

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the seventy-eighth day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is Senator DeBoer. Please rise.

DeBOER: Please pray with me. Holy One, we thank you for all who are gathered here in this room today. We ask you to bless us with wisdom and mercy as we're making our decisions. Please watch over all of those who are sick or ailing, those with cancer or heart problems. Take care of them and breathe your healing spirit upon them. We ask that you watch over all of those who labor in this building. Especially today, we pray for those in the judicial branch. Watch over the justices, judges, court administrators, and officers as they dispense your mercy and justice in our state. We ask, God, that you do not harden our hearts as you did to Pharaoh but soften our certainties so that we may listen and learn from each other and lead as your son taught us, not as emperors or kings do but as servants to all. In the name of the one who is, who was, and always will be. Amen.

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

RAYBOULD: Good morning, colleagues. Please join me in 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.

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

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

KELLY: Are there any corrections for the Journal?

CLERK: I have no corrections this morning, sir.

KELLY: Are there any messages, reports, or announcements?

CLERK: There are, Mr. President. New LR: LR178 from Senator DeKay, LR179 from Senator DeKay, LR180 from Senator DeKay. Those will all be referred to the Executive Board. LR181 from Senator Jacobson. That will be laid over. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Please proceed to the first item on the agenda.

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CLERK: Mr. President: Select File, LB415. First of all, Senator Ballard, there are E&R amendments.

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

BALLARD: Thank you, Mr. President. I move the E&R amendments to LB415 be adopted.

KELLY: Members, you have heard the motion. All those in favor say aye. Those opposed, nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to bracket the bill until May 31, 2025.

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

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. LB415 is the-- Senator Ballard's Healthy Families Workplace Act and the Conveyance Safety Act and provide the offset debt owed due to overpayment of unemployment benefits. It's got a lot of stuff in there, Senator Ballard. But it also has the paid sick leave-- I don't know what you'd call it, repealer? So this is another bill that was put on another bill that was brought forward that was put to sort of silence the voice of the voters. So that's, you know, why I'm standing in opposition to it. I understand that there are some amendments pending that might make it less terrible to the people of Nebraska. I'm not super inclined to entertain making things less terrible when the voters of Nebraska have spoken. We could just not undo the will of the people, but, you know, we don't have the votes. Isn't that fun, Nebraska? For as long as I can remember-- well, at least as long as I've been in here-- Nebraska has been doing as well as it has because you've had just enough Democrats to save us from ourselves. But you don't anymore. So I hope Omaha's out voting today, because elections matter. And we don't have the votes here. We don't have the votes to save us from ourselves anymore. We don't have the votes to stop really heinous things from just juggernauting through. We don't have the votes to have a decent budget put forward. I was listening to the news this morning, and even the news now is, is placating the governor in talking about a deficit. We don't have a deficit. We have seriously just decided that we're going to put \$1.2 billion to pay for the governor's property tax relief for himself. And then we're going to cut all these other things, including an investment in north Omaha that was an agreement. We're going to pull back on agreements that we've made. And-- but we can't pull back on, on agreements that we've made to, to do anything for agriculture, water, anything that benefits

conservatives in this body personally, financially. We cannot pull back on those things. But if they are things that are going to improve the lives of working Nebraskans, 100% we can pull back on those. 100% we can pull back on those. So that's where we're at, Nebraska. You all voted for the people that are here. And you also voted for ballot initiatives. And the people that are here don't respect you. And they want to undo your will. And you sent them here. So I guess who am I to stand in their way, right? I can see that there's some people in the queue, so I'm not going to pull my bracket motion right now. But I might, I might not. Who knows? Who cares, right? We don't have the votes. We have a immoral budget. We don't care anymore. Good governance is not a thing anymore. But people in power have power and they are using it completely, totally to its fullest extent. If I actually got something this session, this is what I would have gotten: I would have gotten not fighting every single freaking day to get Senator Quick and Senator Rountree's bills passed. Those should have sailed right through because those actually help feed people. If I got something, I would have gotten universal school meals passed or even out of committee. If I got something, we would have a paid sick leave program for teachers without it being encumbered by a whole bunch of gobbledygook religious school stuff that teachers are paying for themselves. Y'all aren't giving me anything, so when you come to me and you want me to give you something, I ask, what are you giving the working people of Nebraska? Nothing. You're giving them zip, zero, zilch. You're taking their money. You're charging them fees to pay for your own property tax relief and refusing-- categorically refusing to do anything like take money from a canal project that currently isn't being utilized or take money from a prison that we can't even afford to build, which we openly admit we don't have enough money set aside to build a prison. And when the question is asked, what are we going to do about that, the answer is quiet, silence. There is no answer. We are going to pretend our way-- we are going to pantomime our way through all of this. And we are just going to lie to ourselves and to Nebraska, but we're going to stand on the microphone and we're going to say it with conviction. And if we say it with conviction, then it must be real. We can't afford to not build the prison, so we're gonna build it. We don't have the money for it. We don't know where the money's gonna come from, but we're gonna build it. We're not gonna do sentencing reform. We're not going to make smart economic choices. Instead, we're going to build a felony factory. We're gonna have a fiscal fiasco. And we're gonna build a prison that we can't afford to build. So what we're actually gonna do is we're probably gonna start building a prison, and then it's gonna sit like the Gaudi basilica in Barcelona that took hundreds of years to finish because they couldn't

finish it. That's what we're gonna do. And we're gonna lie to ourselves and to Nebraska. That's what this 2025 session is about. But when you come to me and you ask me for a favor, don't tell me you've given me anything. Because the only thing I want is for a better life for the people of Nebraska. That's it. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. And good morning, colleagues. It was nice walking in on this sun-kissed morning. And hopefully it shined some light on the actions that are happening in this legislative body. I rise in support of the bracket motion and in opposition to LB415, which started out as a carefully negotiated, thoughtful compromise to fill in some gaps and provide some clarifications to the citizen initiative that was resoundingly supported by Nebraska voters across the state to ensure clarity for both employees and employers and was hijacked by the Business and Labor Committee to include what has now been a Trojan horse measure by my friend, Senator Strommen, that would arbitrarily cap and carve out protections for modest but meaningful earned sick leave benefits that many Americans have the benefit of through either citizen initiative or legislative action. And Nebraska was set to join that list of our sister states in providing a more thoughtful approach to work-life balance. But after a resounding vote of the people across the political spectrum, across the state, cynical, powerful politicians in this Legislature at the behest of wealthy business interests have decided to not only undermine the will of the people but to remove modest but meaningful sick-- earned, earned sick leave benefits from thousands of hardworking Nebraskans. The very subject of this measure was presented to Nebraska voters in a recent public polling analysis. The very questions about these carve-outs and caps were recently polled in Nebraska. And what the survey found was that a broad majority of voters would oppose this bill to significantly change Initiative 436, including restricting the types of employees covered, preventing employees from suing employers who fail to follow the law, and exempting a significant number of employers from the law. Opposition to this exact measure stretches across the electorate, including Democrats, Independents, and Republicans. When those who commissioned the public policy analysis not only tested whether or not the electorate believed in this measure but whether or not they would be supportive of a ballot referendum to preserve their will and oppose this cynical, mean-spirited approach by this Legislature-- again, a 40-point margin of Nebraska voters spread to show support of a potential referendum to ensure that we do not undo the changes that they clearly voted for. Again, the

majorities across the electorate in support of a proposed referendum include 84% of Democrats, 67% of Independents, 53% of Republicans, including high support among younger voters and non-college-educated voters. But majority in literal-- literally every major demographic in the state. It shows that these majorities are durable. And even when tested against proponents of this measure's messages, they found them unpersuasive. Today is like most days in this Legislature and, as Yogi Berra noted, *deja vu* all over again, where the powerful help the powerful stay powerful and they put their thumbs on the scale against the electorate and they put their thumb on the scale against working families. We may not be able to stop this effort in the Legislature, but we will use our voice and our vote to show the Legislature does not think with one voice on these issues and some people are fighting for working Nebraskans. Thank you, Mr. President.

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

LONOWSKI: Thank you, Mr. Speaker. Happy Tuesday the 13th. Many of us don't realize, but Tuesday the 13th in the Latino world is much like Friday the 13th. It's a day of bad luck, so beware out there. Also, I would be remiss if I didn't say Happy Renewable Fuels Month. Every May, Nebraska's renewable fuels industries join forces to highlight the importance of clean-burning biofuel options. This includes ethanol made from field corn and biodiesel made from soybeans. Ethanol and biodiesel are also significant economic drivers for agriculture producers across Nebraska, and their production provides thousands of jobs. Once again, happy biofuels month. Thank you, Mr. President. I reveal my-- I give my time back.

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

McKINNEY: Thank you, Mr. President. I rise in support of the bracket motion and still in opposition as I was in committee and on General File of LB415. You know, I left here last night really annoyed about the body. And it's really been on my mind, you know, that yesterday this Legislature agreed to take away a chunk of money that was agreed upon, and, you know, it's been on my mind since I left here yesterday. And I don't have a lot of kind words to say to people. It's just-- I'm glad everyone's true colors have shown. So the 32 people who voted against my amendment and agreed that we should, you know, pull back on agreed-upon situations, I won't forget it. Because as I stated, you know, contrary to popular belief, the Economic Recovery Act and all the things that we did do over the past couple years didn't just benefit my community. And some of your communities benefited from what

we did, which was a part of those deals. So I'm going to spend this day going back through everything and highlighting what was agreed upon and how although you got your cake, you decided to, you know-- some of y'all decided to, you know, go back on things and want me to just accept it and find it to be commendable and be collegial and all those type of things. And I just can't. I refuse to. Because when y'all stood up and said that we should pro-- protect investments that were for investments for the future viability of the state and sustainability for the state, I was like, OK. Just keep the same energy. And I kept saying it from the beginning till yesterday. And I knew what was going to happen was going to happen-- that still don't mean it didn't disappoint me-- but I knew a lot of y'all words were hollow and that you only were speaking to the things that you find important as far as the investments. But you don't care about investments in impoverished communities and making sure that we hold true to those investments. You don't at all. You just cared about getting your slice and saying, OK. We reached a budget shortfall that was predictable. Most people, if, if, if you weren't in the know, were aware that because of some of the things that we did in the past, we were going to end up in this situation. So it's not like it wasn't predicted. And still, instead of not investing in a prison that's going to be overcrowded the day it opens-- which is behind schedule, over budget-- you rather just take away resources from, from communities like north Omaha. And, you know, that's been the common theme of this Legislature for some people to bring it up and say we should take this money back and we shouldn't-- it was a misappropriation of funds and all these type of things. You could feel how you feel, but that's far from the truth. It's-- what it shows me is that it's a clear lack of comprehension on what happened in 2020, what was occurring prior to 2020, and how that impacted communities. That's what it shows me, is just a lack of understanding completely. And, you know, I'm not here to be anybody's professor or teacher, but I am going to call a spade a spade. And that's what it is. So I'm going to sit down, go back through. Then when I get back up, I'm going to point out people who benefited and still decided to vote how they voted. And we'll just have that conversation. So it'll be a fun day. Still oppose LB415 because it goes against the will of the voters. And I voted this morning, which I encourage everybody to do. But LB415 goes against the will of the voters no matter how you try to frame it. So thank you.

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

DUNGAN: Thank you, Mr. President. And good morning, colleagues. I do rise today, I think, in favor of the motion to bracket for right now. Just before we get started on those comments, I, I appreciate Senator McKinney's talk about some of the money discussions we had yesterday for north Omaha. I'm not entirely sure if people fully, I think, grasp the, the gravity of the decision that was made yesterday with per-- with-- how it pertains to the money for north Omaha and sort of the effect that that's going to have going forward on whether or not there's a willingness to deal or, or make compromises. You know, we hear a lot in politics about how a, a good compromise is when you walk away from a situation and nobody's 100% happy. And I know Senator McKinney has, since my time here, really poured himself into trying to be a good legislator and reach some compromise. And when the rug is pulled out from under somebody on a deal a session or two down the road simply because it's not the most important thing to the individuals that are involved there, it can have consequences. And I don't say that to be threatening. I just mean it makes it difficult, I think, for folks to trust in the future that there's going to be the willingness to follow through on what was expected. I know yesterday there was a conversation as well about taking money from the Affordable Housing Trust Fund and putting it into the Middle Income and Workforce Housing Trust Funds with this sort of agreement that there would be a backfilling of the \$4 million to the Affordable Housing Trust Fund. But what we've seen in this Legislature for those who are here day in and day out is a lack of willingness to follow through with some of those kind of commitments. And so-- you know, for those watching at home, we're late in a long session, tensions are high. We've been dealing with a very stressful budget, so I understand that it can be frustrating sometimes to watch us and our debates here. But it, it really is, I think, a give and a take. And I think it's important that we continue to honor those kind of agreements moving forward. So I hope that there can be a continued discussion around ways that we can continue to help north Omaha but also other parts of the state. Rural and greater Nebraska also deserves that care. And we can't just make these rash decisions. You know, yesterday we also swept \$2.5 million from the recycling and litter trust funds or cash funds that are given out to grants in small communities. And I received a number of emails after that debate from folks who were really disappointed that we decided to do that. And I think that here we tend to make some pretty myopic and rash decisions instead of looking at the big picture. So I just wanted to start by, by saying that because I think it's, it's unfortunate where we find ourselves today. And as sort of a, a, a pairing to that-- you know, we're, we're talking about LB415. And a lot of the sentiments and frustrations that

I have around the amendments in LB415 and around the entire concept of LB415 is the frustration that has been voiced on the last round of debate. It's the frustration that's been voiced by myself on other issues. And it's the frustration that I think we're gonna hear a lot about here today, which is a walking back of the voice of the people. And there's a lot discussions of, can we? Or, you know, is it, is it legal to do that? Absolutely you can. You can do these things. And the question is always, should you? And I would say, colleagues, in the times that I've had town halls when this session has been going and in the times that voters have reached out to me via voicemail or email or text or whatever, that is the through line. The through line is one of frustration that we continue to walk back the voice of the people and that, you know, the 49 of us down here look at the outcome of these ballot initiatives and there's decisions made not even to tweak or modify or change but to fundamentally alter the conditions of some of those ballot initiatives. And so I think that is what we need to have discussions about here today, and I think it's what we're going to talk about for the remainder of this session. The people don't feel heard. You know, I, I appreciate that there have been conversations that have happened with regards to LB415 and I know that there have been folks who have been working really hard to see if there's any kind of changes that can be made, but fundamentally, you know, this, this bill and the amendments walk back the voice of the people. And at the end of the day, I, I, I just don't believe that I can support the undercutting of what a large portion of Nebraskans said they want, and frankly said they need. And when we're talking about people, whether it's in Omaha or Lincoln or across the entire state, we know that one of the most important things that we can do for them is ensure that they have a job. And making sure that they stay in that job and that getting sick isn't going to make it harder to make ends meet and to pay a bill that month is really, colleagues, the least we could do. So I do have grave concerns about the underlying bill. I have concerns about the process, and I think we'll continue to talk about that here today. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator Guereca would like to recognize the physician of the day: Dr. Theresa Hatcher of Omaha. Please stand and be recognized by the Nebraska Legislature. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I don't think I'll use all my time this morning. Good morning, colleagues. And good morning, Nebraska. The thing that strikes me about all of this is as we are looking at a ballot initiative passed by the people and arguing about whether or not we should change fairly fundamentally what that ballot initiative

included, folks say, well, we have to do that. We have to do that. But we wouldn't. So what we could also do is put forth another ballot initiative which would suggest these sorts of changes to the people of Nebraska and let them decide. Since they passed the bill on ballot initiative-- and some of you said, well, they didn't have enough options-- we could put these sorts of caveats and changes in a ballot initiative and let the people of Nebraska decide themselves rather than the 49 of us trying to sort of edit, as it were, what the people of Nebraska decided. And I find it interesting Senator Conrad-- I, I hadn't heard this, but she said that there was some sort of polling done that suggested that-- excuse me-- such a measure would be very unpopular. So it seems to me that instead of all of us trying to edit and change what the people of Nebraska decided that we should make the kind of modest changes in the initial Ballard bill that would sort of make implementation possible. And then if there were further work that we wanted to do, then we could put that to the people of Nebraska and let them decide whether or not they think that we should do that. So that's gonna be my position on all of this, which is to say I'm going to vote against the bill. I'm going to vote for the bracket motion because I think that what we're trying to do here goes beyond just adjusting. I mean, it should just be whatever the people voted for, but if we have to make some changes in order to make it implemental-- imple-- implementable-- in order to make able to be implemented, that's fine. But this goes beyond that. So this should go back before the people if we're going to change it so soon after it was implemented-- or, after it was passed. Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer. Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues. And good morning, Nebraskans. So I rise-- I, I supported LB415 as originally drafted and originally written, and I certainly continue to support that original draft and original bill. But I now find myself in a bit of a precarious situation of opposing LB415 as a result of the addition of LB698, which we amended on, on General File. So I've been listening to some of the conversations this morning and, and, and speaking with some colleagues, and I understand that there's an amendment that is potentially forthcoming that will shift those that are being cut out of this earned benefit from employers with ten or fewer employees down to the-- those with five or less. So I can appreciate that. You know, I, I understand-- I'm ensured that an additional 30,000 Nebraskans are-- approximately 30,000 Nebraskans will be able to earn the paid sick time that they voted for that were initially going to be cut out of this, but that will still leave out

around 100,000 Nebraskans or over 100,000 Nebraskans, if I understand that correctly. So my, my opposition to this is-- you know, a lot of folks have spoken to their concerns in general, but I, I, I just want to underscore-- I mean, I-- look, I think we all in here know Nebraskans are very, very hard workers. I've, I've spoken about that a lot. We know that just from our conversations with constituents and what we see every day. We know Nebraskans are raising families. They're, they're running small businesses. They're contributing to our economy. And when those same Nebraskans come out and vote overwhelmingly in support of a policy like earned paid sick time, I just fundamentally disagree that it is our place to sort of second-guess that wisdom. You know, when-- voters want fairness. They want consistency. They want dignity in the workplace. And I just really have a hard time with the idea of making exceptions for some and leaving others behind. You know, if we start kind of drawing lines based on who's sort of deserving of this benefit, you know, whether that's based on the zip code they live in, if they're in a more rural area or more urban area, or where they work, for example, if they choose to work for a smaller business, I just think that's a fundamentally flawed perspective in the way that we, we govern. I know-- and some of my colleagues have expressed concern about how this specifically affects small businesses, and I, I, I genuinely hear that concern, and I, and I do take that seriously, but I wanna offer maybe a different way of viewing this. You know, paid sick leave is not necessarily a burden. I think it's really an investment. You know, small businesses-- we all know this-- they thrive when employees are healthy. They thrive when their workforce is loyal. And we-- they thrive when their workforce is not forced to come to work when they're sick. I mean, we all know the basics. When sick employees stay home, they avoid spreading illness to customers, to coworkers. It reduces downtime. It increases productivity. And it actually helps small businesses avoid the costly, costly cycle of constantly having to rehire and train new workers or new staff. Another thing I think that we need to speak about is that offering paid sick leave builds employee loyalty and it's going to reduce turnover in the long run. Small businesses in particular should be interested in this because every staff member counts, and keeping experienced workers is frankly a competitive advantage for these companies. I also want us not to forget the economic reality that small businesses are currently operating in and are navigating. I think that this is harmful when we create patchwork policies that give a negative perception to working for small businesses. And I'm speaking specifically to small businesses in more urban areas like Omaha or Lincoln or Grand Island or Kearney. And I think I've mentioned this before, but I've had small

businesses in my district say, look, we offer paid sick leave. We're gonna continue to offer paid sick leave regardless of what happens here. But we have genuine concerns that we are not-- we're going to have a harder time recruiting workforce because if you are someone who's looking for a job and you're debating whether you're going to apply at the local mom and pop, the hardware store, or the local coffee shop versus Ace Hardware or Lowe's or some bigger industry, even if that local small business is going to offer you paid sick leave, bills like this create the perception that they will not. And that hurts small business employee recruitment in our urban areas. And so I think that that is a, a larger concern that I have with, with passing this bill as well. So because of that, I unfortunately am unable to support LB415 as it's been amended, although I did support the original LB415 as originally drafted. Thank you, Mr. President.

KELLY: Thank you, Senator Fredrickson. Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President. And good morning, colleagues. I'm-- you know, the sick leave portion of this LB415 I, I have some issues with. LB415 I think overall was, was-- I supported that. I'm going to talk a little bit about my personal experience over my lifetime of, of work. I worked in a couple jobs that didn't provide sick leave. I also worked in jobs that did provide sick leave. I know one of the things in the later part of my career when, when both my wife and I-- she was working as a labor and delivery nurse. I was working as a welder at the power plant. I actually had more sick leave time than she did. So on some of those days when we had a sick child who couldn't either be in school or couldn't be at day care, if, if Alice wasn't able to or-- she didn't leave work. I actually would stay home from work because I actually had a better sick leave policy than she did. And I think it was important for us to be able to provide that, that care for our child while, while he or she was sick. And I think a lot of other people across the state are in that same situation. They might be in a situation where they don't have any sick leave at all. So I think it's important for, for them to maybe have that benefit provided. I think it-- I think Senator Fredr-- Fredrickson said it very well about-- it, it-- for some employers, I think they would find it-- that it would benefit-- be a benefit for them as well. It would crea-- it would help with the morale of the-- of employees. It would, it would create a, a workplace setting where people would want to work there. You might find more employees wanting to apply for jobs there. I also want to address that the five days isn't very-- really very much sick leave when you, when you look at it. Over a, over a whole year's time, whether you're sick or you have a sick child, five days really isn't

very much sick leave. And so I think you'd find a lot of employees probably, probably trying not to use much of that sick leave. They may come to work if they felt a little bit ill and then-- I know we would have people come to work sick and we would tell them, I think you should go home today because we don't want to catch what you have. And-- but then they were still able to not have a, you know-- lose-- have a loss of income so they could still provide for their families. I will say too I, I don't think that someone who is, who is absent from work, whether it's vacation or loss of sick leave, that you're going to find that that employer is going to have to-- I know there was some talk earlier in the session when we had-- when we, we debated this that it would adversely affect the employer where they may have to hire someone from the outside or bring in extra help. I think for the smaller employers, I'm not sure that that would be feasible or that, that we'd actually do that. I think most employers when I-- when my-- when they didn't have sick leave there and someone was gone, we just adjusted. I mean, someone else might do a little bit more on, you know, on helping that area, which-- whatever type of employment it was. I know for me personally, working at the, the power plant, if I was gone, we had plenty of guys there to, to fill in. I'm sure with the smaller employers, when you have less employees, it does make it a little more difficult. But I think it-- the-- that it's, it's something that, that people are willing to step up and, and help when, when the help is needed. And I think that's the way Nebraskans are overall. People are, are willing to step up. I can remember when we'd have farmers-- and this has nothing to do with the sick leave. I can just remember farmers who had fallen ill or maybe had an accident or something, every farmer in the section, every farmer around the area would come over and help harvest. And I think that's just the way Nebraskans are. And-- so I see that being the same way with, with-- even with your employers and employees. I think sometimes we just have to look at and have a little bit of compassion and think about how this would benefit not only that employee's personal life and well-being but also benefit the employer as well. So with that, thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. I really want to speak on a couple of issues. First of all, as it relates to paid sick leave or any other mandated employer requirements, the-- we do live in a capitalistic society, and we are competing for employees. But there are smaller businesses out there-- and I can name many of them-- in the villages in my district that, frankly, they're being strapped. They can't

continue to employ people if we're going to raise the minimum wage, have paid sick leave, have all these other mandated benefits that they frankly can't afford to pay. Their business simply will not support it. I've gotten multiple emails of examples from people who are saying, stop already. Stop with the government mandates. Let me run my business. If people don't want to work for me, they can work somewhere else. And if I have to pay something additional to get them here, I will, but let the free market work. I don't know what happened to this idea of free markets. We have to mandate everything from the Legislature on businesses and un-- and then don't pay them for it. They-- that's their dime. It, it doesn't make sense to me. We talk about, well, the voters decided. Well, what happened is you get someone that spends \$3.5 million for a ballot initiative to get people to go out and get-- circulate petitions and then put on the ballot that-- would you like for us to pay you more? I don't know, what mo-- what are most voters gonna say? Well, sure. Why not? Are they considering the small businesses out there that can't afford to do that? No. Are they considering that they have the ability to go work somewhere else if their current employer doesn't pay this mandated sick leave but somebody else does? No. They can do that at any time. So I will be opposed to the bracket motion and supporting LB415. I also want to make one final comment as it relates to the money being taken back from the Omaha projects from the Perkins County Canal interest. Isn't it ironic that we made a decision to build the Perkins County Canal and we put money into a fund that earns interest to be able to build the Perkins County Canal, but when Senator Wayne was here, he came in and tucked into a major Christmas tree bill an amendment that would steal the money from the Perkins County Canal, steal the money from Perkins County Canal the interest in-- earnings, and send it to north Omaha, his district? And now this Legislature's decided to pull that money back and put it in the General Fund and suddenly it's a major crisis. We've reneged on our, on our commitment. Well, what about the commitment we made for the Perkins County Canal? And how many times did we-- had bills-- we spent a whole day talking about how we can steal the money-- the principal from the Perkins County Canal project and spend it for something else. So I don't want to hear about you're taking money back. Because that's what we've been doing the whole session. We've been taking excess funds that haven't been committed. We can't say specifically what these dollars would be spent if they stayed in north Omaha. We don't know. Those projects haven't been identified. The Perkins County Canal we know what it's going to be used for and we know it's not going to enough. We've heard that to build a new prison that it's gonna take significantly more money because of inflation. Well, doesn't the same thing apply with

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

the Perkins County Canal? Don't we all know in our heart of hearts that that \$500-some million that's in there today isn't close to what it would cost even to build a 500 CFS capacity canal? We all know that to be true. So I'm just saying let's put it all into perspective. We're all trying to go down the same road and balance the budget. Thank you, Mr. President.

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

BALLARD: Thank you, Mr. President. Good morning, colleagues. I just want to get up and just talk about LB415 a little bit and the underlying bill. In January, I was asked to work with the business community on implementation of the paid-- of the Initiative 436, and that's what came about from LB415. So just to clarify, LB415 does three main things. It fixes and adds definitional clarifications of independent contractors, owner-operators, and employees who work less than 80 hours do not fall under the initiative language. I think it's the-- important to say the independent contractors because that includes the, the individual that-- the kid-- neighborhood kid that could mow your lawn, babysitters, those individuals that may not necessarily accrue that paid time off. But as well as owner-operators. If I, I owned businesses, I would not qualify for paid time off. I think that's important to distinguish as well. But I think the most important part of LB415, it says if your business has a PTO program that works for you, you can keep it as long as it meets the minimum of the initiative. That's an important, important piece to this-- to LB415, an important piece to making sure that this is implemented well. And then finally, the act preserves-- also helps preserves existing PTO, PTO plans that address the act's ambiguity on accrual caps. A big deal for these businesses that are trying to navigate this-- kind of this uncertain waters in, in the initiative language. And I want to be very, very clear: LB415 merely addresses the issues clarifying the act's ambiguities, making clearance-- clear and more feasible. I know there's some concern with the, with the-- some of the amendments on LB415, but I do appreciate the individuals standing up on this floor voicing their support for LB415. And thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. Gosh, maybe the queue reshuffled when I was communicating with colleagues. That came up more quickly than I thought. Nevertheless, appreciate the

opportunity to weigh in again. And just want to be clear because we've been having a lot of conversations amongst ourselves just in terms of setting terms of engagement and debate today. It remains to be seen whether or not there will be pro-- prolonged deliberations on the motions that have been filed. I think everybody is in agreement that there is an amendment that will be forthcoming that, in many instances, could provide some harm reduction for the underlying measure to some workers. And it's always, it's always challenging when faced with an opportunity to mitigate the damage about whether or not you should take that opportunity or continue to push forward. I understand that people of goodwill and colleagues of goodwill can approach that difficult decision according to the dictates of their own conscience in a variety of different ways. And I'm trying to discern whether or not I'll be supportive of that amendment when it comes up, but-- it will come up today. There's, there's, there's no effort to, to keep it off the board, so everybody can be clear about that. But also, don't fool yourself for one second. That retains that amendment-- that so-called compromise amendment will still carve out thousands and thousands of workers from the protection of earned sick leave. The ballot measure itself was thoughtful. It had a differential in place in terms of how this measure would work for small businesses versus large businesses. So by having carve-outs and caps on the vast majority of small businesses who are the ones who are not offering this kind of benefit, it, it does very little to, to carry out the will of the voters or to provide this modest benefit to Nebraska working families. And to be clear, this measure brought forward was not a government mandate-- even I think it would be a reasonable policy choice if it did emanate through the Legislature-- but quite the contrary. After years and years and years of working to pass sick leave or family leave or safe leave for domestic violence survivors, those efforts were stymied by powerful business interests and vetoed by past governors. And so finally, proponents of these measures-- economic justice groups, faith groups, women's groups, domestic violence groups, labor unions-- came together, organized a petition, went out in the heat, got signatures, talked to their neighbors, complied with all of the requirements, met the high bar for ballot access, and then ran a successful campaign to persuade a majority of their neighbors to support the effort. Those in opposition to these measures didn't even bother to launch an opposition campaign, didn't even bother to invest resources, didn't even bother to offer counterpoints because they knew they'd come back to this Legislature and find legislators willing to do the bidding of big business and business against working people. So before the initiative, over 250,000 Nebraskans who worked full time did not get any paid sick

leave, especially the workers who need it the most. This measure was a commonsense proposal to provide a better balance so that people don't have to choose between their job and their health. It's in line with how our sister states approach the issue, and it shouldn't be capped or carved up un-- arbitrarily by cynical politicians. Thank you, Mr. President.

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

SPIVEY: Thank you, Mr. President. And good morning, colleagues and Nebraskans. I wanted to rise-- I didn't know if I was going to get on the mic on this. I know that we have had extensive debate on General and we're here now and there's some amendments coming up that I think impact the initial kind of underlining bill, LB415, and especially what our constituents, the second house, have said that they wanted to see around paid sick leave. So I don't know how much more new ideas or information I, I can add to the debate at this point, as people seem really dug into their perspectives and not willing to have as much discourse and dialogue about where we are. But currently, I rise in support of the motion to bracket. I was on the fence about supporting LB415 in general, just as it stood. It gave me a little heartburn, but it's-- wasn't as terrible, I think, as what it has now transformed to be. So currently do not support. I think from a small business perspective, I just wanted to add that, like, when we talk about small business and, like, through the actual definition, it's like someone that grosses \$5 million or less. And so sometimes we say small business and it doesn't mean someone that is, like, truly a mom-and-pop shop. I think we are kind of convoluting the two terms. And so when we talk a small business-- a small business, there are entities that have ten employees, six employees, and even gross that \$5 million or more that are able to actually honor and provide competitive benefits to their workforce. And I think that there is a responsibility and commitment to that. When you're talking about mom-and-pop shops, like my restaurant that I have with my husband, that's very different. And I don't know how many folks actually talk to mom-and-pop shops that are rooted in community, have been there for generations about what this means. We currently-- before minimum wage or paid sick leave was on the ballot, we were paying folks starting out at \$12 an hour-- one, to be competitive in the market. We are a capitalist economy-- and I'll talk a little bit about that in a minute. But we also know that that is, like, not even enough for people to take care of themselves or their families. But we wanted to do something. We wanted to make that move. And so we did not think about a carve-out for us to not pay \$15. We know that it's important,

and that's the floor. With paid sick leave, we do not offer benefits, and we know that that does create a hardship for our employees that we would have. It would mean that they would have to decide between actually being sick and being at home or coming into food service and getting everyone else sick. And so I think that there is kind of this idea and narrative about what does it mean for mom-and-pop shops and, and how we help them navigate this when really if we wanted to provide support we wouldn't have taken money out of the Business Innovation Act. We would put more resources and grants into allowing them to build their infrastructure. We would ensure that they could offer competitive benefits because it's a win not only for that business but that employee. And so I don't think that paid sick leave should be made to be the scapegoat. I think that government can step in and provide support and an infrastructure that allows for both to be successful. And I, and I think that kind of gets into my ideas and thoughts around a capitalist society. And I, I, I do agree with Senator Jacobson. We are a capitalist society, which inherently is extractive. And so I always have to remind myself that as we work within these social systems that isn't-- that is extractive, it creates an other. It makes an-- and drives revenue and opportunity off of the backs of the majority. And that's where government actually steps in. So while we have this type of economy, government is what creates those strong social safety nets. And this body has made it harder for those to access that. And so I think, again, I'm challenging our approach as legislators of how we step up. We are not in the private sector. I'm not wearing my mom-and-pop shop hat. I'm wearing-- and in the role of being a state senator. And I'm representing state government on behalf of all Nebraskans. And so what does that mean for the policies and approach that we pass and we sit in? That's a very different space. And we are not aligning to the values that need to be there in order to see all Nebraskans to have access and opportunity. We shouldn't make it harder to access community benefits. We should be investing in economic development that has a high return on investment.

KELLY: That's your time, Senator.

SPIVEY: Thank you, Mr. President.

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

CLOUSE: Thank you, Mr. President. I rise in opposition to the bracket. And I hope that we can get to the amendment so we can start having some discussion on it. I want to talk a minute about this ballot

initiative and, and try and just put some thoughts behind it of how this transpired and what goes on with the ballot initiative. Obviously, we've heard this side that, well, they had people putting millions of dollars in to get this thing passed and, where was the other side? I submit that the other side, if they were small businesses, they were busting their tails trying to make ends meet. They were trying to keep their business doors open. They were trying to grow their business. And so they, they don't have the time or the money to put to fight these ballots initiatives. And the larger ones, 20 or more, as was mentioned in this, you know, they were already doing some of those things. So there really wasn't much opposition to that, I submit, because of those very reasons. Now, when I talk about the, the smallest business-- and, and that's what was intriguing to me on this bill-- and it was dealing with the smallest of the small. And I think that-- in my district, as I go around the, the other communities, I always support our small businesses. And I think to me and our Chamber, the small businesses are what makes our communities grow. And obviously, the smallest ones have the hardest time. They struggle the most. And to also put these mandates on them I think is, is a challenge for the, the smallest of the small. And they don't want grants. They don't want social, social nets. They want to work hard and they want to earn it and they want to grow their businesses. And they work closely with their employees. I submit that if you're a small business and you're not working with your employees and, and treating them fairly and treating them right, you're not gonna be in business long. And I think that's just the fact of life. And, and so a couple of the businesses in my community, I know that they're going to be closing their doors. Why? It's just simply because of how costs have gotten out of hand and it's just a challenge for them to keep their doors open. And that's sad for me to see. And so if-- are-- if there are things that we can do to help them as well, I think that's important and I think that's the-- again, that's the smallest of the small. And you have to ask yourself, do you support those small businesses? I can tell you that people know-- if we have a lot of one-on-one discussions, they know the coffee shops that I go to are the small mom-and-pop coffee shops. I don't go to the one that originated in Washington that's-- the corporate coffee shops that are taking over our small communities. Support the small businesses. I think that's important. And this is one way that we can support them to say, hey, we're helping you with this. We understand the challenges you're facing. And we understand what was happening on the ballot initiative. We know that that's a huge benefit to many, but we also know that there are sacrifices being made. And you as the smallest of the small are making those sacrifices, so we're here to help you out

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

as well. So I'm hoping as we get to these amendments we can sit down and we can talk about it and we can reach something that's workable, because certainly in these times and with the inflation and everything we're seeing, it's a challenge all the way around. And I know that they just want to work hard, they want to grow their business, and they want to keep our communities thriving. And so with that, I will yield the rest of my time. Thank you.

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

HUNT: Thank you, Mr. President. Good morning, Nebraskans. Good morning, colleagues, some of you the most evil and destitute-- morally destitute people that I've ever worked with this closely or known this personally. And I was listening to Senator Conrad speak this morning on my drive in, and I think, who are we talking to? Who are we doing this for? Who do we push the button and stand-- you know, we're not going to take this the full amount of hours. I'd like to get to a vote on the amendment, but, you know, worthwhile to speak to constituents before we take that vote if we all can take the opportunity to do that. But who are we talking to when the outcome of every vote, when the outcome of every decision is preordained, is figured out, is coming down from the governor, is coming down from the committee chairs who-- we've never had a less qualified group of committee chairs in this Legislature. Nothing for any of you to be proud of or brag about. And I think about what one of my mentors who's a former senator-- he's a Republican and he's a business owner-- and one of the things he says to me-- can you guys-- can you guys take your conversation-- one of the thing he says to me is that you're speaking to the future. And when you feel like, you know, there's nobody here today to listen to what you're saying and be moved by it, speak to the future, speak to the record. And I'm speaking to this bill, as many of you have, as a small business owner who's been building and running companies in this state for about 20 years. And I've done it never-- I've never done it wearing a suit, like some of you. I've never done it with a boss or a CEO or a board to answer to, like some of you. I've never worried about what my title is or where my office is or what it looks like, like some of you. But I've hired and fired people. I've done payroll. I've always been the one to get paid last, and I've made sacrifices to keep the lights on. Now I'm paying tariff bills out of nowhere for inventory I purchased in January that's higher than the cost of the inventory I purchased in the first place. I understand the hardships that businesses go through, as many of you do, as you've stood up and shared your own experience and spoken and said. But I've done everything I can to take care of the people that I work with. Not

just as employees, not just in the four walls of my business where we spend time together, but as people who are complex and interesting and have needs outside my business and who give me the blessing of their time to help make my entrepreneurial vision come true. And they do that in exchange for money, in exchange for benefits, in exchange for things that make the time that they invest in me and my business worth it so that we can build something better together. And that's the kind of attitude-- you know, when people say you need to run government like a business, well, I don't agree with that at all. But that's the kind attitude that I think government could benefit from. And it's a practice and a principle that has been missing from this Legislature, that we work together with the time, which is precious-- which a lot of you don't have that much left in your life-- and you're spending it in here not exercising your judgment or your free will, you're not in relationship, you're not reflecting the values of this institution or even your own values that you ran on-- and I guess that's something you live with, but that's why I oppose this bill. That's why I oppose LB415. Nebraskans spoke loud and clear when they voted to pass paid sick leave into law. They showed up in counties across the state and said that workers deserve time to care for themselves and for their families without losing income and without risking their job. And yet here we are. Not even six months after that vote, we're already being asked to weaken what the people have passed, to walk it back under the guise of clarity or helping small business or whatever. All of you who are standing up and saying this, you are helping yourselves. Take it from a small business owner here. We can do this. Get it together. Figure it out. Run your business. When the people speak together, that's something that we have to honor as lawmakers and in community. I would speak directly to the idea that the paid leave is too burdensome because workers earn 1 hour of paid sick leave for every 30 hours worked. That's it. That's not radical or excessive. It's basic humane policy. And it's not even that much time. It's not even that much time. It means it would take a worker nearly an entire month of full-time work just to earn a single paid day off. So I support this concept and I oppose this bill. Thank you, Mr. President.

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

GUERECA: Thank you, Mr. President. Good morning, colleagues. I was a little late this morning because I had to go and vote in the Omaha elections. And as I was driving to my polling place, I was thinking about what I was going to say on the mic this morning. And boy, did the good lord provide. As I was walking into my polling space, I came across a constituent who gave me an absolute earful about what we were

going to be doing here this morning. And it's the same old thing I've heard time and time again from my constituents: do you all not think we know what we voted for? I won't belittle the point. It's been said again and again and I've said it again and on the mic. And, and to Senator Clouse, I do support small businesses. I also go to the small coffee shop. I don't like that Seattle brand. Local is always better, in my opinion. And local is always better because that small business, that-- the-- it's-- there's a story behind it. That, that family, that, that individual worked hard to put their business together, to collect the capital, to make the thing work, to deli-- to find a product that the market will accept because we are a capitalistic society. We absolutely are. If you have a great product and you can find a market for it, you have every right to sell it and make money. Absolutely. But we as a society are well within our rights to set parameters of how you operate in our market. You want to do business in our state, in our country, you're more than welcome as long as you follow these parameters. Right? Child labor is no longer allowed because we as a society made the intentional step of saying that's not OK with us. That is not within the morality of our society. We have set a minimum wage saying you cannot pay less than this if you want to operate and make money within our markets. That is absolutely within the rights of us as a government, the representatives of the people voted upon by 40,000 Nebraskans-- we all represent about roughly 40,000 Nebraskans-- we are absolutely within our rights to say these are the base parameters if you wanna operate within our markets and make money here in Nebraska. Now, within that framework of government, we have the petition process where the cit-- the citizenry of this state can go out, collect petitions, and put forth a question on the ballot of whether or not to take a certain action. And what we saw in November was just that. Within the framework of our society, of our government, a group of citizens put together an effort to collect signatures, put on the ballot where an overwhelming amount of Nebraskans said, to operate within our society, if you want to make money here in Nebraska and operate as a company, here are base parameters, the bare minimum to operate here in Nebraska. That's what they said. Now, was just having a conversation off the mic with one of our colleagues, you know, with the, the forthcoming amendment-- you know, it's gonna affect only the smallest of businesses and how it's going to be a, a burden on, on our small businesses. Well, colleagues, what I'll say to you is, I guarantee you, most of these three- and four-person businesses, if your colleague is sick, if their kid is sick and they need to be covered, that's already happening. And that's the argument I'll hear again. Well, it's already happening. We're already taking care of each other. I'm not here to look after the good

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

actors. Colleagues, we're here, remember, to set that bare minimum. We're here to take care of the bad actors, to make sure the bad actors do not take advantage of our citizens, of the residents of this state. We're here to make sure to put the bare minimum protections so that single mother working at a diner who has a bad boss is able to take-- who does-- should, should not have to choose between taking her sick kid to the, to the doctor and making sure that she can pay rent. Bare minimum. If you want to make money in our capitalist society here in Nebraska, you will adhere to the bare minimum. Thank you.

KELLY: Thank you, Senator Guereca. Senator Holdcroft, you're recognized to speak.

HOLDCROFT: Question.

KELLY: 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 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: 25 ayes, 1 nay to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Armendariz, please return to the Chamber and record your presence. The house is under call. Senator Holdcroft, we're missing Senator Armendariz. How do you wish to proceed? We will proceed. The vote was underway. Senator Holdcroft, will you accept call-ins? Mr. Clerk.

CLERK: Senator Jacobson voting yes. Senator Storer voting yes.

KELLY: Record, Mr. Clerk.

CLERK: 25 ayes, 5 nays to cease debate.

KELLY: Debate does cease. Senator Machaela Cavanaugh, you're recognized to close.

M. CAVANAUGH: Thank you, Mr. President. Well, thank you, Senator Holdcroft. I got a, a captive audience now for my close. So we are going to get to a vote on this and then move forward with Senator Strommen's next amendment. I do have some other things filed, but, you know, I'm just, I'm just trying to be a nice colleague to you all,

make things go a little bit smoother. I know. It, it, it-- it's a confusing statement. Just kidding. Sorry. People, people at, at home didn't see I-- anyways. Yeah. So I am going to stay in opposition to attaching the paid sick leave restrictions because I do not believe in undoing the will of the voters. But as I said in my opening, we don't have enough votes here. They sent people here that are going to vote to take away their votes at the ballot box, and I guess that's up to the voters. They can decide. I have faith in them. I, I think that they know what they're doing or what they're voting for, and they voted for you and they voted for this ballot initiative. I'm not going to take away the ballot initiative. And you're still their representative, so I guess they can make different decisions the next time your names are on the ballot if they feel that that's appropriate. But, you know, this is kind of what happened in 2024, is that we had a slew of ballot initiatives that were successful. And then they came here and we had a slew of people who didn't win elections or people who did win elections, and they also came here. And those two groups of things did not align. So, so that's fun. It's been fun. It's been a fun year. It's been a fun year of policies that really target low-income, hardworking Nebraskans, target education, target secondary education, target kids in their bathroom usage. Real top-notch work we're doing this, this session. The felony factory, the fil-- fiscal fiasco. It just goes on and on. And the rest of this week is going to be a real gem. We've got a, a budget that we've put now on Final with multiple amendments still pending. And it has to pass on Thursday. So that's fun for everyone. And we-- we're going to try and spend more money later today on inheritance tax. So another, another great hit for us. And then tomorrow we're gonna, you know, make sure that kids are getting urinary tract infections in school because they're afraid to use the bathrooms because of what the State Legislature does. That's awesome too. Yay, us. Go team. All right. I yield to the chair.

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

CLERK: 11 ayes, 32 nays to bracket the bill, Mr. President.

KELLY: The bracket motion fails. I raise the call. Senators Machaela and John Cavanaugh would like to recognize some guests in the north balcony. They are from the Dual Language Academy at St. John of Ar-- Joan of Arc in Omaha. Please stand and be recognized by the Nebraska Legislature. Returning to the queue. Senator Dungan-- Mr. Clerk for an amendment.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

CLERK: Thank you, Mr. President. Senator Strommen, I have AM743 with a note you'd withdrawn and substitute for AM1337.

KELLY: It is withdrawn. Without objection, so ordered. Senator Strommen, you're recognized to open on AM1337.

STROMMEN: Thank you, Mr. President. This amendment that we've got up here is the result of several rounds of negotiation between Nebraska business community and representatives of the Fairness Project, the organization which funded a significant portion of the paid sick leave initiative, as well as Senator Dungan's and Senator John Cavanaugh. This amendment would exempt employees with five or fewer from paid sick leave level requirements as opposed to ten and would exclude individuals under 16 years old only if they are emancipated minors. To reiterate on the whole, what we're trying to do outside of these changes is exempt owner-operators as well as contracted employees, excludes seasonal ag workers like custom "harvesters" and detasslers. Clarified paid sick leave is not paid out upon termination, clear up paid sick leave requirements for commissioned or mileage-based employees, confirm existing paid leave policies count if they meet the law's purpose, and rein in small business exposure by bringing the civil lawsuit statute of limitations to one year-- it had been four. All this to provide more flexibility for our state's smallest employees. Again, I'd like to thank those individuals that helped work on this. And I yield my time. Thank you.

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

DUNGAN: Thank you, Mr. President. And good a-- good morning. Not good afternoon yet. Feels like afternoon-- colleagues. So I, I do believe that I rise in favor of AM1337, but I wanna be clear about a couple of different things. AM1337, in my mind, represents a harm reduction but certainly does not necessarily put us in a position where I can be supportive of LB415 as a whole. And I want to be-- I want to be clear about a couple of those reasons. So the voters obviously passed this ballot initiative. And in that ballot initiative, they did not create some line in the sand where there would be a larger business or a smaller business that would be exempt. And what we know is that, statistically speaking, the majority of Nebraskans fall into small businesses. And those are people who need paid sick leave as much as anybody else. And I could sit here and go on and on about the benefits of paid sick leave, not just individuals and creating a more well-supported economy, but I-- we could talk about the macro-level economic benefits of pay sick leave as well. Keeps people in the

workplace, makes it so you don't have as high of turnover, puts more money in the pockets of individuals so that way they can go into the economy and spend that money, thereby increasing the amount of capital that is circulating in the economy. There are clear economic benefits to paid sick leave policies, and the people of Nebraska voted and they are clear about what they want. The way that LB415 was amended on General File-- which essentially completely gutted, I think, any of the paid sick leave provisions that were voted by, by-- voted for by Nebraskans I think left us in a situation where-- honestly, it was clear, as Senator Cavanaugh has said multiple times, where the votes lie. And in a world where you know where the votes lie on certain issues, I think that there is a obligation that we have to the people of Nebraska to do everything that we can to try to improve their lives in small ways here and there and to try include individuals that might have been exempted under the original language of LB415. So to be clear, colleagues, I, I will probably be voting green on AM1337. I do appreciate Senator Strommen's willingness to sit down and have conversations and, you know, him and I, I think, have some fundamental disagreements maybe about what is good for the state of Nebraska. But at the end of the day, I think that it's good when we can all get together as legislators and have conversations that are civil and we can make sure we can talk about bills. But even if AM1337 is adopted, colleagues, I, I do not support LB415. I've been clear about that since the beginning, that any changes will likely not get me on board by virtue of the fact that I think anything we do with regards to the modification of what the voters passed with the ballot initiative for paid sick leave in terms of limiting the businesses that applies to ultimately is undercutting the will of the people. As we've been sitting here today, I've been getting emails from people who are talking about some of the issues they have with the Legislature. And, you know, I don't know if it's our exhaustion and frustration boiling over or if it's simply that people are reading the news and seeing the decisions that we're making in the Legislature on a regular basis, but my inbox, colleagues, seems to be full of frustration. And I don't know if yours is the same. I sit here and I, I read through every email that I get to make sure I kind of know where my constituents and people across the entire state of Nebraska fall on certain issues. And it has been consistent that on issues like this they are frustrated with what we are doing, they are-- frustrated's a nice word, by the way. I can't use all the words I think that are in some of the emails I get on the mic-- or, at least I don't want to. But they're, they're frustrated at the decisions we're making here and they feel as though they are not being heard. And I think the part that has me the most concerned and the part that gives me the most, I think, sadness about

the decisions we are making is-- well, obviously, the impact it's going to have on everyday working Nebraskans, but it's the amount of people that I've heard from who say they don't want to vote anymore because they went to the ballot box and they made their voice heard and issue after issue this Legislature has walked back or completely undermined what they said. And it's a really, really sad day when you get emails from people or when you get phone calls from folks or even friends of mine who I know are regular voters talk to me and they say, what's the point, George? Why am I doing this? And it's hard to have hope. And all I can say to them is, you know, we have to continue to fight. We have to continue to push forward. And if you don't make your voice heard, then you don't have a leg to stand on. So I say to Nebraskans, I get that it's frustrating. I'm frustrated too. But we have to keep showing up. We have to keep trying. It's the one opportunity you have to make your voice heard. And if you continue to make that effort-- it may feel like a crawl, but it is worth it. Thank you, Mr. President.

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

STORM: Thank you, Mr. President. Good morning, colleagues. Is the state of Nebraska going to be governed by ballot initiatives? That's going to be the question moving forward. Let's look at Nebraska Initiative 436, or the paid sick leave initiative that passed last year. And I want to look at who, who financed this and who paid for this initiative. First of all, supporters contributed over \$3 million-- to be exact, \$3.354 million to pass this initiative. The opposition contributed zero dollars. So we're in a state now where it's pay to play. Show up, millions of dollars, pass laws. That's what Nebraska's governed by. The top donors of 436: Sixteen Thirty Fund, \$1.9 million, based out of Washington, D.C; Nebraska Appleseed Action Fund, \$466,000; Open Society Policy, \$350,000-- this is George Soros's group. Keep that in mind. This group was founded by George Soros. The world's largest fundraiser of progressive groups worldwide is George Soros, based out of Washington, D.C. And then the Fairness Project, \$329,000, based out of Washington, D.C. So progressives in Washington D.C. are influencing the state and passing laws. And that's what we're up against with Nebraska. The Fairness Project-- you can go to their website and look at it-- they promote general economic and social justice throughout the U.S. by the use of ballot measures to circumvent state legislatures and executive, and executive branches of government. So that's what we're up against in Nebraska. And I think we need to-- we need to truly understand that. George Soros is running this state through ballot initiatives. And moving forward-- and this

amendment that came up now is a compromise. It's a compromise because we have outside influences-- are descending on this state to make sure that what-- they can have their influence on all of us. I want to read a little bit about the Sixteen Thirty Fund. Sixteen Thirty Fund, what is that? The Sixteen Thirty Fund is a hub of undisclosed political spending-- dark money-- on the American left. That's who financed 436. It's, it's-- they, they specifically work on progressive projects. And like Senator Cavanaugh, Machaela Cavanaugh, said, they don't have the numbers. They can't win elections like they should. This is how they're going to control the state of Nebraska. George Soros is going to come here, spend his money, pay people to stand on corners, get signatures, get on the ballot, vote for it, new law. Then we come here as a Legislature, we have to deal with that. We have to try to make that work. And that is what we're up against. And I can't reiterate that enough to people that that's how we're getting-- we're controlled by. Why do we need a unicameral then? George Soros is going to run this state, why do we need a unicameral? You know? Let his people run the state of Nebraska. You don't need us to come here every day. You don't need elected officials. All you need's George Soros. And that's all I wanted to say. I'll yield back my time, Mr. President.

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

McKINNEY: Thank you, Mr. President. I am opposed to AM1337. And Senator Storm, who, who paid for those other ballot initiatives that-- you know, the abortion things like that, who paid those millions? Is-- it, it-- it's not just people who you deem on the left or progressive groups that have been pushing ballot initiatives. What about the ballot initiative to, you know, do the death penalty? Who paid for that? So it-- don't act as if it's just people who you deem on the left that have been pushing forward ballot initiatives in the state of Nebraska. Just call a spade a spade. Secondly, you know, Senator Jacobson said that Senator Wayne stole money from the Perkins Canal Fund. And that is far from the truth. Because if he wants to say Senator Wayne stole money, then he stole money because he voted for the bill. And if he wants to say Senator Wayne or myself stole money, then the Governor's Office stole money because they agreed to the deal. Why did you vote for the bill if you felt like that? And I went back through the votes, and he voted for LB1024, voted for LB531, voted for LB164. So he stole money too if, if he's working under that premise. It's just-- I, I just think it's very funny how people stand up and try to have these strongman talks and, oh, you need to-- this is-- it-- it's just funny. I, I kind of laugh in my head. And then I went through and saw that \$50-plus million went to places not in Omaha

or Lincoln-- and more than that, honestly. But people will have you thinking that the economic recovery dollars were just for north Omaha and south Omaha. Secondly, when Senator Jacobson stands up and says there are no identified projects or nothing is going on, that's also far from the truth. There's a development going on for a business park. There's development going for a innovation district. There's also other tasks that have to be done, like developing housing and things like that. So when you stand up and say that there-- there's no identified projects, all that tells me is you voted for a bill you didn't read. It's just-- the, the hypocrisy and the, and the, and the stuff people stand up and say in this building. Just be honest. Don't, don't be one-sided. Don't be biased. You gain more respect from me if you just be yourself and just say what it is. But we don't have that here. And I-- you know-- and then I guess people feel some type of way because I said the vote yesterday was wrong. It was wrong, totally wrong, because people went against the words that they said on the floor. If people didn't stand up and say we must protect investments and, and we must project future investments that the state has already passed in, in other bienniums, then I wouldn't be as disappointed and upset with you. But that's what, what happened. Pick and choosing which investments to protect. And if your community lost something, then I would implore you to stand up and fight for it. Don't just sit down and let them do this to us. We are the Legislature. The governor doesn't run the Legislature-- well, he shouldn't. But-- if I'm-- I'm disappointed about it, then if something happened in your, your district, I would tell you to be disappointed about it too and stand up and, and express yourself. Because if we started to express ourself and push back against people outside the glass, maybe this Legislature would actually be working for the people and they wouldn't have to go push ballot initiatives. And I'll leave you with a quote from Malcolm X because I think this is true: they crippled the bird's wings and then condemn it for not flying as fast as they. And that's what happens here. A, a system that has been working against people for forever and they complain about it and then they want to lock our kids up because, you know, that's the solution or they want to build prisons because that's the solution although it's gonna cost a billion dollars and we don't have the money. But we're still going to build it. It's just-- it's interesting. It's really interesting. But thank you.

KELLY: Thank you, Senator McKinney. Senator Hansen would like to recognize some guests in the north balcony: fourth graders from Fort Calhoun Elementary. Please stand and be recognized by the Nebraska Legislature. Senator Conrad, you're recognized to speak.

CONRAD: Good morning, colleagues. And it's lovely to welcome another group of fourth graders to the people's house. So I'm glad that they're here today. Yesterday, I mentioned perhaps a bit informally about some mansplaining that was happening in the Legislature. And so as a counterpoint to that, I'm going to offer a little momsplaining this morning. And I want to specifically talk about how this measure hurts working moms. Because we know that in Nebraska we consistently have one of the lowest unemployment rates in the country. We consistently have some of the hardest working people in the county. We consistently have the highest percentage of people working full time, year round, yet living in poverty. We know that we statistically have one of the highest percentages of moms working outside of the home. We know that we have a persistent and present wage gap, gender wage gap in this state that has evaded resolution. We know from the statistics that more than three in ten workers in this country have no access to paid sick leave of any kind. And women, women with children, suffer disproportionately from a lack of access. 40% of mothers say they are solely responsible for staying home from work with sick kids, compared to only 3% of dads. The workers who would benefit the most from paid sick leave policies include women, workers of color, low-wage workers, and service workers. We know that paid sick leave measures increase women's employment by over 1.2 percentage points, with an average increase in income and wages and salary of approximately \$2,300 a year, accompanied by steady decreases in poverty in years after implementation. The effects on family well-being, women's well-being, economic justice and prosperity, and seeking to wage-- close the wage gap see the strongest impacts among mothers and women who don't have a college degree. We hear politicians talk a lot about family values, but supporting family values means supporting families. It means making sure that working moms don't have to choose between a paycheck and their health or their kid's health. It ensures that sick time can be used for a short-term illness, like a stomach flu, or to attend an appointment or seek preventative care or assist with medical checkups for themselves or a loved one. We know that when women have access to earned sick leave, they use it responsibly and appropriately to care for themselves and their families, and we see health impacts and we see economic impacts. And those are positive. We know that we have significant challenges with maternal health in Nebraska. Ensuring working women in Nebraska have access to modest but meaningful earned leave means that pregnant moms can take care of prenatal appointments. It means that they can care for their children when they're ill. It means they can carry out the many additional duties they have as caregivers for aging parents or loved ones. We know that this measure makes a positive difference for women fleeing domestic violence.

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Floor Debate May 13, 2025

They-- those advocates and leaders were at the forefront of this campaign and talked about how this kind of policy was meaningful and important to supporting domestic violence victims and survivors so that they could seek safety and have better lives for them and their families without reprisal or retaliation on the job when they needed to take care of their health. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Quick would like to recognize some guests under the north balcony: his father, Dale; his wife, Alice; and his son, Stephen Quick. Please stand and be recognized by the Nebraska Legislature. Senator Storer, you're recognized to speak.

STORER: Thank you, Mr. President. Good morning. I rise in support of LB415 and support of AM1337. However, I am frustrated at some of the, the, the need for some of these compromises. I was elected. You know, we've-- I've heard a lot of talk down here about who we represent, what we're here to do, and it's pretty clear to anybody observing that follows the Legislature that there is indeed a difference in political ideology and we have conservatives prim-- generally and we have progressives. As a conservative, I ran and I promised the people that I represent that I would come down here and fight for small business, which the backbone of my district and really the backbone of this country was founded on small business. I promised I would come down here and fight-- and fight for individual freedom. I promised I would come down here and try to implement some common sense. And I promised that I would come down here and do my best to roll back unnecessary government regulations. And I'm going to follow through with that every step of the way. What I'm disappointed in, as I've sit here and los-- listened to a lot of the name-calling and insinuations, is that that has any part-- and I'm not going to do that. I'm not gonna call out individuals and throw insults, because I think that's belittling to this position. I think that's belittling to this institution. Everybody wants something for free. And, yes, the people of Nebraska voted for this and we are here to respect that, but what LB415 and the amendments with AM1337 are doing is the responsible measure to take that ballot initiative and make sure that it can be implemented in a responsible way without being disrespectful-- thank you-- without being disrespectful to the will of the voters but to do what we know needs done from our position as elected officials to make sure that it doesn't ultimately hurt the economy and small business here in Nebraska. When you're a small business with three or four or five or ten-- and by the way, I have, I have a lot of emails from my constituents, so I know I'm representing them to support this. When you're, when you're a business owner and you have-- let's just pick a

number-- I don't know, four, and you now have to adhere to the mandatory paid sick leave and you have employees that are going to decide to take 100% advantage of that-- and I'm sorry. You cannot tell me that there are individuals that maybe take a sick day when they're actually not sick. We're human. So when you're the employer trying to manage a schedule of three or four employees under those circumstances, what ends up happening is somebody's going to get paid overtime or maybe the doors close early. There's an economic consequence to that. This is not-- this is not without cost. And I always get so frustrated when everybody wants all these additional benefits to make sure that we're going to-- we're going to be-- provide, provide better economic benefits as if it's not costing somebody. This is-- there is no money tree we shake. Actually, I guess there is. It's called the taxpayers. It's called a shakedown, that's what it's called. So, so when we're making-- having this conversation, I just-- and I-- I'm speaking to some deaf ears in this room, but we're talking about real money, real businesses-- and, yes, that includes employees. But if I'm an employer and I'm having trouble hiring somebody, then you know what I'm gonna do? I'm going to offer better benefits. Or I'm going to offer better pay. That's called competition. That's called what it takes to employ and have, have the, the-- not only the services but also the employees that I need to run my business. And when government steps in the way and starts mandating those things, you take away the freedom of those individual businesses to compete in a way that oftentimes provides better benefits than what government can come up with, quite frankly, in a more cost-effective way. So I just want to be-- I just want to be clear about who I represent. I represent a district filled with proud small business owners who are begging me to do what we can with this ballot initiative to ensure that they are not in a position to shut their doors. Thank you, Mr. President.

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

SPIVEY: Thank you, Mr. President. And appreciate the dialogue this morning. And welcome again to-- Senator Quick's family. I think it's always nice when family comes because they really lend them-- lend that person to this body and the time. It's really difficult on family structure and all of those things, and so I enjoy when we get to meet people's family and they get to see live and in person the, the work that we are doing here. And so I just wanted to add some just more high-level color and comments to the discussion that is in front of us, which I appreciate today. And so I do think-- I just want to start out with the-- there is a difference between being a small business

owner, being a mom-and-pop shop, hearing from small businesses, and actually understanding economic development and evidence-based practices and how you spur economic development, and I hope some of the conversation can actually be in the latter. We all have experiences running something, doing something, but if you don't have the actual framework and work of doing economic development, I think it's a little bit different approach and intention, and I hope people situate in, in really that part of the conversation versus their feelings. The other thing that I wanted to add-- and I appreciate Senator Storm bringing up ballot initiatives in itself and what does it mean to pay to play. Nebraska has one of the most accessible ballot initiative processes because we believe in the voice of the people. We believe in smaller government. And so it is actually a benefit and it's beautiful that everyday citizens can actively participate in the policymaking process. We are conduits to our constituents. We are not the end all be all. We have a finite perspective and narrative. And the ballot initiative process allows for people to participate that maybe cannot run for office or that have great ideas and know what they want to see and vision for their state or their city and cannot participate, participate in the same way as an elected official. So I actually think it's, it's a benefit and it shows the trust that we have in each other and what we hope to vision for our state. And so with ballot initiatives, I want to bring up the two competing abortion initiatives as well because there were three large families or people that funded that initiative, the same families that actually funded to reverse the will of the people on the death penalty. So I want that to be on record and to be clear. So Marlene Ricketts gave \$4 million. Pete Ricketts, \$1.15 million. Tom Peed, \$550,000. Shawn Peed, \$1.05 million. \$30,000 came from the Catholic Diocese. And \$1 million from Common Sense Nebraska. And so again, when you talk about ballot initiatives, buying media, providing awareness, it happens on either side of the aisle whether you consider yourself a conservative or a progressive, a Republican, a Democrat. That is not the point. It costs money to do a ballot initiative, and we see that on both sides. The point is, is that voters know what they are voting for. The Attorney General puts together and writes a statement that is on the ballot that voters say, I understand what I'm reading. It's very clear. Again, we talk about the importance of the Attorney General here-- folks have defended that office. That is what's put forward that the voters vote on. And so there, again, is money spent on either side of the aisle, whatever political ideology that you have. The whole point around ballot initiatives are that voters get an opportunity to use their voice especially in circumstances when they feel like their elected officials are not aligning to their will, are not honoring

what they want to do. They can put forth the policy which they wanna see, and there's a collective majority decision. And that's what happened here. And so I just want to kind of reframe that conversation for folks that maybe don't work in the ballot initiative space or haven't worked on the ballot initiative space or within economic development to understand evidence-based frameworks. So again, I hope that we can continue to have a fruitful conversation around the amendment at hand, AM1337, which I oppose. I hope that folks can really start to have discourse and challenge each other around what we are talking about today and figure out, again, how do we not undo the will of the people and truly show up for what Nebraskans are asking of us and challenging of-- challenging us to do. They're disappointed in this body. They're disappointed in us. And I think that we can do better and I think that they deserve better. Thank you, Mr. President.

KELLY: Thank you, Senator Spivey. Senator von Gillern would like to recognize some guests in the north balcony. They are fourth graders from Morton Elementary in Omaha. Please stand and be recognized by the Nebraska Legislature. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I like the shirts, kids. My character counts, I think, right? That's what it says? Yep. I think that's a good philosophy to instill in kids that character counts, and specifically your own character. So I'm rising in support of AM1337 but still opposed to LB415. So this is one of those situations where I don't agree with the idea of the bill overall. I'm-- you know, respect the will of the voters of the state of Nebraska and specifically the will of voters in my district. And I actually-- I just want to point out Senator Spivey listed off a lot of the contributions for specific campaigns. And I think Senator Spivey said \$4 million was given by one person to one of these campaigns. Well, \$4 million by one person. So that-- of course, how much money somebody gave and the source of the money doesn't affect why I voted for something. It doesn't affect the fact that Nebraskans voted for this. And the fact the people, you know, throw sand in the gears on all of these sorts of things and disparage the outcome of these elections. And, you know, I've said this, you know, before about the old law school analogy is, you know, when you're arg-- making an argument, if the law's on the side-- your side, you pound on the law; when the facts are on your side, you pound on the facts; and when neither's on your side, you pound on your desk. And I view this as desk-pounding, where people get up and say, sure, the voters voted for it, but. And they say some sort of thing about the ba-- the signature collection process or they say something about where the money came

from or they say something about that there was no opposition campaign so people didn't know what they were voting for. The fundamental thing is-- the one thing we know for sure is that the voters did vote for this. So-- and, and no voter is the same. They're not a monolith. They voted for this for their own specific and individual reasons. And some people voted for this particular ballot initiative because they work at a company that only has four employees and they wanted to get paid sick leave. And so those folks are going to be left out even under AM1337. But there are a whole host of folks who voted for the ballot initiative because they work for a company that has nine employees and they were going to get left out without AM1337. So I support AM1337 because it is a harm mitigation-- and I think folks have talked about this a bit. It is a-- LB415, as is drafted, cuts out, like, 130 million people. AM-- or-- I'm sorry-- 130,000 people, not 130 million. We don't have that many people in Nebraska. But, 130,000 people. AM1337 only cuts out about 100,000 people. So 30,000 more people are going to get the benefit of the ballot initiative under AM1337. So that's why I'll vote for AM1337. But I still oppose the idea of cutting out those other 100,000 people. I am in favor of respecting the will of the voters and I'm not-- I have not stood up and criticized the ballot initiatives on reproductive health care because of the fact that one person gave \$4 million to that, though I-- you know, I think that's an interesting point, but I don't think it's relevant. I think the voters voted for that and that we have as a Legislature acted, I think, in respect-- with respect to those ballot initiatives-- or at least are trying to. And so we should hold ourselves to that same standard when it comes to all of these ballot initiatives, is be respectful to the will of the voters. And the people in here who, who don't like that, you can run your own ballot initiative. You can go and talk to your voters. But I have said this previously: I would like to hear from anybody who ran on the platform of denying paid sick leave. When this was on the ballot and you were on the ballot, did you go door to door and talk to people and say, vote for me and vote against paid sick leave; or, vote for me and, if you send me there, I will repeal this or walk this back or water it down? So I am voting for AM1337 because it helps more workers than the bill as currently written. But to be clear, the bill is-- as currently written or as amended still hurts over 100,000 workers. And so I'm opposed to hurting those working people. And I want to be respectful of the will of the voters. So I would encourage your green vote on AM1337 regardless of where you are on the underlying bill. Thank you, Mr. President.

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

HANSEN: Thank you, Mr. President. I, I, I think it's an interesting conversation that we're having here and I think it's relevant and I think it's appropriate. I am not a huge fan of AM1337. I understand the approach that Senator Strommen's trying to do here. I think he's trying to find some middle ground. I just want to make sure, colleagues, that we are not trying to legislate out of fear, the idea that if we don't appease certain people that there may be another ballot initiative down the road that's going to make this much worse. And that's another thing I kind of want to bring up a little bit here when it comes to the ballot initiative. When is too much-- when is so much too much? And I'm, I'm, I'm trying to understand this. It gets to a certain point where we have to think about the people we are affecting-- not just the people who are getting the benefit but also the people who are the victims of these ballot initiatives. When it comes to paid family leave, the business owners. I'm not against paid family leave. I have it in my own business. I have PTO for my, for my emplor-- employees. You know what? And even if they do use up their PTO, I'm gonna work with them every chance I get to make sure they can get the time off that they need to take care of their family and themselves. That's a good working environment. And I like to believe that majority, if not almost all, small business owners, especially in the state of Nebraska, follow that same kind of philosophy. And so it gets to a certain point where, when does it actually-- I wouldn't say ruin the business owner, but affect them too much where they cannot come back from it? The road to hell is paved with good intentions. So a lot of times things sound good and we're trying to help as many people as we possibly can, but I think sometimes that can actually backfire on us and hurt small business owners, and they end up quitting, they go into automation, they go into AI, and in the long run we actually hurt the people we're trying to help more. So we gotta thread that needle. AM1337, I think, actually-- going from ten employees down to five, we have now just added thousands of small business owners on paid family leave who are already on a shoestring budget and, and making a very difficult decision on whether to keep their doors open or follow the rules that we pass. And I'm glad Senator Storm actually had some-- started some discussion about how we approach ballot initiatives in the state of Nebraska. He made some good points. It is very-- along the same lines as a bill that I brought here-- I think it was about two years ago, maybe three years ago-- about how we fund a ballot initiative in the state of Nebraska. And I think we all understand that maybe it's becoming a growing

problem. I think actually both-- I think senators on both sides of the aisle understand that it can become a growing problem and that it is. And so how do we approach that and how do we follow the constitution in the same aspect? I had a bill that said, if you're a resident of the state of Nebraska, you could donate as much as you wanted to a ballot initiative because I think ballot initiatives should be run and funded by those people who are actually residents of the state of Nebraska. And I would like to think that philosophy follows suit with many senators here in the Chamber. But then I also-- because, I guess, according to our constitution, that's-- you can't really quite take that approach. And so then I also-- I said, if you were to live outside the state of Nebraska, you could donate-- I think it was \$10,000 or maybe \$20,000 towards a ballot initiative. But if you're a resident of the state of Nebraska, then your name was public. So if George Soros really wanted to come here and donate a million dollars towards the ballot initiative, he had to move to the state of Nebraska. And then his name is public and people knew it wasn't Americans for Freedom. That-- we're donating a million dollars towards the ballot initiative. I know-- and it-- people have no idea who they are. We need to know who these people are. We need to know what they stand for, we need to know their philosophy so I think people in the state of Nebraska make better decisions about where this money comes from. And as a tribute to Senator Blood-- which I never thought I'd ever say-- follow the dark money, folks. And friends all. Yes, thank you.

KELLY: Thank you, Senator Hansen.

HANSEN: Thank you.

KELLY: Senator Machaela Cavanaugh would like to recognize a guest under the north balcony, and that's Elaina Sperry, a graduate from UNO in Omaha. Senator Wordekemper, you're next in the queue.

WORDEKEMPER: Thank you, Mr. President. I'd like to stand up in support of AM1337. And I want to thank Senator Strommen for working with this amendment to address some issues from a few different groups. I had a concern with attorney fees and, and, you know, how to hold bad actors accountable. And the hopes is that you don't have any. And, and so I think having language in there to be able to have-- somebody that doesn't want to follow the law, whether you're the employer or the employee, I think it's good to have some legislation in there that can be looked at and to maybe not harbor anybody to take foolish actions against one or the other so that, you know, they're legitimate. And I, I think that's good. I appreciate him looking at that, putting that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

language in there. I know he worked with some labor organizations and some other ones to get the right language. I do believe that the voters knew what they were voting for on this. But on the other side of it, I, I also understand small businesses. And, and there has to be a compromise on them being able to still stay in business, employ some employees, and, you know, help all our small towns. So I, I appreciate every-- everybody that come to work on this. I think the bill with the amendment is a move in the right direction, and I, I support that. Thank you, Mr. President.

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

MOSER: Thank you, Mr. President. Good morning, colleagues and Nebraskans. These two bills, the paid time off and the minimum wage, were both supported by outside interests. The minimum wage bill was supported with \$3.4 million, and they got 300,000-some votes. So they spent about \$10 a vote to get that resolution passed. It's not so much a voice of the people as it is a voice of outside interests from Washington that want to change how we live in Nebraska. Both of these bills favor large corporations, people who have economic clout, who can price their merchandise however they want, and they can pay whatever wage they have to. But small businesses don't have that kind of clout. They don't have that kind of leverage. And these two bills put pressure on small businesses. It's not going to affect my business. I-- you know, it's not going to benefit me to change it one way or the other. But the cafe where I go off and go eat, the owner pulled me aside the other day and she said she pays a tipped wage and then they get their tips. But if they don't make \$15 an hour, she has to pay the difference. And she said quite often they don't get anywhere close to \$15 and she has to pay it. She said she doesn't even pay herself \$15 an hour because she doesn't have enough business. It's a great little place to eat. It's, it's very well-run. You know, she-- I'd like to see her stay in business. Then the same story with the donut shop where I went this morning. I got a breakfast sandwich from the donut shop because they're up all hours. So if I'm leaving town at 6 in the morning, they're still cooking already-- they're already cooking. And he's complained numerous times about the minimum wage. He has a lot of people that wait on people to come in the door and-- well, two or three people. I don't know a lot. But he also complained about having to pay the \$15 an hour. He said, you know, that's too much money for his business model. He, he would prefer that we try to do something to modify it too. So the voice of the people is really money from Washington. That's the voice of the people. And who wouldn't vote for free ice cream or more wages or-- you can work the

same place you're working but you can get more money. Why, why wouldn't somebody vote for that? The problem is there's not enough other people to pay all that money to keep all those small businesses in business. You know, I-- AM1337 changes it from ten employees to five. I like the ten better myself. I'll have to look at the compromise a little bit more. But again, the lectures about the voice of the people, that's baloney. It's the voice of Washington D.C. and big fat cats that made billions gambling on-- in, in their hedge fund or betting on currency going south. That kind of money shouldn't be what decides what we do in Nebraska. Thank you.

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

RAYBOULD: Good morning, colleagues. Good morning, fellow Nebraskans. I do stand in support of this amendment and commend Senator Strommen and Dungan and Cavanaugh in crafting something that-- they make this a lot better. And-- nevertheless, this is one thing that has saddened me throughout the debate on paid sick leave and, and, of course, minimum wage, is that I feel like the, the narrative has been hijacked and the conversation should be a more positive one instead of championing the fact that, because of the ballot initiative, more Nebraska families-- especially moms-- have access to paid sick leave now. I don't think paid sick leave is something that this body would have initiated and passed and accomplished if it weren't for the ballot initiative. This, in my mind, is a total triumph for our fellow Nebraskans. So I, I ask my, my colleagues here, please-- who worked hard on this, who worked hard on the ballot initiative, you should be taking a victory lap. This is something that we should be celebrating for more working Nebraska families. This is a positive thing that we have done. It is in a positive direction for our workforce. You know, each bill and measure that we work on, we, we strive for balance-- at least that's what I hope for, and that's what I think we all try to accomplish. We try to collaborate and cooperate as much as we can despite the fact that we have maybe competing interests or competing philosophies on how things should get done and what actually benefits our fellow Nebraskans. Do we fall short on our endeavors? Yeah. Sometimes daily. And sometimes I, I wonder, what can the Legislature do to be better, to be more inclusive, to be more focused on issues that really impact our fellow Nebraskans, like affordable housing and affordable child care? And I wasn't really quite thrilled how the debate on the budget went yesterday. But, you know, like all the things that we work on, there's always next year. And certainly on some of these issues, you know, we want to create that balance. We want to make sure our small businesses can offer paid sick leave without any unnecessary burdens

or unintended impacts that would restrict their ability to deliver on payroll and their commitment to the folks that work for them. The good news is this legislation can be amended and modified and improved next year and the following year just to make sure that we have got it right and that we are benefiting fellow Nebraskans. And then we make sure that the economic vitality of our businesses continues and that our communities continue to thrive. And, you know, I think we lose sight. There is absolutely nothing in this bill that prohibits small businesses from offering paid sick leave right now. We have a workforce shortage. All businesses need to be competitive on wages and on benefits to attract and retain workforce. So it would be in their best interest if they are able to do this and offer this and be as competitive as they possibly can be to make sure they retain great employees. For some businesses, it is entirely out of reach for them. They're on shoestring budgets, as you've heard Senator Moser talk about some of his encounters, that it is something that they would really struggle with. We've heard Senator Hansen talk about people going to more automation-- self-checkouts, you name it-- just to make sure that they can actually get by. It, it makes more sense for some businesses, if that's what they choose, to invest in self-checkouts rather than try to hire more people. So I think this is something we should celebrate and say, way to go. Way to go, Ne-- state of Nebraska. We have paid sick leave for more Nebraskans than ever before. So I wanna thank the ballot initiative workers. I know you worked hard in very trying circumstances, but you should be proud of the work that we've done. I'm proud of the Legislature for actually getting something done and trying to make it better, better for everyone and create that balance for businesses. So I stand in support of this amendment and in support for LB415. Thank you, Mr. President.

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

ROUNTREE: Good morning. And thank you, Mr. President. And good morning, colleagues. And good morning to all of those who are watching online this morning. I do rise also in support of AM1337 because it brings additional people under the umbrella. I was communicating with one of my constituents that had reached out this morning and asked that we continue to fight and invoke the will of the people. I said it's going to be a hard press. I've listened to all of the conversation this morning, and we understand the makeup of our Unicameral. Sometimes we know when a bill is coming on all we have an opportunity to do is stand up and express thoughts because when the vote is taken we know this-- how it's going to turn out. But I remember what the preacher said in the Book of Ecclesiastes. And he

said, the race is not always given to the swift. Said, the battle is not given to the strong. And there's a part in Matthew 24:13 that says, but he who endures to the end, the same shall be saved. So it may look like we may not win. It may look like we may not win the race, but we are called to endure. And as I reflected on that this morning coming into work, I thought about our orientation here in the Unicameral. And we talked about the collegiality. We've talked about that a bit in the last days. And we talked also about the art of the negotiation and understanding and respecting our institution. Sometimes we're not going to get everything that we want. But if we each can get 70% and it benefits the people, then that's what we'll look at. I had the honor of negotiating with Senator Wordekemper-- he's not here-- in the orientation, but I thought we did a really good job of coming to an agreement and getting a win for both sides. I also thought about the Scripture where Jesus said, judge not that you be not judged. We have a lot of judgment sometimes. Get up and call it out by name. Said, but for with the-- what judgment you judge, you shall be judged. And with the same measure you meet shall be measured unto you again. Why beholdest thou the mote in his brother's eye but not consider the beam that's in your own eye? So for me, as I walk in the Legislature, I try to walk collegially with each one because we were represented or voted to come here and represent the people. When we talk about what comes down from Washington, it comes down on both sides, Unicameral. Both sides. Through our campaign, a lot of the opposition and negative things that came out on me on the campaign was not so much here in the state but from Washington D.C. Some of the other bills that we're going to hear before this session is over, those came out of D.C. So as I get ready to close, I do support this amendment because it brings others under the umbrella, but I'm not in favor of the overall bill. So that's probably-- I'll vote for the amendment but not for LB415. And also, I remember why I don't point the finger at anyone here, because with the one finger that I'm pointing I have three pointing back at me. So I consider where I am and consider what kind of complaint I might want to make, and then we try to work together in unison because we are a unicameral and we want to do the best we can for the citizens of our state of Nebraska. So with that, I will yield any remaining time I have to Senator Conrad if she wants it.

KELLY: Thank you, Senator Rountree. 1 minute, 2 seconds, Senator Conrad.

CONRAD: Thank you, Mr. President. Thank you, Senator Rountree. I wanted to just lift up a communication from the leadership at the Coalition to End Sexual and Domestic Violence in support of paid sick

leave and the paid sick leave measure. An estimated 1.4 million Nebraskans experienced some form of inter-- intimate partner or sexual violence in their lifetime. In the aftermath of these traumatic experiences, survivors require comprehensive support to heal. Paid sick leave is not merely a perk but a crucial lifeline for survivors and their support networks. Survivors face multifaceted challenges, from medical appointments to legal proceedings to therapy sessions to safety planning. These demands can be overwhelming, exacerbating trauma and impeding recovery. Paid time off, including sick leave, provides survivors with the necessary flexibility to provide for their well-being without the added burden of financial strain. The impact of sexual and domestic violence extends beyond the individual survivor. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. And Senator Conrad would like to recognize some guests in the north balcony. They are fourth graders from North Star High School-- excuse me-- ninth graders from North Star High School in Lincoln. Please stand and be recognized. Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. Good morning, colleagues. I rise in support of LB415 and begrudgingly for AM1337. My concern on the amendment is this: we are being asked to further water down LB415 by reducing the number of lives that it is applicable to, defining a small group now as five or fewer employees rather than ten. I, I find nothing in, in my occupational history that defines a small group anywhere near that number. All of you are familiar with certainly the insurance industry, and the insurance industry actually defines small groups as 50 lives or less, and that is currently going to be expanded in, I believe, Nebraska nationwide to 100 lives. COBRA, which we're all familiar with, your ability to continue to have your health coverage from your prior employer, defined small group as 20 lives or less; FMLA, 50 lives or less; Mothers and Newborns Protection Act, 50 lives or less; HIPAA, 50 lives or less. We've taken what I think was the framework of a, of a good bill and we've watered it down to the point where I no longer think that it really has the legislative intent of both the initiative or this bill. I do want to answer Senator John Cavanaugh's question how many of you campaigned upon the initiative that, that we are currently trying to amend with LB415. I went to 9,800 doors. I did not lead with this, but I assure you paid time off came up many, many, many times. And when asked about it, I defined my position as being against the initiative and explained why. I did not convert everybody. I probably converted a few, but when it came up-- and I probably think a lot of my colleagues did the same thing-- we spoke clearly, eloquently, and truthfully about what our

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

positions was. This ballot initiative in its current format is an eni-- is a administrative nightmare for employers and their staffs. I have worked with HR staffs for over 30 years, and their feedbacks begs for clarification. Again, I will vote green on AM1337. I will vote green on LB415, and I urge you to do the same. Thank you, Mr. President.

KELLY: Thank you, Senator Sorrentino. Senator Holdcroft, you're recognized to speak.

HOLDCROFT: Question. Call of the house.

KELLY: The question's 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 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: 32 ayes, 0 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. All unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Spivey, please return to the Chamber and record your presence. The house is under call. Senator Holdcroft, Senator Spivey is missing. How do you wish to proceed? All unexcused members are now present. Members, the question is, shall debate cease? The vote was underway. Senator Holdcroft, will you accept call-ins? Mr. Clerk.

CLERK: Senator von Gillern voting yes. Senator Raybould voting yes. Senator Hardin voting yes. Senator McKeon voting yes.

KELLY: Record, Mr. Clerk.

CLERK: 25 ayes, 4 nays to cease debate.

KELLY: Debate does cease. Senator Strommen, you're recognized to close. And waive. Members, the question is the adoption of AM1337. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 36 ayes, 4 nays on the adoption of the amendment.

KELLY: AM1337 is adopted. I raise the call. Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

CLERK: Mr. President, Senator Wordekemper would move to amend with AM754.

KELLY: Senator Wordekemper, you're recognized to open.

WORDEKEMPER: Thank you, Mr. President. At this time, I would like to withdraw AM754.

KELLY: So ordered. Mr. Clerk.

CLERK: Mr. President, Senator von Gillern would move to amend with AM1207.

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

von GILLERN: Good morning, Mr. President. Good morning, colleagues. And good morning, Nebraskans. I rise this morning to briefly introduce my amendment, AM1207, to LB415. For some background, this session I brought LB402, which makes changes to the existing Gambling Winnings Setoff for Outstanding Debt Act to allow the Department of Labor to collect debts owed to the Department due to unemployment insurance overpayments. These overpayments are defined specifically in statute as benefits received by a person to which they are not entitled through willful misrepresentation, nondisclosure, or falsification of information related to benefit eligibility. Specifically, this allows gambling winnings to be intercepted and applied to pay down debts incurred by individuals found to have deliberately defrauded the state of Nebraska in order to receive benefits to which they're not entitled. Those who through no fault of their own receive an excess of benefits accidentally or through no fault of their own will not be affected. The Business and Labor Committee was kind enough to include LB402 in their committee amendments to LB415. That being said, there are a few small changes that provide additional clarity in this amendment. 12-- AM1207 pulls in and amends the relevant sections of statute to outline how the Department of Labor should collaborate with the Department of Revenue and Racing and Gaming Commission in order to fully integrate Department of Labor collections' procedures with those Department of HHS services and Department of Revenue. It also gives explicit priority to DHHS collections to offset child support outstanding obligations-- and that's an old statute. I want to keep this brief, so before I yield the remainder of my time, I'll state the, the proposal of LB402 is already in this bill. The AM simply provides some necessary clarity as to how that proposal shall be executed. Thank you for your time this morning. I urge your green vote on AM1207. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: Thank you, Senator von Gillern. Senator DeKay would like to recognize some guests in the north balcony. They are fourth graders from Ponca Elementary. Please stand and be recognized by the Nebraska Legislature. Returning to the queue. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I'll yield my time to Senator Conrad if she wants it.

KELLY: Thank you. Senator Conrad, 4 minutes, 52 seconds.

CONRAD: Thank you, Mr. President. Is Senator Strommen available for a question, if he'd so yield?

KELLY: Senator Strommen, are you-- will you yield?

STROMMEN: Maybe.

CONRAD: Thank you, Senator. Sorry. The question got called, so I didn't have a chance to ask you on the amendment. I don't have any issues with Senator von Gillern's, but I-- when looking at the amendment that you put forward this morning that was just adopted by the body, AM1337, and I was wondering if you could help me to understand your thinking in providing a different application and eligibility for benefits based upon family status for young workers. And that looks in line 20 through 24 on page 1 of AM1337.

STROMMEN: That was language that I had discussed with Senator Cavanaugh and Senator Dungan. Those were thoughts that were brought to us by them and the individuals that put forth this measure.

CONRAD: OK. Senators--

STROMMEN: And they, they, they were amenable to that. Thank you.

CONRAD: Oh. Senator, I was just wondering, did you have a chance to think through any sort of analysis about whether or not that's permissible? Typically, employment discrimination laws prevent against a different application of benefit or compensation based upon marital status, family status, whether or not somebody has children. Did you have any discussion or thought in that regard?

STROMMEN: We had conversations with the individuals that brought that forth and they did not feel that that was discriminatory.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

CONRAD: Do you feel it's discriminatory? Why would we offer a different benefit to different young workers? So we've got an age component and a family status component.

STROMMEN: If you'd like us to strip that out and make it so that they don't get the benefit, we can do that.

CONRAD: I didn't write the amendment, Senator. I'm asking what your process of thinking was and how that applies to well-established nondiscrimination in employment laws.

STROMMEN: The information was brought to us. Thank you very much for the question. I--

CONRAD: OK. Can I ask you one? Can I ask you one follow-up question--

STROMMEN: No.

CONRAD: --on lines 6 and 7?

STROMMEN: Sure.

CONRAD: OK. Thank you very much. So looking at page 1 in lines-- I'm sorry-- 7 and 8-- I, I didn't have the right line there-- we added language that says, employ means to permit to work-- the new language being underlined-- by an employer pursuant to an employment relationship. What does that mean?

STROMMEN: Say the line again, please.

CONRAD: OK. So I'm looking at lines 7 and 8, page 1 on AM1337. The new language is underlined. Employ means to permit to work-- the new language starts-- by an employer pursuant to an employment relationship. Why was that new language necessary? What-- I'm trying to ascertain your meaning of that.

STROMMEN: Oh, OK. So you would have to ask Senator Cavanaugh or Senator Dungan. Those were-- that was language that they wanted to have incorporated. And we felt that because they were asking to have that incorporated that we would work with them on that.

CONRAD: OK. Well, maybe I-- thank you, Senator Strommen.

STROMMEN: You're welcome. Thank you.

CONRAD: If Senator Dungan or Cavanaugh is available.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: Senator John Cavanaugh, would you yield to a question?

J. CAVANAUGH: Yes.

CONRAD: Sorry. I asked for an alternative person. Thank you, Senator Cavanaugh. Can you tell me what that means on line 7 and 8, what the qualification-- what, what that was attempting to further delineate or define outsi-- with the new language?

J. CAVANAUGH: OK. So we're on-- sorry-- the amendment.

CONRAD: AM1337, page 1, lines 7 and 8. It says, employ means to permit to work-- and then the new language says, by an employer pursuant to an employment relationship. So what is the inclusion of the new language in that amendment mean?

J. CAVANAUGH: So I, I think I would take issue with the fact that that was at my request.

CONRAD: Thank you for clarifying that.

J. CAVANAUGH: Yeah. It's, it's in the original language, I think. And, and to be clear, I was not involved in the original drafting. You're going to run out of time, but we'll run on to your next time. But I was not involved in original drafting of LB415 or the original amendment that I don't remember the number of. I do think that this is maybe language that the business community was looking for to clarify just that language of employ means permitted to work, and then they wanted that additional language. I, I-- my view of that would be that it is, it is perhaps redundant, but you know how lawyers get.

CONRAD: Yes, I do.

J. CAVANAUGH: Where they want to make it explicitly clear that somebody's permitted to work by an employer. And then there's a, a diff--

KELLY: That's time, senators. But Senator Conrad, you're next in the queue.

CONRAD: Thank you, Mr. President. If Senator Cavanaugh would be kind enough to consider-- continue the conversation, it seemed that the introducer of the amendment, Senator Strommen, didn't have any understanding or ability to describe the language in his amendment and deferred to you and Senator Dungan. So perhaps this will be more

fruitful for the record's purposes. Senator Cavanaugh, did you draft the language in this amendment?

J. CAVANAUGH: No, I didn't draft the language in this amendment.

CONRAD: OK. So did you have any thinking or discussion about lines 20 through 24, which carves out based on both age and family status and legal status-- actually three different statuses-- a different application of benefit and employment condition?

J. CAVANAUGH: That, that I do, I can speak to. I didn't write this particular section ex-- exactly, but I was party to that conversation. So there's-- sorry. I may be a little close to the mic. So in the minimum wage bill, there was a carve-out for treating the, the youth wage differently for persons who were emancipated minors. And so we were-- saw that language as we were debating that and said, well, if we're gonna be granting benefits or treating those folks differently for this purpose, we should match that language here. And I, I think your point is well-taken and it's entirely possible that it is an affront to some of those other, other requirements. But my philosophy was we should be extending benefits to more people. And in this case, we should especially be extending benefits to people when they are acting as an adult-- which is what an emancipator minor would be-- or that they have a child, which is somebody who definitely needs paid time off for either the sickness of themselves or for that child. So that-- that's the logic there. But I think the-- you know, I, I think you could be-- your argument could be correct that it violates other portions. I, I would be OK with saying that there is no age cutoff, but I don't think that that is a compromise that would be amenable to others in the body.

CONRAD: Thank you, Senator Cavanaugh. So it's well-established that state law already provides broad protection against discrimination in the workplace, specifically prohibiting discrimination based on age, race, color, national origin, religion, sex and gender, including pregnancy, disability, and maritable-- marital status. Typically, family status is a protected characteristic as well in state and federal nondiscrimination laws and employment laws. It seems to be on the face of this amendment that was just adopted by the body and that the introducer cannot explain to have at least a variety of different serious questions and components about different terms to different employment benefits based upon age, family status, and legal status. So I just wanted to go ahead and add that into the record, both in terms of a failure of process and substance. Additionally, when looking at that language, I appreciate and understand that we're

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

trying to include more young workers than not because many young workers do have children. Many young workers are supporting a family. Many young workers are turning over their paycheck to their family to help cover basic needs. But I also have questions about this language as written because, conceivably, this could provide a different employment benefit to someone who is a parent but who's not even providing support to their child. Did anyone talk about that or think about that? What's the equity therein? What's language mean? Why? Who drafted it? Why did you all vote for it? Did you read it? Thank you, Mr. President.

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

LONOWSKI: Thank you, Mr. President. I yield my time. I apologize. I meant to check back out.

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

HUNT: Thank you, Mr. President. Colleagues, I just had a couple thoughts to share hearing folks talk now probably over an hour ago, but wanted to pop back in because it's so baffling to hear conservative lawmakers talk about protecting families and protecting small businesses when so many of the policies that you're supporting are exactly what's driving up the cost of living in Nebraska. Reducing access to Medicaid, refusing to expand affordable child care, gutting public transit for one thing at the local level, underfunding education, privatizing everything so only the wealthy can afford it. We had Senator Jacobson on the mic a couple days ago talking about how he thinks that people should have to pay to use the bike trails like people pay to go to a national park so that people who don't use the bikes trails don't have to be paying for them. It's this type of conservative mindset, privatizing everything, passing tax cuts that overwhelmingly, overwhelmingly benefit the wealthy, shifting the burden onto local communities. You're voting for every policy that squeezes working people, that squeezes the juice out of the quality of life that regular people expect. And then you act confused when your favorite cafe or coffee shop or donut shop or whatever in your small town is struggling or when people leave the state because they can't afford to live here. It's not a mystery. And it's not down to one little issue like people have to earn not even a living wage but that people after a month of full-time work should expect one day off. It's not a mystery. It's the logical outcome of a political agenda that's hostile to labor, hostile to workers, to small businesses, and to the very people that you claim to represent. What's really bad for

business is a state that drives out workers and young people, where families can't afford to stay, where lawmakers keep stacking the deck against anybody trying to survive on a paycheck or trying to build something themselves. These efforts behind LB415 are about control and about erasing the gains that workers have made through democratic processes, through the vote, through the ballot. And the story is that the people who are in charge, the people who are really behind these things, they aren't confused. They know exactly what they're doing and they're making choices and they know exactly how those choices are going to affect you and make life harder for regular people. It's about keeping people so precarious and so unstable that they can't organize, they can't rest, they can't take time off when they're sick, and they can't build a better life for themselves or their families while the rich people laugh all the way to the bank, keep enriching themselves. You're talking about freedom and free markets until the market decides a policy that you don't like. When you put something on the ballot and the majority of people in all of your districts say that they want it, that's the market deciding. Then you say it's OK to override the will of the voters, it's OK to use the power of the state to take something away from the people who earned it, who said that they collectively want it. These people work long hours, they care for their kids, they volunteer in their communities, and they try to build a small business. They're doing everything right. These people who have the small cafe in Columbus, who have the little donut shop in Beatrice, whatever, they are doing everything right. But then when they look up and ask, why is everything getting harder, the answer is things like this, these decisions, these policies, and these votes-- which, honestly, the voters are paying for too because they elected all of you. The same people who voted for every single one of these politicians, every single one of us, then they go and say, why is my favorite coffee shop closing? Why is my neighbor moving away? Why is it so hard to hire people for my business? The answer is this. It's the logical outcome of a legislative agenda at the local, state, and federal level that's hostile to labor and small businesses and working people. You can't keep working against things that make life fun and livable and quality like it was for y'all in the '80s and '90s, honestly-- health care, housing, child care, great public schools. And then you act surprised when people leave or businesses close. You can't keep undermining workers' rights and community resources and then wonder why your main street is empty or your school can't hire a para. This is what you voted for. And this is the outcome in the world that you live in where people are hurting. It's not a mystery, colleagues. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

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

DUNGAN: Thank you, Mr. President. Colleagues, good morning. I know we're getting ready to be at the lunch break here. I rise in favor of AM1207. I think this is just mostly cleanup language as it pertains to one of the bills that was in the package, but I still rise opposed to LB415. The last time I was on the mic, I talked about the fact that the amendment that was proposed was one that certainly I think represented an effort towards harm reduction, which is why I voted for it, but I don't believe that it gets me to a place of support for LB415 or the underlying bill from Senator Strommen that is causing a lot of the consternation here. I think it's important to go back and look at what my understanding is of some of the interim leading up to this session. As I understand it, there were a number of negotiations and conversations that happened with regards to Senator Ballard's bill, LB415, which certainly not everybody agreed to or, or I don't think everybody in this body thought was always the best route to go, but there was at least, it sounded like, a good faith effort in order to figure out some potential changes to the law surrounding paid sick leave and things like that. Then when the session began, there was this bill from Senator Strommen that I think upended some of that, and that's what led us to essentially where we are today. So part of the issue, I think, for those who are opposing this is we have continuously since the beginning of the session pushed back on this idea that we need to further narrow the protections that have been voted on by the people of Nebraska. And I think Senator Hunt's comments are, are spot on. And I, I think about this a lot. I hear time and time again from friends of mine who have left the state that they would have zero interest in moving back. As-- I'm 36, right? I'm not as young as I used to be, but I still consider myself one of the younger legislators in here. And I have friends who left to go work in Kansas City, Chicago, Denver, any number of other parts of the country. And when they talk about their move and why they want to stay there, it generally centers around the policies that they see coming out of Nebraska. And it's not just on social issues. It's not just a left-right divide on the social issues. It's also on tax policy and it's on the amenities that are available for them. So I think that Senator Hunt are-- Hunt is exactly right, that these are the kind of things we need to be cognizant of when we talk about brain drain and when we talked about keeping our best and our brightest here in Nebraska. I, I left for a while, colleagues. I, I-- born and raised in Lincoln. I left for about eight or nine years and lived in a couple of other states or areas and then came back. I'm one of the few. My wife

grew up in Omaha and she went to Omaha North-- graduated with Senator McKinney actually. She left for a number of years and she came back. We talk all the time at home about how we are the anomaly and that we are the, the abnormality to what a lot of our friends do. They, they move away and they stay gone. Not because they don't like the state of Nebraska but because they're frustrated-- it's the word of the day for me, I guess-- they're frustrated with the decisions that get made here. And as I said last time on the mic, they feel like their voices aren't being heard or represented. And so I just-- it's, it's-- I think it's important for us to keep that in mind as we continue to walk these things back, as we continue to tell the voters that their, their opinions don't matter and that we're not necessarily going to incorporate into law as they intended some of these things, which is really disappointing to me. One last point I wanted to make-- which maybe is a little bit more, I guess, not talked about as much when it comes to paid sick leave-- and I was just having this conversation off the mic, so I wanted make sure it's clear on the record-- we, we lose this in the wash a lot: paid sick leave is a health concern as well. You know, there's this sort of idea that I think a lot of Nebraskans have, which I totally understand, that hard work is im-- is important, and I agree with that. But you see people coming to work when they're sick. And you see people getting their colleagues sick. And, you know, I-- just a couple weeks ago, there was a senator in here who had a stuffy nose and a cough and was a little close to me and it made me uncomfortable because we're worried, obviously, about getting ill. And so if you care about worker productivity and if you care about keeping people in the workplace, keeping folks or allowing folks who are ill to stay home helps the workplace. It helps keep the economy going by people being able to continue working. It means that you as the manager of a small business don't have to come in and pick up a second or a third shift because your employees all got each other sick because they insisted on coming in because they wanted to make sure they got paid. So paid sick leave, as has been pointed out by a number of other folks, serves every person in the state of Nebraska in a very advantageous way. And I continue to have grave concerns that LB415, even as amended, walks back the will of the people and it does not serve the people of Nebraska by providing them that paid sick leave as was intended. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Mr. Clerk.

CLERK: Mr. President, some items. Motions to be printed from Senator John Cavanaugh to LB316. New LR: LR182, LR183 from Senator von Gillern, both to be laid over. And a priority motion: Senator Juarez would move to recess the body until 1:00 p.m.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

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

[RECESS]

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

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

KELLY: Do you have any items for the record?

CLERK: I do not at this time, Mr. President.

KELLY: Please proceed to the first item on the agenda.

CLERK: Mr. President, Select File, LB415, when the Legislature left the bill, pending was an amendment from Senator von Gillern, AM1207. That's all I have at this time.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I just punched in. I didn't really get a chance to talk on the last one so much, but I don't really have a problem with Senator von Gillern's portion of this. I think if folks win at the casino, they probably should pay their child support, if that's my recollection of understanding what this is-- has something to do with. It might be a technical cleanup for that portion. So I just wanted to address the kind of broader conversation we've been having, about the bill in general and amendments. And so, we did have a little bit of a conversation, myself and Senator Conrad, about a couple sections of the bill. And I just wanted to address that, which is the part that is now in AM1337 that reads as line 7 of the amendment on page 1: employee means to permit to work by an employer pursuant to an employment relationship. And so, I just-- for everybody's understanding, that was in the original amendment to AM-- it was AM545 to LB415, which is line 8 of that amendment. Employment means to permit to work by an employer pursuant to an employment relationship. So again, I think that's some sort of-- well, I think it's probably language that came from lawyers, either at the State Chamber or the Omaha Chamber or one of those entities that wanted clarification, or perhaps, you know, the Grocers, or any one of the business entities that has been pursuing this walkback of the

voter-approved initiative, but some clean-- some language that they thought would make their position more clear, is my understanding, although we read it and some of us feel like there's redundancy there. And then, of course, that other part that Senator Conrad and I did have that conversation about, which is in-- individual under 16 years of age is-- so the-- in the amendment, AM1337, line 20, we're talking about exceptions to the rule, so the rule being they have to provide paid sick leave in either-- for up to 7 days for employers over a certain size or under a certain size. And so that-- and then we exempted out employers under 5-- 5 and under, so under 6. So if you-- that's first exception, is you don't have to provide paid sick if you are an employer who has 5 or fewer employees. There are other exceptions about independent contractors, owner-operator, and then individuals who are employed in agricultural, employee of a seasonal or other temporary nature, which we heard is intended to cover things like detassling and custom harvesting, I think, is the word, which is-- I was told is folks who start in Texas and work their way north by--with specialty equipment to harvest wheat or something like that. And so, there's that-- that's-- that exception, so those are all exceptions. And so then, there's an exception that says, don't have to provide-- no matter what size you are, you don't have to pay-- provide paid sick leave for individuals who are under 16 years of age. So all of that or some version of that was in AM545, which was adopted on General File. So in the intervening weeks, there were a number of us who were trying to get additional people put back in. So we've excepted out all of these folks and we wanted to put people back in. I was at-- a part of those conversations, where we were trying to increase the number of people covered by-- or who would remain covered. So right now, all of these folks are covered under the ballot language. And so AM545 and LB415 eroded that coverage, and so I was attempting to get more coverage added back in, specifically folks who worked in building trades and things like that, was what I was focused on, and trying to make sure that people who work in construction jobs but work for shorter periods of time were getting their coverage. And that's what I focused on. I'm gonna run out of time, so I might push my light to keep talking about this a little bit. But anyway, in that conversation, we also did say, well, 16-year-olds, you're-- they're-- you're eliminating all 16-year-olds. Some 16-year-olds have kids. Some 16-year-olds are emancipated minors. We should make sure that people like that are able to get access to sick-- paid sick leave. So that's how that came to be included in there as part of that, is as a request to include more people who were covered by paid sick. So that's the answer to that question. I might push my light to talk a little bit more about the other portion. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. I have about two more points that I want to make before I conclude my remarks on the underlying measure. I have no opposition to AM1207, which amends a different part of the committee bill and package that Senator-- my friend, Senator von Gillern, brought through. But I want to refer some additional comments to LB415 as amended, and particularly, the harmful impacts of my friend, Senator Strommen's measure, which undercuts the will of the people and excludes tens of thousands of working Nebraskans from a voter-approved citizen initiative to provide modest but meaningful earned sick leave. And I'll tell you one thing that is really striking to me about this conversation, colleagues, having been a manager, having been in the workforce myself since I was a teenager, continuing through present day, I, I don't know a lot of Nebraskans who just willy-nilly take sick leaves if they, if they don't need it. That definitely wasn't the case with the people that I've worked with in a variety of different capacities. That's definitely not the case for myself. So I really don't appreciate the undertone and undercurrent of this conversation that somehow, employees are going to be doing something inappropriate with this earned sick leave measure and benefit. I just-- I don't think that comports with Nebraska's work ethics, and again, I think it's another very disappointing component of proponents' rhetoric, where they continue to not only suppress workers' rights, health, and safety, but also to disdain working families. So I want to continue just two additional points here, and hopefully get them done as quickly as possible. But, of course, we all just celebrated Mother's Day over the past weekend. And I had the honor and opportunity to celebrate with my children and with my parents and it was a lovely three-generation celebration. And during that weekend, there was a lot of commentary about women's role in society, mothers role in society, mothers roles in the workplace. And in addition to the fact that Nebraska consistently has one of the highest percentages of women working outside of the homes, one of highest percentages of moms working outside of the home, we still have a persistent wage gap in Nebraska, a gender wage gap. And efforts like paid sick leave, earned sick leave particularly benefit working moms and particularly benefit women, who bear a disproportionate share of caretaking for their children and their aging parents and other loved ones. In addition to the work that women, women put into Nebraska businesses large and small, there is also an additional significant burden of uncompensated work in the home. And there are some interesting calculations from a national perspective that if you

looked at what a working mom did in the home: 13 hours as a daycare teacher, 3 hours as household CEO, 7 hours as a psychologist, 14 hours as a chef, 15 hours as a housekeeper, 6 hours doing laundry, 9 hours as tech support and PC operator, 10 hours as facility manager, 7 hours as janitor, 7 hours of driving the family car, and you go on and on and on. You can see that mothers who are working outside of the home are not only working outside of the home, but are logging, on average, according to national statistics, over 90 hours per week on in-home work, as well. And if they were paid accordingly for that, that would be, on national average, over \$115,000 per, per year. So working moms are working harder than before. They're finding it harder to keep their head above water when it comes to paying for daycare, when it comes to making sure they don't have to miss a day's pay or forgo a paycheck when somebody in their family is ill or they are ill. Things--

KELLY: That's your time, Senator.

CONRAD: Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. I appreciate what Senator Conrad was just saying there, and I, I really do appreciate the work of working moms. And there's a good number of working moms in this body, and there's a good number of working moms that are working that have-- their partner is here. And so, I couldn't be here without the support of the working moms in my life, including my wife, so I hope she had a good Mother's Day. I took the kids and delivered the seeds I started from the library to the other moms of my life, is my Mother's Day tradition, to give her a bit of a break. But oh, I-- before I talk about that, it's probably my last time talking on this. So today is election day in Omaha. If you haven't voted yet or if you're watching at home in Omaha and you haven't voted, go vote. You have until 8 p.m., which is a little less-- it's about 6.5 hours from now, is when the polls close. So find your polling place on the election commission website, and make sure you get out and vote. But if we pass LB521, which has now moved on to Final Reading, we will have the opportunity in Omaha to make this be the last standalone city election in Omaha, saving millions of dollars and increasing participation. So, you know, take your opportunity to perhaps vote in the last standalone Omaha city election. LB521 doesn't make it mandatory. It makes it permissive. The city of Omaha could choose to do it. Anyway, make sure you get out and vote. So back to what I was talking about. So on, on

the amendment and where we were before, the ballot initiative has a specific language in it that pertains to multi-employer bargaining units, which is essentially, is the way you would describe folks who are in the building trades and specifically, in organized labor of the building trades. And, and the reason it's listed that way, multi-employer, is because these folks will work at different job sites. So they'll work, you know, constructing one building and then when they're part, either the electrical work or the, you know, the carpentry work or the foundation work, the brick laying work, any-- whatever it is, the important construction trade that they're doing there is finished, they'll move on to another project with another employer. And so they don't work for one employer for the entire year or for these long stretches of time. And so the ballot initiative language did specifically contemplate these folks. And there's about 25,000 workers so, so situated in the Omaha metro area, we'll say. And the change to employer size with 10 had basically cut folks out who are in that situation. And, and so that was-- I was focused on one, trying-- obviously I, I don't support the idea of the bill at all and I would prefer that we go with the ballot language, but the problem I had was the people who, who were seeking to amend this bill were not intending to cut out those folks and they did it inadvertently. So I spent a lot of time trying to find a way to re-include people who were cut out. And I will tell you, ultimately we couldn't get there. That-- so, like, in this whole negotiation process, trying to negotiate to get people who work construction jobs for a living to ensure that they are covered by this, as was the intention of the voters and was the attention of the folks on this bill. We didn't get there, but ultimately the people in organized labor said that they were OK with 13-- what is it-- AM1337, in part because it did cover an additional almost 30,000 people. So they said, you know, in, in sort of an altruistic stance, they said, we'll deal with ourselves, but if you can get 30,000 more Nebraskans paid sick leave, we'd support that. And so this was a compromise on all fronts, AM1337. It is not something that every-- I don't think anybody is happy with it, as you can tell from the-- sort of the atmosphere in here. But I don't think anybody's really happy with it, but it does get people who are advocating for LB14-- LB415 something, and it, and it mitigates the harm that the change has against the people that a, that a lot of us oppose for 415(c). So that's why I supported AM1337, but I still am opposed to LB415 at this time. Thank you, Mr. President. Oh, don't forget to vote.

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

CONRAD: Very good. Thank you, Mr. President. And good afternoon, colleagues. Again, I have no opposition to Senator von Gillern's amendment to his component in the committee package, but I do want to add at least one more point in regards to our debate on carving up and carving out thousands of working Nebraskans from the benefit of modest earned sick leave, as per Senator Strommen's bill. So one thing is there seems to again be perhaps a willful ignorance or a conflation or a misunderstanding about how ballot initiatives work. And all it takes-- you don't need to be a constitutional lawyer-- all it takes is a cursory read of the Nebraska Constitution, which establishes as the first right and that right as precious for the citizens to legislate with co-equal authority, as compared to this body, on issues that are important to them, with very little restriction as to certain topics, which are not at issue here. Those votes, those efforts, are not an advisory and opinion. Some states with initia [PHONETIC] and referendum do allow for an advisory vote of the people to guide legislators. We do not have that option in Nebraska. And thus, a vote of the people, which is dispositive, should not be treated as merely a suggestion or advisory. It is not. And when you go and look at the election results, which in this instance, 74% of Nebraskans supported this measure all across the state, all across the political spectrum, more voters supported this measure than supported President Trump or Governor Pillen or most senators in this body. Opponents to these measures ran no campaign. EPIC was already dead. These same deep-pocketed lobbyists and business interests have no problem throwing money around when it comes to political campaigns. So that's-- just speaks for itself, that's the fact. The voters wrote this law themselves. They did not delegate any directive to the Legislature. So then, you need to go and you need to look at the full text of proposed initiative measures to see whether or not they were directive to the Legislature, to see if the people asked us to do something. In this instance, the full text of the proposed Initiative Measure 436, there is no direction to the Legislature. They're not inviting you to cap it or carve it up. They're not asking you for your opinion. This measure is self-executing according to the very text of the Nebraska Constitution. And the other competing, related, companion provision in the Nebraska Constitution, which does allow for legislative enactment, has a higher bar because it is meant to prevent legislative meddling with the precious right of the people, as expressed through citizen initiative. If you look at minimum wage in 2014, there were-- there was no legislative meddling. If you look at minimum wage in 2022, there was no legislative meddling until this year, even though it's been the law of the land for almost 3 years. No age restrictions, no carve-outs, no delays. When you look at gaming,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

there were no delays, there was no legislative undermining. In fact, there was expansive, swift approach to implementation to capture revenue. When you look at voter ID, there was no delay or undermining. The text of the constitutional amendment asked the Legislature to act. Even those of us opposed to voter ID respected the will of the people and implemented that measure. So you must look at the text, you must look at the history, you must understand the constitution, and you must, at the end of the day, give deference to the citizens of Nebraska, who know how to set an appropriate and sensible balance when it comes to work benefits that allow them to value their health and their families, that contribute to our state prosperity and economy, that is thoughtful--

KELLY: That's your time, Senator.

CONRAD: --and in alignment with our sister states. Thank you, Mr. President

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

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

KELLY: Senator von Gillern, will you yield to a question?

von GILLERN: Yes, I will.

M. CAVANAUGH: Thank you. I apologize, but I missed your opening on AM1207. Would you mind giving me a, a brief synopsis of, of what--

von GILLERN: Sure.

M. CAVANAUGH: --you're doing here?

von GILLERN: Yeah. So AM1207 is really just some cleanup language. The bill-- the original bill was LB415. It was included in this bill on General File. So I had the-- and it-- and got no pushback on that. This is just cleaning up some language. What, what the original bill did was allow for gambling winnings to be collected by the state if there was a situation where there was workman-- a workman's compensation fraud scenario that had been tried and proven and there was a claim, it would give the state the ability to, to capture those gambling winnings. I brought a bill like this last year, regarding child support and it overwhelmingly passed. And this got great support this year, also.

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

von GILLERN: You're welcome.

M. CAVANAUGH: I, I apologize for not listening closer, earlier. So I, I-- yeah, I think I'm probably going to vote for AM1207. I did pull it up and I'm looking at it. And it's-- you know, it's, it's 17 pages, so you have to scan real quick to see where the changes and things are. But it does seem like a technical cleanup, which is good, so there we have it. I am still not in support of LB415-- well, I guess I should say LB415 as amended, not with AM1207, but the amendment that was adopted before we recessed for a lunch break earlier today. I am in opposition to that and undoing the will of the voters. I, I, you know, keep thinking about all the things we've done this year that undo the will of the voters and-- or things that we haven't done to kind of stand in the way of undoing the will of the voters, and it's, it's a little bit exhausting. And I think we've just got more of that happening in the coming days, so that'll be interesting. I, I am still concerned about what we are doing as far as a Legislature, and what, what are our priorities. It doesn't really feel like our priorities are taking care of working Nebraskans if we are opposing a bill that-- sorry. I'm about to sneeze. I apologize. I went, I went outside over lunch and my allergies are definitely acting up. So I apologize, and I will not sneeze in my colleague's direction if I do sneeze. I will definitely turn, but-- so, the will of the voters and what, what exactly are we doing? Oh, thank-- oh, Senator Hallstrom, you are old school. You carry a cloth handkerchief, or perhaps you're just an environmentalist, or maybe both. My father also carries a handkerchief all the time, which is actually kind of nice. They're softer, for sure. Anyways, I'm digressing from my point of the will of the voters and that I don't, I don't feel like that's the right thing for us to be doing. But as I said this morning, I guess they voted for you all, too. They voted for me and they voted for you. And I guess they maybe didn't expect that you would go against what they voted for at the ballot but-- so there we have it. I will say, the next bill on the agenda has a piece of a bud-- a ballot initiative in it. It is the HHS Committee package. It-- Section 1 does a statutory change to harmonize with the ballot initiative on reproductive health that passed. So it's one thing, one singular thing that we are going to do this year that harmonizes language with, I guess, the will of the voters. So, that's interesting. At least, we-- at least, we can say we did it once. And what that does, is that, in statute, a long time ago-- well, not a long time ago, 20-some years ago, it was put into statute that you couldn't have abortions after 20 weeks, and now it is, I think, 13 weeks or-- I'm not entirely sure how you count it-- 11 weeks, 13

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

weeks. It's a little confusing to me, but that is it. OK. So I rise in support of AM1207? I think. That's a question mark. So thank you, Mr. President.

KELLY: That's your time, Senator. Thank you, Senator Cavanaugh. Senator Guereca, you're recognized to speak.

GUERECA: Thank you, Mr. President. Good-- well, it's afternoon now, colleagues. All right. A little after lunch. Definitely going to need a bit of a caffeine boost to get us back into gear. So I want to talk a little bit about-- so this last weekend, there was the Cinco de Mayo celebration in south Omaha. So it-- wanted to talk about the history of, of the event itself, but more the cultural significance of, of what it meant-- means and continues to-- what it has meant and continued to mean for the people of, of south Omaha and really, of, of Omaha, because it is truly a city-wide celebration. So Cinco de Mayo is one of those things that if, if you go to Mexico and you ask the average Mexican, do you celebrate Cinco de Mayo, they'll tell you no. And I am using Cinco de Mayo with an American intonation. But no, it, it, it celebrates the victory of a local militia, mostly indigenous people in the city of Puebla that fought back against the French invasion, the French being the greatest military in the world at that time. So it was this great moment, where they, you know, they stopped the, the, the, the mighty French army in their tracks. So that-- I'm sure there's some story of how an American company ran with Cinco de Mayo and it became this, this holiday. But nevertheless, for, for Mexican Americans and for Latino Americans here in the United States, it's become a celebration of culture, of family, an excuse to get together, celebrate, lift each other up, spread culture with their friends. But Cinco de Mayo in Omaha has actually been celebrated for over 105 years. So it's, it's a, it's a beautiful festival that happens once a year, usually the weekend after Cinco de Mayo, so it happened this last weekend, in Omaha. It's a great festivity. You have local businesses come out. It brings in tourists from all over the city. It's this great moment of celebration of heritage, of culture. There's a beautiful parade. And if you haven't been to the Cinco de Mayo parade, colleagues, I encourage you to come down. They really make a great show out of it. You have people in traditional, you know-- dancers and, and the, and the, and the traditional hair-- clo-- full, full clothing, doing the, the dances from all, all different regions of Mexico, all part of the parade. You have Mexican cowboys and, and, and charros in their regalia, with their horses, you know, doing the dressage, and the dancing horses, and you have marching bands. And, you know, the, the, the organizers claim it is the largest and most diverse parade in Omaha, so we're going to go ahead and, and

go with them on that. But no, it, it became-- so if you go onto their website, you know, it has been going on for over 105 years. It's a festival to honor me-- me--Mexican heritage, gathering generations to celebrate community, family, and tradition. Over time, we recognized that our efforts went beyond a single event, that we truly need to dedicate space to empower, preserve, and grow Latino culture year-round, and that turned into what is this great organization, does amazing work in south Omaha called Casa de la Cultura, an organization that puts together events year-round, to really, you know, lift up, you know, the amazing work that Latino leaders, Latino businesses, nonprofits are doing in the community-- really doing amazing things. So this-- what Cinco de Mayo embodies is, is truly the immigrant story, right, is immigrants coming to this country in search of that better life, in search of, of opportunity, and adapting their culture, you know, sort of integrating with American culture, but still trying to keep a little bit of it-- that heritage alive, and that's something that Omaha does so beautifully. You'll-- I'll be knocking on doors and I'll say to someone, hey, I'm fourth-generation Bohemian American. One of the things that I love about Omaha is that we truly, we truly value our heritage, value the stories of our-- of the people that came here in search of that better life. And I may be a little biased, but no other place personifies that better than south Omaha. You know, I-- where, where I live in town, it's-- I call it dead smack between Little Bohemia and Little Italy, and I'll claim whichever neighborhood is most advantageous at the time. But no, it's truly a beautiful celebration of, of immigrant culture, of folks wanting to come here to have a better life. Thank you, Mr. President.

KELLY: That's your time, Senator. And thank you, Senator Guereca. Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President. And first, I, I wanted to-- I'm going to support AM1207, and I'm thinking on LB415. I know with the sick leave portion, that still causes an issue for me, but I, I know we made it better with the last amendment. I also wanted to-- my, my dad and my son, Stephen, and my wife, Alice, were able to be here this morning and I wanted to thank my wife for, for driving out. They drove out to the farm in Hordville, Nebraska and picked up my dad and brought him here. So, he got-- I got to visit with him and, and we got to have lunch together. He got to see where I work at, and so that was a great experience for our whole family. I know I talked a little bit this morning on the sick leave side, about, you know, what it's like to be a-- just a Nebraskan, in general, how growing up on a farm, how if a farmer was hurt or injured or was sick, how the rest of the farmers in, in that area would come out and, and help that farmer. And

so, I think seeing that experience and everything that I learned from my, from my parents as I was growing up, that's helped develop me as the kind of person I am. So when you see me down here, I care about what happen-- what happens to people. I care about what I can, what-- how I can benefit them by serving down here. And I actually, when we-- when my wife and I knocked doors, we talked to people every day. When we'd go out and knock doors we'd talk to them about what we could do to serve just the people of, of, of the district, and also the people of Nebraska. I know one of the things that-- I'm going back to what my parents had taught me as we, as we were growing up. They always were-- talked about how to be respectful of others, how to-- you know, making sure we were kind to everyone and polite. We always said our please and thank yous. We'd open the door for other people going in the door. And I know my wife sometimes would complain, because if there was another family coming in the restaurant, I would say, wait a minute, and we'd let them go in before us, and so then I'd get in trouble for doing that. But, but she just knew that's the way I was. My parents also taught us to make sure we looked out for our brothers and sisters. Of course, growing up as a kid, sometimes you don't always, you know, you might fight with your brothers and sisters. But for the most part, they wanted us to understand that we should be-- you know, making sure that we're taking care of one another and looking out for one another. You know, on the sick leave side, you know, for me personally, like I said, from my personal experience, I'd worked in jobs that didn't have sick leave. I'd also worked in jobs that did have sick leave. And really, working with employers in some of the jobs where we had sick leave, I think the employers recognized the benefit of that and how it would actually help morale in the workplace. It also helped make sure that people understood that they could make sure they could take care of their families, make sure they could take care of themselves, and come back to work healthy, once they were, once they were healed up or over their illness. I had used my sick leave sparingly over the years. So I-- you know, I think that's the way most people would be. They're, you know, with only having 5 days of sick leave for a year, that's very-- not really very much sick leave. And so I think it's-- that was another important aspect of, of the sick leave policy that we're putting into place. I debated whether talking about this, but I was also a union representative, so we negotiated for benefits in sick leave, vacation, holidays, those were all part of our-- things that we negotiated for, and it was, it was really good to be able to sit down with the employer and, and talk to them about what we needed to see happen in the workplace. A lot of times, we were in agreement on what we needed, so-- what they saw was best for the workplace. And so, I know some

people, if you don't understand what it's like to be in a union, I think if you could experience that, you would understand the importance of, of having that collective voice and being able to, to work together to try to come to a, a-- an agreement that maybe nobody totally liked, but it was something that we could all work with, and work and, and get behind. Well, with that, I'll yield the rest of my time. And thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. You know, I'm rising-- I'm-- probably support AM1207. I still oppose LB415 for many obvious reasons, you know. But I've just been thinking, you know, since the lunch hour and prior to, and just coming in with a mind where, honestly, If there was a ledge, I was willing to jump off of it, and I'm still contemplating that, honestly speaking. But, you know, I'm hearing there's conversations about being grateful in this place. And I guess the definition of grateful is appreciative of benefits received, expressing gratitude, affording pleasure or contentment, pleasing by reason of comfort, supply. And what I think about when people say like, you should be grateful for what you got or you should be grateful that these things has happened. Why should we be grateful for the watering down of a initiative that wasn't government pushed? The paid sick leave was not passed by the Legislature. It was passed by the people. Why should we be grateful that people want to water down what the people wanted, when overwhelmingly, in every district, I believe, people supported it? And people say we should think about the small businesses. Well, I do, but I also think about the people as well, and I think the people and the small business are intertwined with each other. And if you had about 89% of your district vote for something, I don't think we should be watering that down. You know? And, and that's the issue here. It's like, we're supposed to be grateful that we're getting stumped over and we should smile about it. That is-- actually, that is a, a real mental gymnastics. That is a-- is it manipulation? No, I wouldn't say manipulation, but it's definitely a-- it is a thought process of people who are oppressive and want the oppressee to be OK that they're being oppressed. It's kind of like, you know, when people were on, like, slave plantations in the South and other places. And, you know, people were giving, giving jobs-- you know, somebody could be like an overseer, kind of like the dude off of Django, Samuel Jackson's character. Was he supposed, supposed to be grateful that he had a job over-- well, not over, but outside of picking cotton, and kind of authority figure over the other enslaved Africans? Was he supposed to be grateful that

you're, you're not in the, you're not in the cotton fields, but you're still a slave; you should be grateful. It's, it's just-- you know, it's, it's crazy. But, you know, that's the world we're living in today, where we should-- where the oppressed is supposed to be grateful. And it's really sad, you know. I, I think about our country and I look across the world, and there's a lot of oppressed people who are just being wronged, you know, in Gaza, you know, it's people in Ukraine. It's, it's other places-- people in the Congo who are being oppressed. And we got these cell phones, but it's people who are being enslaved or indentured servitude to make sure that we can use all this technology and things like that, so that's what I think about when you should be grateful that you're getting stumped over. You shouldn't be. And you shouldn't be hesitant to speak your mind because you're being stumped over and you should be willing to not, you know, increase the harm. The harm is the harm, no matter how you try to spin it. You can water it down to 5, to 6, you can water it down to 10. At the end of the day it's not what the people voted on. So you could bring an amendment and say, we're going to take it back since you people are so ungrateful. It-- I mean, it just shows who you are as a person. It shows who are as a people, that no matter what, you're going to win, but you have to win in the most-- in a sports context, the most unsportsmanlike way ever.

KELLY: Thank you, Senator McKinney.

McKINNEY: Thank you, Mr. President.

KELLY: Senator Hughes would like to recognize some guests in the north balcony, they're fourth graders from York Elementary. Please stand and be recognized by the Nebraska Legislature. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Welcome, kids, to your Nebraska Legislature. This bill-- I think the bill and what we're doing here in the Legislature represents a symbol of why so many people in Nebraska have lost faith in the Legislature, and why voters across the state from all different political backgrounds-- Democrats, Independents, like myself, and Republicans-- say that they don't trust us. This is why they say that it doesn't matter who's in charge. The outcome is the same. And at the end of the day, they always feel like they are the ones who lose. We hear it all the time. Both parties are the same. My vote doesn't matter. Nothing ever changes. They're all the same. And it's easy to dismiss these comments as cynicism or apathy, but when you look at what's happening with bills like LB415, it's hard to say that they're wrong. Of course, I say this today on May 13, which

is Election Day in Omaha. And this is a , a sentiment that I've actually heard from a lot of my friends and a lot of voters, folks I've crossed paths with in the last couple weeks. I was at Pageturners Lounge last night. They had a, a band in from Colorado, and they were performing with a couple local musicians who I know from my district, who I grew up going to their shows and stuff like that, so it's always really fun for me to go out and, and see those people again. And a lot of people were talking about the election. And I thought that was interesting, because Brian Kruse, the Douglas County Election Commissioner, on the radio this morning, he was saying he expects-- I'm gonna get this wrong-- turnout in the low 30%s, like maybe 33 or 32% turnout is what he was expecting. And that's interesting to me, because-- well, first, that's like so disappointingly low, even for a municipal election. But it also kind of doesn't reflect my experience in the conversations I've had with people just out and about, whether it's at my shop or at a restaurant or at the show last night, or whatever. And people are saying, you know, what do you think is gonna happen with the mayoral race? What do you think is gonna happen with these elections? And you know, the point isn't what I say. The point isn't what I think is gonna happen. The point is that their belief that they share with me is always, well, it doesn't matter, anyway. My vote won't count. Nothing ever changes. Both parties are the same. And I think that I hear voters, and sadly, especially young and new voters, saying this more and more and more than they did, you know, 20 years ago, that I remember. And this is a reflection of the political environment and atmosphere that we have at the local and state and the federal level. In this case, that's because here's what happened. The voters made their voices heard. The language that they voted on, on the ballot was clear. They signed petitions. They knocked doors. They collected signatures from every corner of this state, and then they put paid sick leave on the ballot and they passed it. Overwhelmingly. They've been asking us to do it for years, maybe generations, but they did it themselves, as they have the right, constitutionally, to do. And then what are we doing about that? We're finding a way to undermine it, to water it down, to walk it back, to chip away the edges so we can say that we respected their vote, while on the other hand, doing everything we can to undermine the result. That's what LB415 does. It's not a minor fix. It's not a technical clarification. It's not changing some of the legal language to make it in line with other statute or constitution or things like that. No, it's a direct attempt to undermine and rewrite the will of the people under the guise of implementation. So let me say this as clearly as I can: if you only believe in democracy when you get the results you like, you don't believe in democracy, no matter where in the political spectrum

that is happening. The people voted, and the people won. And now instead of honoring that, we're sending a message that their vote only matters when we like it. That's a problem. We're telling working Nebraskans that they were stupid, that they didn't understand what they were voting for, that they got it wrong, and now we need to step in and fix it. And I want to say that I trust Nebraskan's to know exactly what they're voting for, whether it's an increase in the minimum wage, or paid family leave, or marijuana, or whatever-- voter ID, abortion. I trust their judgment more than I trust a handful of politicians in this Chamber. The process matters, not just because of the policy, but when people use the tools available to them in a democracy, we should meet them--

KELLY: That's your time.

HUNT: --with respect. Thank you, Mr. President.

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

SPIVEY: Thank you, Mr. President. And good afternoon, colleagues, and Nebraska. I hope folks have enjoyed their lunch. I haven't even eaten lunch. It's actually sitting on my desk right here. It's a smoothie, and I haven't even had it because of all of the things happening and the importance of the dialogue, not just of LB415 and AM1207, but, I think, all of the major decisions and policies that are in front of us. In general, I, again, as I mentioned, rose in unsure support of LB415. I did PNV the first time around, because there were some things that I felt like what I heard from my constituents were not honored, some changes, but I do understand Senator Ballard's work with community partners to create what was originally in front of us and what was voted on. And I don't know how I feel about all of the additional amendments. I think, you know, it's interesting coming into the Legislature. So before this, I worked in the social sector my entire career. I feel like I'm an innovator, like I've started businesses. I like to create and start things very entrepreneurial. But all of my work has had a social impact focus. How do you address the most complex issues that are in front of us, whether it's at the city level or the state level? Part of my master's program, we deep-dove into No Child Left Behind, so right, so like, from federal policy to local, and like how do you really create true access and opportunity? And so, working really hard during my campaign, I get here, and I was so idealistic. I was so excited to focus on policy that was around economic opportunity. I was knocking doors literally like 4 hours a day, OK-- went through 2 little hookah shoes-- or

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

Hokas, however you say it. Lost a ton of weight knocking doors, like, I mean, just dedicated myself to community in a very different way, because I wanted to be a conduit. And what I heard was, you know, childcare has been an issues or-- has been an issue, and I'm working hard day-to-day to make ends meet. And it's not that I'm unemployed, I have a job, but I have multiple jobs to make ends meet. And I am making under a minimum wage. And so, they-- people needed that, that floor to move up, so that they can do better for their families. People were talking about healthcare access and what does it mean to be a healthy community and, and, and not only just healthy, but vibrant. How do we have strong commerce in, in my community and I don't have to drive outside? Really great transportation. That there are quality grocery stores, I don't have to have all these preservatives in my food and you know like all of these things. And so I came into this session really excited to work on that. During what they call senator school or freshman orientation definitely felt like high school all over again. There was a lot of conversations with folks that I didn't think that we had a lot in common on those particular issues that we envisioned for our districts and our communities that we worked really hard for to focus on those things, and not this like culture war politics that has infiltrated not just our federal government, but our state and local government. And it's been disheartening. It's been hard this session, to hear the comments and to see the behaviors demonstrated in this body, and it's not what I think we deserve and we-- like, Nebraska. We deserve better. And I, I am just disappointed within the trajectory of where LB415 has gone and what I'm hearing it will potentially go. At the end of the day, I have worked really hard and I'll use I statements because I think that's important. I don't, I don't like using generalizations or should people-- that-- it's not about my ego and what I think. Again, I'm a conduit. My job is to represent the people, the people's voice, and to create acc-- to create access and opportunity. And when we don't do that, then that is the antithesis of why we are here. It's the antithesis of why we have a Unicameral in the structure that we have. It's, it's opposite of why we have strong-- just any kind of system-- local control. How do we want to remove big government. Like-- so, I just encourage my colleagues to join me in conversations that are truly rooted in access and opportunity for the people that we were sent here to represent and to care for. That's most important. And I have tried to center that approach in my talks on the mic, the policy that I have put forth, and my work within this body. And we still have really big decisions and conversations--

KELLY: That's your time, Senator.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

SPIVEY: --in front of us. Thank you, Mr. President.

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

FREDRICKSON: Thank you, Mr. President. Good afternoon, colleagues. Good afternoon, Nebraskans. I rise today-- I, I do support Senator von Gillern's amendment, AM1207. And as I said earlier, I supported the original LB415, by Senator Ballard, but I do no longer support it, given what-- how it was amended on General File. I want to just-- I got in the queue because I wanted to speak a little bit about something I've heard a couple times during this debate, about the paid sick leave initiative and, and, and what this means now that it's passed, and specifically, this idea that, that this would be somehow a government mandate about-- around paid sick leave. And I want to be really clear about that specifically, because that--that's exactly the opposite of what a ballot initiative is. So ballot initiatives, these are not some top-down decisions that are made in some distant office by, you know, a lawmaker or an edict that was handed down by us. It, it-- ballot initiatives are literally, they're the direct vote of the people. So, when Nebraskans go out to vote on the ballot initiatives, they are ex-- exercising their most fundamental power in our democracy, which is the power to make law themselves. And that power was enshrined in our constitution for a reason. So that when elected bodies, such as ourselves, fail to act on issues that matter deeply to their everyday lives, the people, themselves, have a tool to act on their own. So when we refer to something that the people themselves voted for, something like paid sick leave, in this case, as a mandate or a government mandate, we should be honest about who's actually doing the mandating, and that's the voters. And I don't think it's a stretch to say that respecting the will of the people is not an overreach. It's, in fact, a responsibility that we should all take seriously. What would be an overreach would be this Legislature stepping in after the fact that the people pass this, to dismantle, dilute, or carve up what the voters have clearly said they want, and to do that under the excuse of protecting businesses or fighting mandates is to ignore who made the decision in the first place. So let's not forget when the people speak through the ballot, they are not just expressing an opinion. They are enacting law, law that has the same equal force of anything that we pass in this Chamber, and that deserves not just our respect, but also our protection. So I wanted to address that component specifically, because this is in no way, shape, or form a government mandate. This is democracy in action. This is a mandate from the citizens and the voters of our state, as

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

opposed to coming from the top down. And with that, I will yield any remaining time I have to Senator Conrad.

KELLY: Thank you, Senator Fredrickson. Senator Conrad, 1 minute, 55 seconds.

CONRAD: Thank you, Mr. President. And thank you to whoever yielded me time. I'm sorry. I had stepped out, talking with a colleague about procedure, but I just wanted to reiterate an editorial from the Lincoln Journal Star, in regards to this measure. Nebraskans overwhelmingly approved Initiative 436, with nearly 75% of those who cast ballots voting to require employers to offer at least 5 days off of paid sick leave per year. The law is the result of the initiative, is set to take effect October 1, requires employees with fewer than 20 workers to offer at least 5 days sick leave per year and employers with 20 or more workers to offer at least 7 paid days annually. The initiative got 682,000 yes votes and 228,000 no votes from the second house across the state, with 89 out of 93 counties in favor. Now, under pressure from business interests, the Nebraska Legislature, the first house, is attempting to undermine the paid sick leave law before it takes effect with this measure from Senator Paul Strommen, of Sidney, which would exempt businesses with 10 or fewer employees, temporary and seasonal ag workers, child workers under the age-- and child workers under the age of 16 from the paid sick leave requirement. The arguments put forward in support of the carve-outs would have-- had more validity had there been an organized campaign against the initiative, and the contention that Nebraskans were uninformed about the initiative undermines voters knew full well what they were voting on and improved the specific language as the law to go on the books. For that reason alone, as legislators consider LB698, which made a priority bill by the Business and Labor Committee, senators need to respect the wishes and judgment of the electorate that approved the initiative, with a higher percentage of votes than any other ballot initiative or--

KELLY: That's your time, Senator.

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

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

BOSN: Question.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: The question's been called. Do I see 5 hands? I do. The question is, shall debate cease? All those in favor, vote aye; all tho-- there's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch not voting. Senator Armendariz. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting no. Senator Brandt voting yes. Senator John Cavanaugh. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover. Senator Dungan voting no. Senator Fredrickson. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop not voting. Senator Quick. Senator Raybould voting yes. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting no-- voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper not voting. The vote is 29 ayes, 7 nays, Mr. President, on-- to cease debate.

KELLY: Debate does cease. Senator von Gillern, you're recognized to close on AM1207. There's been a request to place the house under call. The question is, shall the house be placed under call? All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 23 ayes, 18 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. All unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator von Gillern, you're recognized to continue your close.

VON GILLERN: Thank you, Mr. President. Just very briefly, I would appreciate your green vote. This is a cleanup amendment on a bill that was attached to LB415 and passed by a wide margin on General File, so I appreciate your positive, green vote on AM1207. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: Thank you, Senator von Gillern. Senators McKinney, Conrad, Machaela Cavanaugh, and Hunt, please return to the Chamber and record your presence. The house is under call. Senators Conrad and Hunt, please return to the Chamber and record your presence. The house is under call. Senator Conrad, please return to the Chamber and record your presence. The house is under call. Senator Dungan, we're waiting for Senator Conrad. How do you wish to proceed? Senator Dungan says proceed. Members, the question is the adoption of AM1207. All those in favor vote aye; all those opposed vote nay. Request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting yes. Senator Brandt voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover. Senator Dover voting yes. Senator Dungan voting yes. Senator Fredrickson voting yes. Senator Guereca voting yes. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting yes. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting yes. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting yes. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting yes. Senator Quick voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Rountree voting yes. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting yes. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. Senator Conrad voting yes. Vote is 48 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM1207 is adopted. Mr. Clerk. I raise the call.

CLERK: Mr. President, a priority motion. Senator Jacobson would move to reconsider the vote taken previously on AM1337.

KELLY: Senator Jacobson, you're recognized to open on the motion.

JACOBSON: Thank you, Mr. President. I rise in support of the motion to reconsider the vote on LB1337. I think there were a number of people that weren't sure what we were voting on and what actually were some of the pieces in the particular bill. I would announce that the

concern in my district is when you go under 10 people, there are employers that just plain can't afford it when you stack all of these mandates on top of each other. We're told that this is not a government mandate, but yet, we're told that there's a second house out there and that they can pass laws that are enforced by the government. So I don't know how you want to call it, but I can tell you that my constituents see it as a government mandate. Because they were-- there was a vote to require them to offer certain benefits that they can't afford, and they have to do it, and they have the force the government to enforce it. And so, I don't know-- to-may-to, to-mah-to. It's a mandate, and it impacts them. We've talked a lot about the employee, but what about the small employer? There are employees who have been fined. They've been able to make this work with an employer that they want to work for, but if that employer is out of business, they don't have a job anymore. And you know what? A job beats the benefits. When you go out in small-town Nebraska, the cost of living is less because the homes that they're living in aren't the homes you see in Lincoln and Omaha, for many of these small communities. It's real to those people to have a job. We can all stand here and give all these examples of how this is something that the employee needs. But I'm telling you, if the employer can't afford it, they go out of business. I've got a, a, a small implement dealer in my district that is struggling to make things work because he doesn't have the ability to pay the higher minimum wage, the ability to, to pay for paid sick leave, and all the other things that are out there that are gov-- that are mandated either by the government or by regulation. Furthermore, price of grain is down significantly, so he's going to sell less equipment. How's he supposed to make that work, and how's he going to be able to keep those people employed? And how is that going to support the community who needs roads and street improvements and so on, if that business goes out of business? How many voters thought about that when they looked on the ballot and said, gosh, I can get paid more, I can get another benefit. Sure, why not? Check. Those are the real-life situations that are out there. Think about them. Think about them when we cast votes here. We're not taking away what the voters said they wanted. We're making modifications to it. We're making it so that it will work for small businesses and for employers. That's what this bill does. So we can reconsider the vote, strip the amendment out, which, by the way, Senator Hughes is willing to offer an amendment to allow for part of the bill to stay intact, and we'll bring that on Final. Now we can offer amendments to block it on Final, and that's your prerogative. But that's you that voted on Final to not allow for them to sue if they were, in fact, not paid their sick leave. That's what her bill does. So, think about that when we get on

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

Final Reading that if we allow that amendment on, we can move the bill with that change, but going from 10 to 5 is a bridge too far. That's what I'm after. With that, I will thank the chair for my time-- for the time, and encourage everyone to vote for the motion to reconsider and against LB-- or the AM1337. Thank you.

KELLY: Thank you, Senator Jacobson. Mr. Clerk, you have a motion on your desk.

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

KELLY: Senator Ballard, for what purpose do you rise?

BALLARD: A roll call in regular order.

KELLY: 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: 46 ayes, 0 nays on the motion to invoke cloture-- or excuse me, on the call of the house.

KELLY: The house is under call. Senators, please record your presence. All unauthorized personnel, please leave the floor. All unexcused senators outside the Chamber, please return and record your presence. The house under call. All unexcused members are present. Members, the first vote is the motion to invoke cloture. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting no. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson voting no. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting yes. Senator Riepe

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper not voting. Vote is 33 ayes, 14 nays to invoke cloture.

KELLY: The motion to invoke cloture is adopted. The next vote is on the motion to reconsider. All those in favor-- there's been a request for a roll call. Mr. Clerk.

CLERK: Senator Andersen voting yes. Senator Arch not voting. Senator Armendariz voting yes. Senator Ballard not voting. Senator Bosn voting yes. Senator Bostar not voting. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Fredrickson not voting. Senator Guereca voting no. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes not voting. Senator Hunt not voting. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop voting no. Senator Quick voting no. Senator Raybould voting yes. Senator Riepe voting yes. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen not voting. Senator von Gillern voting yes. Senator Wordekemper voting no. Vote is 29 ayes, 12 nays, Mr. President.

KELLY: The motion to reconsider is adopted. The next vote is on the adoption of AM1337. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 15 ayes, 28 nays on adoption of the amendment.

KELLY: AM1337 is not adopted. Senator Guereca, you're recognized for a motion.

GUERECA: I move that we advance LB415 to E&R for engrossing.

KELLY: There's been a request for a record vote. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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Floor Debate May 13, 2025

CLERK: Voting aye: Senators Andersen, Arch, Armendariz, Ballard, Bosn, Brandt, Clements, Clouse, DeKay, Dorn, Dover, Hallstrom, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Lippincott, Lonowski, McKeon, Meyer, Moser, Murman, Raybould, Riepe, Sanders, Sorrentino, Storer, Storm, Strommen, von Gillern. Voting no: Senators Bostar, Cavanaugh, Cavanaugh, Conrad, DeBoer, Dungan, Fredrickson, Guereca, Hunt, Juarez, McKinney, Prokop, Quick, Spivey. Not voting: Senators Rountree and Wordekemper. Vote is 33 ayes, 14 nays, 2 present not voting, Mr. President.

KELLY: LB415 is advanced for E&R Engrossing. Mr. Clerk. And I raise the call. Mr. Clerk.

CLERK: Mr. President, some items quickly. Amendments to be printed from Senator Machaela Cavanaugh to LB415, Senator Andersen to LR12CA. Next item on the agenda, Mr. President, General File, LB376. Mr. President, LB376, introduced by the Health and Human Services Committee. It's a bill for an act relating to the Department of Health and Human Services. It amends several sections of Chapter 28, Chapter 43, Chapter 68, Chap-- Chapter 71, 81, and 83, and Sections-- Chapters 30, 38, 43, 68, 71, 76; changes requirements for physicians performing or inducing an abortion; changes and eliminates various reporting requirements; changes requirements for rules and regulations as prescribed; redefines a term; changes requirements for the Title IV-D Customer Service Unit; changes funding provisions for childcare grants; changes eligibl-- eligibility requirements for young adults in the Bridge to Independence program; change requirements relating to office space maintained by counties; changes and eliminates requirements relating for-- to application for, determination of need for, and payment of assistance to the aged, blind, and disabled; changes notification requirements for certain test results; change requirements for nonvoting members of Alzheimer's Disease and Other Dementia Advisory Council and the Primary Care Investment Council; changes requirements for affidavits relating to acknowledgement of maternity; changes requirements to State Commodity Supplemental Food Program; changes requirements for new construction under the Radon Resistant New Construction Act; changes responsibilities, requirements for the Division of Children and Family Services, changes and eliminates powers and duties of the department; changes provisions relating to spousal assets under the Medical Assistance Act, the Autism Treatment Program Act, maternal and child welfare, the Palliative Care and Quality of Life Act, the Outpatient Surgical Procedures Data Act, and patients with complex health needs; provides for the use of wholesale drug distributor license fees to the prescription drug monitoring program; eliminate-- eliminates absolute

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

provisions; harmonize provisions; repeals the original section; outright repeals several sections of Chapter 43, 48, 68, 71, 81, 68, 71, and 76. The bill was read for the first time on January 16 of this year and referred to the Health and Human Services Committee. When the Legislature left the bill, Mr. President, pending was the bill itself, the committee amendment to the bill, and a motion from Senator-- and a motion to recommit from Senator Machaela Cavanaugh.

KELLY: Senator Hardin, you're recognized for a two-minute refresh on the bill.

HARDIN: At its core, this is about government efficiency, removing ant-- antiquated obligations from statute that allows the department to focus on helping people. Since this bill was passed over on March 19, there has been much work to slim down the proposal, focusing primarily on the elimination of outdated reports and modifying others. I want to thank Speaker Arch for working with me on this effort, as well as those senators who brought important suggestions for strengthening the bill. I look forward to working on the remaining portions of the bill during the interim to introduce a new proposal next session, as well. One key feature of the compromise, besides reports, is that the bill removes an unfunded mandate, mandate on counties that require all 93 of them to provide office space to DHHS. This provision received proponent testimony during LB376 hearing, as well as the hearing on LB516, introduced by Senator Quick, which the committee amended into this bill. While proposing to eliminate 28 outdated and unread reports, there are another 50 statutorily required reports that we know people are reading, about topics of importance in the current policy landscape that will remain in statute for the department to continue submitting. It's important to note that even for those reports being eliminated, program work continues. The DHHS website is able to be innovative without the constraints of what the Legislature codified in the past, providing for the public, as well as for all of us in this room and our staffs, with a wealth of valuable information. The department can learn and grow, add dash-- dashboards, and pivot when data changes and better reflect that work. For example, lead blood levels in kids have data maps and data summaries on the DHHS website, plus information on lead in drinking water at schools and childcare facilities. This is more comprehensive than what was prescribed in statute in 2012, and reflective of current times. This important work will continue. The website will evolve as necessary, based on the work and trends in this important public health area. Reducing workloads across the agency related to the eliminated reports allows bandwidth for growth to complete newly codified reports. Last

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

year, the Legislature added six brand new reporting requirements in statute. So far--

KELLY: That's time, Senator.

HARDIN: --this session we've enacted one. Thank you.

KELLY: That's time, Senator. Thank you very much. Senator Machaela Cavanaugh, you're recognized for a one-minute refresh on your priority motion.

M. CAVANAUGH: Thank you, Mr. President. I'm actually going to withdraw my priority motion so that we can get to Speaker Arch's amendment, and then we'll come back to my other motions after we dispense with Speaker Arch's. Thank you.

KELLY: Without objection, so ordered. Mr. Clerk.

CLERK: Mr. President, Senator Arch, I have AM1263, with a note that you'd withdraw.

KELLY: Without objection, so ordered.

CLERK: In that case, Mr. President, Senator Arch would move to amend with AM1312.

KELLY: Senator Arch, you're recognized to open.

ARCH: Thank you, Mr. President. Good afternoon, colleagues. First, I would like to thank Senator Hardin, as the chair of the Health and Human Services Committee, for allowing me to personally engage in this bill. Good government legislation has always been a passion of mine, and cleaning up unnecessary and burdensome functions is something we should strive to do on a regular basis. You'll see further down on the agenda I have a bill, even today that we discussed on General File that cleans up some of our many boards and commissions. Clearing out our governmental closet also includes identifying reports that no longer provide a benefit to the body as part of our deliberative process. That's what this bill strives to do. It's a DHHS cleanup bill. A lot of different reports come across our desks, and all those reports have been mandated by the Legislature. And I will be the first to admit I only read a fraction of them myself. In general, when we pass legislation creating a new program and providing new duties for an agency, we include a required report, as well. This gives us notification that the new program has been implemented and doing what was needed. After a while, the program becomes a regular, ongoing

function and there is no point to have some of these reports exist in perpetuity. So I applaud the Health and Human Services Committee and the Department of Health and Human Services for tackling this issue. I wish, frankly, I would have had the opportunity when I served as the Health Chair to do this. Naturally, when LB376 came to the floor, it really piqued my interest, and I paid close attention to the discussion. As introduced, LB376 is a sizable bill, and there were some concerns raised by me and others when this bill was first scheduled on General File in March. Upon looking more in-depth into LB376, I noticed that in addition to the elimination of a number of reports, the bill did propose a number more programmatic changes, as well. I was concerned valuable legislative time might be spent going through the bill in its entirety on the floor, and Senator Hardin agreed to pass over LB376 for the time being and allow some time for further review. I volunteered to help with that process. After conversations with Senator Hardin, DHHS, and the Governor's Policy Research Office, we came to the agreement to focus on the reports portion of this bill this session and to have further conversations related to the more policy-oriented provisions over the interim, so AM1312 reflects that decision. This way, by narrowing our focus, we can ensure that this bill does what it is intended, which is to clean up our statutes, and we won't get bogged down on more substantive policy discussions. AM1312 is the result of our conversations. It is a white copy and, if adopted, will become the bill. The amendment is a scaled-back version of LB376 and maintains the portions of LB376 that addresses DHHS reports. Under the amendment, 28 department reports to the Legislature are eliminated, 6 reports are modified, changing deadline dates to better accommodate the collection of data, and 2 other reports are sunset. With respect to the 28 reports that are eliminated, it should be noted that currently, without this bill, there are 78 unique reports statutorily required for the department to submit to the Legislature. 78. Because some of-- some are due quarterly or monthly, last year, the department made over 155 report submissions to the Legislature. That's a lot of time DHHS personnel spends compiling reports. And while the fiscal note does not specifically show a savings, eliminating some of these reporting requirements will certainly lead to greater efficiencies within the agency. The reports identified in this amendment are obsolete or duplicative. And again, I understand the work that has gone into identifying them, and I am appreciative of those efforts. There are 4 other provisions in this amendment that aren't related to reports but were in the original LB376 and are issues DHHS has asked us to address this session. As Senator Hardin mentioned in his refresh, a significant change proposed in this bill and retained in the amendment

is the removal of the unfunded mandate on counties to provide DHHS office space. That can be found in Section 9. Additionally, Section 3 fixes an error with respect to paramedic scope of practice. And finally, 2 sections of the bill, Sections 20 and 21, make some clarifying changes that were brought at the request of our Revisor. Now if there are reports in here that you think the Legislature should still receive and you have concerns with eliminating it, mention it now. I don't mean necessarily immediately now, but between here and Select is something that we can look into and, and we can certainly engage in that discussion with DHHS. The purpose of the bill is not to withhold information the Legislature wants and needs. Many of these reports are obsolete, in that there is more substantive and timely information now available on the department's website, and many of the reports, as required by the Legislature, are no longer relevant. Anyway, any concerns, let's talk about them between here and Select. I realize this is a lengthy amendment, but much of it is harmonizing language. Again, the amendment simply eliminates obsolete or duplicative reports-- that's the attempt-- modifies deadlines, provides a sunset for 2 reports. Again, thank you to Senator Hardin for allowing me to participate. I know this is an important bill to the Health Committee, and to me, and DHHS, and to others here in this body, and I ask for your green vote on AM1312. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, first, I appreciate all the hard work Senator Arch has done on this-- Speaker Arch has done on this bill. I recall the first time LB376 was up, it hit a speed bump because it was ill-prepared for the floor, and so that's why I think it took a, a breather and came back. Good lesson for a lot of bills. You know a lot of bills get rushed out here and aren't ready and that they needed some more work, so I appreciate Sen-- Speaker Arch digging in to do that. I pushed my light because we didn't get to talk on the last bill, after the vote there, and there were a number of things that were said and done that I think do bear conversation. And the first thing I wanted to address was Senator Jacobson said, you know, the, the-- we're legislating through ballot initiative, and when do we, you know, stop letting the people make these decisions, or something along those lines. And that struck me as fundamentally undemocratic. So Senator Jacobson, you missed the point of all of this. We, here, are the representatives of the people. We have-- the United States Constitution famously says: We the People of the United States, in Order to form a more perfect Union, establish Justice,

ensure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish the Constitution. It is a government of the people. The Nebraska Constitution similarly echoes this language: We, the people, grateful to an Almighty God for our freedom, do ordain and establish the following declaration of rights and frame of government, as the Constitution of the State of Nebraska. And of course, the first right and power the people retain to themselves was the right of referendum and initiative. We are not above the people. I don't know how many times we have to say that. We are representatives of the people. We are the servants of the people. We are here in their stead, because it would be too cumbersome for the people to figure out which particular reports and committees the Department of Health and Human Services should eliminate. We are here for the sake of efficiency, not to supplant the will of the people. And it is incredibly disrespectful to your constituents and to all Nebraskans to stand up here and to, one, say that they didn't know what they were doing and that we should intercede our judgment for theirs. And then, you should all be hugely embarrassed that Senator Jacobson stood up and said, however many of you that changed your vote on AM1337-- it had something like 36 votes for it the first time and only 16 votes for at the second time, so that means at least 20--some of you changed your vote. And he said the reason for that was you did not know what you were doing. So we're here, investing in ourselves, taking from the people their retained right to do petition and initiative, and we are interceding ourselves because we think that they don't know what they're doing. And then you stood up and very-- said the same thing that you did not know what you were doing. And therefore, you wanted a do-over. The people deserve to have their voice respected by this Legislature, and this Legislature has continually said no. This Legislature has continued to hold the individuals in here above the people of the state of Nebraska. We are a government of the people, by the people, for the people. And this Legislature is not respecting those people. We do not deserve our place. We are here to serve them, and all of you have lost sight of that. That was an embarrassment. Thank you, Mr. President.

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

DUNGAN: Thank you, Mr. President. I would, I guess, echo the sentiments of Senator John Cavanaugh. I punched in immediately on this bill, because, I, again, want to thank Senator Arch for his hard work on this. But I think I need to speak to how disappointed I am with this Legislature making the decision that they just made. I said

multiple times on the last bill that the voice of the people, as we just got done talking about, needs to be honored. And yet again, we, as a Legislature, continue to walk that back, time and time again, whether it's about minimum wage, or medical cannabis, or paid sick leave. Colleagues, I don't care if you like it or not, but the people have voted and they've made their voice clear. And what is frustrating, I guess, about the last bill that we just dealt with, is not even that we gutted what the ballot initiative originally spoke to, which, I disagree with Senator Jacobson. It absolutely is not a correction or a small fix. It changed fundamentally, the premise of what was voted on. But then there was an agreement-- there was an amendment that 36 of you voted for to be attached. And I would love it if some people would get up and explain why they voted for it the first time and then changed their vote the second time, because it sounds like one of two things are true: One, you voted for it and you didn't understand it, which is a problem, or two, you were being vindictive and petty, which I actually think is a bigger problem. Because we all make mistakes. But if there's one thing I think we should all seek to be as legislators, it is understanding and at least offer grace to our colleagues when we disagree. There are many things said by colleagues in this room of mine that I get frustrated about on a regular basis. There are things that you say that I think are offensive, and there are things you say that I politically and on policy disagree with. But I'm sure you feel the same about me, and that's fine. We can disagree about those things. But what it sounds like happened on this last bill, was an amendment that was attached that had been worked on by Senator Strommen, and I know Senator John Cavanaugh and others had worked very hard and long to talk about all of the different facets of it, to find if there was any possible way to move forward on that amendment. And because you didn't like the way that people were talking after that was adopted, it sounds like perhaps you decided to gut it and strip it. That's being vindictive. And if you're saying your colleagues didn't understand the bill, then that's, that's on them. But if you go look at this, people watching at home, go look at the vote. 36-4, with a bunch of people not voting the first time around, 36 senators voted for that amendment. And the next time around, 15. 15 on a pure party line split. Well, no, that's not true. There was one Republican that I think voted for the amendment. 36-15, because people were upset about what some folks were saying. And in making that decision, have deprived upwards of 30,000 Nebraskans the opportunity for paid sick leave. That's the estimate, colleagues. That amendment would have included about 30,000 additional Nebraskans in paid sick leave. So because we didn't like the things people were saying and because we got frustrated that we were still

talking about something and disagreeing and using our times on the mic to have a conversation, you told 30,000 Nebraskans that they don't get the opportunity for paid sick leave that was passed with 80-plus percent of the vote of the people. And I'm upset about that. I'm not gonna get up here and call names or, you know, call people out, necessarily. We can continue to work together. And what's, I think, also concerning is it is incumbent upon us, colleagues, to continue working together. We have to, to do our job. We have to do the people's work, and we have to sit down and come together and have a conversation on each and every one of these bills, to get to a place where we find common ground. But what incentive is there for people to continue to negotiate and work on bills if this is what happens? There are consequences for your behavior, and that's not a threat, it's just the reality. The people of Nebraska want us to keep working together. They want us to get over our political BS and be able to sit down in a room and work things out, and the AM that was just stripped out of that bill represented, in some capacity, some of that effort. But this Legislature said, no thank you. So colleagues, please think about your decisions, think about your votes, and I think we should all be a little bit ashamed of the process that this has all gone through. We can disagree. I hope we come back together on the other side. We have a lot of hard work to do before the end of the session. And I, for one, am looking forward to doing the people's work. I'm happy to stay here late. I'm happy to have the hard conversations because that's why we're here. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. I rise in modest support of AM1312. I will be voting to adopt it because I think it gets it-- us to a better starting position on the underlying bill between General and Select. So I appreciate Speaker Arch working with me and the committee and the department on this amendment. I, too, am going to speak to what transpired on LB415. Following up on some of the comments that Senator Dungan just made, I actually printed off the votes for the AM and then the reconsider, and it was down party lines. I did not ever intend to vote for that AM, but I understood that it gave more people access to sick leave. And so I, I actually withdrew my motions that were blocking it from even being considered, because I know, or I thought that it was a good-faith effort and a good-faith negotiation to come to some sort of compromise. And, and so I withdrew my motions that were blocking it from being considered. And I, I did that because multiple people, including the introducer of the amend-- AM1337, came to me and asked me to. They said, OK, we can get to a

vote on it. I even thought, well, we'll get to a vote on it and then probably, it'll, it'll move pretty quickly after that. We broke for lunch, we came back from lunch, and then it was off to the races to undo months of work. And everything I have heard about ballot initiatives and the voters in all of these bills that are seeking to undo the will of the voters is they didn't understand what they were voting for. And now, I'm hearing that 26 of my colleagues didn't understand what they were voting for this morning when they voted for AM1337, because then they didn't vote for-- they had to do a reconsider and then not vote for AM1337 in the afternoon. So I think the people that didn't understand what they were voting for were you all. And the people at home voted for the ballot initiative because they want to have sick leave, because they can't trust us to do what's right for their families, and that is so unfortunate and heartbreaking. So I very much appreciate that the Speaker worked on this amendment and brought this back. And I had zero intention of spending more than maybe 5 minutes on this, but as Senator Dungan said, there are consequences. There are consequences. And when you work in good faith, and then the other party makes you think that they're working in good faith, when in reality, it was never in good faith, there's going to be consequences. And I can't do anything about the votes. I said that this morning. You have the votes. You can be as egregious as you want. 24/7. You can screw over the working man every minute of every day if you want, because you have the votes. But I have the clock, so I'm going to use the clock. That's my tool. It's the only tool I've got. Because my vote does not matter. But I will stand here, and I will use every minute remaining in this Legislature on the clock, because you've literally left nothing. You've left nothing for us. And for us, I mean for Nebraskans, because I'm a Nebraskan. I'm a working mom with a working husband at home, taking care of our kids, who go to school and play sports. We're trying to live a nice life in Nebraska. And I'm trying to make sure that other people can live a nice life in Nebraska, and raise their family, go to church, go to school, do activities. And all I've got is the clock. So I'm going to use it. Every single minute that I can, I'm going to use it, and that's apparently the decision that you all have made for me. Because I know you knew there would be consequences. You've served with me, for the most part, long enough to know that I wouldn't take this lying down, that I wouldn't take you working in, air quotes, good faith with Senator John Cavanaugh, and step aside so that that good faith compromise could happen, and then have you, a couple hours later, undo it.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. Good afternoon, colleagues. I want to speak to AM1312. Man, I need new glasses badly. I think it's AM1312, the one we're on now, that the Speaker came up with. One thing I want a note for you is that when the bill originally came before the body, I looked at it and I saw that there were a couple of reports that I had actually passed in my time here, that were being amended-- one committee and one report, actually. And I spoke to different folks and decided, yeah, I thought that what was happening with, with the committee was a, was a good idea, so great. And then the report, I spoke to some folks about how I thought that that was probably problematic, with the Radon report that we had, because we had passed legislation. And I can't remember if it was my first, second, third year, somewhere in there, that was-- the report was generated, would then produce results that the statute relied upon. So not producing the report would have then made that statute refer to a report that didn't exist, so it was problematic. And I'm happy to say that I talked to the Speaker and others, and that report has been taken out in this particular amendment, so it will no longer be eliminated. So the program can continue on, so that was great. And I just wanted to say thank you for those that are working on this. My understanding is that if there are other reports-- I mean, obviously, this is a, a large number of reports for any one office to try and keep track of, so if there are others, I'm sure that the Speaker and Senator Hardin are willing to listen to you and look through them. It takes a number of different eyes on these things with a number of different expertises to make sure that, you know, we're dotting all the I's and crossing all the T's. So I want to thank Senator Hardin and, and Senator Arch for their work on this and just say, you know, if there are other reports or things in there that you see a continued need for, that I think we can probably talk about that between General and Select. So, I will be supporting AM1312 on the understanding that if there is additional matters that need to be adjusted, that, that we are all working together to try to find the best way to be efficient without cutting out things that we really need. Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer. Senator Hardin, you're recognized to speak.

HARDIN: Thank you, Mr. President. Just wanted to give you some examples of some of what is contained within LB376. This is the kind of bill that frankly, I would like to see all of the departments across the state government engage, and that is there's not an eternal, bottomless sort of filing cabinet that catches all of the requests and demands that go on off into perpetuity for any department. And so literally back in somewhere in probably, oh, I don't know, 1867, there were habits that formed that said when any bill was put together, they added like, somewhere near the end, "and write a report." And so at some point, there becomes this need to do what this bill does, which is to go through and, for example, to remove outdated reports. One of those would be an EMS report that was created in 1997. It went electronic in 2012. And so it's every five years, its-- it, it reports on the previous five years. An outdated report example would be a state disbursement unit report that relates to child support, one that's for elemental formula reimbursement programs, one is for Medicaid rules and regs, Medicaid contracts for cost containment and recovery. Again, many of these things are simply bound up in what has happened with the march of technology. Things have moved on, and many of those things are-- none of those reports-- by the way, their data all remains. We don't throw data away. We simply either gather it in new ways or if it's no longer relevant because of other statutes, removing old ones, there's no need to go back and do that any longer. But for example, there are examples of modified reports. They went back, they being the department and looked at the fact that there were many, many reports that were modified by newer statutes and yet, they were still making those same old reports. One example of an electronic application had to do with early hearing detection and intervention, one with child support and suspended licenses, one with child support and new hires, one with disabled persons and family supports. A lot of these just became electronic reports, and yet there was still this need to create this other kind of report. And so, here again, just catching up with the 21st century. Sometimes, embarrassingly, there were reports that had no inquiries. When we moved over from the physical world of hard copy to the world of digital, all of a sudden we now had the ability to trace records, in terms of has anyone actually looked at this data? And when that happened, we basically said wait a minute, why do we keep putting personnel and the cost of wages towards something that hasn't been looked at in many years and in some cases, never at all? And so, the Nebraska Public Health Authorization Dental Services report would be an example of that. Examples of reports that had sunsets. There was a Prenatal Plus program and a family support program that had sunsets that came and went. Examples of reports that had date changes. There

were a lot of these, simply because the department didn't have enough time between when the report said this will come due and when they were able to ascertain from all of the data what's contained inside that data. You have to connect the dots with data. And so, examples of that were work in education, the ADC program report, child welfare normalcy reports, Opioid Prevention and Treatment Act reports, juvenile room confinement reports. There were also examples of reports to reflect changes in laws: as was suggested earlier, the abortion report, that went from 20 weeks to 12 weeks, paramedic scope of practice reports. As we also talked about earlier, there's a county office space mandates report. Well, what this bill also does is remove that mandate on all 93 counties while still allowing time for DHHS to relocate to new locations. That was part of LB516 with Senator Quick. So, in one case, we had a building no longer in existence in Norfolk. And so--

KELLY: That's your time, Senator.

HARDIN: Thank you, Mr. President.

HARDIN: Thank you, Senator Hardin, Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. And good afternoon, colleagues. I really appreciate Senator Arch's approach to working with everybody to try and get this measure in the vein of good governance back on the agenda. Appreciate the collaboration extended if there are certain reports or otherwise that are of interest to members in the body to retain. I think it's a good idea to frequently take a look at what our reporting requirements might look like, to figure out what's antiquated, what's duplicative, what we can remove, what we should remove, figure out what's missing, figure out what is not useful, and this is a healthy exercise in making government work in a more efficient manner. That being said, there, there are instances where there are keen reporting requirements that legislatures-- prior legislatures have put forward, because we're having a hard time getting information from state agencies about key issues in public health or public policy, and have established reporting requirements to keep better tabs on those issues and areas. Particularly, in this moment, when we see a reduced ability to have legislative oversight in our state's most troubled agencies, including the Department of Health and Human Services, which, the reporting requirements are primarily subject thereto in LB376, I think it is appropriate to proceed with caution. We don't want to limit transparency. We don't want to limit information for policymakers, for the press, or for community on key

policy issues, when our other avenues to access information are restrained or less robust than they typically have been. I just want to add a quick note in regards to some other events that took place recently here today. And my goodness. I'm sure others-- maybe not-- are feeling some of the, the same feelings that I'm feeling. But I drove in knowing full well that we didn't have the votes to stop anything that, that we wanted to, in regards to either proposed amendments or the underlying measure that sought to cap or carve out the voter-initiative-approved sick leave measure. And we said it; and we said it on the mic. Senator Cavanaugh withdrew her motions. We said that we appreciated and understood we didn't have power, but we still had a few points that we wanted to include for the record, and none of the debate was over the top. Those of us who opposed the measure always opposed the measure. Those of us who opposed the amendment always opposed the amendment. We literally threw in the towel this morning and conceded defeat and withdrew motions and worked collaboratively, without a queue strategy, to have organic debate. And we had never agreed to anything. We never said that we were going to do this or that if this happens, and we made points as to why we didn't like the bill or the amendment. Nothing was out of bounds or over the top. We cited polling that was recently conducted about Nebraska voters' feelings on the carve-out measure. We shared stories of impacted people and populations. We discussed the law, the policy, and pragmatic concerns. We asked questions about the amendment. The majority is playing politics with people's lives and subverting the will of the people, and those actions are on full display, and you will have to contend with the dictates of your conscience as to why you utilized your power in that moment, because it's not enough to even win. It's not enough to even win. There also has to be a punitive component for anyone who dares to ask questions, or have a different point of view, or share their perspective, or speak out on behalf of their constituents. It's a sorry day for the Nebraska Legislature, our state's only deliberative body, that should be a forum for robust debate, and free expression and push and pull, and kicking the tires on the, the measures--

KELLY: That's your time, Senator.

CONRAD: --that are before us. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. I used to have this, I think it was last year, maybe it was the year before, a little post a note

on my desk that it-- I was-- it was a quote that Senator Conrad made or a comment that she made that's a quote that I don't know who it is actually originally attributed to, but the beatings will continue until morale improves. I feel that way every minute of every day that I am in this place. It is so just hard to know that you're showing up to work every day, trying to represent 30,000 Nebraskans from your district, my district, and also to just represent Nebraska. It is really hard to kind of leave my husband in a lurch with the kids, every morning and at dinnertime, and knowing that I'm going to come here and it doesn't matter. It, it just doesn't. There's just raw power in this body and raw power is going to be used and extorted to the maximum, apparently. You can be as hurtful and petty as you want because you have the numbers. So, it's hard. It's hard showing up here. It's really hard showing here every day. And, you know, I keep doing it because I ran for this job. I was elected to do this job. I feel a responsibility to be here and to show up for the people that elected me and for the people of Nebraska. I feel a responsibility to continue to speak truth to the raw power of this Legislature, even if you won't listen, even if you are going to stick your head in the sand or put your fingers in your ears and not listen to a thing I say, I still have a responsibility to show up and to fight for the working people of Nebraska. And it's just so disappointing to, like, see the politics of this place, and that's what happened on LB415. That was pure politics. Pure politics, pure and simple, just like the grossest underbelly of politics. The people in power seized their power because they could, and they took away power from the people, the working man, because they could. And yeah, we can do a referendum. We can redo everything that we already did. We shouldn't have to. When the people rise up and they exercise their right to vote, we should listen, even if we don't like the outcome. We should listen. No one, except for actually this bill, no one brought a bill to change anything about the ballot initiative for abortion, that passed. I accepted that outcome. I accepted that the people spoke and I should listen. If I really want, I could introduce a constitutional amendment to get it on the ballot so that the people can have another chance to vote, but I didn't do that, either. I listened to the voters. I disagreed with them, respectfully, but I listened to them. I honored what they told me through their votes. Raw power is corrupted, 100% corrupted. That's where we're at. That's where we're at, Nebraska. It's too bad. But I'll get back in the queue. I think I'm almost out of time. And I'll just keep on talking, I guess. Thank you, Mr. President.

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

CONRAD: Do you want time? I yield my time to Senator Cavanaugh.

KELLY: Senator Cavanaugh, 4 minutes, 51 seconds.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Conrad. I do have quite a bit substantive that I can talk about with this bill and this amendment, but I do still want to reflect on, on the dynamics here. One of our colleagues asked me-- I think it was yesterday. I was sitting in the Senator's lounge, watching debate, and somebody-- one of you came in and sat down and was talking to me. It was a Republican colleague, and asking me about how this is-- how are things this year? Are they better? Are they worse? How's it going? And I said, oh, they're worse. And at the start of the session, I thought it was going to be better because, you know, we had, like, a fresh start, new class of people. But, but then I quickly realized that this Legislature was going to lean into its raw power completely and work to undo the will of the people, work to undue resources for people, and, and really just grab everything that they could, as is evident in our budget. Our budget is an immoral document that cuts public health when we have an outbreak of the measles happening across the country and coming to our state-- probably already here. So, we cut access to public health. We cut funding to public health. We have a mental health crisis. We have a behavioral health crisis. We have a prison crisis. We have a sentencing crisis. But what decisions do we make? We decide that we must fund property tax relief for the governor, who we know is going to benefit substantially from that. Substantially. But that has to be protected, not the will of the people, the governor's property tax relief. The governor's own increasing of his own wealth has to be protected. Then we talk about the income tax cuts. If we just hit pause on the income tax cuts, we wouldn't have to make cuts to the university and the colleges and the community colleges so that they don't have to either raise their levy, those that have that authority, or raise tuition to make a good college education affordable instead of out of reach. But we can't pause that. And when we try and talk about how this is a tax cut for the wealthy, we're gaslit about the fact that the highest income tax bracket starts at like \$29,000 for an individual. Yeah, that's a problem. It is a problem that somebody who makes \$29,000 a year is taxed at the same rate as somebody who makes \$250,000 a year. And somebody who makes \$250,000 a year is taxed at the rate of somebody who makes \$2 million a year. That is a problem. That is regressive. That's not a tax cut for the working people. That is a tax for the wealthy. That's it. That's where we're at. When I was listening to the debate yesterday, I started writing down things that we were making choices about. We had to fight. We had to scrap and fight for money for domestic violence shelters, yet we protected

property taxes. We protected property taxes and we protected lining our own pockets for property taxes, which is a tax we do not levy. But then, we took money from the Medicaid Excess Fund. But first, we had to make statute changes. We had to make statute changes to allow ourselves to take money from the Medicaid Excess Fund because it wasn't an allowable use. And we had to do this because last year, when I said it's not allowable to use TANF for this, everybody--

KELLY: That's your time.

M. CAVANAUGH: --said I was wrong.

KELLY: That's your time, Senator. You're next in the queue, and this is your third time on the amendment.

M. CAVANAUGH: Thank you, Mr. President. Everyone said I was wrong. You just ignored me, because that's what you choose to do. You choose to put your head in the sand and pretend like the things that I am saying are not true, when they are. They are facts. They couldn't use the money. So then a bill is brought this year to try and get the money from general funds. And that doesn't work. So then, there's an amendment on the floor to try to get the from the Medicaid Excess Fund. And that works, because everybody wants to wax poetic about how much we care about victims, as long as it doesn't cost property tax relief money or the Perkins Canal. We care so deeply about victims of domestic violence, as long as it doesn't cost the governor property tax relief and it doesn't cost rural senators the canal. And it didn't have to cost them either of those things. We still could have funded it. We could have paused the income tax cuts. We could've taken the unobligated money from the canal. But no, that was off limits. But what wasn't off limits was the obligated money from Senator McKinney's bill, last year. That wasn't off limits. That was a deal that could be broken. That was money that actually would invest in communities that need investment that we have consistently not invested in. And I say shame on me, because I sat in Appropriations and I supported committee members' motions when they wanted to get funding that invested in their communities because they said their communities desperately needed it, and I believed them. That's on me. I believed that communities were hurting and that they needed this money. And therefore, I supported them. But when communities in my town need resources, we can't afford it. We must have the Perkins Canal. We must have property tax relief. We can't afford sick pay. We must have property tax relief. We must have the Perkins Canal. We can't afford problem-solving courts for veterans because we must have property tax relief. We must have the Perkins Canal. We can't afford investment in

north Omaha because we must build a prison. We could take the money from building a prison, we could invest that in north Omaha, create jobs. Pretty sure when people have jobs, crime goes down. When people can afford to feed their families and they can afford to have hot water, running water, and they can afford to take the bus to get to their jobs, I'm pretty sure crime goes down. But instead, we choose to harm working Nebraskans, time and time and time again. And we take everything that your colleagues in the minority in this body care about, which is your constituents. I care about your constituents. I fight for your constituents. I advocate for your constituents. And you advocate for the governor. You advocate for big business. You advocate for big money. You are willing to bring tax bills that will increase taxes across the board on goods and services for low-income wage earners in Nebraska, while taking away their sick leave, trying to restrict their pay, taking away any financial investment in their communities. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. See no one else in the queue. Speaker Arch, you are recognized to close on AM1312.

ARCH: Thank you, Mr. President. I want to respond to one of the comments that Senator Conrad made regarding oversight. And these reports are absolutely an essential part of oversight, our responsibility, our, our ability to do that. I think that we're going to be talking about oversight before this session is over, with, with LB298. LB298 will come before you, at some point, and we're going to be talking about restructuring our oversight responsibility and our organization to do-- to provide oversight. So that, that will be coming. I might just say that, you know, like, why do we ask for reports? Why do we provide oversight? And this is kind of a preview of what's coming with LB298. The-- we, we play two roles here in the Legislature: we legislate and we appropriate. As the-- as one of those branches of government-- actually, the first branch in the constitution-- we legislate and we appropriate. So when we ask for reports, it is for that purpose. We need information so that we can legislate and appropriate to the best of our ability. So these are not idle requests, they're not treated as idle requests. We have to evaluate reports periodically to determine whether that is necessary for us to accomplish those two purposes, and that's what this process is. But as I say, we, we want to provide meaningful oversight. Our job is not to consume the other branches of government with reports that are not meaningful to us. And so going through this process, as I say to Senator Hardin, to the committee, to DHHS staff that actually generated this list of reports to begin with, I applaud them. This was, this was months and months of work, and we have, we have some

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

more work to do-- and willingness to sit down. I've already had people that have come and asked questions about per-- spe-- specific sections of the bill here. More discussion can be had before we, we reschedule this for Select. Hard work to go through something like this, but thank you very much for that hard work. And I think we're going to, we're going to take a step in the right direction here, with eliminating some of these reports that are either outdated or we have determined to be not meaningful in fulfilling our duties as a Legislature. So I would appreciate your green vote on AM1312. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Members, the question is the adoption of AM1312. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: AM1312 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to bracket the bill until June 9 with MO249.

KELLY: Thank you, Mr. Clerk. Senator Machaela Cavanaugh, you're recognized to open on the bracket.

M. CAVANAUGH: Thank you, Mr. President. And thank you to Speaker Arch for bringing forward that amendment. I look forward to working with him between General and Select. So, you know, cooler heads prevail, blah, blah, blah. I-- despite the fact that a lot of people in here are disappointing, I listen to my colleagues, who I think have integrity. And when they ask me, like, hey, you know, what's the plan here? What's going on? Do we want to do this? And I'm like, heck, yeah. I am ready. I've got my anti-fatigue mat. I am ready to go. And then, I'm like, you know what, though? The only thing we have, besides time, which I've got plenty of, the only other thing we have is our integrity and our ability to be serious about the work, when our colleagues are not. So I'm frustrated. I'm like really frustrated because I could very easily stay on this until 9 p.m. Very easily. But I'm a serious person. I take this work seriously, and I want good governance, not that we're going to get that. We're just going to do more things for rich people. But, as I started out this morning, they elected you. Nebraska, you elected, you elected this body. So when it comes home to roost that everybody you elected made financial decisions that benefited them, personally, and screwed you and your family and your kids and generations to come over, maybe rethink how

you vote. It's Election Day in Omaha right now. So yeah, I'm probably not going to take this till 9 p.m. I don't know if I've-- I don't know that I've done like 5, 6 hours by myself this year. I was kind of, I was kind of looking forward to it. You know, I was like, getting back in my groove. I was going to talk to Carol about some things, Carol was going to move so that she didn't have to listen to me talk about some things. Don't laugh. Don't do it. But, I don't think I'm going to. I think I am just going to take my time on this and then probably will move forward. So the only things I really want to say is that I am so appreciative of Senator Dungan and Senator John Cavanaugh, for their work that they didn't want to do because they opposed doing anything to undo the will of the people, but I'm grateful to them for their work on the amendment that passed and then failed, on LB415. And I'm grateful to Senator Conrad, for continuing to stand up and speak truth to power, about what is happening here. So thank you three, specifically, because you really got beat up over this. You did. You got beat over this, and that's not fair, because you're just trying to do the work of the people. And I'm sorry that we're getting beat up so much for doing the work of the people. I honestly never thought, I never thought that standing up for working Nebraskans would mean I would be abused as much as I have been. I thought that that was a consensus-building starting point. I thought when I came here, and I know it's Pollyannic, I know it is. But I thought, of course, people who are here are public servants, and they are here for the greater good of Nebraska. That's genuinely what I thought. And if I just stick with that as my starting point, that little grain, that little seed, as the starting point for everything that I do in this place, then good things will happen for Nebraska. I have been disabused of that entirely. I was wrong. I was wrong. It is why I am here, and it is why many of my colleagues are here, but it is also the opposite of why many of my colleagues are here. So remember that, voters. Remember that, Nebraska. And also remember that they want you to be tired. They want you to give up. They want you to be worn out, just like they want me to be tired, and they want me to give up, and they want me to be worn out. And I am tired. And I do want to give up. But I'm not going to. I'm going to continue to get up and to stand and to speak truth to power as many times as I can for as long as I can. I'll probably complain about it, too, because I really don't like being here anymore. It's really hard to be around people that I feel like are actively harming you, Nebraska, for their own benefit. But I will, because I made that promise to you when I put my name on the ballot, so I will. How much time do I have left?

KELLY: 4 minutes.

M. CAVANAUGH: OK. I'm just trying to decide if, if I want to keep talking or not. I, I will say, people oftentimes are like, well, you keep talking to the-- like, to the camera. You're talking, you're talking to the camera. You're talking to your base, or whatever. I-- first of all, I don't have a base. A base of what? I have the people of Nebraska who are watching. And I always talk to them, because they are listening to me, and the people sitting around me are not listening to me. Not Carol, Carol is always listening to me. I appreciate that. Thank you, Carol. But I-- yeah. I-- I'm usually just talking to the people. So Nebraska, if you're listening, don't get worn out. Don't get beat down. Don't give up. Make better choices when you vote, and show up here. It's so quiet out there, and it's so quiet up in the balcony. We literally moved a bill today to undo the will of you, and it was very quiet here. And they want it that way. They want you to be tired of this. They want you to become complacent in this. That's what they want. Mr. President, I am going to-- [INAUDIBLE]-- oh, no. I'm going to get-- I'm going to-- but thank you. I appreciate it. I'm trying to get out of the queue, but now I'm in the queue multiple times. OK. Well, anyways, I was going to withdraw this motion. I'll withdraw whatever else I have pending on General File, not on Select File. And I was-- oh, I'm out of the queue now. Thank you. Thank you, Mr. President.

KELLY: So ordered. Mr. Clerk.

CLERK: Senator Cavanaugh, I have MO68 with a note that you withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, I've nothing further pending.

KELLY: Returning to the queue, Senator Juarez, you're recognized to speak.

JUAREZ: Thank you very much. I'm just going to talk for a couple minutes here, because I didn't get a chance to speak on our last bill discussing paid sick leave, and I want to say good afternoon to everyone online. I just wanted to mention for the benefit of my colleagues, should they want to look at it, that I did request some information about our adults who are on Medicaid. I was very curious to find out this information, and I just wanted to let you know the data that I found. It does cover the calendar year of 2024, and it shows that-- they have the beneficiaries broken down by the month. And I was surprised, actually, what the status revealed. And it shows, for people who are 85 years or older, in December of '24, there were 3,511

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

beneficiaries; and for 80-84, it showed 2,536; for 75-79, 3,608; 70-74, 5,086; for ages 65-69, it was 7,342; for 60-64, there were 12,146 individuals on the Medicaid rolls; and from 55-59, there were 10,626; and from ages 50-54, there were 10,638. So, you know, obviously, it reveals that there are people who need the medical assistance that they can get from Medicaid. And it's why they voted and were supportive of having paid sick leave, because obviously, we have citizens in our state that need the assistance, and I just wanted to reveal the information of what the numbers were like. Like I said, I was pretty surprised at the end result because I thought it would be more towards the older ages. And instead, the most was revealed for ages 60-64. And that was all I wanted to discuss, and I yield the rest of my time. Thank you.

KELLY: Thank you, Senator Juarez. Seeing no one else in the queue, Senator Hardin, you're recognized to close on AM411.

HARDIN: Thank you, Mr. President. AM411 is a simple technical change. It's less, less than a line, and just does a--an, an adjustment to get the citing accurate, and would appreciate your green vote on LB376 and AM411. Thank you.

KELLY: Thank you, Senator Hardin. Members, the question is the adoption of AM411. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: AM411 is adopted. Mr. Clerk.

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

KELLY: Members, the question is the-- Senator Hardin to close, and waives. Members, the question is the advancement of LB376 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: LB376 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, items for the record, if I could. New LR, LR184, introduced by Senator Prokop; LR185, introduced by Senator Hallstrom; LR184 will be laid over; LR185 will be referred to the Executive Board. Next item, Mr. President, Select File, LB468. First of all, Senator Holdcroft, there are E&R amendments.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

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

HOLDCROFT: I move the adoption of ER amendments to LB468.

KELLY: Members, you have heard the motion. All those in favor, say aye. Those opposed, nay. They are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Conrad would move to bracket the bill until June 9, with MO241.

CONRAD: [INAUDIBLE] Senator-- OK. Sorry.

KELLY: Senator Conrad, you're recognized to open on the bracket motion.

CONRAD: Thank you, Mr. President. And no doubt, we all needed a moment of levity, and really want to thank my friend, Senator Holdcroft, for always being willing to jump in and lend a hand, and to serve as the emergency backup chair of E&R, which caught us all by surprise and was a fun way to kick off this debate. So it's, it's nice to share a moment of, of laughter with colleagues, about some of the internal dynamics. So thank you, Mr. President, and good evening, good afternoon, colleagues. I rise in opposition to LB468 and ask for your favorable consideration of the bracket motion until later this year. I had the opportunity and the honor to serve on an interim study task force that was convened by the Nebraska Association of County Officials and leaders in this body to take a hard look and do a deep dive on the different policy issues surrounding Nebraska's inheritance tax. To his credit, my friend, Senator Clements, has worked tirelessly on this issue since joining the Legislature, and has made meaningful reforms at various stages of his legislative career. There was a measure that he had pending last biennium that I was opposed to and that was not able to find the consensus support requisite to move forward. And so, myself, Senator Raybould, others, introduced interim-- Senator Clements, I believe, introduced interim studies, resolutions to take a look at this over the interim, and then we had a task force with a series of meetings and a lot of data and deliberation and information that included my friend, Senator Holdcroft, Senator Dorn, my friend, Senator Jacobson, my friend, Senator Raybould, my friend, Senator Clements. Senator von Gillern was, I think, invited but maybe sent staff, as he was not able to make it, if memory serves. Representatives of OpenSky were there. Representatives of Platte Institute were there. NACO was there, including staff, and then elected representatives at the local level from both Douglas and Saline County, and other counties. And the

meetings were well attended. They had a significant amount of data and dialogue-- oh my gosh, Senator Dover was there, too. I'm so sorry. That's the danger in going through a laundry list, is that you might accidentally forget somebody inadvertently. But we, we really looked at the measure Senator Clements had last go-around, and we talked about the reality that there were a variety of different policy concerns out there about the elimination of the inheritance tax. And there was a significant amount of consensus in the last biennium that, even amongst proponents of the elimination of the inheritance tax, there was a recognition and a understanding that that would put more pressure on property taxes, which we all agree would not be a good outcome. So different members for different reasons across the state and across the political spectrum said, let's, let's do a deeper dive and figure out if we can find replacement revenues that would help us to eliminate the inheritance tax perhaps, but then also help to ensure that we aren't increasing property taxes or pressure on property taxes at the local level. So we looked at every fee under the sun. We looked at a host of different revenue sources. And I think Senator Clements, to his credit, was, was trying to find a compromise solution to move forward. And here's the thing that I think is-- remains as problematic to the measure that he has pending-- and we talked a lot about this on General File as well. The inheritance tax is one of the few remaining progressive aspects of our revenue infrastructure in Nebraska at the present time, particularly in the wake of the steep tax cuts for individuals and for businesses, and it also has provided a source of revenue for counties to do emergency, emergency management issues, infrastructure issues, et cetera, and keep that burden off of the property taxpayers. So with this shift in LB468, what I think is problematic is a couple of things. One, it, it retains the inheritance tax at its heart, and that doesn't get us off the, quote unquote, naughty list or the list of state rankings that I know many members care deeply about, in terms of tax competitiveness. So it won't eliminate that issue for many members. And then, what-- it replaces a regressive-- a, a progressive structure of taxation with a series of regressive fee increases and significant increases in taxes, particularly for businesses and businesses in the renewable energy sector. And so, I know that the previous measure that we had up also had negative impacts for the General Fund at the state level. And I know Senator Clements is working in between General and Select to work on those issues and may have an amendment forthcoming, in that regard, particularly in light of our structural budget deficit. So I, I remain opposed to LB468. I know that this is an issue that members across the state and political spectrum for different reasons may come to the same-- come to the same result, that even if philosophically, we would

like to repeal or reform the inheritance tax, this particular proposal does not enhance our competitiveness in terms of revenue rankings, and it takes a progressive form of taxation and switches it out with regressive fees and pretty significant, pretty steep and arbitrary increases on business inputs and business taxes, which kind of is something we always have to, to kind of take a careful look at from a perspective of sound tax policy. So with that, again, I want to thank Senator Clements for his leadership, thank the members of NACO, for convening those meetings that were truly a, a robust working group of different senators and different tax experts, and our partners in local government, who came together and did a ton of hard work over the summer period. I do just want to highlight for members that I did file a substantive amendment on the measure, as well. This kind of relates to a discussion that we had in the last biennium and an amendment that I put up that was meant to be responsive to the concerns that myself and other colleagues hold that the inheritance tax in its present format may needlessly ensnare too many small businesses, family farmers, or middle-income families, and that if we moved up the exceptions or exclusions in terms of applicability to modernize our approach with the inheritance tax, that that might be a more constructive solution. So I did put a substantive amendment to move those existing caps up to a million dollars in consultation with other members. I don't know if we will have an opportunity to get to those in our course of debate, but I do want to note that at the heart of this and most policy issues, there is a fair amount of common ground. And members remain willing to work in good faith to be responsive to the different issues that come to bear. So I, I appreciate your consideration of these issues. I know that we'll have a lot more time to get into the details of it, and I look forward to the debate. Thank you, Mr. President.

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

DUNGAN: Thank you, Mr. President. And good evening, colleagues, or I guess good afternoon. Feels a lot later than it actually is. I rise today in favor of Senator Conrad's bracket motion and again, respectfully opposed to Senator Clements' LB468. I did oppose this, both in the Revenue Committee as well as on the first round of debate, so I wanted to get in today and talk a few times a little bit about what my objections to this are, and kind of situate the debate with regards to what this bill seeks to do, what I think it actually does, and what some of the avenues to get to that destination are, and how they might or might not be problematic. So, you know, to be honest with, with people here, what I've said to a lot of folks who've asked

me about this before, I would be perfectly fine getting rid of the inheritance tax if we were able to make up the lost revenue to the counties in a way that was, in my opinion, equitable and fair with regards to who is paying the different components of that. You know, as Senator Conrad stated, I know there were a number of meetings-- and we actually had an interim study in the Revenue Committee about the inheritance tax, because this has been an ongoing effort I know now, for a number of years. And I will join in what I believe will be a lengthy parade of appreciations that are all genuine and true for Senator Clements' work on this. I know that he's poured himself into this issue, trying to identify different avenues for replacement revenue. But my problem, colleagues, I simply just don't think we're there. The bill, as it currently sits, and with an amendment that I believe may or may not have been proposed, but the, the, the language that is in front of us on our tables demonstrates or lays out the various replacement revenue sources that we are going to be looking at here today with this conversation. My two major objections, if I were to put them into two camps, one would be what I would also consider the regressive increase in fees, in an effort to continue to balance the county's budget on the backs of everyday working people. And then, two, the nameplate capacity tax. So I would-- I anticipate you're going to hear myself and possibly others get into some, some detailed conversations about nameplate capacity tax and what that is. To be very-- to try to put it as simply as possible and probably misstating things, it is a, a tax on wind turbines and renewable energy that was worked out in an effort to, I guess, approximate what the property tax would be for those. Because when they first went up-- and I'll get into this on my next time on the mic-- but when we first got these turbines here, in Nebraska, they were being taxed as personal property, which means they depreciated over a period of time and the amount that was being paid on that tax reduced. So in order to, I guess, create what is effectively a more reliable stream of income for the counties, they came up with this nameplate capacity tax, and that currently sits at \$3,518 per megawatt. The proposal from this bill seeks to almost double that and increase it to \$6,560 per megawatt. In my conversations with folks who work in and around that industry, the energy industry, and folks who have worked with the Department of Revenue for a long time, I think there's a conversation to be had about what the increase in the nameplate capacity tax can be or should be. Certainly, I think it could potentially be modified as time goes on. I do want to get into later, how it does increase with inflation. But for now, suffice to say, my understanding is that we can have a talk about maybe increasing it some, but I think that there is a number that would be perhaps more commensurate with what the actual

increase would be, and certainly more fair, in such a way that it's not going to discourage renewable energy from coming into Nebraska and building here ever again. I think the number that is proposed in this bill is simply too high, and I'm happy to have interim studies or conversations during the interim with all of the different stakeholders, about what that nameplate capacity tax should look like moving forward. And as a member of the Revenue Committee into next session, I'm committed to having that conversation of how we can help our counties out in a way that also ensures the longevity and the continued investment in our local resources by those renewable energy companies. So we're going to probably get into a conversation about what is or isn't a regressive fee increase. We're going to talk a little bit more about what isn't or what is a prohibitive increase on the nameplate capacity tax. But the, the issue that I have with this is the re-- replacement revenue that this seeks to utilize for the inheritance tax, which, by the way, is not being abolished, it sounds like, it's just being reduced in certain capacities-- has a negative impact on the state as a whole. So I look forward to-- Senator Clements, I think, is after me. Great. So I looked forward to Senator Clements explaining a little bit more about, perhaps, some of these avenues. I'm going to punch back in and talk, I think, a little bit about the nameplate capacity tax and how it got to where it is today, and then I hope we have a conversation about the increase in these fees, like the marriage license fees and the motor vehicle inspections, because, again, my concern is that those will affect essentially--

ARCH: Time, Senator.

DUNGAN: --every Nebraskan in a disproportionate manner. Thank you, Mr. President.

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

CLEMENTS: Thank you, Mr. President. I rise to oppose the bracket motion and ask for your red vote on that. And I wanted to talk about LB468. It moved forward on General File. And there were some concerns on General File, and my amendment that we'll get to later, AM1447, eliminates two main concerns: The Site and Building Development Fund is no longer being affected, and the Imagine Nebraska modernization tier, I'm not using that at all, either, so those two items remain intact. And there's still replacement revenue to the counties with no property tax increase. There still will be some significant decrease and the inheritance tax rates, although not as much, but I've adjusted the rates because of the-- less revenue to the counties, so it was

still holding the counties harmless. And I would like to get to my amendment. I've sent a handout around that you can look through that shows what the rates are going to be and the statewide effect of the different sections of the amendment, and then county-by-county results for the percentage of retained revenues from inheritance tax and the blended amount that would be. And then finally, there will be some graphs showing you how volatile inheritance tax is. So I am, am looking forward to the debate. I'd like to wait till the-- my amendment comes up and I'll go through more of the details with it. In the meantime, I encourage you to go ahead and look through the handout. And I believe I've come up with a-- an amendment that answers objections and still will give us some significant relief in this tax that is making Nebraska stand out on an island, where most-- the, the states around us are not assessing this tax, and that's my main purpose for bringing this bill. When I have was competition with other states, that we have worked on property tax relief and income tax relief, and the inheritance tax relief is another portion of making Nebraska more competitive with our neighbors and, and in the, the United States. So, with that, I will wait until my amendment can get up and go with more details. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. Good evening or good afternoon, colleagues. You know, I stand in support of the motion to bracket and also in opposition to LB468. You know, this is something that, as a county commissioner, we've been fighting for years and years and years. And, and I truly appreciate Senator Clement's work. I mean, he has been a trooper. He has been really attentive to NACO, working with them on trying to find an appropriate and sustainable source of revenue replacement to do away with the inheritance tax, and it is proving to be truly an elusive target to hit. And my concern with some of the things that we've seen during the budget hearings that we have, that I am highly skeptical that this is something that is sustainable. I like the fact that Senator Clements, in his amendment, is going to pull back and in-- increase the percentages again. I also had a floor amendment that was-- that failed, that actually did the same amount of percentage increases. And there's a reason for it: Because I have a lot of mistrust in the state living up to their commitment and obligation in providing the sustainability of this revenue to the counties. And I, I feel a little bit like Charlie Brown and dealing with Lucy and the football. You know, Lucy puts the football down and Charlie Brown is ready to, to kick it off and then at the last minute she yanks it away. And I feel that is what the state has done and it can be demonstrated quite easily in the discussions we had on our

budget for the, the last two days. Never before have we swept funds from programs that never have had their funds swept into the general funds. So many programs that we had to enact the appropriate language in our budget bills to permit that type of action by the state of Nebraska to go into funds where they had not been permitted to do so. That is not a good sign. I can tell you clearly, and I don't mean to sound like a broken record, but I shall, so that voters-- or that folks out there listening understand. So there comes a point when our budgets, the state, are still dealing with a deficit, and they look to dump and to push costs down to the cities and the counties. And so I remember, county commissioner, they did away with state aid to cities and counties. They stiffed us on jail reimbursements. There are additional unfunded mandates that the counties had to deal with, all at the same time trying to balance our budget with all these unfunded mandates from the state. And I feel like we're verging onto that precipice [SIC] right now. There are some things about the inheritance tax that you need to, to understand, that this could lead to a potential increase in property taxes for the counties, because they have to balance their budget. They are obligated to do so, and they have to rely on something and some way and mechanism to make their budget-- budgets balanced. And so, I just want to quickly review and then I'll hop back in the queue. But so-- just so everybody knows, in the state of Nebraska, they have opportunities for their revenue sources. They have sales and use taxes, individual income taxes, corporate income taxes, gas and fuel taxes, and the majority of the revenue in the state comes from individual income taxes and sales taxes. Now cities have, in addition to their property taxes, they also have sales taxes. And in the counties, they're really restricted. They can only rely on property taxes and fees. And so, that is why what we're doing here today, tinkering with inheritance tax-- and you know, people are saying that, OK, you know, people are, are leaving our state. Retirees want to leave our state because of the fact that they are going to be, be subject to the inheritance tax. And you know, there is no basis in reality. It's a lot of misinformation. There is absolutely no data showing that Nebraskans are leaving our state because of the inheritance tax. Folks retire, as many of us know. And certainly, they choose to go to warmer climate states, which is not a surprise, or actually to try to move closer to their children and especially, closer to their grandchildren. So the number of seniors in our states is actually increasing. We are an aging population, based on the last demographic numbers. But I know that Senator--

ARCH: Time, Senator.

RAYBOULD: Thank you, Mr. President.

ARCH: Senator Raybould would like to recognize some special guests, Pepe Herrero, her husband, as well as Robert Ledig and Kathy Ledig, from the Washington, D.C. area. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I will just jump off where Senator Raybould left off about people-- this isn't really a thing. People aren't leaving the state for this. And I'm just looking at the chart Senator Clements handed out. And it says-- it has the 3 classes, child-- oh, well, first off, I rise in support of the bracket motion and opposed to the bill. So first category, Child, Class 1; Niece, Niece, Class 2-- I assume it means niece and nephew, something like that, someone at that level of the Table of Consanguinity. And then, Nonrelated, Class 3 is the third class. And so then, the next line says Nebraska resident, so Child, Class 1 is 71% are Nebraska residents, Niece, Class 2 is 54% are Nebraska residents, and then Nonrelated, Class 3, is 85% Nebraska residents. And then the current exemption: Child, \$100,000, Niece, \$40,000, Nonrelated, \$25,000. Current rate: Child, 1%, Niece, 11%, Nonrelated, 15%. New exemption: Child goes up to \$150,000, so that's from \$100,000 to \$150,000, Niece stays at \$40,000, and then Nonrelated goes from \$25,000 to \$40,000. And then the new rate for Child stays at 1%, Niece goes from 11% to 7%, Nonrelated goes from 15% to 7%. So my immediate issue here is well, just-- I guess so people really understand we're talking about, we'll use the Child as an example. The current exemption is the first \$100,000, so if you inherit \$100,000, you wouldn't-- and you're the child of the person you in--from whom you inherit, you would not pay any taxes if it was on \$100,000-- the first \$100,000. If you inherit \$200,000, you would pay 1% on the second \$100,000. So the first \$100,000, wouldn't pay an inheritance tax, the second \$100,000-- so 1% of \$100,00 is \$1,000, so you would pay \$1,000 on a \$200,000 inheritance. Under Senator Clements' change, on a \$200,000 inheritance, a child would now pay \$500 on a \$200,000 inheritance. So, so that-- that's kind of where that's at. But so, my immediate issue, just off the top, looking at this is-- the bottom part is the cost: \$6.8 million for the Child change, \$8.7 million for the Niece change, and then \$6.6 million for the Nonrelated. So I'm wondering why-- you know, I, I obviously take issue with all the funding mechanisms and different things. But in this budget crunch we're talking about, if those dollars are available to be directed towards something, why are we directing them towards a reduction for nonrelated individuals to inherit over \$25,000? So the nonrelated goes from 25 to 40, so it's a \$15,000 increase in the exempted amount, and then the percentage goes from 15 to 7, so that we cut in half, so they get it both ways. So

they're paying on that-- so that extra \$15,000, they pay nothing. So say they inherit \$50,000. So now, they pay no tax on the first 40, and they pay 7% on the remaining 10%-- or \$10,000. Sorry. So 7% of \$10,000 is, I think, 700 bucks. So they pay 700 bucks on \$10,000, whereas they previously would have-- on \$50,000, would have paid 15% on the \$25,000, right? So, what is that? \$25,000, 15% is something like \$2,500-- well, we'll say about 3,000 bucks. So do we really think that people are moving out of Nebraska because some nonrelated person is paying \$2,300 more in taxes after they die? Is that the premise here? We're gonna spend \$6.6 million to save a nonrelated person \$2,300 when someone dies? That doesn't make any sense. I don't understand. So if this money is available, \$6.6 million of it that we could capture, why are we putting it into nonrelated people saving \$2,300 bucks when they inherit \$50,000 from someone they're not related to? Is the-- what's the logic in that? We have \$6.6 million. We could put it into problem-solving courts. We could put into judges' salaries that people really want to put it into. We can put it into other programs. I can-- I'll come up with a list here, that we just went through the other day. We could stop-- we could not scrape money from the park service so people don't increase the--

ARCH: Time, Senator.

J. CAVANAUGH: --cost of going to the state park. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. And again, good evening-- afternoon. Good afternoon, colleagues. One of the key facets of debate on this matter-- and I'm glad that it came up after the questions that my friend, Senator John Cavanaugh, asked on the record. But one of the significant components of our task force discussions over the interim period were an examination of who actually was paying the inheritance tax in Nebraska. And one-- I-- gosh, I wish I had the exact statistics off the top of my head. Perha-- I know Senator Dover knows it. I can go back and dig through my, my file from the working group. But one thing that was clear that generated a great amount of discussion and delib-- del-- deliberation during the task force meetings was that there was a significant amount of nonresidents who were paying the inheritance tax. And as we like to think about ways that we can reduce the tax burden on Nebraska citizens, on our constituents, that's something that, that really should come to bear, in regards to this discussion. I know we talked about how this works kind of in a reverse way when it comes to our property tax credit programs, wherein a

significant amount of those benefits are being shipped out-of-state to nonresidents, and how that impacts our overall revenue and budgetary structure, and there's similar kind of components herein this way. But instead of having the benefits flow out-of-state, were having the revenues flow in-state from nonresidents, which was just kind of an interesting discussion point, as we were really doing a deep dive into who paid this tax, what does that mean both in terms of behavior for ensuring tax competitiveness for tax planning purposes, for being able to retain seniors in Nebraska and, and not see flight for tax evasion purposes in that regard, and that was just an, an interesting point that, that we talked a lot about. And I think that's another issue, when you look at the quote unquote, pay-fors, or revenue replacement measures that Senator Clements has identified, in regards to LB468. And I know that he has at least maybe a couple of amendments up that may bring some shifts or changes to the replacement revenue sources. But I, I do just want to note that there are a significant amount of nonresidents who are currently paying the inheritance tax. And these revenue replacements significantly increase regressive fees on everyday activities like getting married for Nebraska residents, and they increase taxes on Nebraska businesses. So that's another kind of interesting dynamic, I think, to where we are with the present, with the status quo, and where we may be with the measure, if adopted. It, it may really shift the burden, more so on Nebraska residents, Nebraska consumers, Nebraska businesses, and Nebraska taxpayers, which I think would be a poor result in regards to this measure, from the present status quo. So I did just want to lift that key piece into the record. I'm sure somebody else has the exact stat off the top of their head and I'll check my files for my next time on the mic. But thank you, Mr. President.

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

ANDERSEN: Thank you, Mr. President. I am opposed to LB468. But to be clear, I'm-- I don't like inheritance tax. I think it's double taxation and I think that we need to get rid of it. But I think how we get rid of it, how we offset the, the loss in funding is important. LB468, I see as a tax shift, where it takes and it shifts the cost and the fees and the admin costs over to the population at large. So you have somebody that inherits a significant amount of money, they will not end up paying the tax, but the rest of the taxpayers throughout the state will, and I think that's fundamentally wrong. During General File, I did like Senator Bostar's approach. We had an incremental phaseout over 10 years. However, what I didn't like, there was, there was no financial offset. So as I discussed with Senator Bostar, I thought phasing it out but finding how we're going to pay for it was

the best way to do it. So just to be clear, I think we need to eliminate the property tax. How we do it is important. We shouldn't do a tax shift. We should not shift it over to be the responsibility to pay for by all the other taxpayers. We need to be responsible. And with that, I'll yield the remainder of my time. Thank you.

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

HALLSTROM: Thank you, Mr. Speaker, colleagues. I rise in opposition to the motion to bracket the bill, and in support of LB468. I'm going to also support Senator Clements' upcoming amendment. During General File debate, I reviewed some of the background on this issue. I talked at length with Senator Clements, both on General File and subsequent to that time, with regard to what I thought were the pressure points involved in his sources of funding. This has been a, a long journey to try and get to the point where we can incrementally phase out the inheritance tax. I have LR13CA, which would repeal the inheritance completely. It would not, at least up front, provide for a, a replacement revenue source which I'm sure the county officials would not appreciate, but we'll see what happens next session with regard to that bill. In the here and now, I would like to see some incremental changes done, some relaxation of the burden that's placed on beneficiaries of individuals who happen to die in the state of Nebraska, one of only five states which continue to have an inheritance tax imposed, and the only state, to my knowledge, that imposes that tax as a county source of revenue. Senator Clements and I have talked at length with regard to some of those pressure points that I mentioned. His amendment will address the removal of the ImagiNE Nebraska Act, with regard to the modernization tier. It will remove the Site and Building Fund, as he, as he mentioned, in terms of a pay-for. One thing that I don't think I heard him mention was that the documentary stamp tax increase or reallocation, if you will, that was a source of concern, is also being eliminated. What he's done in his amendment is also to eliminate the adverse fiscal impact to the state, which I think is important, given the budget bill debate that we've recently had. I would probably try to clarify with regard to the fees. Obviously, any increase in fees is going to be paid by those who benefit from the services, but my understanding is that those fees have not been raised for many, many years, and they are simply being brought up to the level that the county is recovering their cost of doing business, if you will. If they have not been recovering the cost of providing the service, they are subsidizing that with property taxes at this point, so you can take that directly off of the property tax burden. We have transfer of a portion of the securities fund so that is not new money. That obviously is taking a little bit away from

the state that would otherwise go into the General Fund. But the pay-for in the bill is the fact that the data center equipment sales tax exemption is still going to be retained in the bill to make sure that there is no adverse impact-- fiscal impact to the state. I would mention with regard to the nameplate capacity tax, one of the provisions in Senator Clements' amendment, which people may happen to overlook, is yes, there is an increase in the tax. I think it's the first increase in the tax in 15 years. And with regard to that, I'm sure the real estate taxpayers would have welcomed not having their taxes increased over the last 14 to 15 years. One of the provisions in the original bill that I highlighted and brought to the attention of Senator Clements, was not only were we increasing the nameplate capacity tax but we also had an automatic adjustment, which would presumably raise that on a going forward basis. It's my understanding that Senator Clements' amendment will take out that automatic adjustment, so I think that is a positive change with regard to the nameplate capacity tax. We're also increasing the county's share of the increased revenue from the name plate capacity tax increase. So that is a positive, too, which allows him not to get to \$34 million that he wanted in inheritance tax relief, but closer to \$21 million from the chart that he's handed out. And I think, in closing, I stand up for those hard-working, everyday people that we hear, the beneficiaries of people that pass away in Nebraska and happen to be straddled and burdened with additional inheritance taxes to pay after the decedent has paid income tax, sales tax, and property tax on the fruits of their labor throughout their entire life. And with that, I again, would support LB488 and oppose the bracket motion.

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

DUNGAN: Thank you, Mr. President. Colleagues-- excuse me-- I rise again, in favor of the bracket motion. I appreciate Senator Hallstrom going through a little bit more of the amendment, because that's what I'm trying to kind of look through here and make sure that we're all on the same page. And I do want to get into just a few more parts about that to make sure I fully understand it. I was wondering if Chair Clements would be willing to yield to just a couple of brief questions.

ARCH: Senator Clements, will you yield?

CLEMENTS: Yes.

DUNGAN: Thank you, Chair Clements. So I'm going through the, the readout here. And just for reference, we're talking, I think, about

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Floor Debate May 13, 2025

what AM1447 would have in it, because that's the proposal that Senator Hallstrom was just talking about. So my understanding is that you're talking about-- the, the proposal would be to decrease the general funds by \$5.6 million each year by virtue of changing where the Securities Act Cash Fund goes to. Is that correct?

CLEMENTS: Yes.

DUNGAN: And is that an annual allocation then? So it would be \$5.6 million consistently going from the cash fund into this-- the inheritance tax--

CLEMENTS: To the, to the--

DUNGAN: --offset instead of the General Fund?

CLEMENTS: Yeah, to the counties.

DUNGAN: And then there was this discussion about the offset for that. Can you explain a little bit more about what the proposed offset would be to ensure there's not a \$5.6 million cost to the state annually?

CLEMENTS: Yeah, that's line 9 on my handout. The data centers currently have an exemption for sales tax on computer purchases or equipment purchases. And Fiscal says that eliminating that sales tax exemption is \$7 million in the first year, and they estimate \$5.6 million the second year, which would recover the lost revenue from the Securities Act.

DUNGAN: So that is a tax that we would be implementing on data centers when they purchase equipment-- purchasing hardware, correct?

CLEMENTS: Yes.

DUNGAN: OK. So that would be for any upfront purchases they would make, or if a new data center was being built, they would have to make those purchases. So they're estimating \$7 million in '26, \$5.6 million in '27. Do we have any estimates about what the ongoing revenue from that tax would be? Because I, I got to imagine that they're not going to consistently be purchasing new equipment.

CLEMENTS: I'll have to check on that and get back with you.

DUNGAN: OK, and just to make sure I'm clear then, though, the, the funneling of the money from the Securities Act Cash Fund to the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

counties to offset the inheritance tax, that \$5.6 million, would happen annually, into perpetuity. Correct?

CLEMENTS: It's proposed to be level. Yes.

DUNGAN: OK. Thank you, Chair Clements, I appreciate that. So colleagues, the reason I ask those questions, I'm just trying to look at the pay-fors here. And one thing that we've seen, I think, both on some revenue bills and on some General Fund bills that we've, we've had before us is when you look at the fiscal note in front of us, it looks like it balances out. But when you look into the future, even just a couple of years, by virtue of a moved implementation date or by virtue of the way something works, some of these different pay-fors we've seen in different bills, the pay-for may not always offset the cost, and so it ultimately is going to have an impact on the General Fund status. So the reason this gave me pause is obviously for the last few days this week-- or I guess, last week-- yeah, last week. Sorry. Time's flying when you're having fun. When you are debating the budget, we're talking about, you know, \$100,000 here or \$500,000 there. And any bill that were to come before this Legislature with a fiscal note of \$1 million or more effectively would be DOA. And we've been told that by any number of people here, that if you, you know, if you have a bill that's going to cost \$1.5 million, that's gonna be a huge amount. So when I see that we are losing \$5.6 million into perpetuity from the General Fund, this has a cost of at least \$5.6 million over and over and over, just by virtue of losing what the state is going to be getting in the general funds from the Security Act Cash Fund, I'm curious about the pay-for. So removing a sales tax exemption, it sounds like on equipment it may net us that \$7 million estimated in '26; already reduced down to 5.6 in '27. I would just be curious and if anybody has the answer to this, genuinely, I'm curious, whether that tax is going to continue to decrease and ultimately zero out or at least get to a negligible amount. Because I can't imagine the data centers are going to be purchasing equipment year after year to that same level. So I have concerns about the fiscal note of this and whether or not ultimately, that \$5.6 million is going to be a hole that the rest of this Legislature has to fill, moving forward.

KELLY: That's your time.

DUNGAN: Thank you, Mr. President.

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

GUERECA: Thank you, Mr. President. Good evening, colleagues. I rise in support of the bracket motion and in opposition to LB468. Similar to other voices in this body, I'm concerned that the elimination of the inheritance tax will cause a tax shift, a tax shift on the entire state. And when you hear story after story of many times these heirs coming in from out-of-state, well, I am-- I take opposition to saving a couple bucks to an out-of-state heir and putting that burden on all Nebraskans. That, that-- I can't take that back to my constituents. That's, that's-- that doesn't work for them, doesn't for me, and it should not work for you, colleagues. I-- you know, I-- I'm still kind of looking through the paid by. At, at a glance, I have kind of an opposition to the increase in the nameplate tax. I'll, I'll read a little more into that and, and I'll plug back in once I dig deeper into that. But at the end of the day, colleagues, especially in some of the larger metro counties, the inheritance tax is used for day-to-day operations. It's used to provide services to our constituents. I know that's not always the case in some of our smaller rural counties, but very much so, at least in Douglas County. It is used to fund day-to-day operations, services that are provided to some of the most vulnerable members of our community. And so making sure that if we are to eliminate this, making sure that, that revenue stream that needs to be substituted is strong, making sure that, like Senator Dungan is correctly pointing out, of the elimin-- the elimination of that sales tax exemption for, for data centers, that's, that's tapering off. What does that look like in fiscal year '28, '29, and '30? What does that downward trajectory look like? How are we gonna replace that revenue? Because I know what won't be going downwards, and that's the need of the people of Douglas County. They are receiving services and I don't wanna be the one to cut services to save a buck to a couple out-of-state heirs. Again, that, that doesn't work for me, that doesn't for the people in my district, and that should not work for the people in this Chamber. Now we're looking at a-- looking at the chart that got passed around, a decrease in inheritance tax that's shown for Class 3, Nonrelated, a saving of \$6.6 million. So we're saving heirs that aren't related, that are, that are getting this sudden windfall, \$6.6 million. What can we be putting that money towards? You know, just yesterday, we cut so many services. We cut funding for so many things. Let's put that money to good use. Again, I, I had-- do have to rise in opposition to LB468, because I, I just can't sell-- I can't sell a tax shift. I absolutely cannot. Again, Doug-- Douglas County is relying on that money. Douglas County uses that money to provide services to the people of my district. And that-- so I do want to dig a little more into the nameplate capacity tax, how that works, and how that'll affect the people in, in LD 7.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

But for now, I will yield my time to-- well, no one's on the floor. Senator Conrad, do you want some time?

KELLY: 51 seconds, Senator Conrad.

CONRAD: OK. Very good. Thank you, Mr. President. Thank You, Senator Guereca. So, side note, I did have a chance to check my files and dis-- and confirm with NACO leadership. So obviously, it varies year to year based upon who's paying, who's subject to the inheritance tax, but-- I had 42% in my head, but it ranges between about 35% to 45% of those that are paying the inheritance tax are non-Nebraska residents. So I just wanted to follow up on that from my last time on the mic, and, and appreciate the 55 seconds to do so. So, thank you so much.

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

McKINNEY: Thank you, Mr. President, I rise in support of the bracket motion, in opposition of LB468 for two reasons: one, it is a tax shift, two, my county is opposed to this bill. I know some other counties across this state are in support of it for whatever reasons, but I have all indications that Douglas County is in opposition of LB468, so that's why I oppose it. And I also oppose it-- actually, there's a third reason. There's a lack of trust that I just fundamentally have with this, with this body that next year, the year after, somebody won't come back and mess with whatever funding sources or funding replacements that are proposed in this bill. So that's the other thing is that, based on what has occurred over the last week, yesterday, I don't have no trust that people won't just come back and amend the statutes to take away funding and then cause more harm to my county, so that's why I oppose this. And I'll yield my time to Senator Conrad, if she wants it.

KELLY: Thank you, Senator McKinney. Senator Conrad, 3 minutes, 43 seconds.

CONRAD: OK. Thank you, Mr. President. And thank you to my friend, Senator McKinney. So one of the things that's unique-- and I know most members already know this, but it bears repeating. One of the things that is unique about how the inheritance tax works in Nebraska as compared to our sister states is this: So this tax, the inheritance tax is not a state tax. It is a local tax. It is a county tax. So because our counties have limited streams of revenue available to cover a host of critical services, from public safety to infrastructure to public health, if we eliminate or significantly

reform the inheritance tax without replacement revenue dedicated to the counties, there's no, there's no option but to put that burden on property taxpayers, which I know nobody is eager to do. So it is true that there's only about a handful of states left that have an inheritance tax on the books for a bunch of different reasons. And they're very interesting states, in terms of regional and political diversity. But nevertheless, one of the, the interesting tweaks about this issue in Nebraska is that it, it is a county tax instead of a state tax. So that's one of the wrinkles that has made the elimination thereof more challenging, because I think my friend, Senator Jacobson, maybe said it last year, during the, the last biennial's debate on this issue, the only tax that I dislike more than the inheritance tax was the property tax. And I think that summed up well the thinking of many members who were struggling with this issue, in particular. So the other piece that I do just want to lift up, and I know Senator Clements has worked so, so hard on this, is that there's-- and we're at that point of session where things, you know, are moving quickly. And we have long days and late nights, and people are working in good faith to try and address technical concerns and to negotiate to get more votes on a measure. But we, we also have a, a fairly complex set of revenue streams and replacement revenues that were a part of the measure and the initial amendment on General File. I think there's at least, maybe 2 amendments filed today, that I know members and stakeholders are really trying to sort out, to, to make sure that we can understand whether or not these revenue replacements will be adequate to address the concerns of not increasing pressure on local property taxpayers. And there's a lot of questions that are circulating about the equities of how some of the increased taxes would be collected and dispersed, and whether or not that is indeed going to be fair, in terms of the counties wherein they're generated and the counties then, they are dispersed, too. So that's a, a lot to cover in just 3 minutes, but I, I know that we'll have some time to, to get into the details this evening. Thank you Mr. President.

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

FREDRICKSON: Thank you, Mr. President. Good afternoon, colleagues. And good afternoon, Nebraskans. So I, I rise today with, with conflicted feelings, to be honest with you, on LB468. You know, on the one hand, I've certainly had a lot of conversations with, with colleagues about this proposal. This is something that Senator Clements has worked hard on for a number of years, and you know, obviously, there's-- the argument could be made that Nebraska is one of the few states that kind of continues to be left with this tax, and it can absolutely feel

antiquated for, for those reasons. And I think it's easy to make the case that we should probably bring our tax code in line with, with the majority of our sister states. But on the other hand, my, my point of conflict with this is that I worry, and I, I say that sincerely, about what happens next. And you know, I've been thinking a lot about why is it that Nebraska still has this tax. And I think we need to consider that, you know, historically, we haven't really chosen to pursue other sources of revenue. So for example, we don't have toll roads in our state. A lot of other states do that. We don't tax groceries, which, again, I don't believe we should, but that's another source of revenue we don't have. And you know, as we've seen in this session, with, with various debates, you know, we, we, we seem unwilling to tax, for example, cannabis or other THC-related products as another potential source of revenue, so we rely really heavily on our, our property taxes. And that's a burden that we all know is felt acutely by, by our homeowners, by farmers, by small business owners, through, through-- across the entire state of the-- of Nebraska. So what concerns me a lot, and I know my friend, Senator Conrad, was, was highlighting this, you know, obviously, this isn't a state lev-- tax. This is something that is-- funds count-- on the county level. But what, what concerns me here is that-- our current fiscal situation. And again, we've had lots of conversations about the budget already, and we're going to continue to have that. But we're certainly entering a period of uncertainty with our budget, both locally and, and absolutely, on a federal level, as well. And the reality is budgets are tightening and I'm not convinced that the paid-fors that are being proposed here to replace this revenue for our counties are necessarily sustainable or, or reliable, for that matter, in the long-term, given the amount of uncertainty we have before us. So, we're kind of being asked here to take a little bit of a leap of faith, which, you know, we're being-- that being to eliminate a, a long-standing, sort of source of county revenue that's been fairly reliable and predictable, without what, in my opinion, a durable plan to, to backfill it. That's the risk. And ultimately, I think, if that does move forward in the way that I expect it to, the burden is ultimately going to be shift back to the property taxpayers, if projections, for example, fall short or, or if promises go unmet for whatever reason. So I'm not saying we can't find a better way. I just say-- I'm just thinking in the context of where we are fiscally, currently, and the uncertainty that's ahead of us, I think there's a lot of questions to be had. That said, I do have a couple of questions. I'm wondering if my friend, Senator Conrad, may, may-- would yield.

KELLY: Senator Conrad, would you yield to questions?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

CONRAD: Yes. Yes, of course.

FREDRICKSON: Senator Conrad--

CONRAD: This is kind of--

FREDRICKSON: I love this. We're right next to each other in the Chamber. So I know you had mentioned that you've been a part of this focus group, or you were part of this group over the interim that kind of looked closer at this. And one thing that you said that really kind of perked my curiosity was just the idea of how many nonresidents, in other words, how many non-- non-Nebraskans are paying this tax, A; and B, what percentage of the inheritance tax revenues are, are possibly coming from non-Nebraskans? Can you elaborate more on that, or?

CONRAD: Sure. Thank you, Senator Fredrickson. So-- and I did have a chance to confirm that with NACO folks and just really, really quickly put out that on the record a minute ago, but it just-- it fluctuates from year to year, dependent upon who's paying, but their data shows that about somewhere between 35-45% of those subject to the inheritance tax are for non-Nebraska residents.

FREDRICKSON: You said, I'm sorry, 75? No, I, I misheard you.

CONRAD: No, 35 to 45%--

FREDRICKSON: 35-45. OK.

CONRAD: --dependant upon the year.

FREDRICKSON: OK. So that, that-- so thank you, Senator Conrad. I appreciate you, you taking the time to answer that question. So that's another thing that we should be considering, as well. Again, when we think about bringing revenue into the state and, and sort of the conversation that's being had here is obviously the concern about the tax on Nebraskans. Well, again, non-- up to 35%, that's, that's a significant number in my opinion, of non-Nebraskans who would be possibly paying that tax, as well. Again, I'm not saying it's not a better way to do this. I, I genuinely do feel conflicted about this, given how we are a bit of an outlier, but I do have sincere concerns about the sustainability and the durability of the paid-fors--

KELLY: That's your time, Senator.

FREDRICKSON: -- given the context we're in. Thank You, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: Thank you, Senators Fredrickson and Conrad. Senator Raybould, you're recognized to speak. Senator Holdcroft, you're recognized to speak.

HOLDCROFT: Question. Call it.

KELLY: The question's been called. Do I see 5 hands? I do. The question is, shall debate cease? 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-- This vote is to place the house under call. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 23 ayes, 2 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. All unauth-- unauthorized personnel, please leave the floor. All senators outside the Chamber, please return and record your presence. The house under call. Senators Raybould, McKeon, and Ibach, please return to the Chamber and record your presence. The house is under call. Senator Holdcroft, Senator Raybould and Ibach are missing. How do you wish to proceed? Proceed. Members, the question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 31 ayes, 8 nay-- 31 ayes, 8 nays to cease debate.

KELLY: Debate does cease. Senator Conrad, you're recognized to close on the bracket motion.

CONRAD: Thank you, Mr. President. Good evening, good afternoon, colleagues. So I, I don't think that this mo-- motion is probably going to be successful, but you never know until the votes are on the board. Nevertheless, I think it's been a really good debate thus far, from General File through today, talking about substantive issues impacting taxpayers, impacting tax competitiveness, and talking about how the decisions we make in this body impact our partners in local government, who serve admirably at the county level and have to provide a significant amount of critical services to their constituents with limited revenue streams. So, the inheritance tax has been a part of that calculation to figure out how to keep pressure off of property taxes and regressive fees and to be able to better cover revenues requisite to take care of special projects, whether they be in emergency management or roads or otherwise, while recognizing that county government has significant responsibilities in infrastructure,

public health, and public safety. So one thing that I know is causing a significant amount of concern and generating opposition in regards to the measure and the measure as proposed to be amended by my friend, Senator Clements, is that looking at the nameplate capacity tax as replacement revenue source for the inheritance tax seems to be exceptionally ill-suited to this goal, and that's because the nameplate capacity tax is really highly concentrated, in terms of distribution and of benefit to all county government. So the Department of Revenue data shows that about 91, 92% of all nameplate capacity tax revenue in the last year, in 2024, went to just 10 of the 42 counties receiving any revenue at all. So the top 10 counties receiving nameplate capacity tax received an average of over \$1 million, while the remaining 32 counties averaged only about \$31,000. More significantly, about 50 of our 93 Nebraska counties receive no nameplate capacity tax revenue, whatsoever. So the concentration in terms of this particular replacement revenue suggestion makes it fundamentally unsuitable as a replacement for the inheritance tax, which is levied and benefits all 93 counties in a more equitable fashion. So that's, that's one piece that, that I did want to lift up that I know many members are concerned about. The other thing, in regards to the nameplate-- plate capacity tax and what it means for our renewable energy industry, that this increase would far outpace, for example, what the taxation approach is in our sister state to the north, in South Dakota, which we're always in competition with for some of these-- South Dakota, for some of these different kinds of projects. I know Senator Brandt has a plan to interim study on this very issue, on the nameplate capacity tax, to provide a comprehensive assessment and recommendation if appropriate adjustments need to be made. Rushing through a kind of arbitrary increase in this particular tax, this business tax, would preempt a more careful, data-driven process and potentially damage Nebraska's energy development landscape for years to come. I don't know if I'll have time to cover it in my last minute on the mic and this closing on the bracket, but I do just want to lift up and know that when this tax was developed by my friend, Senator Chris Langemeier, who I served with in my previous time in the Legislature, he specifically accounted for and thought about how the nameplate capacity tax already took into account inflation. And there's pretty clear debate and dialogue from floor debate in regards to that issue, from 2010, that should be part of the record today. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Members, the question is the bracket motion. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

CLERK: 9 ayes, 30 nays on the motion to bracket, Mr. President.

KELLY: The bracket motion fails. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator Dungan would move to reconsider the vote taken with MO250.

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

DUNGAN: Thank you, Mr. President, colleagues. I rise today to encourage you to vote yes on my motion to reconsider, to give you the opportunity to reconsider your vote on the bracket motion. We saw a successful reconsider earlier today, so we know it can be done. I figured it's worth the conversation here. In my opening, I want, I want to take a little bit of time to talk more about the cost to the state. So I am trying to go through and make sure I fully understand the cost to the General Fund impact and the impact that's going to have on us overall, given the appropriations conversation that we continue to have here in Nebraska, and the structural deficit that I fear we find ourselves in. I'm looking at the General Fund Financial Status and I'm trying to sort of double check, I guess, what the estimated impact of this bill is moving forward. I was wondering if Senator Clements might yield to a couple of questions, with regards to the green sheet that we have here, as of today.

KELLY: Senator Clements, will you yield to questions?

CLEMENTS: Yes.

DUNGAN: Thank you, Senator Clements. I bet you thought you were done answering this many questions about the green sheet when we were done with the budget. But I'm looking at the General Fund Financial Status as of May 12, 7:30 p.m. So this is the one that's most recently updated to the website.

CLEMENTS: Yes.

DUNGAN: On line-- do, do you have that in front of you?

CLEMENTS: Yes.

DUNGAN: OK. On line 28, we see the, the difference, the variance from the minimum reserve. And that's listed on that green sheet at \$2 million-- \$2.6 million-ish above the minimum reserve. Is that right?

CLEMENTS: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

DUNGAN: And then, we see the \$113 million in the out years, below the minimum reserve estimated. Is that also correct?

CLEMENTS: Yes. That's based on projections of revenue and expenses.

DUNGAN: Do those two numbers take into account bills that are currently pending before the Legislature but have not yet been passed?

CLEMENTS: No. There's a listing of bills still pending, usually on the back of the green sheet.

DUNGAN: So I go down, and I, I think I saw those. So, so, so yeah. On the top of the second page, or the back, I guess, if it's double-sided, there's the, the, the box that says, impact of bills pending. Is that what you're talking about there?

CLEMENTS: Yes.

DUNGAN: OK. And there's one-- in lines 35 and 36, in particular, say Select File plus E&R Initial. You see that on line 35?

CLEMENTS: Yes.

DUNGAN: Is that where this bill is currently contemplated, given that it is on Select File currently?

CLEMENTS: It could be my General File bill had a \$3 million-- \$3.2 million effect to the General Fund, so until a Select File amendment is passed, which removes that, that probably is in there.

DUNGAN: OK. So this would be based on the fiscal note that was most recently updated, I think, on May 6, or something like that?

CLEMENTS: Yes.

DUNGAN: And that fiscal note does not take into consideration the amendment that you proposed under AM1447?

CLEMENTS: Correct.

DUNGAN: OK. Just to make sure I'm clear though, if every bill that is currently being passed did pass in its current state as it is on Select File and E&R, that would put us at \$43 million under the minimum reserve for fiscal year '26-27. Correct?

CLEMENTS: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

DUNGAN: OK. I want to go back then to-- the reason I'm asking this, I'm trying to wrap my head around the overall fiscal impact. Since the last time we were on the mic, did you have a chance to look in any more to the elimination of the sales tax, as it pertains to the data centers?

CLEMENTS: No, I'm sorry. I haven't gone-- looked that up yet.

DUNGAN: No, and that's fine. That was not meant to be a gotcha question, because I know you're doing a lot on this bill, because you have to be on the floor the whole time. But just to make sure that I was correct in the first time we asked questions, because I was asking some other folks this, that is the elimination of a sales tax that would pertain to equipment purchased by a data center. Correct?

CLEMENTS: It would eliminate the exemption. Yes.

DUNGAN: Right, right, so it's the double negative. So this would tax equipment that is purchased by a data center.

CLEMENTS: Yes.

DUNGAN: OK. That is not an ongoing tax, though. So in order for us to actually generate revenue off of that under the sales tax, it has to be new equipment that's purchased. Is that right?

CLEMENTS: Yes.

DUNGAN: Do we have any data or information about any new data centers that are coming in, in '26-27, or where, where are we getting the estimate of where \$7 million of sales tax revenue would be generated from newly purchased equipment?

CLEMENTS: The Fiscal Analyst--

DUNGAN: OK.

CLEMENTS: --on the fiscal note. And there is a, a Google operation going up in Lincoln, here.

DUNGAN: That's right. And so, obviously, they would have to purchase equipment to be created, but once they're in place, do you estimate that they would purchase less equipment moving forward, now that they're going to be in place here in the next couple of years?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

CLEMENTS: Well, those-- that equipment has a-- maybe a 3-5-year life. Well, they'll be replacing it and buying new.

DUNGAN: OK. But so, the overall amount that we expect to make from that sales tax is fluid, right? It's, it's dependent on the amount of purchases that actually occur?

CLEMENTS: Yes. I'd agree with that.

DUNGAN: OK. And we see that between '26 and '27, it's already diminishing from \$7 million to \$5.6 million, correct?

CLEMENTS: Yes. That was from the Fiscal Office.

DUNGAN: OK. Thank you, Chair Clements. I appreciate that. So colleagues, the reason that I bring that up is obviously, we're diving pretty deep into our budget over this last week and the week moving forward. We're gonna continue to have conversations about it here. But there's a lot of bills that are on the train moving forward that I think maybe have not fully been accounted for. And, and, and I bring that up when you look at the, the second page of the General Fund and you look at Select File E&R, there's 43-- well, we'd be negative \$43 million below what we have to be at if they were all to pass in their current form. And then in the biennium following that, the '28-29, \$230 million below the Minimum Reserve. So when I talked-- spoke yesterday or the day before-- week before about sort of the structural deficit that we find ourselves in, that's where my concern comes when I'm looking at these pay-fors. In the near future, it appears that the deviation of money from the Securities Act Cash Fund to the counties instead of the General Fund is where we're seeing this big hit of the negative \$5.6 million. And as I, I spoke about earlier, that negative \$5.6 million is annual, so that is an annual decrease that we are going to be seeing to the General Fund. So that's \$5.6 million less than we would have in our fund into perpetuity, if this AM were to pass down the road. The idea, it sounds like, is that that's going to be offset by this removing of an exemption, meaning that data centers are going to be taxed. And I'm not saying whether that's right or wrong. We can have a debate over whether or not data centers should be taxed and how much money is going to come from that, and, and I have had that debate before in the Revenue Committee. But the reality of the situation is, I have a concern that the revenue that we're gonna be earning from the sales tax being charged to new equipment being purchased, purchased by data centers is going to be insufficient, moving forward, to offset that \$5.6 million hole that we're creating in the General Fund. If, in fact, the equipment that we're seeing in a

data center has a 3-5-year life span, it certainly would, I guess, imply that you're going to see some new equipment being purchased. But as many of us know, you don't purchase all of the equipment at a business or at home, either one, all at once, right? When your washing machine goes down, you buy a new one. When your refrigerator goes down, you buy a new one. When your furnace blows, you buy a new one. You don't replace all of your equipment every 3-5 years, for example. So, the concern, obviously, would be that there is not actually a sustainable stream of revenue coming from that elimination of the exemption. Now that is not my only objection to this. As I indicated earlier and as Senator Conrad had, had also pointed out, there certainly is, I think, a broader concern about the equity and the fairness with which this replacement revenue is being generated. And I do object, I think, to an increase in the nameplate capacity tax that is done-- that is maybe not reflective of what it currently should be. And I think maybe there is a disproportionate impact of that nameplate capacity tax, depending on what county you're in, if we do increase it to that almost double amount. In addition to that, there's just the philosophical concern that I have surrounding the increase in fees. And you know, if you're an avid watcher of the Legislature, you know that whenever there's a fee increase being discussed, it gets a lot of people's red flags up, not necessarily because they're saying that the fee that's being charged is equal to the cost of the service, but when you start to increase a fee not just to pay for the service, but to then pay for other things, it puts me in a-- I guess, a, a concerned sort of mindset that we are raising these fees, which are regressive to individuals, who are just seeking to get their motor, motor vehicle inspections, which they have to do, or seeking to get marriage licenses, which I think many people would say is a, a need, not a want, these things have to increase in order to pay something else. It's regressive and I think it disproportionately impacts a number of the individuals that we are seeking to help by getting rid of the inheritance tax. And even beyond that, I think it impacts a larger swath of Nebraskans than the inheritance tax--

KELLY: That's your time, Senator.

DUNGAN: --detrimentally hits. So for those reasons, I'd encourage your green vote. Thank you, Mr. President.

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

SPIVEY: Thank you. Thank you, Mr. President. I rise in support of the motion to reconsider and yield the rest of my time to Senator Conrad.

KELLY: Senator Conrad, 4 minutes, 51 seconds.

CONRAD: Thank you, Mr. President. And thank you, Senator Spivey. So I just wanted to continue, and I, I know that some of the amendments may attempt to address some of the concerns with the significant increases in the, the nameplate capacity tax, which impacts our economic development efforts and our ability to grow the renewable energy industry in Nebraska. So it's been a little while since I had a chance to triple check the citation, but I think that Nebraska typically ranks maybe top 5, top 6, definitely top 10, in terms of our sister states out of 50 states, in terms of windiest, having the ability-- having the most, the most wind that's out there. Yet our renewable energy industry is, is a bit behind, is a bit under-- underdeveloped, as compared to many of our sister states, despite those natural assets and resources that do benefit our state. So if we discourage investment in renewable energies by moving forward with this really significant tax increase on businesses, which, again, we're seeing a fee increase, we're seeing a tax increase on Nebraska businesses and Nebraska consumers to take the pressure off of beneficiaries of the inheritance tax, who are, in many instances, out-of-state residents, at least 35-45% of them, given the year that they're paying in and we take a look at, it would undercut and undermine the regressive nature of the inheritance tax. And it also is just kind of a, a strange or incongruent revenue replacement, in terms of just how this nameplate tax would, again, be generated and then be distributed. So the proposal-- and again, I, I know Senator Clements is trying to work on this, would arbitrarily increase the renewable energy taxes, the nameplate tax, in Nebraska, far above where our sister states are. So under LB468, there would be a significant increase, I think over 85%, from the present 3,500, to about 6,500. And so that would put us way above where North Dakota is, at about 4,000. South Dakota is at about 3,000, Wyoming is at about 6,400. We're going to be a little closer to Wyoming, I guess. Colorado is at 3,200, Kansas is at zero, Iowa at 4,600, and Minnesota at about 3,600. So it would really put Nebraska further be-- behind the eight-ball, in terms of the development of renewable energies. It would make us less competitive with our surrounding states in the Midwest that we are absolutely competing with to develop these renewable energy industries and sources. And it, it, it also would then, as we talked a little bit about before, be really, I think, inequitable to the small amount of counties that have these projects in place that have been carefully vetted and that are responsible for the zoning, for the maintenance, for the related costs, and then are taking in that current nameplate to offset those costs. And under Senator Clements' proposals, the handful of counties

that have the significant amount of revenue in regards to nameplate, then would be dispersed to all counties, whether or not they would have these kinds of projects in, in their, their county. And so, I think that's a-- another complexity that is causing some concern for members. Thank you, Mr. President. And thank you, Senator Spivey.

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

ROUNTREE: Good afternoon, and thank you so much, Mr. President. Good afternoon, evening, colleagues. I was wondering if Senator Raybould would yield to a question.

KELLY: Senator Raybould, would you yield?

RAYBOULD: Yes, of course.

ROUNTREE: Thank you, Senator Raybould. As we've looked at the handouts, I read through the bills and listened to all of the conversation. But I wanted to ask you about the handout that you gave, with the charts here, of the estate. Would you be able to talk a little bit more about those?

RAYBOULD: Certainly, Senator. And, and I, I do want to say that Senator Conrad did a really good job in explaining the importance of this revenue and the impact it has on the counties. And so I'm gonna refer to the drawing, and I know Senator Conrad also made some very important remarks on it. On the, the first page, you see the state of Nebraska and you see where most of it is blue. And, and, and you can read, but it says the blue states received 93% of all inheritance tax revenue in 2024. And the red states, that-- you can see that they're the ones that receive the nameplate capacity tax revenue. And both are, are fundamental and important revenue streams to the county to allow them to, to balance their budgets. And then on the, the next page-- and I know that Senator Conrad did point this out, it's on the page where you have the states in orange, and-- that surround us, with Wyoming, Colorado, Kansas, Iowa, Minnesota, North Dakota, and South Dakota. And you can see that right now, we are pretty competitive in the capacity tax that we're charged. And-- but in the proposal from Senator Clements, they have a dramatic increase in, in it that would hopefully, hopefully not act as a disincentive to those wind turbine farms or the solar panel farms interested in investing in our state. You know, that is really fundamentally important. Why is it important? I-- several senators here attended a, a program that was sponsored by the Nebraska Chamber of Commerce, actually extrapolating the-- our

electrical needs in the future. And what is really fundamentally important-- not only renewables. You know, we have to have a diversified portfolio of energy uses and energy sources, that one of the things they noted is that with all the greater demands of the data centers and crypto closets or crypto rooms, you know, there is a tremendous demand, as well in our everyday work-- workloads that we see, and so that we are falling behind in generating that electrical to be able to address the needs of the future. And that's why the, the counties understand this very well. And this is a revenue source. However, the, the way it is put into the inheritance tax that Senator Clements provided, is really not something that is sustainable and predictable. And you've heard Senator Clements talk about, oh, the inheritance taxes, you know, he gave the graph showing how volatile it is, and it pikes, and then it drops way down. That's normal. Because, I think, fundamentally, what we forget, what do the counties use that inheritance tax for? They set it aside. If they have a future road project, they collect it over the years and set it aside in their ability to provide that 20% match to the 80% from the state. So they collect it and accumulate it. And when they have sufficient funds, then they trigger that project. And we've talked about they do it for road work, they do it for culverts, they do it for bridges, they do it for community centers. I mean, each state has its own needs. They go out and buy more emergency vehicles. So when there is volatility, that's normal. Because they, they take the funds and set it aside. Like in Lancaster County, they use that funds right in the direct general funds for the county. But these maps are important, because we have to keep up with the demands in generation. And for us to just more than double what we're currently charging could make us less competitive, where we want to be more competitive. And the one last thing about the counties, is sometimes, with our zoning rules and regulations, they make it actually more difficult and more prohibitive for investments of like, wind turbine farms and solar panel farms to come to our state of Nebraska, with zoning restrictions that require greater setbacks and other restrictions that make it impractical for them to actually consider coming to our state. So we need to be much more friendly towards all type of renewables and other types of energy sources--

ARCH: Time, Senator.

RAYBOULD: --to make us competitive. Thank you, Mr. President. Thank--

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

J. CAVANAUGH: Thank you, Mr. President. Well, I rise in favor of the reconsider and in favor of the bracket motion and opposed to LB468. And I spoke earlier about my general opposition to this. And I was looking at the bill and, you know, I, I pointed out-- or I'm sorry-- I looked at Senator Clements' handout, and I was just sort of going through and pointing out the nonrelated folks and this costs \$6 million. And then I got to the pay-fors on the next page, and I saw one of the pay-fors is increasing the marriage license fee. And so this is an instance where we are shifting the cost of inheritance for someone not related, like, you know, I don't know, an ex-girlfriend or something like that. So we're-- we are paying for that by increasing the cost of marriage licenses, so that, to me, the logic in that-- in there is lost on that. But the pay-fors in this are a problem, but just the principle of shifting costs from these other folks to Nebraskans in sort, in sort of this nick-- again, nickel and diming fees. But one of the things I did want to talk about right now was, there's an article in the Nebraska Examiner this afternoon, and it says: Former state official threatens lawsuit to stop Environmental Trust fund transfer. Joe Oberg sued successfully in 2020 to halt a similar transfer. And so this article by Paul Hammel, who used to be here with us a lot, but now does other stuff. And I would take a look at the picture-- the, the article, just because it has a beautiful picture of a ranch-- a working ranch in Nebraska, is what it says. It doesn't say where it is, but it looks like the Sandhills. It's beautiful. But yeah. So this Legislature has previously transferred funds out of the Environmental Trust. So the Environmental Trust, I didn't talk about this too much this year. I've had this fight many times, and I know people think that these things get repetitive, but it's, I guess, evergreen, as it were. The canal is a conversation we have all the time. But the taking money from the Environmental Trust is one that this Legislature seems to continue to try to do. And we did do it 2 years ago and I opposed it, and brought several amendments to try to strike out the transfer from the Environmental Trust, and this Legislature didn't want to do that. So this, this budget, we are balancing by transferring \$15 million over the next 2 years out of the Environmental Trust. And Mr. Oberg, who has sued and won previously under the argument that we can't take that money, is again saying he will file suit about this. So the Environmental Trust was established with a ballot initiative. I believe it was 1990, but it might have been '92, when we established a, a, a lottery. So when we started the lottery in Nebraska, the voters voted for that, and it was 49% went to Environmental Trust, I think 49% went to education, and then there were some in there for problem gambling funds, if I remember right. And so-- but that percent goes-- in the constitution, it is a portion

to go to the Environmental Trust for the beneficial use of the environment of the state of Nebraska. Environmental Trust is an independent group that's set up that is appointed by the governor and confirmed by the Legislature, and then they give out grants on a competitive basis for environmental purposes. So the recycling in Alliance was-- has been historically paid for by the Environmental Trust, the bike share in Omaha and Lincoln has some Environmental Trust money in it, purchasing of land to restore habitat for wild game, and, and then, of course, some repairs of our rivers, and things like that, all uses of the Environmental Trust to rehabilitate our environment. And it's been tremendously successful. And it's something like \$20 million a year goes through the Environmental Trust. And so, this began during the Ricketts administration, where-- I'm going to run out of time-- can talk about this some more. But this began during the Ricketts administration, where this-- the Legislature started taking money out of the Environmental Trust, and then that's when Mr. Oberg sued and was successful in saying the Legislature couldn't do that. So he's again threatening, and, and I bring it up in this reference because we are transferring money out of other accounts. We are scraping accounts to find money for this particular project when one of the accounting maneuvers we have done in the budget is being threatened with a lawsuit even before the budget is done. So, our budget potentially becomes unbalanced by \$15 million almost immediately, because we are trying to balance it by finding money that we shouldn't be using for this purpose. So, maybe we should be taking up the budget right now, because we have until Thursday to do it on Final Reading, and as we all know, they-- you need a layover day. So perhaps, we should be talking about the bal-- the corrections we need to make in the budget, and not further eroding our financial stability with--

ARCH: Time, Senator.

J. CAVANAUGH: --this bill. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. And one thing that I thought I would do is just a quick refresh for the record for members and for those who are paying attention at home, was just talk a little bit about the technical aspects of how the inheritance tax works. So I know at first blush when people are thinking about this issue-- and there's a whole plethora of messaging out there about quote unquote death tax, which is very interesting from a linguistic and rhetorical and political perspective. So I think, you know, at first blush, most Nebraskans, if

you ask them, would say, yeah, I think that's unfair. We shouldn't have a death tax. And then, you start to kind of talk through what it looks like in Nebraska and what that means. So our inheritance tax rate is determined by the beneficiary's relationship to the decedent. So (1), there is no inheritance tax imposed on transfers to spouses. So if your spouse passes away, that is not subject to inheritance tax on that, on that transfer. The same-- the laws are also very favorable to transfers in the immediate family of those subject to the inheritance tax, so parents, grandparents, children, siblings, the rate for immediate family members of the decedent in that, that, that first kind of core group of familial relationships is 1%. It's 1% of the clear value of the property received in excess of \$100,000 by each person. So, so do keep that in mind as well. And then when you get a little bit further down the family tree, the inheritance tax rate for more remote relatives, such as aunts and uncles and nieces and nephews, it's about 11% of the market value of the property received, and then there is a \$40,000 exemption/exclusion for each person. The inheritance tax rate doesn't go up to 15% unless it's received by a, a, a nonrelative, and so that's, that's another thing that I want to keep in mind. The, the existing structure already doesn't apply to a transfer to your spouse. It has a 1% tax when it goes to your immediate family members for property received in excess of \$100,000 for each person. And the Nebraska inheritance tax also already fully exempts a host of different assets, including, of course, real estate and personal property outside of Nebraska, some life insurance proceeds, money or property that immediate family members are entitled to under homestead allowance or exempt property rights or family maintenance allowance. And in addition to the transfer of fully exempt assets, there's also other types of transfers that are not subject to Nebraska's inheritance tax, such as assets transferred to a charity or a governmental entity, assets transferred to the surviving spouse, gifts that were finalized more than 3 years prior to the decedent's death. So, there are ways to reduce the impact of Nebraska's inheritance tax if people are concerned about that. And, of course, they should consult with an estate planning lawyer to figure out the best options for them and their family and their estate, and-- not giving legal advice. And that's definitely more of Senator Sorrentino's expertise and background than my own, as a civil rights attorney. But we know that many Nebraskans already involved in estate planning already take into account this revenue component in our revenue system, and that the system, as it stands today, is already meant to ensure equity and fairness for family members in, in many, many different ways. And so, I think that's another thing that's just kind of important to lift up in this regard. Over time, I do think

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

that there has been, perhaps, an ensnarement of some middle-class families or family farmers or small businesses being subject to the inheritance tax that wasn't in line with its original purpose. That's why I think it would be better to up the exclusion or the exemption a bit--

ARCH: Time, Senator.

CONRAD: --rather than eliminate or replace with, with this measure. Thank you, Mr. President.

ARCH: Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Communication from the Gov-- Governor: Engrossed LB90, LB183, LB419, LB519, and LB635 received in my office on May 9, 2025, and signed on May 13, 2025. These bills were delivered to the Secretary of State on May 13, 2025. Signed, Sincerely, Jim Pillen, Governor. Additionally, Mr. President, your Committee on Judiciary, chaired by Senator Bosn, reports LB150 to General File with committee amendments. That's all I have at this time.

ARCH: The Legislature will now stand at ease until 6:00. And when we return, Senator Clements, Andersen, and Hallstrom will be the first speakers.

[EASE]

SERGEANT AT ARMS: Attention Senators, the Legislature is scheduled, scheduled to resume in 5 minutes.

KELLY: Mr. Clerk, items for the record, please.

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Enrollment and Review reports LB644, LB371, LB490, LB422, LB499, and LB558, all to Select File with amendments. That's all I have, Mr. President.

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

CLEMENTS: Thank you, Mr. President. Well, I appreciate the conversation we've been having on the inheritance tax reduction and I am really looking forward to getting to my amendment. My amendment on General-- the committee amendment on General File had some concerns, and I'll be addressing those when we get to my Select File amendment.

Wanted to just talk, talk about a few things that have been brought up. It's been suggested that the nameplate tax rate I'm proposing was an arbitrary rate. It's not an arbitrary rate. We checked with Department of Revenue and property taxes have gone up 4.55% per year compounded for 14 years. And the rate I picked is compounded at 4.55% to get it to 2025, and that will keep them in line with where property taxpayers have had increased over that period of time, so it's really just bringing them into line with what property owners have had in the past, since this is a-- in lieu of tax-- nameplate tax. And so, their low rate in, in lieu of tax for 14 years was a really good deal, and it's time to have it be equalized. There was a comment about whether the-- there's a durability of the fund. I've been working with NACO all the time, and NACO doesn't have a concern about this, and I believe this will be a durable proposal. There was a comment that someone said Doug-- Douglas County is opposed. I'm told that Douglas County is not opposed, according to NACO sources. There was someone talking about this will be hurting data centers, removing their sales tax exemption. Well, I wanted to remind people that the corporate income tax rate is dropping from 7.81% to 3.99%, and, and that would save data centers millions of dollars, and not just one time. It will be every year ongoing, and it will be at 3.99 in a couple of years. Then I wanted to just review on the, the front page of my handout, just overall, talks about this is an important step in Nebraska's overall tax policy to keep and attract people. That was my number one priority, to make us more competitive with other states, making the rates more equal and more fair for everyone no matter whether they're children or not, and it creates a more stable revenue for-- stream for all the counties. On my handout, you can see how variable the rates are. I have several counties' examples. And it provides revenue replacements, which will avoid property tax increases by the counties. As they lose inheritance tax revenue, they recover it and replace it with a LB468 increases. Cities and schools are adjusted in their, their share of the taxes that are involved so that they're held harmless. And the state of Nebraska had been-- had, had a \$3 million fiscal note, and we've adjusted that so that the state comes out a little bit ahead, no longer in negative position. And so, it maintains current tax rates for motor vehicle taxes, the Security Act, and train car line taxes, just allocating those slightly differently to allocate some more to the counties, and those entities that lose some from that are being held harmless. The 4 local county fee updates reflect actual costs of doing business, which are currently funded by property taxes, and the state revenue is replaced by eliminating the data center tax exemption. My goal is to eliminate the inheritance tax completely next time--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: That's your time, Senator.

CLEMENTS: I have a chance. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Senator Andersen, you're recognized to speak.

ANDERSEN: Question.

KELLY: The question has been called. Do I see 5 hands? I do. The question is, shall debate cease? Shall debate cease? 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.

ASSISTANT CLERK: 26 ayes, 0 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. All senators unexcused outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Bosn, Dover, Dorn, Bostar, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 31 nays-- 31 ayes, no-- 9 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator Dungan, you're recognized to close on the motion to reconsider.

DUNGAN: Thank you, Mr. President. Colleagues, I do ask you to vote green on this motion to reconsider, to have an opportunity then to vote again on the bracket motion, as it regards to LB468, which I stand in opposition to. For those who were paying attention prior to our dinner break, I, I guess in going through the proposed revenue sources, under what I anticipate is what Clements-- Senator Clements is asking to go up on the board, which is AM1447, I just have some concerns. I've identified a number of my concerns as, I guess, a few different camps. One of those is the increased fees: the increase in the marriage license fees, which we're doubling; the increase in the motor vehicle inspection fees, which we are tripling; the distressed warrant fee, going from \$2 to \$20. I have a generalized concern,

obviously, when we increase fees, because that is a regressive impact on lower- and middle-income people. In addition to that, we're essentially asking to raise the fees on everybody, in order to offset a tax that only impacts a small subset of people. Now, if you talk to the county folks, you know, NACO will talk about how these fees do not keep up with the actual cost of the service. My question that I had during the interim study we had on this, though, is if you increase the fee beyond what the cost of the service is, that's when you start to make additional revenue for the county, because if it's just what the service costs them, it should be a net-- I guess, a net wash, at that point. If you're increasing a fee to make it commensurate with the cost, that's not gonna gain you money. But what they're seeking here is to gain money, which I think is part of the problem. In addition to that, we talked about the nameplate capacity tax. Every time I bring that up, I say I'm gonna get into it more later, but 5 minutes is a very short period of time. Essentially, colleagues, my issue with that is I don't think the doubling of the nameplate, nameplate capacity tax is, again, commensurate with what that increase should be. I've spoken with industry leaders, as well as folks who work with the Revenue Department, and my understanding is there is an amount that that could be increased but it would be lower than that and there are a number of facets that were taken into consideration in coming up with the 3,518 per megawatt for the nameplate capacity tax that this bill does not contemplate. This bill just sort of picks the number based on, it says here the 4.55% per year property tax growth, but that is not indicative of what this actually should be. In addition to that, and then finally, I think the part that I, I noticed here as we were going through the spreadsheet and I've not been able to get a clear answer on, is how this \$5.6 million decrease annually to the General Fund is going to be offset by the elimination of the data center equipment tax exemption. So, I guess the explanation that we received on the mic earlier was that by eliminating the exemption on equipment purchase for data centers, there's an anticipation that this is going to raise \$7 million in fiscal year '26, and then drop to \$5.6 million in fiscal year '27. That's intended to offset this annual hole in our budget we're creating of \$5.6 million. But a sales tax exemption elimination, to me, is not a sustainable source of revenue, as I just have a hard time believing-- and again, maybe I'm wrong-- that there's going to be that much equipment purchased on an annual basis in order to raise upwards of \$5-7 million in that sales tax. I know we've discussed this tax previously, in my time in the Revenue Committee, Committee and on the-- in the Legislature. My understanding, from speaking with folks in the business community, is that there's not really many people they can find that claim this tax

exemption. So if there's not people who are claiming this tax exemption, you have to imagine there's not a lot of people making these purchases. Now, there might be a one-time data center that's being built, like we talked about Google is going up, here in Lincoln. Certainly, upon the building of a data center, they buy all their equipment. That makes sense, so there's going to be a large influx of sales tax. But from then on, as there's maintenance required or replacement required of that equipment, it's hard for me to imagine a situation where that equipment is being purchased all at once every year. So that's going to not come to that amount. I just-- I have a hard time understanding how we're getting that amount. So, \$5.6 million annually we need to find to make up the hole in the General Fund that we're creating, if this bill passes with that amendment. I simply just have a hard time believing. That the data center equipment tax exemption is the answer. Should we get rid of that tax exemption? We can have that conversation. I'm not saying I'm opposed to that. I simply don't think it is the fix to what we're looking for here. So colleagues, for those reasons, I think that this is maybe not, unfortunately, the answer. I'm fine getting rid of the inheritance tax if we're able to find replacement revenue. But that replacement revenue needs to come from a source I think that is equitable, it needs to come from sources that are consulted in a way that's not going to drive out industry like renewable energy, and certainly shouldn't be balanced on the backs--

KELLY: That's your time, Senator.

DUNGAN: --of people seek--

KELLY: Thank you, Senator Dungan. Members, the question is the motion to reconsider. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 12 ayes, 31 nays on the motion to reconsider, Mr. President.

KELLY: The motion is not adopted. I raise the call. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Conrad would move to recommit LB468 to the Revenue Committee.

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

CONRAD: Thank you, Mr. President. Good evening, colleagues. One thing that I wanted to lift up in terms of our interim discussions and deliberations that we haven't had a lot of debate on thus far, is we

focused a lot on the business tax component for revenue replacement on LB468, and I think people have done a really good job lifting up questions and concerns in that regard. And then another component that would have increased our replacement revenue for this measure that I wanted to lift up was an increase in, in a host of different fees that county governments would be able to assess or raise for consumers or users of different services that the county has to, that the county has to provide. And much like sales taxes, in many instances, user fees are also regressive, that they fall harder on working Nebraskans and Nebraskans living on a fixed income. So based on a host of concerns about the equities of that approach that we've talked about this session in regards to taxation proposals or a host other fee proposals that have been moving through the Legislature, there's also some of those similar policy concerns at play, in regards to the revenue replacement components and increased fees as part of LB0468. And in particular, would be a dramatic swap from a progressive form of taxation to a regressive set of fees. So that's another piece that I want to make sure to lift up. And when we had the interim study working group that NACO helped to lead, we literally went through a binder that was-- I know we're not supposed to use props-- but a binder they compiled looking at all of the different user fees that counties were able to assess in Nebraska. And they had really, an awesome history of the statutory authorization. They had a description of what the fee for service was. They had information about how much those fees generated, kind of writ large, and in some instances, by, by counties, as well. And then they also had information about who pays those, information about the last time they were updated or raised, and historically, typically, the Legislature has always been fairly resistant to increased fees, whether that's court fees or local government fees, because of the regressive nature of those, of those fee components. So many of those fees have not been updated for a really long time, and there are valid legitimate policy arguments to be made about whether or not the fee matches the service costs, whether or not they've kept pace with inflation, some of those other kinds of issues. One really interesting component that NACO brought up was in many of the fees that were set very, very low, that it actually cost them a lot more money to administer those fees and account for those fees on their books. Say, for example-- I think maybe there was an example that there was like, a, a sheriff's fee for certain aspects of service that was something nominal, like a \$1, and that it, it cost a huge amount of time and energy for state government officials and public servants just to kind of account for that from an administrative perspective, and/or to write that off if it was uncollectible, or to try and capture that if, if somebody lacked the

ability to pay. And it, it really had become kind of an administrative snarl and caused a lot of consternation for the local county officials. So that was an interesting learning piece, I think, for many of us who joined that effort from the legislative side of things. One suggestion was to increase all of the fees to better-- to take that administrative burden off of the counties and to raise additional revenues. I actually take a different approach with some of those things. And I think, you know, if we're running around collecting a \$1 fee for this, that, and otherwise, aren't those supposed to be General Fund obligations that are paid for with our tax dollars? Maybe it would be better to eliminate said fees in that regard. So I know that is a component of the measure before us. I also appreciate and understand, as we discussed earlier, that the counties themselves do not have access to the same sort of revenue streams that other governmental entities do, including the state, of course, which has access to a variety of different revenue streams. And so, when you look at information kind of writ large on how we fund county government in Nebraska-- and I think these stats may just be a year or two old-- it shows that the vast majority of revenue coming into Nebraska counties already are for charges and fees. About 40% of the revenue source for Nebraska counties comes through those regressive fees. Then you have about 34% of the revenue in Nebraska counties coming from property taxes. And then you have 21% of revenues for counties coming from intergovernmental transfers or revenue-sharing-- sharing programs or allocations. And then, you have a really small pot of "other." That would be things like inheritance tax or grants or other kind of nominal revenue sources. So I just wanted-- I know many of our colleagues in state government served admirably on county boards. This is old hat for them. They're very familiar with the, the revenue structure that our counties have to operate within. But it was one piece of this particular debate that I wanted to make sure to acknowledge that there was not consensus amongst working group members, in terms of whether or not we should-- including from myself, that we-- I, I strongly believe that we should not switch from a progressive tax to reliance on a regressive fee, which is a key component of this measure. I do think that there is a lot of wisdom in some of the aspects that Senator Clements has put forward that would allow for a periodic review of fees, so that we don't always have to take them up kind of in a piecemeal fashion, to have a more thoughtful approach to that issue kind of writ large. And I'm hoping that that idea will carry forward outside of this proposal, but I do want to just also note the risks that comes to the reliance on regressive fees and what that means in terms of our overall policy, particularly in relation to this issue. Thank you, Mr. President.

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

HALLSTROM: Thank you, Mr. President, members. Earlier in the debate, Senator Rountree asked me a question about the inheritance tax, and I thought maybe running through a little bit of the, the basic outline of the inheritance tax, and his question specifically was, can you do estate planning? Can you avoid the inheritance tax? And just a couple of fundamental concepts, number one is we have, both for purposes of federal taxes and our state inheritance tax concept that says if a husband and wife inherit property from one another outright, that there's an unlimited, what we would refer to as marital deduction or exemption from any tax. So as long as a surviving spouse inherits jointly owned property or separately owned property in its entirety, there's no tax paid at that point. However, when the children, or nieces and nephews, if the parents were not-- or the husband and wife were not blessed with children, or an unrelated third party happens to inherit, that's when you're going to pay the Piper at the prevailing rate, based on the exemption level that you have. And I think I, I started to talk earlier on the mic that when you look at the inheritance tax, you have someone who is deceased, the loved ones are grieving, and we've had a decedent who has paid property taxes, sales taxes, income taxes, and then we extract that final pound of flesh from the decedent's beneficiaries or heirs at the time of their death, in terms of taking additional inheritance taxes to fund some of the county opportunities. I would probably take exception and just make a point. Senator Dungan made a point to suggest that he really questioned whether or not the \$5.6 million that we're taking out of the state budget in the form of a transfer from the securities fund was going to be offset by the removal or repeal of the sales tax exemption on data center equipment purchases. I guess I'll just play the devil's advocate. I think we'll raise twice that much. There's two things that are probably inherent in what Senator Dungan's suggestion was, and mine, and neither one of us know. So I think we can go with the fiscal note and decide that we're probably going to get sufficient revenue based on the fiscal note to fill that gap, and we would certainly hope that that is the, the concept that we'll face. Again-- excuse me-- I think that Senator Clements has done a remarkable job, not only in the time and effort that he's put in, in addition to his responsibilities as the Chairman of the Appropriations Committee, but on this issue, to try and take a chunk out of the inheritance tax liability that we face. I think the statistics show that there's \$84 million that are taken in inheritance taxes statewide, by the counties. He started out hoping to take a \$35 million bite by giving

us inheritance tax relief. He's made some changes that I think are significant. If you look at the areas where he has made concessions, taking out the documentary stamp tax in its entirety, taking the modernization tier of the ImagiNE Act and the Site and Building Fund that those were all pressure points from different parties, and he's, he's driven down to \$21 million the inheritance tax relief, which is still about a 25% deduction or reduction in the take of the counties, while providing them with reimbursement. I kind of tongue-in-cheek suggested to Senator Clements, I said, have you gotten the figures to come out to show that all of the counties are getting more than 100% relief? And he said, actually, they had come out with over 90% in every county, if I understood him correctly, which I think is remarkable with the number of moving parts that we have in the proposal that he's put together in the amendment that is soon to follow. So I rise in opposition to the recommit to committee, and will support Senator Clements' upcoming amendment and the advancement of LB468. Thank you.

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

JACOBSON: Thank you, Mr. President. I rise in opposition to the, the recommit motion and rise in support of MO234-- 2-- MO242 and LB468. I just want to make a couple of comments and then I'm going to yield my time to Senator Clements. I, I would agree with Senator Hallstrom that when it comes to data center removal of that sales tax, I think it will actually produce sub-- substantially more revenue than is estimated. And I think the fiscal note would be interesting once we get it, to get, get all the changes here, simply because we're seeing more and more replacements are happening sooner and sooner and sooner, and and, and, and it's all becoming more expensive, so I, I do think that's a big piece of it. I want to talk a little bit about the fees. When you talk about a \$1 fee and do we eliminate it or do we raise it, well, I, I still believe that people should be paying for the services they receive and it shouldn't be borne by the taxpayers at large. I've repeated that from before. I feel the same way. When you talk about the-- for a sheriff to go out and serve notice and get charged \$2, who on earth believes that \$2 comes anywheres close to covering that cost? These fees have not been raised in decades, and it's about time we did it. To say it's regressive, I don't know. Are we going to reach a point where the poor, poor pay absolutely nothing for anything? They just completely freeload off the state and the taxpayers, property taxpayers in particular, so they can pick up the tab? Because that's what happens. The counties are funded with property taxpayers outside of the fees. So that's who's going to pick up the tab, is the property

taxpayer. They continue to do that, year after year after year. Again, we've estimated that it's going to be \$300 million a year, that between schools and counties and cities and all the other political subdivisions, that's how much they will increase their tax ask every year. \$300 million. That's not sustainable. So, again, I-- Senator Clements has brought this bill. I've resisted it in the past because I've always said I like-- I hate inheritance taxes, but I hate property taxes more. He's done everything he can to make this pay for itself through the counties and through different funds, to where there's re-occurring revenue to pay this going forward. He's got NACO on board. It's time to move forward with what he wants to try to move here, so I will support the amendment and the bill. And with that, I'll yield the remainder of my time to Senator Clements.

KELLY: Thank you. Senator Clements, 2 minutes, 6 seconds.

CLEMENTS: Thank you, Mr. President. Thank you, Senator Jacobson. Regarding the recommit to committee, I worked with the committee. This bill didn't come out of a committee for quite a while because they were uncomfortable with the original bill, and so I worked with them and I adjusted the bill, the bill to their liking before it came out of committee, and we addressed the concerns in the committee. And now, the amendment that I will be getting to address some more concerns, to where we'll have something that is less than what I wanted to do, but at least will be in the step-- step in the right direction. And as Senator Jacobson said, the, the fees that the counties have asked me to increase in this bill are replace-- replacing property taxes that fund them now, so it is a benefit to the counties and replacing property tax, as well. And I did work with NACO, and I thank them for identifying the revenue sources that we're identifying here. That was some-- their suggestions, with what revenue we find to replace for the counties. Early on, they said, we don't want a General Fund appropriation because it's too easy to stop, so that's why we found things that the counties collect, like the motor vehicle tax. They get it right up front and they have better control over it and be more permanent. Then I keep hearing people agree that this tax should be eliminated, but I've yet to hear a better solution. My ears are open. I tried in 2024, a-- to-- a complete phaseout without a revenue replacement, and--but it increased property tax was the problem there, and that's why I'm working with the counties and making sure there isn't going to be an increase.

KELLY: That's your time, Senator.

CLEMENTS: Thank you.

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

DUNGAN: Thank you, Mr. President. Colleagues, I rise again in favor of the motion to recommit. As I said before, I, I did hear this bill, both during the interim study as well as during the actual committee hearing. And the concerns that I have here, I think, are, are valid. I, I just-- I don't know if this is sustainable. I want to respond just briefly, you know, to what Senator Jacobson had said. And I, I completely agree that some of these fees that we're talking about are very low compared to perhaps the cost of the actual service they provide. And you know, the example that was given during the Revenue hearing, which I know he's talked about here today, too, is the service fee, and how, you know, much it costs for gas to get in the car and go deliver a warrant and things like that. And I, I understand that concern. My question, though, is when we raise the amount of the fee to be beyond what the cost of the service is, that is what you necessarily would have to do in order to make enough money to use it to pay for something else. So if we're saying this money is going to be used to offset the inheritance tax, it, it assumes that there has to be some amount of money in excess of what it costs to administer the service, in order to apply it to something else. And so, when you start talking about the increase in fees, I don't know if we need to go into an entire discussion about what is regressive and what is progressive when it comes to impact on income. It's not about the amount, right? Whether or not something is regressive doesn't matter if it's \$1 or \$1 million. The regressivity does not apply to the amount of money impacted. It applies to the process with which that money is gained. And so as others have pointed out here today, a, a fee is regressive by virtue of the factor that it's flat. And so if you have a larger amount of income, that lower fee-- or that fee, no matter what it is, is going to affect you less than somebody with a smaller amount of income. So a \$30 motor vehicle inspection fee represents a larger portion of somebody's income if they're lower income. Now, you know, Senator Jacobson seems to differentiate or create this, this bifurcation of the poor and property taxpayers. I would say that there's a lot of people out there who are struggling to make ends meet who do pay property taxes, which is why I want to be very clear, and I think that everybody in here agrees, property taxes matter to all of us. And there have been a number of solutions that have been posited since my time in the Legislature 3 years ago, about ways to alleviate property tax for those who actually need the property tax relief the most. The people who, when they pay their property tax, are just trying to make ends meet at the same time and

are concerned about being able to pay a bill because their property tax has come due. Those are the people that I think need the relief the most. And if we're going to create a tiered approach to what the property tax levels of emergency need to be, if we are going to triage who needs that property tax relief the most, certainly, certainly it's not the wealthy multi-property landowners. I think we all agree it's the people who get used as examples all the time in here, which are, for example, elderly folks on fixed incomes who are being priced out of their homes. Senator John Cavanaugh brought a, a, a homestead exemption expansion. Senator Carol Blood, in the past, has brought circuit breakers. There have been a number of solutions that have been proposed, which don't, frankly, get taken seriously. And so, to ask whether or not the poor are going to pay their fair share, I think just belies a little bit of some of the, the lack of, I don't know, connectedness that maybe some of us in this room have with the people in our district, who are struggling to make ends meet. So I absolutely appreciate the debate and the discussion on this, but I just want to be very clear. It's not as though the people opposing this don't care about property taxes. And it's not as though the people who oppose this have not suggested other solutions that could potentially address the property tax problems for those who need it the most. The last thing I'll say is, again, I'm hung up on this and I apologize for those watching at home who are bored by now of me talking about it and others talking about it. I would like more information on the sales tax exemptions. I am trying to find the tax expenditure reports, where we look at how much foregone revenue there is, based on tax exemptions for sales tax. And so, hopefully, I can have a conversation with some people from the Fiscal Office, maybe, in a little bit, about what that actual number is. But could be less, could be more. If that is the case, it certainly does not represent a sustainable and, I think, verifiable replacement of the very verifiable \$5.6 million that this proposal punches in our General Fund budget on an annual basis. So I just-- I think that if that's something we're relying on, because it certainly seems to be one of the largest cruxes of this, we need to be careful.

KELLY: That's your time, Senator.

DUNGAN: Thank you, Mr. President.

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

GUERECA: Thank you, Mr. President. I rise in support of the motion to recommit to committee and in opposition to LB468. Like I said before

when the last time I was on the mic, this is nothing but a tax shift. And again, the-- just the concept of giving a tax break to out-of-state beneficiaries who have suddenly received a windfall, folks who do not live in this state, folks do not consume services, do not consume goods in this state, they're going to get a tax break on the back of Nebraskans of every walk of life, not just everyday working Nebraskans, like I usually-- all Nebraskans. I don't know about you all, the 49 folks in this room, I don't want to pay extra in fees so some kid who's suddenly got a windfall because someone left him a farm, he gets a tax break on, on our dime? I can't sell that to my district, folks. And if you can in yours, well, congratulations. You just have the-- that art of persuasion. That, that-- I think that, to me, is the heart of my opposition to-- at least it-- to, to this, to this replacement revenue and, and the way the structure of, of, of LB648, currently, as it stands. Turning to this increase in the nameplate capacity tax, from \$3,518 per megawatt hour, which is already some of the highest in the area, to \$6,560 per megawatt hour, where it absolutely makes us the most expensive in our region. So here, we're taking a source of energy at a time where we're-- where our state's crying out for more energy, we're going to go ahead and make ourselves uncompetitive, not even to our own domestic markets, but our ability to export power. Well, what are our power districts going to do? Probably buy from our neighbors. And what does that do? Drives up costs for our constituents. So let's go over it. LB468 is a sweetheart deal for people getting out-of-state windfalls, folks that do not consume in our state, that do not spend in our state, that do not live in our state, we have to, we have to subsidize that, that sudden windfall for them, and then we turn around, raising fees for our constituents, making electricity more expensive for our constituents? Gosh, folks. I, I just don't know. Now, what we do have-- and if we have to raise the nameplate capacity tax, let's not just do it arbitrarily. If I'm reading this correctly, there is a, a upcoming interim study that comprehensively reviews-- that would be great-- sort of what the rate should be. And it-- so the original \$3,518 rate per megawatt hour is calculated based on 3 factors: Factor 1: the average capital costs of renewable energy at the time; Factor 2: the statutory depreciation schedule for the facilities over their lifetime; and Factor 3: property tax rates. Again, a comprehensive analysis to actually come to a number that makes sense instead of an arbitrary number. But folks, we're in a time where, again, our, our state needs electricity, and we're already nickel and diming our constituents, increasing fees. Let's not pile on. Let's not pile on so some folks that got a sudden windfall from their uncle or from their godfather or from their dad's best friend-- let's not give them a tax

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

break on the back of all Nebraskans, including the folks in this room. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. I think, throughout this discussion, we could see that if eliminating the inheritance tax were an easy thing to do, we probably would have gotten rid of it a long time ago. But you can just see from the conversations that we've had, it is not an easy thing to, to, to eliminate. And there, there are a couple of things that I know Senator Dungan has raised this a, a few times, but I know that in our earlier discussions on General File, we talked about the cost to the state is \$3 million annually-- or \$3.2 million annually. I know Senator Clements was working in the budget to come up with a way to lessen that cost, but I know that we're all very budget-sensitive. And anytime we've even asked to reallocate \$1 million, it was turned away resoundingly, so this is a grave concern. I don't think we should move this forward until we have a more-- more concrete numbers to review. And I-- for that reason, I do support recommit to committee. The other thing that I wanted to notice, and hopefully, Senator Clements might be able to answer some questions in a little bit. But the Department of Insurance estimated that there is a loss of revenue to the state of Nebraska by just switching, instead of 40% of the Department of Insurance, where they transmit the premium taxes collected, it goes from 40% to 30%, but then it shows a net, a net revenue loss of \$14.4 million every year-- well, actually the first year, 14.4, and then the next year, \$15 million. So I think that is of initial concern to our, our taxpayers, is that we're, we're going in the wrong direction on this matter. So in-- and Senator Dungan also talked about this. In the fiscal year 2024, only 9,755 Nebraska residents were subject to inheritance tax. 9,500-- 9,755. And I can-- I assure you, we have really wicked smart ranchers and farmers out there that have estate planning. They understand it and they have got their estate planning in order. It is well-established. The federal bite on estate planning is huge. The state of Nebraska's chunk of that is miniscule, miniscule, compared to what the federal takes. And again, if only 9,755 Nebraska residents were subject to inheritance tax-- and by the way, those individuals don't pay it. It comes out of the estate, first and foremost. Those ones that inherit it don't get their hands on it until this tax has been paid. So what does that look like for Lancaster County? And I want to be very clear. Lancaster County and some of the other large counties do oppose this. They do oppose this, because they have crunched the numbers and they know it's not in their best interest. And we also know, from past

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

experience, it's not sustainable, and that is another reason for our concern. So we'd said there's 9,755 Nebraskans that would benefit from the inheritance tax. That's it. But we are going through these extraordinary measures of revenue displacement, revenue supplanting, to get the revenue lost at the expense of-- we talked about economic development projects and renewable energy projects. Eliminating the inheritance tax does not result in a tax saving for hardworking Nebraskans. For example, we've seen fees increase across the board. This is something that was generally taboo to allow the counties to raise fees. Now, it seems like it's a simple matter of how we deal with budget deficits. We know the state of Nebraska has readily embraced that idea of, of increasing fees. So, in fact, just-- you know, the opposite is true. We are not representing to our fellow Nebraskans that this is tax saving. If we use Lancaster County numbers as a worst-case scenario, the county would need to replace most of the lost inheritance tax revenue with a corresponding tax levy increase costing every household, depending upon the value of their home, anywhere from \$100 to \$200 annually. Now, these Nebraskans would never, ever be touched if we allowed the inheritance tax to continue to roll along as it is currently in place. And I really commend Senator Clements on all the hard work he's done, and I really commend him on the fact that he's readjusting and increasing the new rates back from his original, incredibly low rates. What I would suggest is that we put this on pause, dive into it deeper, I would like to see a more consistent revenue stream and one that is not overestimating some of the additional revenue from nameplate capacity. Thank you, Mr. President.

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

HOLDCROFT: Question. Call of the house.

KELLY: The question's been called. Do I see 5 hands? I do. There's been a request to place the house under call. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 27 ayes, 0 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. All unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house under call. Senator Storer, please return to the Chamber and record your presence. The house is under call. All unexcused members

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

are present. Members, the question is, shall the debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 31 ayes, 7 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator Conrad, you're recognized to close on the motion.

CONRAD: Thank you, Mr. President. Appreciate everybody's weighing in on the debate, thus far. One thing that I just want to put, perhaps, a finer point on, in terms of the revenue replacement components attached to LB468, which, by the way-- and I appreciate and understand what Senator Clements is trying to do and achieve some reform if he can't achieve his goal of elimination thereof. But one of the primary reasons that members have supported an elimination of the inheritance tax was to ensure that we improve our tax rankings and overall competitiveness. This measure will not do that. It increases taxes and fees on Nebraska consumers and Nebraska businesses, and it does not eliminate the inheritance tax. So that stated policy goal that many members have lifted up, which is legitimate if that's their, their primary purpose-- I disagree with that, but would not tell another senator how to cast their vote. But that, that goal is not accomplished in LB468, so I, I just want to put a finer point on that. And when it comes to something like the nameplate capacity tax, this tax was established for property tax relief purposes, to take pressure off of the property tax levied by local governments to fund the many obligations which they are responsible for. So that was a huge part of the thinking in the establishment of this tax originally, and it was never meant to be and should not be seen as-- we should not take a component that was dedicated and appropriate for prop-- property tax relief and shift that to subsidizing inheritance tax beneficiaries. So I, I do just want to remind people about that. And I know Senator Clements was looking at other revenues so that we didn't put pressure on property tax relief, but that component of taxation therein, in and of itself, was established to provide property tax relief. So when we would increase that and shift it, the tax increase and the shift, which are both problematic from sound taxation principles, also undermines the original and stated goal of the tax to ensure property tax relief, which is something that we all share a commitment to addressing. Now, we have probably, at least 49, maybe, different ideas about how to get there, even though we share the same goal to provide that kind of relief to our constituents. But I do just want to lift that up here. The nameplate capacity tax provides, in its current form, relief of pressure on the property tax component that county

governments levy. It was not meant to be a replacement tax for inheritance. It was meant to be a replacement tax for property tax relief, so just wanted to lift that up here for consideration. And then, again, I know the measure is subject to good-faith negotiation, and it's changing to try and address fiscal concerns, policy concerns, to gain the requisite number of support to move votes to move the measure forward, but do go look at the fiscal note. And it is lengthy. It is, I think, maybe a 20-page fiscal note. It was, it was pretty lengthy when I printed it off. And if you look particularly at the information prepared, prepared by Elaine Menzel, who's a, a well-known stakeholder in, in our body in representing county officials, you can see that she lists there, really a significant amount of increases to marriage fees-- marriage license fees, to motor vehicle inspections, to county motor vehicle tax, to doc stamp tax, to car line tax, to insurance premium tax, to distress warrant fees, to advertising about delinquent taxes, and the nameplate capacity tax, and a host of other issues. So you can see that there is a host of regressive fees, not just marriage licenses. You can see that there are significant tax increases and shifts on Nebraska consumers and Nebraska businesses. And still, at the end of the day, LB468--

KELLY: That's your time.

CONRAD: --doesn't eliminate the inheritance tax. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Members, the question is the motion to recommit. All those in favor vote aye; all-- there's been a request to place the house under call-- or excuse me-- for a roll call. Mr. Clerk.

ASSISTANT CLERK: Senator Andersen voting no. Senator Arch not voting. Senator Armendariz voting no. Senator Ballard voting no. Senator Bosn voting no. Senator Bostar not voting. Senator Brandt voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Clouse voting no. Senator Conrad voting yes. Senator DeBoer not voting. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan not voting. Senator Fredrickson not voting. Senator Guereca not voting. Senator Hallstrom voting no. Senator Hansen. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes. Excuse me, Senator? Voting no. Senator Hunt. 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 voting no. Senator McKinney voting yes. Senator Meyer voting no.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

Senator Moser voting no. Senator Murman voting no. Senator Prokop. Senator Quick not voting. Senator Raybould voting yes. Senator Riepe voting no. Senator Rountree not voting. Senator Sanders voting no. Senator Sorrentino voting no. Senator Spivey not voting. Senator Storer voting no. Senator Storm voting no. Senator Strommen voting no. Senator von Gillern voting no. Senator Wordekemper voting no. 5 ayes, 31 nays on the motion to recommit, Mr. President.

KELLY: The motion fails. I raise the call. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Machaela Cavanaugh would move to reconsider the vote just taken on MO242.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. Well, I had to put up a motion to get to talk. We're, we're real quick to do the calling of the question. I've been in the queue for a while now, so-- and I think this is my first time talking on this bill. I rise in support of my motion, MO251. I rise in support of MO242, and I am not in support of LB468. Would Senator Clements yield to a question?

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

CLEMENTS: Yes.

M. CAVANAUGH: Thank you, Senator Clements. So this is going to take away how much revenue for counties? Is it \$22 million on your sheet here?

CLEMENTS: Yes.

M. CAVANAUGH: OK, and you-- your plan is to increase taxes and fees to offset that?

CLEMENTS: Increases the nameplate capacity tax and then some of those fees.

M. CAVANAUGH: OK, the nameplate capacity tax being the largest of your increases or?

CLEMENTS: Yes.

M. CAVANAUGH: OK. And then-- and that-- so your tax-- your fees and your taxes equal \$22,252,000. That's that num--

CLEMENTS: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

M. CAVANAUGH: OK. And then, the inheritance tax down below is \$22,186,000-ish, and then-- so that leaves \$63,000 cushion.

CLEMENTS: Yes, to replace the lost revenue.

M. CAVANAUGH: OK. So in your, in your sheet here, you have, on one of the items is marriage license fees. And I see the fees are currently \$25. You are proposing taking them to \$50. And the actual co-- cost for a li-- a marriage license is \$55?

CLEMENTS: NACO did a, a-- research on, on all of these fees, and the-- I got that from NACO, what they had estimated what their co- actual costs are.

M. CAVANAUGH: So currently, every time a marriage license is filed or requested, what's the proper terminology? Filed. Yeah. It, it is costing \$30 more than they are being paid for it.

CLEMENTS: That's what they told me. Yes.

M. CAVANAUGH: OK. Well, you know how I'm a stickler for fees.

CLEMENTS: Yeah.

M. CAVANAUGH: So thank you. I'll, I'll, I'll give you back your, your time. I'll, I'll finish up my thoughts here.

CLEMENTS: OK.

M. CAVANAUGH: Thanks for answering those questions. I am a sticker for fees, and I don't like when we are charging fees to fund things that are, you know, General Fund appropriations, the fin-- the finances of government, et cetera. And I think if we are to increase the marriage license fee, it should be to cover the cost of, of the marriage license itself, not to fund something else entirely. So while I would entertain increasing marriage license fees so that they are reimbursed for the-- to cover the cost, much like our license plates are supposed to do as well. I don't support increasing marriage license fees to cover the cost of the inheritance tax. Now, I will say, I-- and I've heard a lot of debate here about who would be receiving this inheritance tax break or not. And I-- on the main line budget, LB261, on the first round of debate on General File, last week, some, you know, enterprising senator brought forward a white copy amendment to the budget. And it included things like funding the county jails and increased state aid to counties that would have made the counties able to, first of all, lower property taxes, but also, it would have been

putting back in what the state used to fund at the county level, prior to a non-manufactured deficit crisis. But when we had to have budget cuts about 10 years back, and we-- things that got cut were things that we were funding to the counties. Now, I'm sure everyone's wondering, where is she going with this? I know you're not really wondering. Anyways, so, so back, back-- way back when, we did that. And we, and we said, at the time, we committed to the counties. We are cutting this now but we'll, we'll come back. We'll, we'll start giving that money to you again. We'll put that back into the budget. And it's never come back into the budget. Now, again, some enterprising senator put a white copy amendment to LB261 and it did do that, and you guys didn't vote for it. And now, we have this amendment that's cutting another revenue source from counties. And I'm not saying that I disagree with eliminating an inheritance tax. I think that that is a worthy endeavor, for sure, but we are count-- we are cutting this funding to counties-- another revenue source to counties, and we are filling it with increased taxes on other Nebraskans and fees-- and not fees-- we're not increasing fees to cover the services. We are just increasing fees to cover removing a revenue source from the counties. Now, you can see where I maybe am a little concerned about this. But also, in addition to that, we have, on line 2 of this handy outline that Senator Clements gave us, we have the security regulation fees, a cash fund where there is a-- an annual transfer of \$5.6 million from that fund to the counties. How are we backfilling that fund to the state? How are we affording those, those resources being reallocated? So, you know, I think this is another tax that we don't levy, that is levied by the counties, and we are not willing to shift our thinking or really entertain anything other than what we are currently doing with LB261 and LB264, which I find just a smidge problematic that we are continuing to make choices that put more financial burden on working Nebraskans so that we can have more money in the pockets of the top 1% of Nebraskans or not even Nebraskans at all. That is problematic for me. And being a stickler for both fees not being just for service, and taxes on the backs of working Nebraskans, and cutting resources to our counties that will ultimately result in them increasing our property taxes, I'm not cool with it. And honestly, the pay-for really is going to ultimately be an increase in property taxes. Eventually, that's what they're going to have to do, because we're probably not going to keep this \$5.6 million in perpetuity and we don't know what these different fees and tax exemptions are actually going to yield. So, you know. This is interesting. I did hear Senator Dungan asking questions. I think it was Senator Dungen asking questions about the, the data center equipment tax exemption. And it's estimated at \$7 million and then \$5.6 million. And I just wonder what

that's about, because-- not that I voted for it, but we have had tax incentive bills that were trying to bring businesses here, like Pfizer and Google and Facebook. And I'm just wondering if part of the sweetener to get them here was that, that sales tax exemption, so is there going to be a consequence to taking that away? I guess I can ask some of the business folks out in the Rotunda. But, you know, even though I didn't vote for them, I still believe in maintaining our obligations that we, as a state, have. And if we're not going to, we should have a public hearing on it and let everybody come and tell us what's what.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

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

QUICK: Thank you, Mr. President. And good evening, colleagues. I rise in opposition to LB468. There's a couple-- there's more than a couple reasons, but one of the things that I learned when I was out campaigning and talking to voters, especially when-- during the time when, when the special session was going on, people were upset that they, they thought that there was going to-- you know-- that they see, see the need for property tax relief, but they didn't want it shifted over to sales tax or some of the exemptions that were going to happen. They thought it would-- it was just a tax shift, that they weren't going to see any tax relief at all, and so they were not happy with that. And I can tell you it didn't matter which political party they belonged to. They saw it as a tax shift. And I see that as being what will happen with this, as well. This is-- whether it's fees or removal of exemptions or sales tax increases, I just see this as another tax shift. And then there's also no guarantees that through this-- through the next few years or how this plays out, that it's going to provide that replacement for the inheritance tax. It's pretty standard. It may be up and down certain years, but for, for the most part, it's a pretty stable fund-- or a, a revenue source, and I think that's an important thing for the counties to have. I can tell you that there are counties that-- with the nameplate capacity tax, there's only a very few counties that are gonna be able to benefit from that to replace that inheritance tax, and these would probably be more of your rural counties. Then you also look at the, the-- to eliminate the data center equipment tax, that exemption. Not every county is going to have a data center in their county. And then over time, once it's built-- I think it's already been brought up before, but once that is

built, there probably won't be much-- any, any other sales tax replaced from that. Those revenues won't be replaced. So those are some of the reasons that I, that I, I do not support it. I think that it's a stable, a stable revenue source for our counties. I know Hall County, when I served before my 4 years, it was one of the important things that they wanted to make sure that they kept. Now, I know NACO is saying that, that most of the counties are OK with it. But you know, I, I think I'd like to, to see, you know-- if the counties want to increase the fees on certain things and see how that-- what that revenue, how it works out over these years-- and maybe there's a chance down the road that we could do that, to lower the-- or get rid of the inheritance tax, because maybe they would see that that-- those raising of fees and those type of things would be able to replace that revenue. But I think until that time, I'm not sure that this is the correct measure to, to take. I know our counties are good stewards of our tax dollars. I know Hall County, they do a great job making sure that when they create a budget that, that they can actually work within that budget and provide everything they need to do for the constituents of Hall County. I know that probably across the state, including Hall County, that there are a lot of roads and bridges that are in ill repair that have needed to be addressed over the years, but they haven't been able to, been able to, to come up with the revenue to maybe address some of those. They replace them when they can and do what they can with those roads and bridges. I know there's been some emergency cases where they've been able to go in after maybe a flood or something like that, and, and do some of those repairs, but those are emergency situations. I know also, for Hall County, for, for us, we're also investing in juvenile justice. We don't have a detention center, but we're also saving tax dollars by finding ways that can help juveniles in our, in our county, to keep them out of the juvenile justice system, to, to find ways through diversion or restorative justice practices to help those kids and reduce the cost to the county by keeping them-- not-- keeping them out of detention, because of, of a--

KELLY: That's your time, Senator.

QUICK: Thank you, Mr. President.

KELLY: Thank you, Senator Quick. Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. I, I have the fortunate chance of sitting next to Senator Quick here, in the, in the Chamber, so we get to share a little podium there. So I, I frequently don't speak

right after him, so I had a little dance there. Good evening, colleagues and Nebraskans. So, again, I continue to listen to the debates here, regarding the inheritance tax. I spoke on this once before. And just to kind of underscore some of the previous comments I made, I, I, I, I, I genuinely see the argument for removing our inheritance tax, in terms of where we are as an outlier, in terms of the rest of the country with this. And again, I am conflicted with that, because I also feel like-- especially Douglas County, which is where I come from and what I-- the county I represent, that we, we have valid use of these funds and we rely on these funds quite significantly. I was actually looking through my emails. I know County Commissioner Mary Ann Borgeson, who is, I believe, the president or pa-- of the Board of Commissioners-- or past president of the Board of, Board of Commissioners for Douglas County, she had sent some interesting information on Douglas County specifically, as it relates to the inheritance tax, that I thought was-- I, I kind of wanted to underscore for folks. So, she sent data on estates subject to the inheritance tax in Douglas County, specifically, over the last few years. In 2021, we had 1,460 estates subject to the tax; 2022, there were 1,432. In 2023, it said 11 months, so I'm assuming that this data was maybe up to November of that year, not quite the full year, 1,355. So, a 3-year average of estates subject to the inheritance tax in Douglas County is around 1,453 estates. The population of Douglas County is, again, around 605,000. So if you think about it in, in-- from this perspective, as, as Commissioner Borgeson pointed out, the percentage of county residents subject to this tax specifically in Douglas County, on average, is less than 1%, so 0.24% annually. Douglas County does receive between \$12 and \$20 million per year on the inheritance tax proceeds. So again, that's a significant number. I was having some conversations with some colleagues in the lounge a little bit earlier. We were talking about how the counties are, are quite diverse in, in how they use inheritance tax, and what that might mean. Some counties, for example, might not really rely on inheritance tax. They might use it for discretionary funds. They might use it to, for example, upgrade a police cruiser now and then-- some one-time use areas for that. Douglas County is actually quite different than that. So, inheritance tax in Douglas County, proceeds, they're primarily used to fund essential and mandated social services. No inheritance tax proceeds for Douglas County are transferred to the general fund. So again, we have very specific uses for this in Douglas County. I also want to shed light on what I, I believe is a vital role that is kind of-- I-- you know, I've certainly overlooked this at times that our counties provide, particularly here in Nebraska, and that is the delivery of mental health services. And Commissioner Borgeson has long

been a strong advocate for behavioral health services and has talked a lot about her work for the behavioral health services in, in Douglas County. But when I think about what might happen if counties don't have as reliable of, of revenue streams coming in, and, and if that is, in any way, compromised in the future, what that might mean for county expenses. And you know, Commissioner Borgenson, I think, rightfully indicates that there is a risk that this would translate to a property tax increase for Nebraskans, or specifically, in Douglas County, should this funding be, be compromised. So-- yes. So that's kind of my initial thoughts on that. I'm just kind of skimming through this PowerPoint a little bit more to see if there's any other data in there. Again, earlier, I, I, I did speak a little bit to the fact that, you know, kind of given the economic times we are in, both in-- as a state, we've talked a lot about that in here this year, but certainly on the federal level, as well. We don't know what's going to be coming down, in terms of possible federal funds that we utilize in our counties that-- with all this uncertainty, I do have a little bit of heartburn with removing the certainty of this, especially when you consider, again, Douglas County, \$12-20 million a year. That's a significant part of the budget. So at this time, I am unable to support the underlying bill. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. I will actually yield my time to Senator Dungan.

KELLY: Senator Dungan, 4 minutes, 53 seconds.

DUNGAN: Thank you, Mr. President. Thank you, Senator Machaela Cavanaugh. I asked for this time. I wasn't entirely sure if I'm going to get to talk again with-- when cloture might or might not be. It looks like the queue is pretty full. I wanted to, colleagues, if you'll follow me on this journey, continue talking about the data center equipment tax exemptions. So the reason I wasn't up here a little bit ago, is I was down in the Fiscal Office talking about this part of the bill. So, two things I want to talk about: One, I think I misunderstood what this originally was. And Chair von Gillern of the Revenue Committee and I were having a little confab over here to make sure that we both kind of reminded ourselves of this. This was originally, I think, from a bill that passed in 2012. It was LB1080, and what it does is it creates a sales tax exemption for essentially, equipment that is being put together, not necessarily manufactured, but put together, and then ultimately, sold out of state. So the idea

was-- I think there was maybe a company that was going to come in, and was planning on essentially constructing or putting together this equipment, and this would be a sales tax exemption for them for selling this out of state. The fiscal note from that was about \$1.6 million. My understanding, though, is that that plan or that project never truly came to fruition. And when I'm looking at where these numbers come from, the \$7.084 million-- 7-- about \$7 million, comes, I think, from the Department of Revenue's tax expenditure form. I don't know, nor can I find out from conversations that I've had where that estimate comes from. So if somebody from the Department of Revenue is watching and you want to reach out to me, please do. I would love to understand that enough. If I'm completely off track here, that would be great. But my understanding is that number is pulled from that 2024 tax expenditure form. And in speaking with industry leaders from the Chamber and from other organizations, no one can tell me who, if anybody, is claiming this tax exemption. In fact, it seems like that doesn't actually exist, currently. There's nobody doing what we're talking about here. In addition to that, the second point I want make is the estimate of 7.8-- \$7 million in fiscal year 2026, decreases, and it's not just a decrease into \$5.6 million in fiscal year '27. It actually-- according to, I think, the conversations between Fiscal Office and the Department of Revenue, because I was down having this conversation, and this is in the fiscal note, it continues to go down. So I believe the estimated revenue, if we're assuming there is revenue from this in the first place, so let's assume, *arguendo*, we are gonna get some money from this. The estimate, if you were to take this spreadsheet, colleagues, that we have and drag it out further to '28, '29, in '28, you see \$4 million-- \$4.3 million estimated revenue. And then in '29, \$3.62 million. Now remember, each of those years that money is supposed to offset \$5.6 million. So, where the General Fund impact comes in with this bill, if we assume that these are real numbers and are not in some way, shape, or form artificially inflated or incorrect unintentionally, the only year where we see an actual pay-for is '26. You see \$7 million hypothetically coming in by eliminating this exemption, which does offset the \$5.6 million. But then, actually, if you look at the fiscal note, '27, it's not \$5.6 million. On the fiscal note, it's actually 5.41. So you already are finding yourself in a deficit there, not able to offset the 5.6 being taken out of the cash fund. Then go into '27, you're about negative \$1.2 million. And in '28, you are up to \$2.1 million that we need to find elsewhere. So, colleagues, if you adopt this plan without any other modifications, we will see a General Fund impact as early as '27, and that's assuming that the money that's coming from the data center exemption is actually coming. So that is, at this point, I

think, one of my largest concerns. I've, I've gone down the rabbit hole. I have a bunch of red thread attached to a bunch of pictures, it feels like, in my mind, trying to understand this. But I simply don't think the pay-for that's built into this offsets the \$5.6 million, and that's going to create a structural issue with this bill, where, in '27, we're going to be scrambling to find more money if this goes into effect. So, colleagues, please take that into consideration when you're voting on the bill as a whole, especially if we get to AM1447. Thank you, Mr. President.

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

MURMAN: Thank you, Mr. Lieutenant Governor. I stand in support of LB68 [SIC] and opposed to the recommit motion. I do agree that directing user fees to provide the needed revenue to reduce the inheritance tax is a good way to go about it. Many of the fees and the exemptions that we're talking about using-- used for raising the revenue have not been raised for several years. It's been mentioned many times already that Nebraska is one of the five states that still has an inheritance tax, and of course, our ultimate goal needs to be to eliminate that tax. I do agree with Senator Clements that to keep Nebraska competitive, our ultimate goal should be, as I said, to eliminate the inheritance tax, but it's just not in the cards right now. Many senators have mentioned that this is an unfair tax, and I do agree that the inheritance tax is not a fair tax, but I, I think the property tax is also-- is, is even more unfair than the inheritance tax. But-- so that's the reason I do not want to raise property taxes to eliminate the inheritance tax. And I think Senator Clements has found a pathway to at least reduce the inheritance tax. And that's why I've been hesitant to support the-- eliminate it-- well, reduce the inheritance tax in the past and ultimately reducing it, because I-- of course, the worst thing I think we can do is raise inheritance-- or excuse me-- raise property taxes to do it. And of course, this legislation is supported by NACO and the counties, so that makes me much more comfortable in supporting this legislation. So again, I stand in support of LB468 and against the recommit to committee. And I will yield the rest of my time to Senator Clements.

KELLY: Thank you, Senator Murman. Senator Clements, that's 2 minutes, 25 seconds.

CLEMENTS: Thank you, Mr. President. And thank you, Senator Murman. I want to make a couple of comments here. First of all, on this recommit to committee motion, I worked with the committee for a few weeks and

adjusted the bill to be able to get it voted out. And so I've already-- from what I really started with, I made adjustments in committee and it was voted out of committee, so it doesn't need to be recommitted. Back to this nameplate capacity tax, it's not an arbitrary rate, but it equalizes the increases property taxpayers have had for 14 years. And the nameplate increase is, is going to be offset by a corporate income tax decrease, from 7.81% to 3.99% in about 2 years. That's a 49% savings in income tax for a corporation in renewables, and that's on all of their income every year. And I did remove the inflation adjustment that had been previously proposed, so this will be a flat tax on the nameplate until it's changed sometime. But I can assure you that property taxes are not going to be flat in that period of time, so property taxpayers are probably still going to keep subsidizing the counties' costs and of schools' costs in their districts. So the fee increases that I have also helped counties replace property taxes that are funding those fees currently, and I worked with NACO, and I thank NACO for identifying the revenue sources that we did find in supporting this proposal. And it's been important to me to make sure that property tax won't go up. It has been difficult to find agreeable solutions. And I keep hearing people agreeing that--

KELLY: That's your time, Senator.

CLEMENTS: Thank you.

KELLY: Thank you, Senator Clements. Senator Meyer, you're recognized to sleep-- to speak.

MEYER: May I speak? Thank you, Mr. President. Question.

KELLY: The question's been called. Do I see 5 hands? Senator Cavanaugh, please state your point of order.

M. CAVANAUGH: Yeah, I-- yeah. So-- sorry. My point of ord--

KELLY: Ple-- ple-- please state your point of order.

M. CAVANAUGH: Yes. My point of order is that you can't say, well, we already had this conversation 2 years ago, when somebody said, thank you, Mr. President, and then called the question. But even more than that was said today. And I know it's a hard lesson to learn, but it is-- I mean, it is a rule.

KELLY: Thank, thank you, Senator Cavanaugh. Your point's well-taken. And Senator Meyer, your 5 minutes would start now.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

MEYER: May I say, thank you, Mr. President? I would yield my time to Senator Clements, if he would like the time. He's involved in a very serious conversation right now.

KELLY: Senator Clements, 4 minutes, 42 seconds

CLEMENTS: Thank you, Mr. President. I am-- thank you, Senator Meyer. I got a handout here I'm wanting to get to-- I'm wanting to get my amendment. And hopefully, we'll be able to get that. I think I'll do some reviewing of that. The current problem with the inheritance tax is on the front page, showing the rates for a child of 1% tax, a niece or nephew, 11%, 11 times the amount on the same amount inherited, and a nonrelative, 15%. Those were the items that really stuck out to me. The unfairness of, of someone having no children and having 11-15% of their life savings inheritance-- their assets taken to-- instead of being given to their, their loved ones that they wanted to pass it to. I had an example of a person who was a niece, who I-- a friend of mine, who inherited 80 acres from her aunt. And my brother was handling that estate, and he gave her a deed to 80 acres, along with a bill for \$50,000. And, of course, it's easy to borrow \$50,000 on 80 acres these days, but I was also figuring the, the rent that the niece would receive. And the rent, compared to the loan payment and property tax, was going to take 10 years to pay off the loan, and they would inherit that this year, but really, not really be-- benefiting from it for 10 years. And at that point-- I think that was when nieces were at 13%. Anyway, it's just so unfair. And that same piece of property, if it had been a child, would have been \$5,000 instead of \$50,000 or so. And so, I have appreciated the-- a lot of the support and compliments on the hard work I've done, and I tried to just eliminate this with a phase-out a year ago and had realized that I needed to work with the counties, and that this is a revenue source that they really do rely on. And in this bill, I'm only removing about 24% of that. They'll still continue to get 75% of the current inheritance tax revenue, but this also will help equalize the rates for nieces and nonrelatives, almost 50% reduction in those. My original bill brought them all the way down to 1%, then I adjusted it 3%. But this is still a significant savings for beneficiaries, while it's also benefiting the, the counties with much more stable revenue than the fluctuations. And if you look at the, the back pages on my handout, you can see how widely this fluctuates, even for the large counties of Douglas and Lancaster. And that's why I believe NACO is supporting it, because they're looking for more reliable revenue that they can use in their general budget, rather than just having it go up and down. Thank you, Senator-- Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I rise in support of the motion to reconsider and the motion to recommit and opposed to the bill. And I, you know, obviously share a lot of the comments that folks have made over the time, but I, I appreciate-- one of the reasons you have these debates is you kind of drill down on these things. And I think Senator Dungan has really hit on something that's of interest, which is this part about the data center tax credit that is meant to fill the hole that this blows in, in the budget, because it, it backfills the \$5 million-- \$5.6 million that we are putting into counties from the Security Act Cash Fund. And so, let's see. This part is, eliminate the data center equipment tax exemption, and it says, \$7 million in '26, and \$5.66 million in '27, and there's been some confusion about what that means. And so, I did a little research and went on one of my favorite things, which is the Omaha Public Library's website, where you can go and read the Omaha World Herald archive, which, the Omaha World Herald is still a daily print newspaper out of the city of Omaha. I would suggest you all get a subscription and read it every day. They do cover this august body in some detail and you-- so you can see what happened here today, if you read the paper. So I went back and read the coverage of this tax exemption. And the coverage starts in February of 2020-- or sorry, 2012, February 3, 2012. Yahoo is asking for a sales tax cut so it can move manufacturing facility and about 15-20 jobs from Oregon to Nebraska. The plant, which would assemble computer servers for the use at other Yahoo facilities, would be an expansion of the 250 employees already working at Yahoo's data center in La Vista. Yahoo loves Nebraska, says Chuck Whitney, facility manager in La Vista. The company, however, wants the state to amend its tax laws so that equipment shipped to Nebraska for assembly here and then shipped to other facilities would be exempt from taxes. The tax break would amount to \$1.7 million the first fiscal year and 3.7 in the second year. So this is what this bill was for. This bill was brought by-- well, it looks like State Senator Abbie Cornett, of Bellevue, was the sponsor. It was LB1080. And she said that the-- could not lose the tax revenue from Yahoo's factory. So the Legislature went through all this. And then there was actually a good number of conversations along that way. I'd be happy to share these, but I'm going to run out of time anyway. But I looked through, and there's not any evidence that they actually did end up doing this or using this tax credit. So that's what we're talking about here, what Senator Dungan's been talking about is that this is eliminating a tax credit that no one has

ever used, which means that there is no lost revenue or recouped revenue by eliminating it. And so, to say that we're balancing the budget in this-- using this mechanism is a real big problem. We're going to, on paper, according to our own guess-- guesstimations, that we're going to say we're bringing in \$7 million, when there is just absolutely no evidence to support that. And so when-- if we were to adopt this bill and we were to, to put on paper and say that this is going to happen, and next year, when we do not see that increase in \$7 million, we're going to have a problem. We're going to have to fill that hole that we are creating in our own budget somehow. And we-- as we've talked about on the budget here, as I talked about earlier tonight, we have a lot of problems already with our budget, meaning that we have things where we are scraping cash funds, we are taking things out of the, the rainy day fund, and we-- if we do have some sort of problem in the, in the near future, we're going to not have any money to go back to, to fill in those holes. As I talked about earlier, there's already a threatened lawsuit against the budget that we haven't even passed, for \$15 million. \$15 million that we are taking from the, the Environmental Trust is being threatened with a lawsuit, which means if that prevails, we have a \$15-million-hole in our budget. If this money isn't real, we have a \$23-million-hole in our budget. So-- \$22 million, I guess, is \$7-point-something million. But other things, the, the other mistakes or unaccounted for expenses, but the things we are uncertain about or have a potential problem with are starting to add up that this budget is not going to be balanced. And so we should not pass a bill that is going to-- that is being balanced on a fictional tax-- repeal of a tax cut. So, this is not real money and it should be concerning. And so, I'm, again, in favor of the motion to recommit and the reconsider. I was not in favor of LB464 to begin with. Oh, I'm out of time. Thank you, Mr. President.

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

CONRAD: Question.

KELLY: The question has been called. Do I see 5 hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 26 ayes, 0 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator Machaela Cavanaugh, you're recognized to close.

M. CAVANAUGH: Thank you, Mr. President. Late nights are always a little bit wonky. So, again, my apologies to my colleague, Senator Meyer. I did not want to, you know, tank his calling of the question, but I, I am a stickler for process and procedure. I do recall my first time ever, calling the question. And I was just in the queue for debate, and I was sitting where Senator McKinney sits now, and Senator Matt Hansen sat where Senator DeKay sits, and he asked me, he's like, you're the next person in the queue that can do this. Will you call the question? I was like, I don't-- what is calling the question? I had never even known-- didn't even really know what it was. And they say, you just say, "question." It was him and Sara Howard. You just say question. I'm like, I just say question? Don't say anything else. Just say question. And I-- then I was really anxious. I was like, what if I mess up? And they're like, you get on the mic and you say, question. And that's it. And I did it. And everything was OK. The world went on. Anyhow, it-- we've got like less than 30-- oh, no-- 30 minutes-- 32 minutes left on this bill. And I know that Senator Clements has an amendment that he was wanting to get to, so I am going to withdraw my motion to reconsider so that we can continue the debate on the next amendment. Thank you, Mr. President.

KELLY: Without objection, it is withdrawn. Thank you, Senator Cavanaugh. Mr. Clerk.

ASSISTANT CLERK: Senator Clements, I, I have FA55, with a note that you would like to withdraw and substitute AM1447.

KELLY: Without objection, it is withdrawn. Senator Clements, you're recognized to open on the amendment.

CLEMENTS: Thank you, Mr. President. This amendment is AM1447, and it contains changes addressing concerns raised on General File. During my time at the Legislature, I've worked to improve Nebraska's tax structure to make us more competitive as a state. Reducing Nebraska's inheritance tax is a significant part of improving Nebraska's tax structure. It also helps by preserving family assets and increasing private capital formation. Most importantly, the inheritance tax is a reason why many retirees leave the state, taking their savings with them. Removing it would give retirees a reason to stay in our state. LB468 with committee amendment, AM874, originally provided \$34.7 million in new revenue for the counties. This was able to increase the Class 1 child exemption to \$150,000 at the 1% rate and Class 2 and 3 exemptions to \$50,000 exemption with 3% tax rates. I've distributed an update information packet showing the changes made in AM1447, after making some reductions. AM1447 addresses concerns expressed during

General File debate and makes this bill fiscally neutral to the state, which, before, it had a little over \$3 million cost to the state. AM1447 does not take any money away from the Site and Building Fund, does not take away the Imagine Nebraska Tier 5 credits. The bill now contains \$22.3 million of replacement funds for the counties. This is enough to continue to increase the Class 1 exemption to \$150,000. It also allows for \$40,000 exemptions for Class 2 and 3, and changes those rates to 7% each, which is still down from 11% and 15%. I would like to do more, but the current budget doesn't permit that. Reducing the double-digit inheritance tax rates by nearly half for these Class 2 and 3's is a good step in the right direction for improving our tax policy. Page 1 of the handout shows the current and proposed exemptions and rates in this amendment, along with the reasons for this bill. Page 2 of the information packet shows the revenue sources identified for the counties in AM1447. It increases the counties' share of Motor Vehicle Tax Securities Act and train car line taxes, while maintaining their current tax rates. The nameplate capacity tax, which is an in lieu of property tax, is increased with inflation, as it has not increased since 2011. 70% of this money will be distributed by the current formula in the counties where the nameplates are. It increases 16% for those local entities. The remaining 30% will be distributed to all counties by property tax valuation. The nameplate revenue for community college in Senator DeKay's bill, LB50, is taken into account. The community colleges are in support of this allocation. The amendment continues the reasonable increases in county fees for marriage licenses, advertising taxes, vehicle inspections, and distress warrants. These changes better cover the cost of providing the services, which are currently paid by county property tax. The data center sales tax exemption is still removed to offset state revenues going to counties. Ongoing corporate income tax reductions will also offset these credit losses and will be saved annually, rather than a one-time credit. The reduction in corporate income tax, once it hits 3.99% will be a 49% reduction. Page 3, on both sides, shows the current and new revenue for each county. So I would encourage you to look up your county and see how they're doing. It, it does show the amount of revenue that is retained. Most counties are over 100% of revenue after the amendment. Then pages 4 and 5 show 20-year graphs for several counties. And the way they go up and down demonstrates their extreme variability of this tax. The revenue this bill provides will be much more stable than the inheritance tax it replaces. Page 3 and 4 show the estimated new revenue for each county and the amount retained, compared to a 5-year Olympic average. Nebraska and only 4 other states still collect inheritance taxes. These are Kentucky, Pennsylvania, New Jersey, and Maryland. The Iowa

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

Legislature eliminated their inheritance tax completely January 1st this year. As you can see on page 6 of the handout, Nebraska now remains as a tax island in the Midwest for the inheritance tax. The inheritance tax revenue paid to counties is exceptionally inconsistent revenue. Most counties are unable to rely on this inconsistent tax for general fund budgeting. They do use it for emergencies and special purchases. The replacement funds included in the amendment will continue this revenue and will be more consistent. This is one reason why NACO is working with me on these changes, as more consistent revenue for counties allows for better budget planning. Nebraska's Class 2 niece and nephew tax rate is currently 11%. Class 3 nonrelative rate is 15%. We're tied for third worst in the U.S. in each of these 2 categories. People without children lose at least 11% of their life savings to taxes, rather than leaving it all to their loved ones. Their simplest solution for this is to move out of Nebraska. I believe we should give people more reasons to stay in our state and not leave. AM1447 doesn't repeal the inheritance tax, but does cut it by approximately 24% and makes it fairer. Counties will have the reduction replaced with new stable revenues. I know that cloture is coming shortly. And I will ask your vote for cloture, so that we can continue onto Final Reading and finally have a solution to this tax that so many people have said is needing to be eliminated. And with that, I'll be happy to answer any questions. Thank you, Mr. President.

KELLY: Thank you, Senator Clements, Mr. Clerk, for items.

ASSISTANT CLERK: Thank you, Mr. President. Committee on Enrollment and Review reports LB69, LB120, LB261, LB264, LB385, LB470, LB513, LB534, and LB614, all as correctly engrossed and ready to be placed on Final Reading. Senator Kauth has amendments to print to LB89; Senator Bosn, an amendment to LB150. LR186, introduced by Senator McKinney. That will be referred to the Executive Board. That's all I have, Mr. President.

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

CLEMENTS: Question.

KELLY: The question has been called. Do I see 5 hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate May 13, 2025

KELLY: Debate does cease. Senator Clements, you're recognized to close on AM1447.

CLEMENTS: Thank you, Mr. President. I, I am-- it was very unusual but we're running out of time and I would like to get to a vote on AM1447. And I-- the handout, you've had 4 hours to look it over, and we've had lots of good discussion about it. And I appreciated all the comments and the support. And especially, there is a definite desire to eliminate this inheritance tax, which makes us stand out among our peers, especially our neighboring states, and makes us less competitive. And I also want to thank the Revenue Committee for voting this out, and especially thank the staff at NACO and the county officials, for their cooperation and especially identifying areas that would help them out and be a benefit of replacement revenue and get the-- getting their support was important. And I'm glad that we were able to find a bill-- or an amendment solution that does replace revenue and won't threaten property tax increases. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Members, the question is the adoption of AM1447. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

ASSISTANT CLERK: 27 ayes, 1 nay on the adoption of the amendment, Mr. President.

KELLY: AM1447 is adopted. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Conrad would move to indefinitely postpone LB468.

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

CONRAD: Thank you, Mr. President. Good evening, colleagues. I know we are nearing cloture, and I know it was important to my friend, Senator Clements, to have a vote on the amendment, and was trying do-- to do a solid procedurally, to my friend, Senator Meyer, in regards to, to calling the question. As you may have surmised, as a fan of extended debate, I don't call the question a lot in this body. So I had to make sure that, that I was in top form in regards to the execution thereof, as well. Also, really loved the lighthearted moment that preceded that, with the Lieutenant Governor presiding as president and maybe indeed, saying the, the quiet part out loud, wherein we're all very tired after a long session and, and a long day. And it provided a, a definite moment of, of much-needed levity, which, even after sharp

disagreements and prolonged debate and significant shifts and changes in the body, we're still, we're still able to find those moments where we can laugh together, and I think that's really healthy. I had an opportunity to visit our Nation's Capitol in the last year or two, and had a chance to observe proceedings in Congress in the House of Representatives. And watching some of the big personalities and the sharp policy disagreements on display, I remember being struck by how much chatter was happening off the mic and how seemingly, members who didn't have a lot in common were talking casually and goodness knows about what, but it, it was a-- it was good to see that in person, and it doesn't show up on C-SPAN. And it's good to see those moments here in this body, even after we have hard days. So that being said, I filed a series of motions, kill motions, if you will, on this measure. I have had a long-standing principled disagreement with my friend, Senator Clements, when it comes to the elimination of the inheritance tax for a variety of different reasons. One of the things that-- two of the things that I'm most concerned about in regards to LB468 at the-- as it, as it stands today, are really twofold. One, it does not eliminate the inheritance tax, so it will not impact our competitiveness when it comes to some of those rankings that are very important to my colleagues. But what it does do is it does change a progressive aspect of our tax system and it swaps it with tax increases and tax shifts that, in many instances, are regressive fees, and in other instances, hinder our shared economic development goals and hinder our ability to grow our alternative energy industry. It's well established that Nebraska has great potential when it comes to things like wind energy, but for a variety of different reasons, we're, we're a little bit underdeveloped and a little bit behind the curve in fully realizing the benefits of that natural attribute and asset that Nebraska has. I feel that the increases in some of these specific taxes, which, again, were meant to provide property tax relief, not to subsidize the inheritance tax, will really hinder our ability to grow that industry, to have strong economic development, will stand in our way of being competitive with our sister states and particularly our neighboring states, and then the redistribution of some of this will end up being, I think, ultimately, inequitable to the counties where those projects are cited and in terms of how the monies are distributed. Another piece which we just touched upon in General File debate and we haven't had a lot of discussion about today, is that there are components in this measure and as amended that would touch upon not only revenues that are available to counties but distribution of some of these resources and revenues that impact state aid to schools, as well. And so like any measure on taxation, it's, it's rarely, if ever, simple and straightforward. And, and

really, once you, you start to pull on some of the, the different threads, you, you can start to see perhaps, many more consequences than you might think at, at first blush. And so, I do want to make sure that we at least inject that into the record, and there's clarity and understanding about how these changes would impact not only the provision of services on the county level, which are important, or how these types of revenue replacements could have unintended consequences for economic development purposes or would be regressive in nature, but there's also impacts at play when it comes to things like school funding, and I know that's always a hot topic, as well. So I just wanted to lift that up as another point of consideration. And I note, Senator Clements, like I said, is working as hard as possible. And he said, well, you've had 4 hours to review the amendment and at this stage in the session, that, that is a lifetime. But due to the complexities of matters like this, I, I want to make sure that, that members and school districts have a chance to kind of suss out and see how some of these amendments or changes might impact those revenue streams, as well. And with-- how much time do I have left, Mr. President?

KELLY: 3 minutes, 30 seconds.

CONRAD: 3 minutes, 30 seconds. OK. Let me-- well, let me just ask Senator Clements if he'd yield to a question, please.

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

CLEMENTS: Yes.

CONRAD: Thank you, Senator Clements. You are the resident expert on this. Can you tell us, just generally, how the amendment that you put forward that was successfully adopted, does that have impacts on school funding or have those concerns been removed?

CLEMENTS: Those concerns have been removed. We've replaced any loss of revenue to the schools and also cities. We've adjusted percentages slightly so that they will be held harmless.

CONRAD: Very good. Thank you, Senator. And then just a quick follow-up question, because I know that you have been candid about your goal to eliminate the inheritance tax and recognizing that the support might not be there yet, you've tried to engage in thoughtful good-faith compromises to at least reform it in your past service and again with this measure. Just so that the body has a full understanding of your thinking on it, if LB468 is ultimately successful, is, is that the end

of the road for you in the inheritance tax or are we going to be back here next year with, with another attempt for elimination, or maybe you haven't decided yet? I don't know.

CLEMENTS: No. Yes, I do have-- looking into plans and ways to continue to reduce or eliminate the tax. I definitely will try to reduce it more.

CONRAD: OK. Well, thank you for your candor, Senator. And thank you for helping us get the up-to-date analysis, in regards to the school taxation impacts, because I know that was something that members were thinking about that impacts our great public schools and could put additional property-- could put additional pressure on property taxes that are levied at the local schools. So I know that we are getting close to the end of debate on this measure. And I just, again, want to thank Senator Clements for his collegiality and friendship and leadership in bringing this measure forward. No one can doubt his persistence in, in regards to tackling this issue. And I think, in closing, you know, on full display this evening, after a tough day of debate and a lot of unusual procedural matters, you're seeing the Nebraska Legislature come together for a variety of different reasons with perhaps the same result. It's been good, solid debate. It's been focused on the issues. All members on each side of the issue have done an awesome job of making their case and sharing their thinking on it. And I think that this is perhaps a, a fitting end to, to a tough day to have collaborative, thoughtful, nonpartisan debate on a key issue impacting local government and taxpayers in Nebraska. So with that, I would urge your favorable consideration of the IPP. Thank you, Mr. President.

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

DUNGAN: Thank you, Mr. President. Colleagues, I appreciate that we continue this conversation and debate. I did just confirm we are coming up on cloture. We've heard all the different numbers. My understanding is it's 8:18, I think, so we have about 8 minutes left before this debate comes to an end. But in that vein, I just want to highlight a couple of my concerns yet again. I, I hope my colleagues are listening to this debate, because I, I really do think this is going to result in us, next year, if you pass this bill, next year needing to come back and find money from the General Fund. And if not next year, then certainly, the year after that, and the years after that, especially. I have now gone deeper down the rabbit hole of trying to understand where exactly these sales tax exemptions for the

equipment from the data centers comes into play. And I've reached out to more people who have knowledge of-- as Senator John Cavanaugh was talking about, there was a, a data center that was being proposed or an expansion of a data center, I think from Yahoo, back in the 2012 era, and that's why this bill was originally introduced and I think, approved, was the idea that they sort of would manufacture, but put things together and then sell to other states. I was just speaking with another senator off the mic and I want to clarify, this is not the personal property tax exemption that is received by data centers, I believe, through Imagine Nebraska. This is not that personal property tax exemption. This is a different sales tax exemption that is being-- was orig-- originally put in place to benefit very specific services. And so, what it sounds like is the company that originally was doing this, Yahoo, is either not doing this anymore or has maybe even left the area with this particular service. So I, I-- I'm literally sitting here on my computer and trying to find any information about whether or not this is still being done in the state of Nebraska, and I cannot find anything. And I'm reaching out to people who know way more than I do about this industry. And each and every person I talk to is saying, they do not believe that this tax credit-- this tax exemption, rather, is currently being utilized by services or industries here in Nebraska, which means the \$7.08 million and the \$5.4 million that are contemplated in '26 and '27, I don't think are real. And if they're not actual offsets, then by voting for this bill, you are voting for a \$5.6-million-hole to be punched into the General Fund. So all philosophy aside, and all objections that we may or may not have about regressive fees or any objections that I have, certainly, about the nameplate capacity tax and the way that it's going to impact renewable energy and their willingness to invest in Nebraska, all of those arguments aside, at this stage, on May 13, as we are going into the end of the session debating a budget deficit and debating which bills are going to pass and what aren't going to pass to make sure that we meet our constitutional obligation to have a balanced budget, I would encourage my colleagues to think very hard and be critical thinkers about whether or not LB468 now amended by AM1447, which is what this handout is we got, whether it actually is going to be a problem or not. So colleagues, I, I don't know what else to say in that vein. And I'm sure you're probably sick of hearing me talk, and you're sick of hearing me talk about that today. I know we've had a long day of debate, as Senator Conrad pointed out, and it's been contentious at times. But I, I, I can't think of another time that I've literally gone down the rabbit hole on a number like this and not been able to come up with anything or any explanation as to where that \$7 million is going to come from. So please consider

that when you vote on this bill. I would encourage your green vote on the IPP, or alternatively, a no vote on cloture at this point in time. I think that Senator Clements has done a lot, obviously, to come up with these numbers, and there's a lot of different levers that he's tried to pull, and it is a, a hard target to hit. This is not an easy solution, but I do have concerns that the proposed solution in LB468 simply doesn't get us there. And if nothing else, colleagues, please be considerate of the General Fund impact that we may or may not see in the event that this data center sales tax exemption does not yield the returns that are expected. With that, thank you, Mr. President.

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

GUERECAS: Thank you, Mr. President. All right. 8:15 p.m., folks. Home stretch. So I'm not going to lie, folks. I'm a little concerned by what Senator Dungan was saying. I'm very concerned about what he was saying, I am very concerned about what he was saying because I live in a county where the inheritance tax isn't a luxury that is used for a special project or for a one-off. Again, in the county that I live in, Douglas County, we rely on that inheritance tax. And if the proposed revenue supplement is not there, is questionable, if Senator Dungan can't find how to substantiate that number, that's concerning. Again, this is a tax shift. This is a tax shift, so that out-- that out-of-state heir, who, once again-- I know I'm beating the dead horse-- who does not spend money in our community, who does not live here, who does pay property taxes here, who does not pay income taxes here, who does not go to our main streets, does not eat at our restaurants, doesn't shop at our shops, we're going to give that person a tax break on the back of every single Nebraskan across the entire state. That's a pretty good deal for them. Heck, they should take that deal. But I don't want to give them that deal, because I was not voted in by some person living in some other state, some other corner of this country, who had a sudden windfall. That's not who voted for me. The people of downtown and south Omaha voted for me. And I guarantee you, if I go door-to-door this weekend, I say, hey, I got a, I got a deal for you. We're gonna cut some out-of-state person's-- we're gonna subsidize their windfall, make sure they don't pay-- reduce their property tax [INAUDIBLE], but we're going to have to up your fees. We're going have to up your marriage fees. We're going to have to up this and that fee, and your electricity is going to get more expensive. Folks, if I shot that idea around my district, if we had a recall mechanism, I guarantee you, I'd be on the chopping block. That's what we're debating here. That's what we're debating here. That's why I am rising in support of MO243 and in opposition of LB468.

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Floor Debate May 13, 2025

Because that's what this represents-- ahs-- ahs-- of subsidizing that windfall on the back of all, of all Nebraskans-- on the back of the 49 of us in here. I-- again, maybe my good friend, Senator Hallstrom, who wrote the art of persuasion, can, can sell that to his constituents, but I can't. So, it, it is concerning. And I'll tell you, in, in the over 13, 14 months that I was knocking on doors, the inheritance tax did not come up a single time. Not once. We talked about speeding on 13th Street and 10th Street, so we don't speed on 13th and 10th Street, 10th Street, folks, when you're going from downtown to the Interstate. They wanted good schools, they wanted good roads, they wanted safe neighborhoods, and a couple did complain about property taxes. So I can't, in good conscience, vote for LB468 when there's questions about how we're going to replace that revenue. And if that revenue falls through, it's going to force the counties to increase property taxes? That, that doesn't work for me, folks. That doesn't work for me and it shouldn't work for you. We should not be subsidizing some out-of-state or sudden windfall on fees that get levied on all of our-- on all Nebraskans and increasing the, the, the nameplate fee that's gonna force our, our, our public power districts to bring it out-of-state power--

KELLY: That's your time, Senator.

GUERECA: Thank you, Mr. President.

KELLY: Thank you, Senator Guereca. Mr. Clerk, you have a motion on your desk.

ASSISTANT CLERK: Thank you, Mr. President. Senator Clements would move to invoke cloture pursuant to Rule 7, Section 10.

KELLY: Senator Clements, for what purpose do you rise?

CLEMENTS: Call of the house. Vote in regular order. Roll call.

KELLY: 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.

ASSISTANT CLERK: 39 ayes, 2 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. All unexcused members are present. Members, the

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Floor Debate May 13, 2025

first vote is the motion to invoke cloture. There was a request for a roll call vote in regular order. Mr. Clerk.

ASSISTANT CLERK: Senator Andersen voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Bosn voting yes. Senator Bostar voting no. Senator Brandt voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Clouse voting yes. Senator Conrad voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover not voting. Senator Dungan voting no. Senator Fredrickson not voting. Senator Guereca not voting. Senator Hallstrom voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Juarez voting no. Senator Kauth voting yes. Senator Lippincott voting yes. Senator Lonowski voting yes. Senator McKeon voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Prokop. Senator Quick not voting. Senator Raybould voting no. Senator Riepe not voting. Senator Rountree voting no. Senator Sanders voting yes. Senator Sorrentino voting yes. Senator Spivey voting no. Senator Storer voting yes. Senator Storm voting yes. Senator Strommen voting yes. Senator von Gillern voting yes. Senator Wordekemper voting yes. 31 ayes, 11 nays on the vote for cloture, Mr. President.

KELLY: Motion to invoke cloture is not adopted. Mr. Clerk. I raise the call.

ASSISTANT CLERK: Mr. President, items for the record. Senator Bostar has amendments to LB468. And a priority motion, Senator Sanders would move to adjourn until Wednesday, May 14, at 9 a.m.

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