question a little different way, but so the problem we had for this was you could have had a farmer with a corn field and then part of the trail went through so he couldn't, couldn't obviously plant the corn, and there was some confusion across the state. So in your example, let's say that the trail is along one side of, of the section, maybe along a river or something, and the pla-- the farmer couldn't plant there, but he was yet paying taxes on that. So it is only the trail part, it is only the footprint of the trail, and no more will be tax-exempt. Because it doesn't sense to ask a, a farmer to lose the revenue from not being able to plant his ground, his farm ground, and then also pay tax on top of it.

CLEMENTS: All right. And this is a permanent easement?

DOVER: Permanent as much as either party can withdraw the easement, it's, it goes into perpetuity. But it's written into the bill that if, say, the farmer decided not to grant that easement he can withdraw those rights of the easements.

CLEMENTS: If it no longer becomes used as a trail, would it revert back to property tax?

DOVER: Yes it would.

CLEMENTS: Ok, that was, that was a concern of mine, and you mentioned the \$.10 per square foot. Is, is that part removed?

DOVER: Yes, that was removed. This was taken from another bill in another part of the country, and that's what they used was the \$.10. I think perhaps some of that was considered an, I don't want to say an inducement, but obviously a better, a little more of a benefit to, to let your ground be used. There was some concern brought up by the League of Municipalities and NACO on the \$.10, and so we removed that, so it's just the actual amount of property tax that would be paid on that footprint of that trail.

CLEMENTS: Do you think eminent domain will be used to go across this, these properties?

DOVER: No.

CLEMENTS: Is this an effort to not use eminent domain to try to get a buyer-- willing buyer and seller together?

DOVER: I don't know. I mean, I'm, I am not an attorney. Maybe someone can speak, I'm sure there's somebody here in the body that can speak to this, but I don't know that this would satisfy the requirements to use eminent domain.

CLEMENTS: All right. Thank you, Senator Dover. Thank you Madam President.

DOVER: Thank you.

DeBOER: Thank you, Senator Clements and Dover. Senator McKinney, you're recognized.

McKINNEY: Thank you, Madam President. I'm kind of on the fence with this for a few reasons. So the perpetual tax exemption for recreational trail easements have some risks, like a loss of local tax revenue by allowing a perpetual property tax exemption for land encumbered with recreational trail easements. Local governments may see a reduction in tax base. No reapplication requirement. Once approved, these exemptions are indefinite, removing the ability for local assessors to reassess changes in use or compliance unless they proactively review the properties. There's an oversight burden, an amendment lacks clear mechanisms for verifying continued compliance over time with public access and connection requirements. Two, the

expansion of state assistance to privately owned sports complexes. The risks are public funds for private use. The amendment expands the use of state tax funds to support privately owned sports complexes, including allowing repayment of bonds issued by nonprofit co-applicants for private development. This blurs the line between public purpose and private benefit. Also, voter approval loopholes. While the subdivision requires voter approval, it still allows public resources to support private infrastructure that may not be equitably accessible. And then there's an equity and access concern. Privately owned facilities may not serve all community members equally, despite the requirement that events be open to the public. The third thing is the administrative complexity and risk of uneven implementation, new bureaucratic burdens. The amendment creates new exemption categories requiring county assessors to monitor and enforce technical standards like connectivity to trails and non-profit qualifications. And then there's enforcement ambiguity. There's limited clarity on what constitutes public access or significant local attractions, which could lead to inconsistent interpretations and litigation. The fourth thing is a lack of time limits or sunset clauses. Indefinite state liability. Funding caps are included, but the broader language around stadium funding may still expose the state to long-term obligations without thorough cost-benefit review. Then a fifth thing is potential for misuse or abuse. It's a loophole for nonprofits. The language allows nonprofits to hold easements and receive benefits, but does not strictly define their qualifications or audit their activities, creating potential for bad actors to exploit the exemption. And then the last thing is minimal local control, especially with perpetual exemptions, broad definitions, counties may have limited recourse. If circumstances change. I get the idea and I get Premise it is but I think there are some potential you know unintended consequences and people taking advantage of the tax system and that's what I'm concerned about is you know somebody has some private property starts a nonprofit and then they get an exemption on their property after starting a nonprofit to say oh the people can come on my property for public use, I think. We should be concerned about that and that's, that's all I'm thinking about, but thank you.

DeBOER: Thank you, Senator McKinney. Senator Dungan, you're recognized.

DUNGAN: Thank you Madam President, and good afternoon. As of right now it's 12 o'clock, colleagues. I just want to speak briefly about Senator Dover's portion of this amendment, and for those who were paying attention to the debate the other day, you heard me talking a lot about the MoPac trail and about some of the trails we

have here in Nebraska and in Lincoln in particular. And I know it comes off as silly to some people and it's, it's kind of a thing that a lot of people think is not the most important, but as Senator Dover, I think, very deftly put it, the recreation that a lot of these trails provide is vital, not just to keeping people in the state, but also, I think, increasing tourism to our state. To some who are unfamiliar with the bike tourism industry, it might seem like not that big of a deal. But if you look at places like Arkansas, for those who don't know, Arkansas has invested a lot of money in public-private partnerships in creating not just nice bike trails, but entire bike facilities in places like Bentonville, where they attract people from all over the world to come down there and, and to come visit Arkansas to ride their trails. And so it really is an opportunity, I think, for us to create more of an infrastructure for trails. And obviously, you know, I had a desire to not eliminate the money that we as a state were appropriating to the MoPac trail completion between Lincoln and Omaha. That debate has come and gone at this point, it sounds like, and much to my chagrin, it sounds that elimination is happening for now. But I, I will say this bill, I think, is an opportunity to encourage exactly what a number of people in this body said they wanted to see, which is more of the, the private philanthropy and private donations as it pertains to trail growth. So rather than us as a state investing money into trails, which I think we should do, this portion of the bill simply encourages landowners to create these easements or give these easements to allow trails to pass through their land, which allows for connections across all parts of the state, like the Cowboy Trail and other parts of eastern and western Nebraska. And then sort of the, the carrot, I guess, that you get for that is you'd be able to have an exemption from property tax just for the footprint of that trail. And part of the language that's been reworked in here, I think, is really helpful because we had this debate in the Revenue Committee during the debate, the exec session on this, and also during the hearing, as to what portion is exempted and how do you calculate that. So the Senator Sanders amendment and Senator Dover's work on this I think is really helpful. This was a great hearing that we had, and I think we heard from a number of folks that this portion of the bill is, is one that I think a lot of people are supportive of. So the other part of it I think that's contained in the amendment speaks to a Senator Sorrentino bill that had to do with the non-profits and the turn-back tax and the Sports-- or not the-- but the, the Sports Arena Facility Financing Act. And so I'll let Senator von Gillern speak more to that as it is a little bit more in, in his realm, I think, but I just wanted to get up and support that portion of the amendment as it pertains to the property tax easements

for trails. I've received a lot of feedback since we had the debate about trails a couple days ago and what I've heard pretty much unilaterally is that people agree it's an important issue and they were really disappointed to see us cutting budgets for things that we'd already committed to with regards to completing those trails. So you know this is, is something I think we can do to support our bike, and our running, and walking communities, horseback riding, what have you by encouraging the trail growth in Nebraska. So appreciate the comments on that, appreciate Senator Dover's hard work on this amendment, and I hope we get it through. Thank you, Madam President.

DeBOER: Thank you, Senator Dungan. Senator Storer, you're recognized.

STORER: Thank you, Madam President. I know I didn't give Senator Dover a heads up. I was going to ask some questions, so I might give him a minute to, to get back to his mic if he would yield to some questions. While he's making his way back over there. I have been very passionate about conservation easements in perpetuity from the concept that I do have grave concerns of their incremental eroding of private property rights. So I will preface my, my questions and my comments with that. Senator Dover, would you yield to some questions?

DeBOER: Senator Dover, will you yield?

DOVER: Yes.

STORER: Thank you, Senator Dover. I just want to make sure that I understand the, the very specific intent. So this exemption is for property that is donated under the form of a perpetual conservation easement for the purpose of a bike trail, is that right?

DOVER: Correct.

STORER: So, not an access easement, but perpetual conservation easement?

DOVER: But it can be withdrawn, it can be withdrawn from by either party.

STORER: OK, so, and not, not to be argumentative, but, but according to the laws that govern perpetual conservation easements, they can only be extinguished when the purpose of that easement is no longer valid. So I-- the landowner, I don't think, could ever withdraw if, if it was still being used for the purpose of a bike trail once put into a perpetual conservation easement. I do want to just bring some attention to a couple things regarding perpetual conservation

easements that already are currently in our state statutes. One, they do have to be approved by-- any perpetual conservation easement would have to approved by the governing body, and presumably for a bike trail in most cases that's going to be at the county. So each segment of that would be subject to approval by the county and the zoning board. But there is already a provision, 76-2116, in our state statutes that does allow for any property, real property, subject to a conservation or preservation easement shall be assessed with due regard to the restricted uses to which the property may be devoted. So, so there is a pathway for an individual who chooses to put any land in a perpetual conservation easement to apply with the county assessor for a reduction in the valuation of that land due to the reduction in their use. In addition, to offset that, the same statute makes clear the conservation or preservation easement in the hands of the holder, which as you duly noted has to be a land trust or a government entity, shall be subject to the assessment, taxation, or exemption from taxation in accordance with general laws applicable. So if a landowner, under current law, if a land owner puts land in an easement, perpetual conservation easement they can apply for a reduction in the assessed valuation and that is-- therefore should be offset by a tax assessed to the easement holder. So in this, in this case-- and sorry that was a really long, so are you still subject, still willing to yield to a question?

DOVER: No, I, and I apologize, it isn't, it isn't what you referred to as the-- that-- of the-- help me out, the perpetual--

STORER: Perpetual conservation easement.

DOVER: Right, it isn't, it isn't, it's a recreational trail easement.

STORER: OK.

DOVER: And it's defined in the statute, so I, I apologize for that.

STORER: OK. And that's what I wanted to be sure and be very clear about. So in, in that event, either party could choose to withdraw the, the-- those are not perpetual in nature, then. Is that right? The recreation--

DOVER: Either party, yeah, either party, yes, correct, it is not, and either party can withdraw from, from the easement.

STORER: OK. I do, I guess I do still share some, some concerns about the elimination of the taxes, property taxes, and I understand it probably would not be a large amount of acres if it's a trail But

thank you for clarifying whether it's recreational or versus a perpetual conservation easement because perpetual has very specific guidelines and provisions for reduction in assessed valuation in our state statute today. So with that I'll yield the rest of my time Thank you, Senator Dover

DOVER: Thank you.

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

SPIVEY: Thank you, Mr. President. I was looking forward to saying Madam President, but I see y'all did a quick switch on me. But thank you, Mister President, and good afternoon, colleagues. I just wanted to add just a couple pieces of commentary to some of the points that Senator Dungan made. And I'm not like an outdoorsy person. I'm definitely a city girl and like to do city things. I remember even during my campaign, I ended up on a tour with Senator Dorn and Brandt and they had me at footlots outside in the mud and all sorts of things. And so I've had-- I've learned to have a growing appreciation around our different amenities and how that can really attract different types of folks who want to live in Nebraska, like some folks want to bike and be outdoors. Some folks like me want a cute glamping situation. But in my, well, I guess it's technically Senator McKinney's district, it, it butts up against mine, District 13. But in Omaha, we have seen some philanthropic agencies really invest in public benefit amenities like parks because of the comprehensive economic development intention that needs to be there when you talk about housing density and commerce. So in that area that I'm talking about, Miller Park is a key park that again is in my district, butts up against Senator McKinney's and we've seen private philanthropy, specifically One Family Foundation, have really come in to address some of the amenities in the park and what is available there. So there's a really beautiful trail, there's a dog, dog park, there is pickleball courts, baseball courts, there a pool and splash pad, the splash pad was put in, there's a little amphitheater now. And so in, in my community, there has been a lack of investment in these type of amenities and that has really I think transformed the area. So there's also initiatives to work on housing with that, what is the commerce that is close to the park, how do we sure it's safe and that folks can get outdoors, live healthier lifestyles, and, again, attract different types of people who really enjoy that. And so I just wanted to uplift like from my experience and what I've seen in my district some of those opportunities and appreciate some of that commentary around that kind of trail between Omaha and Lincoln. And then again, just the benefit of public amenities in the same way to our state when we talk

about economic development, when we talk about brain gain and then retaining people that are already here, that that's an important piece that we should continue to invest in and explore. Thank you, Mr. President.

ARCH: Senator von Gillen, you're recognized to speak.

von GILLERN: Thank you, Mr. President. I just want to take a moment to just draw attention back to the, to the base bill and not that I want to divert from comments about Senator Dover's trail bill, because that is an important part of the bill. I did want to make just one comment on, on the trail bill. The committee worked and Senator Dover worked with the League of Municipalities and with NACO to make sure that we got that easement language correct and to where it didn't unduly burden the counties nor the property owners. So there was a lot of work that went into getting that language right, and I appreciate their cooperation. The other bills that are in LB647, just as a brief reminder, Senator Bostar's LB709, which is the adoption tax credit, Senator Sorrentino's LB131, which is the NEST Bill, the 529 plan bill, which mirrors the federal regulations and, I believe, 48 other states. Senator Dover's bill we already talked about. Senator Riepe's LB242 is very important. That was cleanup language on some items that pertain to LB34 which was passed during the special session and are critical to the counties and to the municipalities in order to get that language right so that they collect tax in the proper way and that they apportion it in the proper way. And then lastly it includes my LB401, which was some cleanup language on the PTET qualifications for income tax. So lastly, my comments, I just wanted to particularly-- we got a, we got a great day going here. I want to give a shout out and thanks to Senator Raybould for being cooperative on how we got this far today, and, and thanks to her collegiality and cooperative nature, we're, we're not going to be here until four o'clock. So you can thank her personally if you'd like. And then just lastly, a reminder, LB647 came out last time off of General File by a vote of 39-0. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Sanders, you are recognized to close on AM1360.

SANDERS: Thank you, Mr. President. Thank you, colleagues, for your support. I appreciate your yes vote on LB-- AM1360. Thank you, Mr. President.

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ARCH: Colleagues, the question before the body is the adoption of AM1360. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, no nays on adoption of the amendment, Mr. President.

ARCH: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President. Senator Raybould, I have FA1255 with a note that you'd withdraw.

ARCH: So ordered.

CLERK: Senator Sorrentino, I have AM1311 with a note that you would withdraw.

ARCH: So ordered.

CLERK: In that case, Mr. President, Senator Dungan would move to amend with FA200.

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

CLERK: Thank you, Mr. President. Good afternoon again, colleagues. I know it's getting a little bit late in the day, on a Friday at the end of the week, but I really do hope people pay attention to this part of the debate and this amendment. This is a real amendment. It echoes a conversation that we had during General File, and that is specifically as to Senator Sorrentino's portion of this package, which is LB131. For those who remember, LB131 is an expansion of the 529 NEST college savings programs, which allows the, the qualified education expenses that you can utilize that savings plan for to be expanded to K-12 private education. Now before we dive too deep into the specifics of this bill and why I think it's problematic, I want to say, this amendment, or this bill, LB131 is, yes, functionally different than LB753 was a few years back with the Opportunity Scholarship Tax Credit and it is functionally different, I suppose, than LB1402 which was the direct appropriation for the private school, the vouchers sort of bill that we had before. But I want to be very clear. My belief as well as many others who study these areas and look into these kind of bills find that the LB131 absolutely is a bill that is going to be detrimental to public education and certainly is an expansion of private dollars, if not direct, I'm sorry, public dollars, if not directly going to private education, in some way, shape, or form creating an offset through the way these 529 plans work for those who

do decide to spend their money in private education. The voters of Nebraska were very clear. They've been clear every single time these kind of bills have come up before them, whether it was on past changes that have been done to the Nebraska Constitution or on the most recent ballot referendum that we had on LB1402 or the signature collection that had happened from LB753. The people of Nebraska do not want public dollars going to private education nor do they want public support for those private schools or the people who go there. We saw an overwhelming and a resounding vote at the polls when people came and said across the entire state that they wanted to repeal what we as a Legislature enacted in LB1402. And so my concern with LB131 is that it essentially goes in the face of what the voters have said they don't want us to do. The federal government expanded the usage of 529 programs in 2017 to allow, at the federal level of benefits, to utilize those plans for K-12 education. I'm aware that a number of states have changed their state model to reflect that federal change allowing state-level tax benefits for 529 plans as well for K-12 private education. There are a number of states, however, that have also not done that. I think there's maybe 10 or 11 other states that have not expanded their state-level benefits for these 529 NEST programs. This bill has come up before in this Legislature since I've been here in the last three years, and it has always been a point of contention. I understand the proponents of LB131 see it as a simple fix that puts us in line with the federal government. I would respectfully disagree. We do not have to change anything in order for the federal benefits of the K-12 usage for 529 plans to go into effect. What this bill does is expand the state benefits. So if you have a 529 plan that you've started for anybody, it doesn't have to necessarily be for a dependent, but I think you can have a 529 plan that goes towards any individual, and you put money into that plan, if LB 131 goes into effect, that money would be tax deductible. Now, I'm aware it's not a tax credit. I'm not saying that it's a dollar for dollar tax credit the way that we've seen on other bills before, but you would be able to deduct up to a certain amount off of your income taxes from that year the money that was invested into the 529 plan to be used for that K-12 education. One of the concerns that has been brought up to me time and time again by the folks who see this bill as a potential path towards vouchers and, and public dollars going to private school is that this essentially creates, to put it simply, a tax haven where somebody could put money into a 529 plan and then pull it back out and essentially immediately, as I don't think there's any time limitation on when you can put something in and pull it back, be able to deduct that money off of their income. Senator Sorrentino did the math. He's much better at numbers than I am. And I understand that

the actual individual benefit from that, even at the max level, is not a vast amount of money. But it does still represent income tax dollars that are not being paid to the state of Nebraska by virtue of somebody deciding to go to K-12 private education. In the Revenue Committee we made a decision to kick out the implementation date of LB131's inclusion in an effort to reduce the fiscal note in our current fiscal situation. I think that's the responsible thing to do. But what it doesn't necessarily show then on the green sheet is the ultimate cost to the state of Nebraska. Upon the implementation of LB131, if adopted as a part of LB647, I believe it's going to cost upwards of close to \$4 million per year for these 529 plans and their expanded use, expanded use with regards to the lost revenue that we would see if it's utilized. Now that could be high, it could also be low, I understand we have to estimate. But when we are in a fiscal cycle where we are budgeting and trying to decide if we can spend \$450,000 here or \$150,000 there, a \$4 million annual impact to the revenue of Nebraska is not nothing. And so, colleagues, I have, I have issues with this bill or this portion being included in the package for a number of reasons. Obviously, I don't necessarily agree with pushing back on what the voters have said. I think it is costly. And then third, I would say, and we talked about this quite a bit on General File, I don't think that this sort of plan or this sort proposal achieves the goal that is being sought by the folks who are seeking to encourage people getting into private education. What do I mean by that? LB753 and LB1402 were specifically crafted, and I, I really appreciate the efforts that were done to do this, they were specifically crafted in order to help low-income students. And Senator Linehan, who worked tirelessly on those bills, had ensured that there was a tiered system that you would look at certain individuals first in order to determine their eligibility for the program and it seemed like her intention was to ensure that low-income people could be given first preference. Now I still had my objections to those bills under constitutional reasons and also under financial reasons and we're not debating those bills. But at least the structure with which it was created was done in such a way to encourage low-income students getting into, for the first time, going from public education into private education. What the studies have shown since 2017, when states began to expand access to these 529 NEST programs, is this sort of structure in supporting more private education does not achieve that goal. I'm going to try to find it again, but I did have on my desk, which now is very messy with papers from the session, a readout from a study that had been done that analyzed the net income of the households that were seeing a benefit from the expansion of 529 NEST programs. And what we saw across the number of states that had done

this over a multi-year analysis was it was primarily higher income families, higher income households that were seeing a greater benefit from this kind of bill, this kind of expansion of a, of a NEST program. And there's a couple of different reasons for that. But the primary one is it was more or less high-income people or moderate to high-income people that actually have a 529 NEST plan. And so by creating an additional state benefit or access to a state benefit with regards to that income tax deduction, you are giving a disproportionate benefit to those middle to higher income households. I think it was like \$150,000 or higher was over 50% of the households that were benefiting from this expansion. So there certainly was not a targeted aspect of this kind of plan that was benefiting specifically low-income households. In addition to that, the studies have also found that the vast majority of households and students that benefited from 529 NEST plan expansion to private K-12 were people who were already going to private school. And so, if again, the intention of these kind of bills is to encourage that, I think it's a switcher is what they call them in the, in the parlance, switchers or choosers, people who go from public education into private education, this has been found to not be an effective tool to achieve that. So it costs the state money down the road. I do think that we could be using those dollars for other things. I do have concerns that it does, at least in philosophy, fly in the face of what the voters voted for on the repeal of LB1402 and certainly collected signatures on LB753. And putting all of that aside, I simply don't think it achieves the benefit and the goal that supporters have at least, I think, purported to want to get with this kind of program. So colleagues, I would encourage your green vote on FA200. It does not cut out any other portions of LB647. I am supportive of the rest of the package, and I thank Chair von Gillern's hard efforts on that package. I just think that this part of the bill--

ARCH: Time Senator.

DUNGAN: --can be removed at this time. Thank you, Mr. President.

ARCH: Senator von Gillern, you're recognized to speak.

von GILLERN: Thank you, Mr. President. I just do want to share with the body this is an unfriendly amendment on a committee priority bill. I won't say it's a hostile amendment because I actually had a very gracious conversation with the proposer, so-- but it is unfriendly. It's not an amendment that was-- that came before the committee or that was voted on by the committee. It's obviously a floor amendment that came up today that's trying to strip a portion of this bill out.

Just a matter of clarity, the voters did not vote on this. This was not on the ballot, so the voters didn't vote on this topic. It's a program that's broadly used across the country. The-- Senator Dungan mentioned that it will cost the state money, but the reality is that private ed-- families that pay for private education supplement the public education budget to the tune of about \$500 million. If every kid that was in private school went to public school tomorrow, it would cost public schools about \$500 million. So there's already quite an advantage to public education that's occurring already. With that, I'm going to yield the remainder of my time to Senator Sorrentino.

ARCH: Center Sorrentino, three minutes, 50.

SORRENTINO: Thank you, Mr. President. Just to add on to Senator von Gillern's comments and try to respond to Senator Dungan's. The argument about this potentially being a detraction from public school funds. If I believed, as I testified I think earlier, if there were a dollar for dollar offset, that every tax dollar that was saved by a taxpayer by investing in a 529 plan went to offset the public school budget, frankly, I wouldn't have brought the bill. Because I don't agree with that. But that's really not what-- there is no specific formula that's how it works. The maximum, as I said before, tax benefit that any person could get in the state of Nebraska would be a married filing jointly could get \$400, a single person only \$200. These are little bits and pieces. There is a stark difference between what this bill is and what the primary bill, LB753, which turned into LB1402, and that's what the voters turned down. We were talking about significant tax credits. Huge difference between a tax credit and a tax deduction. The actual, if this goes into effect in 2029, the actual estimated value is more like about \$2.6 million in the first year and maybe about \$2.2 million in the following year. That is a difficult calculation to make. During the lifespan of LB753 which turned to LB1402, actually the predominance of the beneficiaries were low-income families. They were not the higher earners. So I would add to that, about two months ago maybe six weeks ago i did have a conversation with the NSEA, and while they didn't actively oppose the bill per se they did ask the question, could some of these funds be used for public school students, which I would be in favor of, but the law, unfortunately at the federal level, limits this to tuition only. And not tongue and cheek, I said, well, if the public schools were-- could somehow charge tuition, then it would be a plan, I'd be fine with that. But as it is, I think this is a good bill. I think it helps Nebraskans, I think that helps for children, and I would ask you for a red vote on FA200 and a green vote on LB647. Thank you.

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

GUERECA: Thank you, Mr. President, I stand in support of FA200. [INAUDIBLE], I understand that what the voters voted for was not necessari-- wasn't-- isn't necessarily the exact structure of what the contents of LB131 has. But nevertheless, I think we need to have the philosophical conversation of what the voters vote for. I think the voters voted for the simple concept of public dollars should not be used to fund private K-12 education. We know this because there's been extensive polling that did specifically ask about the structure of LB1402, but the actual concept of using public dollars to support private K-12 education. And almost to the percentage point, what the polling showed lined up almost exactly to what we saw in November at the polls. So the argument is, let's not use public tax dollars to fund private K-12 education. It does carry a hefty note. Some of the figures out there are between \$2 million and \$4 million that frankly, given the financial situation the state finds itself in, we could be using that money in other places. We have a tremendous philanthropic community here in Nebraska, we're very blessed with that. They give millions and millions of dollars in private K-12 scholarships. In 2003, I had a conversation with the head of a foundation, who does give millions of dollars in private school scholarships. And what he said to me, and this was in reference to LB1402, I'm sorry, LB753, was if LB753 passes, we're gonna stop giving money to private school scholarships. I understand that's not what we're debating here, but again, it's about the concept. And the voters told us, we do not want our tax dollars going to offset private K-12 education. And quite frankly, I think a concern that I have is that once we start opening that door to the privatization of our schools, that's a slippery slope, folks. We don't need to look very further than Iowa, that has embraced school privatization and it has absolutely devastated their budget. You look at other examples such as Louisiana, Indiana. And what we see is that when there are large-scale implementations of school privatization programs, there's devastating effects on children. The--when analyzing test scores in the years following in Indiana, Louisiana, and one other state. I can't remember, which won, the detrimental effect to test scores was akin to that of Hurricane Katrina. That's the dramatic drop that we saw. I guess my objection is more of a philosophical one. Let's not-- every time school privatization's been brought to the voters, it has been shut down. Time and time again. And again, as recently as November, the voters have said, overwhelmingly, no. S let's, let's give it a beat. Let's wait more than a few months before we, we, we come rushing back to bring these sort of programs in. And again, it does carry a,

significant fiscal note. And given the financial situation we're going to be finding ourselves in these next few years. I think the prudent thing to do would be to take a step back and let's, let's, let's see what shakes out before we go rushing back into this. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I appreciate the debate and dialog we've had on this issue thus far that started on General File through a division and that has continued through a floor amendment on Select File today. I really, in many ways, I'm intrigued by this proposal from a legal, policy, fiscal, and practical standpoint and voted to advance it from General File so that I could think more about it and learn more about it. And one thing that has been central to my analysis and research since General File is trying to conduct an analysis of how this measure may or may not be in compliance with our non-aid provision in the state constitution. So if you look at Article VII, Section 11-- I'm sorry, yeah, VII, Section 11, it's a non-aid provision. It requires that the appropriations of public funds for handicapped children, sectarian instruction, religious test of teacher or student, that's the caption. It, it, it's a pretty significant restriction on public resources going to any school or institution of learning that is not owned or exclusively controlled by the state or a political subdivision thereof. So I think then what the analysis continued to show, and some of the prior voucher measures that had moved through the body had been subjected to significant legal analysis, LB753, et cetera, legal experts in Nebraska had written pretty extensively on that regard. So I started to try and apply that legal analysis to this specific proposal to see if, from a legal perspective, if this seemed cleaner, if it still raised questions or considerations in regards to our no aid provision. And I think one thing that we need to think about when we're looking at this, many states, not all states, have similar no aid provisions in their constitutions. And that has been one barrier to implementation of measures like this in some states. One case really jumped to the forefront during my research in between General and Select File. And that was a case emanating from our sister state in Michigan, I don't know if it's pronounced Hile or Hilly, Hile v. Michigan, that specifically challenged the legal posture in Michigan as to the prevention of utilization of 529 funds for the purposes of assisting with K-12 prior-- private or religious education as prevented through their non-aid provision in their constitution. And the plaintiffs in that measure were unsuccessful in their efforts and appealed all the way up to the United States Supreme Court, which

denied certiorari on that point. So at the very least, at least some initial legal research that I've been able to uncover, and I don't pretend that it's comprehensive at this point because things are moving very quickly, it seems that there's at least an open legal question as to whether or not this is legally permissible under Nebraska's Constitution, even if it's not a significant fiscal implication or even if there are different policy reasons or from a political standpoint, perhaps it's analogous or distinguishable to the will of the people as expressed in the most recent ballot initiative and in many times prior thereto. I, I've been listening carefully to proponents and opponents' arguments on that side as well. But I do think that there is perhaps some legal uncertainty here that is worthy of additional question for the record and that is weighing heavily on my mind as we take this issue up on Select File. So I'm going to punch in again, just to share some additional--

ARCH: Time, Senator.

CONRAD: --thinking. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. I do have some questions of both Senator Sorrentino and Senator Dungan. So.

ARCH: Senator Sorrentino, will you yield?

SORRENTINO: Yes.

RAYBOULD: Thank you, Senator. I, I know in some of the meetings that we had or the briefings on your bill, you had mentioned at one point that it, it would not go into effect until 2029. But when I pull this up, I don't, I don't see it. Or was it in an amendment, or how, how did that work?

SORRENTINO: It doe-- You're correct. The assumption is it does not go until 2029. I honestly at my disposal don't have the number of that original amendment. It was blended in, LB131 went into the LB647 account. But it was done that way because in the light of the fact the budget hadn't been followed yet or hadn't been completed, we decided to defer it. And on that topic, when you get to 2029, assuming nothing changes. The state tax rate is 3.99, which lowered the fiscal note to roughly \$2.6 million. I, I do not have the number in front of me, though. I can get that. I'll look it up

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RAYBOULD: Yeah, so I think we can look that up. I just don't remember if it was fully enacted as you had spoken and intended it to be. So that's, that's the only thing I was concerned about, whether or not that, that came forward. And then, thank, thank you, Senator. I'm going to ask Senator Dungan his question, if I may.

SORRENTINO: Thank you, Senator Raybould.

ARCH: Senator Dungan, will you yield?

DUNGAN: Yes.

RAYBOULD: So, Senator Dungan, I apologize, I was out in the Rotunda and I know you've probably explained this, what FA200 does, but could you explain it again? What, what does it actually do, do? Does it strike everything that references LB131?

DUNGAN: Yeah, so if you remember on General File, I had a division of the question. And so the division of the question separated out the rest of the package, which was LB647, from the inclusion of just LB131, which was the expansion of the 549 NEST plan. So FA200, if you look at it, it says strike sections, and then there's a bunch of sections listed. Those are all of the provisions that make up the entirety of LB131. So it's essentially striking out just that bill and leaving the rest of the package.

RAYBOULD: OK, thank you. I think that, that explains it clear because it sounds like it's still in LB647 in that form and so I do support the, the floor amendment to strike it for a lot of the reasons people have been discussing. So, and I think Senator Sorrentino might have an answer to my question. Oh. Oh. Senator, can Senator Sorrentino-- I'd like to--

ARCH: Senator Sorrentino, will you yield?

SORRENTINO: Yes, I will, thank you.

RAYBOULD: OK.

SORRENTINO: It was AM994 and the date of January 1, 2029 was in that amendment.

RAYBOULD: So it was in, you said AM--

SORRENTINO: AM994.

RAYBOULD: AM994. And then-- and that's where you changed the date of execution, of where it goes into effect like in 2029.

SORRENTINO: Exactly.

RAYBOULD: OK, but, but I guess the, the, the question that I asked Senator Dungan is that fundamentally AM994 that includes the, the provision to allow this to be implemented in 2029 is still in LB647.

RAYBOULD: Yes. OK, all right Thank you very much. Thank you, Senator Dungan and Senator Sor--

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

DUNGAN: Thank you, Mr. President. I appreciate the question, Senator Raybould. It, it's actually-- it can be a little confusing I know for folks watching at home about how the amendments work and there was a conversation about whether or not this should be a division of the question or an amendment. I thought it was easier and procedurally probably just a little bit more straightforward to do a floor amendment that struck all of the portions that have to do with LB131. Originally I actually went through and struck sections, I think, 21 through 57 or something like that because I assumed that the division of the question from General File that had to do with LB131 was all consecutive sections. It was not. And so my original writing of the floor amendment struck things that were not intended to be struck. So I, I fixed it now. So FA200 is reflective of a number of different sections, all of which, if struck, removes the entirety of LB131 as it was included in the package from the Revenue Committee. So if you go and pull up LB131 on the Legislature's website, you, you see that there's not really much on there, but that's because we included it as part of a larger amendment into LB647. If you go to LB647, however, and look at the committee statement, you will see the breakdown of where we all sort of fell on that individual amendment, and then ultimately on where our support fell for the package. Myself and Senator Bostar and the Revenue Committee both voted against including this portion into the revenue package, LB647. So this has been a consistent objection that I've had and I do appreciate Senator von Gillern mentioning that we'd had this conversation ahead of time, as I think that this debate is one that we should have and it's one that I think is important to get into as we discuss this. There are certain proponents of LB131 who I think genuinely believe that it's kind of just a cleanup bill. But in my conversations with them, I've tried to underline and highlight, I guess, that this is actually a very substantive change. And from my perspective, as somebody who

absolutely believes that if you want to go to private school you should, and we should-- we have great private schools in Nebraska. I have good private schools in my district who I am a big fan of. But I also believe that if you want go to a private school that's fantastic but I think that is your prerogative to do so and I think a lot of those private schools already have scholarships in place and a number of different abilities to reach out to disadvantaged kids to try to get them to come into their schools and it shouldn't be up to the state to be subsidizing private education. That belief is underlined in our Nebraska constitution. And when we debated LB753, and when we debated LB1402, both of which I know are gonna be referenced a lot this afternoon because they are part of the same fabric that we're talking about with regards to, you know, school choice related bills. When we debated that, we talked a lot about the Nebraska constitution and its prohibition on public dollars going to private educational institutions K-12. Now, there are a number of Supreme Court cases that have gone on about that. And Senator Conrad, I really appreciated her debate or her discussion earlier, beginning of the discussion, as it pertains to some of those cases. I look forward to hearing a little bit more about what other courts have said about these kind of bills. But the progeny of cases about what we are and aren't allowed to do in Nebraska when it comes to public money and private schools is clear. We are not allowed to give public dollars to private education unless it's a program that we're giving to both. So in these debates, we always hear people talk about the textbook sharing program, or we hear about, I think the, the bussing program was another case here in Nebraska that, that we talk about often. And the court has said that those are, those are acceptable, essentially, if you're giving it to both, if you are providing a public school and private school benefit. Where you start to run afoul of these provisions is when you are simply providing public dollars for private education. And as Senator Sorrentino pointed out, there is no tuition that you have to pay for public education. That's what makes it accessible, that's what make it public. But because the, the benefit that is incurred by individuals who are benefiting from the 529 program can only go to private education, it does put up those red flags. And so the rest of the discussion around the constitutionality certainly I think is going to surround whether or not these are public dollars and whether or they're going to a private school, all of which are really interesting constitutional conversations and I hope Senator Conrad gets into that, but they are issues we've had in the past with bills like this or in this same arena. So again, I understand that the mechanisms that are contained in LB131 are not the same as LB753 or LB1402--

ARCH: Time, Senator.

DUNGAN: --but I believe the spirit is the same. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I rise in support of FA200. And I just thought Senator Dungan brought up the division of the question, and it's one of my favorite topics. So my understanding, and I did check with the clerk, is that you can divide an amendment. So that's a division of a question is the question on the amendment, and you can divide out the, the divisible parts of the amendment. But once you've voted on it, it becomes the bill, and you can't divide the bill. So now that we're on Select File and whatever the committee amendment was, was adopted, it is not divisible at this point, but the mechanisms taken out would be a motion to strike, which is essentially what Senator Dungan has done here. And that's why we're not doing a division of this, of LB647, because you can't do that. We're doing an FA200 to strike. So I support FA200 to strike the part about the 529 plans. I supported the division, or I guess I was opposed to including the division in the package on General File. And I talked a lot about other 529 stuff, which I do love to talk about, and I could certainly talk about it again. My bill to-- for first-time home buyer credits. But I, I have similar problems that everybody has with the-- this expansion of the 529s. I heard Senator Guereca talking about that the voters clearly expressed that they don't, don't want state funds going to private use, and that's been a position I've maintained my entire time here as well. And I agree with my voters, the voters in my district and the voters across the state of Nebraska that voted to repeal, I believe was LB1402 was the bill number that the voters voted to repeal. And of course the voters, there was a petition to repeal, I don't remember if it was LB700 or something like that before that, and then we, the Legislature, passed LB1402 to repeal the previous bill that the voters had collected signatures on as a way to circumvent the will of the voters or to prevent that from going on the ballot. And so then the voters again got a petition to repeal LB1402, just the portion of LB1402 that was the new scholarship fund and not the part that repealed the previous bill. So the voters were pretty clear on what they, what they wanted and they brought ballot initiatives in two methods, to two different types of allocations of state funds for private schools. So I think the voters have been clear on that. I'm try-- I'm respectful to the will of the voters on that, and that's one of the, one of the reasons I'm opposed to this. But another one is we're having a big conversation about budget crunch, and we have-- I--

this one stuck with me when Senator Clements had the presentation about the, oh gosh, celestial blue, I was going to say cerulean blue, but I don't know if that's a real word anyway, but celestial blue book, he said that there is a pinch point coming where we have less revenue coming in because of the implementation of the tax, the income tax cuts and corporate income tax costs. And so Senator Clement said there's a pinch-point. And we are delaying the implementation of things like this 529 as a way to get it off the books this year, but we're delaying it right into the pinch point. And we are gonna have problems at that point. And so just kicking things down the road makes it expedient at this point because we don't have to account for it now. But we've done that with a number of things where we're at delaying implementation. I think we actually did that with Senator Bostar bill the other day as well, delaying implementation. It's a classic trick. Trust me, I've done it too. And that gets you something passed where then you don't have to, you know, account for it the year you do it and it gets accounted for, you know, integrated in the early parts of the budget. But I think that in light of the fact that we have such a crunch and we're having to pay for things and we can see that we crunches coming in the future, that it's-- we should not continue to just delay implementation of things that are going to have a potentially, I think it said a fiscal note of \$4 million when implemented? Somebody can correct me on that, I don't remember the exact dollar amount. But when this-- when it actually does become implemented, it is going to be a financial burden on the state that we're going to have to account for at that time when we reach that pinch point of the full implementation of income taxes. Now, of course, I think that we should address the income taxes as well. I appreciate Senator Raybould putting that up on this bill. I would have liked to have had that conversation. I would love to have that conversation at some point in time. I again would suggest that we raise the income threshold for the top marginal tax rate and freeze the reduction for the folks above that amount and-- Oh, I'm out of time. Thank you, Mr. President.

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

GUERECA: Thank you, Mr. President. I'm going to switch it up here a little bit. I want to say happy birthday to my grandmother, Clementina [PHONETIC]. She turns 90 years old today. Yeah, so it's, it's a good day for celebrations. And, you know, looking at the weekend ahead, we obviously have Mother's Day on Sunday. But on Saturday is Dia de las Madres, which is Mother's day in Spanish, which is celebrated in El Salvador, Guatemala, but most importantly to me in my parents' home country of Mexico. So I want to ahead of time, wish my mom both

Felicia Dia de las Madres, that's Mother's Day, and Happy Mother's day on Sunday. A couple weeks ago I came across what to me was a very beautiful speech given by Edward Sola, a Catalan director who received a Goya Award. And he read the speech, he dedicated it to his mother. So this is a translation from Spanish, folks, so the grammar's a little wonky and I tried to smooth it out. But this is, I think-- Well, I'll just read it anyway. The majority of my generation are the children of supermothers, women who were pushed to work outside the home without ever letting go of the work inside of it. They dressed us, fed us, raised us, all while working jobs that were paid worse than those of their male counterparts. No one offered them an alternative to this model, one based on the sacrifice of their own lives. For all the sacrifices they made for us and the ones they continue to make, we have incurred a debt that we can never repay. So let's do the bare minimum and send a message to all moms. Let's tell them that even if it seems like we're not aware of everything they did for us, we are. That who we are is thanks to their persistence. The meals they put on the table, the kisses they gave us before bed. Let's tell our mothers we love them. Let us thank them for always being there. And while we send this message, let's build a world in which caregiving isn't propped up by any one person's sacrifice. Let us commit to creating a society where raising children doesn't rely on supermothers, but simply on mothers, fathers, and caregivers, supported by the societal and economic structures needed to love and parent freely and with dignity. Mama, eso es para ti. Te quiero tanto. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Good afternoon. Woof, it's afternoon. Good afternoon, colleagues. Good afternoon Nebraska. I rise in support of FA200. I don't know exactly what all is in the underlying bill. I can't quite-- I'll have to look at it again. But yeah, I support FA200. And I-- You know, I understand, like, we already have 529 plans, and people put money into them, and then it goes to pay for secondary education. And OK, great. And I know it's like, well, why is this any different if it goes to pay for primary education or high school education? And the difference is that people will start putting into the 529 plan their child's tuition, and basically it becomes a tax shelter for that income. And, you know, if you're sending your kid in Omaha to Marian, or Prep, or Duchenne, or Mercy, or Gross, that can be a lot of money that you are setting aside without any tax impact. And I mean if you were my parents and you had eight kids and you put-- I mean it would have been. It's really good for my parents to have this option, because my two sisters and I went

to Marian, and my five brothers went to Prep. And St. Joan of Arc, where we went to grade school, was not-- I don't think it was expensive. I guess I'd have to ask my mom that. But you know, Creighton Prep and Marion High School were pretty expensive. And that would have been quite a bit of untaxed income, which, you know, while I can very much see the benefit of that, that's a nice thing to have, but it was their choice to send us there and to not send us to the neighborhood school, which also is a great school. And my parents still live in that house, so it's still the neighborhood school. And Westside was the high school that we would have gone to, also an excellent school. They just chose to send to private school. So, yeah, I mean, you know, I'm, I'm, I'm a smidge concerned, just a smidge, I don't know if anybody's paid attention, but I'm a smidge concerned about like our fiscal situation, we'll call it, the fiscal sitch. I think that we are kind of on a bad path at the moment and that we're going to come back here in January or sooner and be like, oh, golly, what have we done? These choices we've been making over the last biennium, the last several years and longer, have led us to this pinch point where we don't have any money anymore. So, you know, I think that maybe now isn't the most prudent time to be diverting more taxable income. We already are having the income tax cuts continuing to step down. We're at 5.9% I think now, and we're gonna go to 4.9 and then 3.9. And so that's, you know, concerning. And then we keep putting more money into the property tax relief fund. And we have our, you know, revenue receipts were down significantly in April. And then the Forecasting Board forecast was much lower than expected so things aren't looking great and we are not making what I would call fiscally sound decisions. So maybe with this one we could just, you know, pass FA200 and, and make maybe just one fiscally sound decision this year, week, month. Yeah. That'd be great. I'd appreciate it. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President, and good afternoon, colleagues. So I wanted to perhaps just reaffirm or put a finer point on something in the record here. And I think my friend Senator Sorrentino already conceded this in his last time on the mic. But if Senator Sorrantino was available to answer a few questions, please.

ARCH: Senator Sorrentino, will you yield?

SORRENTINO: Yes, Mr. President.

CONRAD: Thank you, Senator Sorrentino, and I, I think you had already mentioned this during your perhaps last or sometime on the mic today, but Senator Sorrentino, in your research or to the best of your knowledge or understanding, are there any public schools in Nebraska that charge tuition?

SORRENTINO: Certainly not to the best of my knowledge. That conversation was part and parcel of a conversation with NSEA that suggested that if there were things that public school students or families could pay for with 529 plans, the band uniforms, instrument rental, that sort of thing, that they would be more likely to want to support it. But unfortunately federal law, ERISA, doesn't allow that, only tuition.

CONRAD: OK, very good. And of course we have a free instruction clause in our constitution as well as applies to public schools. Are you aware of what the tuition structure is at any non-religious private school in Nebraska?

SORRENTINO: I am not.

CONRAD: I'm not either. I thought you might have. It wasn't meant to be a "got you." I literally was trying to learn because I didn't, I didn't know. I think there perhaps is only maybe less than a handful of schools that are classified as a non-religious private school in Nebraska, but I just wanted to make sure that we had that on the record for comparison purposes. So, do you think that this measure is an appropriation, Senator Sorrentino?

SORRENTINO: I, I-- My personal feelings are it is not an appropriation, and that's not bellied by any particular research. I have done quite a bit of research in the state of Nebraska as far as states paying for private education, and we can go into the direct and indirect sources. My research, which was my own, not that of the Attorney General or anywhere else. I cannot find case law in the state of Nebraska that says simply by allowing somebody a tax deduction for their contribution to their own 401-- their own 529 would be considered direct appropriation of state funds, therefore I, I'm not, I'm certainly not the Attorney General, I'm not the Supreme Court, but my opinion would be that that is not state funding of private education.

CONRAD: OK. You would, of course, acknowledge and concede, though, that it does show up as a loss to the General Fund when the financing structure would go into place, I think. Would you estimate, or Fiscal

estimate it was \$3 million or \$4 million in the out years when this first takes effect? Is that right?

SORRENTINO: Yes, no question it would be an appropriation of the-- of General Funds. My earlier contention was that while it did come out of the General Funds, so does hundreds and hundreds of other things.

CONRAD: Sure.

SORRENTINO: I didn't see a dollar-for-dollar offset against the appropriations for public schools.

CONRAD: Right. And, and, I, I do understand that we have a variety of different deductions in our public policy and a variety different tax credit programs in our public policy, but not all of those have to contend with the non-aid provision in the constitution. Is that a fair assessment?

SORRENTINO: I think that's fair.

CONRAD: OK. Very good. So what I'm trying to understand here is, looking at this case out of Michigan, which literally I just found through my own individual research, which was applying their non-aid provision of their state constitution against utilization of 529 plans for private and or religious K-12 education, it looked like It was hotly litigated, hotly contested, significantly litigated. The plaintiffs in that instance were unsuccessful and it went all the way up to the Supreme Court and SCOTUS denied certiorari, which I know we can't read into for precedential value or legal significance, but it is generally interesting. So it seems to me that perhaps at least there's an open question here and I'm trying to get a better understanding as to how our--

ARCH: Time, Senator.

CONRAD: Thank you, Mr. President.

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

BRANDT: Question.

ARCH: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote, vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All

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

CLERK: 22 ayes, 0 nays to place the house under call.

ARCH: The House is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Clouse, Bostar, Bosn, and Hansen, please return to the Chamber. The house is under call. All unexcused members are now present. Senator Brandt, we had a vote open, will you accept call-ins?

CLERK: Senator Conrad voting no. Senator Bosn voting yes. Senator Dover voting yes. Senator Strommen voting yes. Senator Hansen voting yes. Senator Andersen voting yes.

ARCH: Record, Mr. Clerk.

CLERK: 26 ayes, 1 nay to cease debate Mr. President.

ARCH: Debate does cease. Senator Dungan you're recognized to close.

DUNGAN: Thank you, Mr. President. Colleagues, again, this amendment is substantive, and I really would appreciate you considering a green vote on FA200. We have, for all three of the years that I've been in this legislature, debated the issue of the expansion of these 529 plans to being able to use them for private education. The people of Nebraska have spoken. They spoke when we collected signatures for LB753, they spoke when we took a vote on the repeal of LB1402, and they have resoundingly said multiple times that they do not want public dollars going to private education. Now, I'll be the first to admit, as I said on General File, as well as again on Select File, the mechanisms with which LB131, which is substantively what my amendment cuts out of the package, the mechanisms which that operates is not the same as LB753 or as LB1402. But at the very core of the bill are both the same sentiments as well as the same effect. It is still the desire of the bill and proponents of the bill to have the public institutions, the pub-- us the Legislature and our tax dollars supporting private education and those who choose to send their kids to private education. None of the opposition to this bill, for myself or any-- anybody else who's been pushing back, is anti-private education. As I've said many times, we have fantastic private schools in Nebraska and we have fantastic public schools in Nebraska. There are hard-working teachers in public school and hard- working teachers

in private school. Absolutely, we should be able to send our kids where we think is the best fit for them. Where we differ, though, colleagues, is whether or not we want tax dollars to essentially be subsidizing the decision that an individual makes to send their child to private school. So even though the mechanism from LB131, Senator Sorrentino's bill that was included in this package, is not potentially that same kind of voucher scheme that we've seen in the past. It is an offset of money, it is offset of tax dollars that are being spent to the state of Nebraska if you choose to put money into a 529 plan and then take it back out in an effort to send your kids to private K-12 education. I think that the problems of this are multitudinous. First of all, the cost alone is something that we should all be considering. Here in this last week, we've been debating the budget from start to finish of this week, and we've been nickel and diming different cash funds and different accounts, and we been arguing over whether or not \$100,000 can go here or there. At full implementation, the fiscal note of this bill estimates an impact of upwards of \$4 million annually to the state of Nebraska in lost or foregone revenue, which is a huge impact when we're talking about trying to make ends meet. Yes, the implementation date was kicked out on this portion of the package to, I think, 2029. But once that hits, it will have a fiscal note that is going to be a consistent and persistent impact to the state of Nebraska. That money, of course, could be spent other places. And if we continue to struggle to do things like to pay teachers, if we continue to struggled to provide things like family medical leave to teachers, and if we continued to struggle to find a few hundred thousand dollars here or there in order to, for example, support special education teachers in the state of Nebraska where there is an acute crisis, four million dollars can go a long ways. So again, colleagues, I appreciate the sentiment that we want to make sure kids have good education. But my fear is that LB131 directs those public dollars away from the efforts that the Legislature or local subdivisions could be making in order to support education into the pockets of people who don't really need it. The studies have been clear. When you expand 529 plans like is being proposed in LB131, it goes primarily to upper-class families. And it goes primarily to kids that are already in private education. So this does not achieve the goal of getting kids to go into private education who are currently in public education. It does not achieve the goal of trying to help low-income kids get into private education. What this does is it provides a tax deduction and extra money in the pockets of people who, according to all of the data, are primarily already sending their kids to private school, already have these 529 NEST plans, and are not generally in the socioeconomic brackets that we

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talk about when we want to provide support and relief. So, please, colleagues, if you vote green on FA200, keep into consideration or keep in mind all of the financial impacts to the state of Nebraska and please keep in that the vote of the people has been very clear that they want to make sure we keep our public dollars in public schools and we can find ways in our community, through philanthropy, through scholarships that exist, to support the private education that some in this body do support. We've heard a lot over the last week about what the government should and should not be spending on. We have heard from other people in this body that they want to see more private donations and philanthropy to help some of these things. This is one area where that can happen. But we need to be fiscally responsible and we need to continue to support our schools across the entire state. So I'd encourage your green vote on FA200, a vote on that only eliminates the LB131 portion. I am supportive of the rest of the package of LB647 if that is taken out. But I do believe that if you vote this in there, this package has some, some issues. So thank you, Mr. President.

ARCH: Colleagues, the question before the body is the adoption of FA200 to LB647. All those in favor, vote aye; all those opposed vote nay. Request for a roll call vote. Mr. Clerk, please call the roll.

CLERK: Senator Andersen voting no. Senator Arch voting no. Senator Armendariz. Senator Ballard voting no Senator Bosn voting no. Senator Bostar voting yes. Senator Brandt voting yes. Senator John Cavanaugh voting yes, Senator Machaela Cavanaugh voting yes, Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer voting yes Senator DeKay voting no. Senator Dorn voting no, Senator Dover voting no. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting nos. Senator Hughes voting No. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no, Senator Juarez voting yes. Senator Kauth voting no. Senator Lippincott voting no. Senator Lonowski voting no. Senator McKeon. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Prokop voting yes. Senator Quick. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree voting yes. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey voting yes. Senator Storer. Senator Storm voting no. Senator Strommen voting no. Senator von Gillern voting no. Senator Wordekemper voting no. The vote is 16 ayes, 28 nays on the amendment, Mr. President.

ARCH: FA200 is not adopted. I raise the call.

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CLERK: Mr. President, some items.

ARCH: Mr. Clerk for items.

CLERK: Thank you, Mr. President. Your Committee on Enrollment and Review reports LB513 and LB534 to Select File. Additionally, a referencing report from the Referencing Committee concerning several gubernatorial appointments and a notice of committee hearing from the Health and Human Services Committee. As it concerns LB647, Mr. President, there is currently no other amendment pending.

ARCH: Senator Guereca for a motion.

GUERECA: Mr. Pres-- Mr. President, I move that LB647 be advanced to E&R for engrossing.

ARCH: This is a debatable motion. Senator DeBoer, you're recognized to speak. Senator De Boer waives close-- waives her opportunity. Senator Conrad, you're recognize to speak? Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I would ask if Senator Clements would yield to a question.

ARCH: Senator Clements, will you yield?

CLEMENTS: Yes.

M. CAVANAUGH: Thank you, Senator Clements. I see that this bill has a fiscal note, and the updated fiscal note has the part that LB-- the FA200 would have struck from it, which is \$500,000 this year and \$1 million next year. So we can afford to lose out on that revenue?

CLEMENTS: We'll have to review that. If it has a fiscal note, it will come up after the budget is final.

M. CAVANAUGH: So it's on, on the LB647, there was a new fiscal note posted to the Select File version of it and the portion that Senator Dungan was trying to strike would be \$1.5 million over the biennium. So it would have given us back \$1.5 million in revenue. And as we're looking to balance the budget, our green sheet is still not balanced by \$63 million next year. I'm just curious when we're going to stop bleeding money and start keeping the revenues that we at least are anticipating?

CLEMENTS: Well, that was-- I was not aware of that when I heard the presentation by Senator Sorrentino. He talked about a 2029 effective date, outside the budget period. But I'll have to look into that.

M. CAVANAUGH: Can we afford it in the future? And actually the fiscal note reflects that it goes up to almost \$3 million of lost revenue in the out years.

CLEMENTS: That's to be determined in the out years.

M. CAVANAUGH: Well, that's what our fiscal analysts are anticipating. So I guess I'm concerned as to why there wasn't more consideration given to removing that from the package. But-- and I was just hoping that the members of the Appropriations Committee who voted to keep it in the package might enlighten myself and our colleagues as to why we're voting to keep something in the package that's going to cost us a greater loss of revenue, but I appreciate you taking the questions, Senator Clements. And colleagues, this is really, just really frustrating. It's-- I'm howling into the wind every single day. We are pretending like we have money we don't have. We're moving forward cuts in revenue that we can't afford. Even if they're great ideas, we can afford this. And, and we-- I got-- I mean, I appreciate how much you all must like me that you want to see me this summer, because that's what's happening. And, just, you know, at some point, I guess Monday, when we move the budget bill from Select to Final, we'll just get ourselves one step closer to being back here this summer. You can pretend like I'm talking nonsense all you want, but reality is going to hit, and we're all going to be here. And it's just-- it is-- I am flabbergasted by this process and this unwillingness to recognize the situation that we are in. It, it makes no sense to me. And I don't, honestly, at this point, I don't even wanna fight on what the budget looks like. I just don't wanna come back here with you all. So can we just have a budget that doesn't end up in us being back here in the interim? Because I am tired of being here. I am tired of showing up every day and having you all just make horrible, like catastrophic decisions and not listen to anything reasonable whatsoever and pretend like everything's going to be OK because you just say it loudly on the microphone. It's not going to OK. We're not going to be OK. We are going to have a massive deficit that we are going to be facing because of decisions that we continue to make or not make. So what are we doing about it, colleagues? What are we doing about it? Like legitimately, get on the microphone and tell me how we're fixing this. Because every suggestion that Senator Spivey--

ARCH: Time, Senator.

M. CAVANAUGH: --and I have given--

ARCH: And you're next in the queue.

M. CAVANAUGH: Thank you, Mr. President. Every suggestion that Senator Spivey and I have given in committee has been dismissed and no solutions have been brought forward except for to cook the books. Which-- AM1300 on LB264 was cooking the books. It is a lie. It is sham. It is sleight of hand and we all know it. We all know that that wasn't real money. We are lying. We are lying. On our green sheet, we are lying. We are lying to Nebraska. We have a deficit, we have a problem, we're going to be back here. What are you going to do about it? Because you're not gonna let me do anything about it. I've tried, and you all wouldn't even engage in the conversation because I'm me, and it wasn't the committee's recommendation. Which the committee's recommendation is a farce. So what are you going to do about it? 48 of you, what are going to about it, because you are responsible for it. And clearly, there's nothing I can do about it, so what are you going to do about it? Senator Sanders, Senator Holdcroft, Senator Moser, Senator Hardin, Senator Rowntree, Senator DeKay, Senator Lippincott, Senator Lonowski, Senator Storm, Senator Wordekemper, Senator von Giillern, Senator Brandt, Senator Hunt, Senator Strommen, Senator Sorrentino, Senator McKeon, Senator McKinney, Senator Raybould, Senator Storer, Senator Andersen, Senator Hughes, Senator Dungan, Senator John Cavanaugh, Senator Arch, Senator Riepe, Senator Ibach, Senator DeBoer, Senator Juarez. I'm going to skip Senator Spivey because you're not going to do what she says anyways. Senator Hallstrom, Senator Meyer, Senator Clouse, Senator Murman, Senator Ballard, Senator Hansen, Senator, who's it? Senator Bosn, Senator Jacobson. No, I'm missing --who's behind Senator Ballard? Senator Dover, Senator Kauth, Senator Prokop, Senator Guereca, Senator Fredrickson, Senator Quick, Senator Jacobson, Senator Dorn, Senator Bostar, Senator Clements, Senator Armendariz, and Senator Conrad, what are you going to do about it? Because you will not do-- oh, Senator Hughes, I'm sorry, I skipped Senator Hughes I think. What are you gonna do about? Because Senator Spivey and I have spent the last several months trying to get anybody to do anything about it, and you won't. You just won't. You won't listen to us. So what are you going to do about it? Because I am gonna be really, really pissed if I have to spend more time with you after June 9th and before January. My family and your families have sacrificed enough. Fix it. You got until Monday. Adjournment on Monday. That's it. We have to pass a budget. You have until adjournment on Monday to fix it. Stop putting your heads in the sand. We're going to lose money, we're gonna lose Medicaid money, we're going to lose revenue. We can't afford to build

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a canal and to give \$1.2 billion in property taxes and still have a functioning state. So what are you gonna do about it? Build a prison? We can't. Get out of your chairs and get to work. Thank you, Mr. President.

ARCH: Colleagues, you've heard the motion to advance LB647 to E&R for engro-- There's been a request for a machine vote. All those in favor of the motion, vote aye; all those opposed, vote nay. Mr. Clerk, please.

CLERK: 28 days, 6 nays to advance the bill, Mr. President.

ARCH: LB647 does advance. Mr. Clerk for items.

CLERK: Mr. President, amendment to be printed from Senator Meyer to LB382A. New LR, LR162 from Senator McKinney, and LR163, LR164, LR165, all from Senator McKinney, all to be referred to the Executive Board. Finally, Mr. President, a priority motion. Senator Moser would move to adjourn the body until Monday, May 12th at 9 o'clock a.m.

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