

**SEVENTIETH DAY - APRIL 28, 2015**

**LEGISLATIVE JOURNAL**

**ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION**

**SEVENTIETH DAY**

Legislative Chamber, Lincoln, Nebraska  
Tuesday, April 28, 2015

**PRAYER**

The prayer was offered by Pastor Char Cobbs, New Beginnings Worship Center, Bellevue.

**ROLL CALL**

Pursuant to adjournment, the Legislature met at 10:00 a.m., Speaker Hadley presiding.

The roll was called and all members were present except Senators Kolowski and Murante who were excused until they arrive.

**CORRECTIONS FOR THE JOURNAL**

The Journal for the sixty-ninth day was approved.

**COMMITTEE REPORT(S)**

Enrollment and Review

**LEGISLATIVE BILL 360.** Placed on Select File with amendment.  
ER90 is available in the Bill Room.

**LEGISLATIVE BILL 330.** Placed on Select File with amendment.  
ER92 is available in the Bill Room.

**LEGISLATIVE BILL 253.** Placed on Select File.

**LEGISLATIVE BILL 469A.** Placed on Select File.

**LEGISLATIVE BILL 519A.** Placed on Select File.

**LEGISLATIVE BILL 423.** Placed on Select File with amendment.  
ER93 is available in the Bill Room.

(Signed) Matt Hansen, Chairperson

**ATTORNEY GENERAL'S OPINION**Opinion 15-005

SUBJECT: LB 414 – Interpretation of the Property Tax Exemption for Fraternal Benefit Societies.

REQUESTED BY: Senator Burke Harr  
Nebraska Legislature

WRITTEN BY: Doug Peterson, Attorney General  
L. Jay Bartel, Assistant Attorney General

**INTRODUCTION**

A "fraternal benefit society" is defined to include "[a]ny incorporated society, order, or supreme lodge, without capital stock, including one exempted under subdivision (1)(b) of section 44-10,109 whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work, having a representative form of government, and which provides benefits in accordance with sections 44-1072 to 44-10,109...." Neb. Rev. Stat. § 44-1072 (2010). A fraternal benefit society "shall operate for the benefit of its members and their beneficiaries by: (a) Providing benefits as specified in section 44-1087; and (b) Operating for one or more social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic, or religious purposes for the benefit of its members, which may also be extended to others." Neb. Rev. Stat. § 44-1076(1) (2010). Fraternal benefit societies may enter into contractual obligations to provide benefits to their members and their dependents, including, among others, death, endowment, annuity, disability, medical, and life insurance benefits. Neb. Rev. Stat. § 44-1087 (2010).

Currently, Neb. Rev. Stat. § 44-1095 (2010) provides: "Every society organized or licensed under sections 44-1072 to 44-10,109 shall be a charitable and benevolent institution, and all its funds shall be exempt from all and every state, county, district, municipal, and school tax other than taxes on real estate and office equipment." Also, Neb. Rev. Stat. § 77-202(1)(d) (Cum. Supp. 2014) allows an exemption for "[p]roperty owned by educational, religious, charitable, or cemetery organizations, or any organization for the exclusive benefit of any such educational, religious, charitable, or cemetery organization, and used exclusively for educational, religious, charitable, or cemetery purposes,...." Section 77-202(1)(d) further states that, "[f]or purposes of this subdivision, charitable organization means an organization operated exclusively for the purpose of the mental, social, or physical benefit of the public or an indefinite number of persons;...." *Id.* In light of questions which have arisen as to whether fraternal benefit societies are subject to property taxes under § 44-1095, or whether property of fraternal benefit societies is eligible for exemption

under § 77-202(1)(d) as property owned and used for charitable purposes, LB 414 was introduced for "[t]he purpose of...exempt[ing] a society organized or licensed under sections 44-1072 to 44-10,109 (fraternal benefit organizations) from paying taxes on property." Committee Statement on LB 414, 104<sup>th</sup> Leg., 1<sup>st</sup> Sess. 1 (March 5, 2014) (Introducer's Statement of Intent). To that end, LB 414 proposes to amend § 44-1095 to provide that "[e]very society organized or licensed under sections 44-1072 to 44-10,109 shall be a charitable and benevolent institution, and all of its funds and property shall be exempt from all and every state, county, district, municipal, and school tax." LB 414, § 1. In addition, the bill would amend § 77-202(1)(d) to provide that, "[f]or purposes of this subdivision, charitable organization means an organization operated exclusively for the purpose of the mental, social, or physical benefit of the public or an indefinite number of persons and a fraternal benefit society organized and licensed under sections 44-1072 to 44-10,109;...." LB 414, § 2.

You advise that, during floor debate, a question arose regarding whether LB 414 would exempt all property owned by a fraternal benefit society from taxation, including any property owned by a fraternal benefit society which is not used for charitable purposes. Apparently, the question concerns the language in LB 414, § 1, which states "all of [a fraternal benefit society's] funds and property shall be exempt from all and every state, county, district, municipal, or school tax....," indicating that "all" property of such societies is exempt, regardless of whether it is used for charitable purposes. For the reasons explained below, the bill cannot be interpreted in this manner, as it would be unconstitutional if construed to exempt all property of fraternal benefit societies regardless of its use. To be constitutional, this subsection must be construed, together with the language in section 2 of the bill including fraternal benefit societies as a charitable organization for purposes of applying the exemption in § 77-202(1)(d), to mean that a fraternal benefit society is eligible to seek exemption as a charitable organization only for property it owns and uses exclusively for charitable purposes. Any property owned by a fraternal benefit society not used for charitable purposes would be taxable.

You also ask us to address whether LB 414 would exempt fraternal benefit societies from payment of sales tax. As the bill's stated intent is to exempt such societies from paying property taxes, it does not affect liability of a fraternal benefit society for payment of Nebraska sales and use taxes. To the extent you ask us to opine as to whether fraternal benefit societies are presently exempt from payment of sales and use taxes, we cannot provide an opinion, as we do not give opinions to members of the Legislature construing existing statutes.

### ANALYSIS

Neb. Const. art. VIII, § 1, provides, in pertinent part: "(1) Taxes shall be levied by valuation uniformly and proportionately upon all real property and franchises as defined by the Legislature except as otherwise provided in or

permitted by this Constitution;..." Further, "[t]angible personal property, as defined by the Legislature, not exempted by this Constitution or by legislation, shall all be taxed at its depreciated cost using the same depreciation method with reasonable class lives, as determined by the Legislature, or shall all be taxed by valuation uniformly and proportionately;..." Neb. Const. art. VIII, § (2). Article VIII, § 2(2), of the Nebraska Constitution provides, in part: "[T]he Legislature by general law may classify and exempt from taxation...property owned and used exclusively for educational, religious, charitable, or cemetery purposes, when such property is not owned or used for financial gain or profit to either the owner or user;..." Article VIII, § 2(10), further provides that "no property shall be exempt from taxation except as permitted by or as provided in this Constitution;..."

"Like statutes, constitutional provisions are not open to construction as a matter of course; construction is appropriate only when it has been demonstrated that the meaning of the provision is not clear and therefore construction is necessary." *Hall v. Progress Pig, Inc.*, 259 Neb. 407, 413, 610 N.W.2d 420, 427 (2000). "In ascertaining the intent of a constitutional provision from its language, the words must be interpreted and understood in their most natural and obvious meaning unless the subject indicates or the text suggests that they are used in a technical sense." *Id.* "If the meaning is clear, the court will give to it the meaning that obviously would be accepted and understood by the layperson." *Id.*

Article VIII, § 1, requires that "[t]axes shall be levied by valuation uniformly and proportionately upon all real property...except as otherwise provided in or permitted by [the] Constitution...", and that "tangible personal property...not exempted by this Constitution or by legislation...shall all be taxed at depreciated cost...or shall all be taxed by valuation uniformly and proportionately...." Neb. Const. art. VIII, § 1(1) and (2). Exemptions from property taxation are authorized in art. VIII, § 2, including the exemption for "property owned by and used exclusively for...educational, religious, charitable, or cemetery purposes, when such property is not owned or used for financial gain or profit to either the owner or user...." This subsection further provides that "no property shall be exempt from taxation except as permitted by or as provided in this Constitution." Neb. Const. art. VIII, § 2(10). Thus, the plain meaning of these constitutional provisions is that all property is subject to taxation unless an exemption is provided in or permitted by the Constitution.

If section 1 of LB 414 were construed to exempt all property of a fraternal benefit society from taxation, regardless of its use, it would be unconstitutional, as no basis for such an exemption would exist under the Constitution. "If possible, [however], a statute should be construed in such a way as to negative any constitutional infirmity." *Prendergast v. Nelson*, 199 Neb. 97, 111, 256 N.W.2d 657, 667 (1977). Thus, the language in section 1 amending § 44-1095 to exempt property of fraternal benefit societies from taxation must be construed together with the language in

section 2 of the bill including fraternal benefit societies as a charitable organization for purposes of applying the exemption in § 77-202(1)(d), meaning that a fraternal benefit society is eligible to seek exemption as a charitable organization only for property it owns and uses exclusively for charitable purposes. Any property owned by a fraternal benefit society not used for charitable purposes would be taxable.<sup>1</sup>

Indeed, it has long been recognized "[t]hat part of a building owned by a religious, charitable and educational institution, but leased and used by the tenant for business purposes, is not exempt from taxation." *Masonic Temple Craft v. Lincoln County Bd. of Equal.*, 129 Neb. 293, 296, 261 N.W. 569, 570 (1935). *Accord Young Men's Christian Ass'n of City of Lincoln v. Lancaster County*, 106 Neb. 105, 182 N.W. 593 (1921); *Young Men's Christian Ass'n of Omaha v. Douglas County*, 60 Neb. 642, 83 N.W. 924 (1900). This principle is recognized in regulations promulgated by the Property Assessment Division of the Nebraska Department of Revenue, which provide that, "[i]f the property, when considered as a whole, is not used exclusively for exempt purposes, but the property has a separate and distinct exempt use portion, an exemption for the value of the portion used for exempt purposes will be allowed." 350 Neb. Admin. Code ch. 40, § 005.03A. One of the examples included in the regulations discussing the "exclusive use" requirement involves "[a] qualifying organization [that] owns a building, which is used for its office space, and leases a portion of the building to a private law firm." 350 Neb. Admin. Code ch. 40, § 005.04E. In that situation, "[t]he portion leased to the private law firm is not used exclusively for exempt purposes and is not eligible for the exemption." *Id.*

Finally, you also ask us to address whether LB 414 would exempt fraternal benefit societies from payment of sales tax. LB 414 was introduced for "[t]he purpose of...exempt[ing] a society organized or licensed under sections 44-1072 to 44-10,109 (fraternal benefit organizations) from paying taxes on property." Committee Statement on LB 414, 104<sup>th</sup> Leg., 1<sup>st</sup> Sess. 1 (March 5, 2014) (Introducer's Statement of Intent). As the bill's stated intent is to exempt fraternal benefit societies from paying property taxes, it does not impact the liability of such societies for payment of Nebraska sales and use taxes. We have long taken the position that the Attorney General cannot issue opinions to members of the Legislature on the interpretation of existing statutes. *Op. Att'y Gen. No. 157* (December 20, 1985). To the extent responding to your question would require us to opine whether fraternal benefit societies are exempt from sales and use taxes under existing statutes, we cannot provide an opinion as to the liability of fraternal benefit societies for payment of sales and use taxes.

### CONCLUSION

In conclusion, LB 414 cannot be interpreted to exempt from taxation all property of fraternal benefit societies regardless of its use, as such a construction would be unconstitutional. To be constitutional, section 1 of

the bill must be construed, together with the language in section 2 including fraternal benefit societies as a charitable organization for purposes of applying the exemption in § 77-202(1)(d), to mean that a fraternal benefit society is eligible to seek exemption as a charitable organization only for property it owns and uses exclusively for charitable purposes. Any property owned by a fraternal benefit society not used for charitable purposes would be taxable. To clarify this intent, language could be added to section 1 referencing the exemption for property of charitable organizations in section 2 of the bill which includes fraternal benefit societies as charitable organizations.

Further, as the bill's stated intent is to exempt such societies from paying property taxes, it does not affect the liability of a fraternal benefit society for payment of Nebraska sales and use taxes. To the extent you ask us to opine as to whether fraternal benefit societies are presently exempt from sales and use taxes, we cannot provide an opinion, as we do not give opinions to members of the Legislature construing existing statutes.

<sup>1</sup> This would apply to both real and personal property owned by a fraternal benefit society. In addition to the exemption for property owned and used exclusively for educational, religious, charitable, or cemetery purposes, art. VIII, § 2, also permits "the Legislature to define and classify personal property in such manner as it sees fit, whether by type, use, user, or owner, and may exempt any such class or classes of property from taxation if such an exemption is reasonable or may exempt all personal property from taxation;..." Neb. Const. art. VIII, § 2(9). LB 414 does not attempt to classify personal property of fraternal benefit societies as a separate class for purposes of exemption, and we express no view on whether such a classification, if attempted, would be "reasonable."

Very truly yours,  
(Signed) DOUG PETERSON  
Attorney General  
L. Jay Bartel  
Assistant Attorney General

pc Patrick J. O'Donnell  
Clerk of the Nebraska Legislature  
07-942-29

### **RESOLUTION(S)**

Pursuant to Rule 4, Sec. 5(b), LRs 191, 192, 193, 194, 195, 197, and 199 were adopted.

### **SPEAKER SIGNED**

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LRs 191, 192, 193, 194, 195, 197, and 199.

**GENERAL FILE**

**LEGISLATIVE BILL 330A.** Title read. Considered.

Advanced to Enrollment and Review Initial with 35 ayes, 0 nays, 12 present and not voting, and 2 excused and not voting.

**SELECT FILE**

**LEGISLATIVE BILL 141.** ER73, found on page 1125, was adopted.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 519.** ER76, found on page 1152, was adopted.

Senator Sullivan offered her amendment, AM1307, found on page 1229.

The Sullivan amendment was adopted with 34 ayes, 0 nays, 13 present and not voting, and 2 excused and not voting.

Senator Davis offered the following amendment:  
AM1376

(Amendments to E and R amendments, ER76)

- 1 1. Insert the following new section:
- 2 Sec. 25. Section 79-1337, Reissue Revised Statutes of Nebraska, is
- 3 amended to read:
- 4 79-1337 (1) For fiscal years 2007-08 through ~~2020-21~~ ~~2015-16~~, the
- 5 State Department of Education shall provide distance education incentives
- 6 ~~from the Education Innovation Fund~~ to school districts and educational
- 7 service units for qualified distance education courses coordinated
- 8 through the ~~Distance Education Council until July 1, 2008, and the~~
- 9 ~~Educational Service Unit Coordinating Council on and after July 1, 2008,~~
- 10 as provided in this section. Through fiscal year 2015-16, funding for
- 11 such distance education incentives shall come from the Education
- 12 Innovation Fund. For fiscal years 2016-17 through 2020-21, funding for
- 13 such distance education incentives shall come from the Nebraska Education
- 14 Improvement Fund.
- 15 (2) School districts and educational service units shall apply for
- 16 incentives annually through calendar year ~~2020~~ ~~2015~~ to the department on
- 17 or before August 1 on a form specified by the department. The application
- 18 shall:
- 19 (a) For school districts, specify (i) the qualified distance
- 20 education courses which were received by students in the membership of
- 21 the district in the then-current school fiscal year and which were not
- 22 taught by a teacher employed by the school district and (ii) for each
- 23 such course (A) the number of students in the membership of the district
- 24 who received the course, (B) the educational entity employing the
- 25 teacher, and (C) whether the course was a two-way interactive video
- 26 distance education course; and

1 (b) For school districts and educational service units, specify (i)  
2 the qualified distance education courses which were received by students  
3 in the membership of another educational entity in the then-current  
4 school fiscal year and which were taught by a teacher employed by the  
5 school district or educational service unit, (ii) for each such course  
6 for school districts, the number of students in the membership of the  
7 district who received the course, and (iii) for each such course (A) the  
8 other educational entities in which students received the course and how  
9 many students received the course at such educational entities, (B) any  
10 school district that is sparse or very sparse as such terms are defined  
11 in section 79-1003 that had at least one student in the membership who  
12 received the course, and (C) whether the course was a two-way interactive  
13 video distance education course.

14 (3) On or before September 1 of each year through calendar year 2020  
15 ~~2015~~, the department shall certify the incentives for each school  
16 district and educational service unit which shall be paid on or before  
17 October 1 of such year. The incentives for each district shall be  
18 calculated as follows:

19 (a) Each district shall receive distance education units for each  
20 qualified distance education course as follows:

21 (i) One distance education unit for each qualified distance  
22 education course received as reported pursuant to subdivision (2)(a) of  
23 this section if the course was a two-way interactive video distance  
24 education course;

25 (ii) One distance education unit for each qualified distance  
26 education course sent as reported pursuant to subdivision (2)(b) of this  
27 section if the course was not received by at least one student who was in  
28 the membership of another school district which was sparse or very  
29 sparse;

30 (iii) One distance education unit for each qualified distance  
31 education course sent as reported pursuant to subdivision (2)(b) of this  
1 section if the course was received by at least one student who was in the  
2 membership of another school district which was sparse or very sparse,  
3 but the course was not a two-way interactive video distance education  
4 course; and

5 (iv) Two distance education units for each qualified distance  
6 education course sent as reported pursuant to subdivision (2)(b) of this  
7 section if the course was received by at least one student who was in the  
8 membership of another school district which was sparse or very sparse and  
9 the course was a two-way interactive video distance education course;

10 (b) The difference of the amount available for distribution in the  
11 Education Innovation Fund on the August 1 when the applications were due  
12 minus any amount to be paid to school districts pursuant to section  
13 79-1336 shall be divided by the number of distance education units to  
14 determine the incentive per distance education unit, except that the  
15 incentive per distance education unit shall not equal an amount greater  
16 than one thousand dollars; and

17 (c) The incentives for each school district shall equal the number  
18 of distance education units calculated for the school district multiplied



19 by the incentive per distance education unit.

20 (4) If there are additional funds available for distribution after  
21 equipment reimbursements pursuant to section 79-1336 and incentives  
22 calculated pursuant to subsections (1) through (3) of this section,  
23 school districts and educational service units may qualify for additional  
24 incentives for elementary distance education courses. Such incentives  
25 shall be calculated for sending and receiving school districts and  
26 educational service units as follows:

27 (a) The per-hour incentives shall equal the funds available for  
28 distribution after equipment reimbursements pursuant to section 79-1336  
29 and incentives calculated pursuant to subsections (1) through (3) of this  
30 section divided by the sum of the hours of elementary distance education  
31 courses sent or received for each school district and educational service  
1 unit submitting an application, except that the per-hour incentives shall  
2 not be greater than ten dollars; and

3 (b) The elementary distance education incentives for each school  
4 district and educational service unit shall equal the per-hour incentive  
5 multiplied by the hours of elementary distance education courses sent or  
6 received by the school district or educational service unit.

7 (5) The department may verify any or all application information  
8 using annual curriculum reports and may request such verification from  
9 the council.

10 (6) On or before October 1 of each year through calendar year 2020  
11 ~~2015~~, a school district or educational service unit may appeal the denial  
12 of incentives for any course by the department to the State Board of  
13 Education. The board shall allow a representative of the school district  
14 or educational service unit an opportunity to present information  
15 concerning the appeal to the board at the November board meeting. If the  
16 board finds that the course meets the requirements of this section, the  
17 department shall pay the district from the Education Innovation Fund as  
18 soon as practical in an amount for which the district or educational  
19 service unit should have qualified based on the incentive per distance  
20 education unit used in the original certification of incentives pursuant  
21 to this section.

22 (7) The State Board of Education shall adopt and promulgate rules  
23 and regulations to carry out this section.

24 2. On page 7, strike lines 23 through 31 and insert the following  
25 new subdivisions:

26 "(a) One percent of the allocated funds to the Expanded Learning  
27 Opportunity Grant Fund to carry out the Expanded Learning Opportunity  
28 Grant Program Act;

29 (b) Seventeen percent of the allocated funds to the Department of  
30 Education Innovative Grant Fund for competitive innovation grants  
31 pursuant to section 2 of this act;

1 (c) Nine percent of the allocated funds to the Community College Gap  
2 Assistance Program Fund to carry out the community college gap assistance  
3 program;

4 (d) Eight percent of the allocated funds to the Excellence in  
5 Teaching Cash Fund to carry out the Excellence in Teaching Act;

6 (e) Sixty-two percent of the allocated funds to the Nebraska  
 7 Opportunity Grant Fund to carry out the Nebraska Opportunity Grant Act in  
 8 conjunction with appropriations from the General Fund; and  
 9 (f) Three percent of the allocated funds to fund distance education  
 10 incentives pursuant to section 79-1337."  
 11 3. On page 8, strike lines 1 through 5.  
 12 4. Renumber the remaining sections, correct internal references, and  
 13 amend the repealer accordingly.

The Davis amendment was adopted with 27 ayes, 4 nays, 16 present and not voting, and 2 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 519A.** Senator Sullivan offered the following amendment:

AM1372

1 1. Insert the following new section:  
 2 Sec. 6. There is hereby appropriated \$487,749 from the Nebraska  
 3 Education Improvement Fund for FY2016-17, to the State Department of  
 4 Education, for Program 161, to aid in carrying out the provisions of  
 5 Legislative Bill 519, One Hundred Fourth Legislature, First Session,  
 6 2015.  
 7 Total expenditures for permanent and temporary salaries and per  
 8 diems from funds appropriated in this section shall not exceed \$18,350  
 9 for FY2016-17.  
 10 There is included in the amount shown for this program \$459,749 Cash  
 11 Funds provided as state aid for FY2016-17 for distance education  
 12 incentives.  
 13 2. On page 2, line 17, strike "\$1,390,085" and insert "\$1,351,047";  
 14 in line 20 strike "\$3,251,660" and insert "\$2,763,911"; and in line 28  
 15 strike "\$3,122,800" and insert "\$2,635,051".  
 16 3. On page 3, line 7, strike "\$1,235,631" and insert "\$1,229,642".

The Sullivan amendment was adopted with 38 ayes, 0 nays, 9 present and not voting, and 2 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 449.** ER74, found on page 1152, was adopted.

Senator Brasch offered the following amendment:

AM1383

(Amendments to AM1035)

1 1. Insert the following new sections:  
 2 Sec. 11. Section 81-3703, Reissue Revised Statutes of Nebraska, is  
 3 amended to read:  
 4 81-3703 For purposes of the Nebraska Visitors Development Act,  
 5 unless the context otherwise requires, the definitions found in sections

6 81-3704 to 81-3709 and section 12 of this act apply.

7 Sec. 12. Highway tourism marker means a marker of a particular style  
 8 authorized by the commission to designate tourism attractions.

9 Sec. 13. (1) The commission may mark significant tourism  
 10 attractions in Nebraska.

11 (2) The commission may (a) determine what tourism attractions are  
 12 significant to the State of Nebraska, (b) expend funds for the purchase  
 13 of highway tourism markers, (c) designate the approximate location of  
 14 highway tourism markers, (d) preserve, replace, or modify highway tourism  
 15 markers, and (e) accept gifts and encourage local participation in and  
 16 contribution to the erection of highway tourism markers through the use  
 17 of gifts and matching-fund agreements. Such funds shall be deposited into  
 18 the State Visitors Promotion Cash Fund. The commission shall not expend  
 19 funds for the purchase of highway tourism markers until funding has been  
 20 secured through gifts or otherwise.

21 (3) The commission may appoint and delegate to a special committee  
 22 the duties of research and investigation to assist in the determination  
 23 of tourism attractions that should be designated by highway tourism  
 24 markers. The Department of Roads shall erect and maintain highway tourism  
 25 markers and shall determine the exact location of highway tourism markers  
 26 with consideration given for the safety and welfare of the public.

1 (4) The commission may secure payment to the state for the actual  
 2 replacement cost of any highway tourism markers damaged or destroyed,  
 3 accidentally or otherwise. Any funds so collected shall be remitted to  
 4 the State Treasurer for credit to the State Visitors Promotion Cash Fund  
 5 for the procurement of highway tourism markers.

6 (5) Nothing in this section shall be construed to restrict the  
 7 placement of any marker or signage on private property.

8 2. On page 9, line 26, strike "13 and 14" and insert "12, 13, 16,  
 9 and 17".

10 3. On page 10, line 17, strike "and" and show as stricken; in line  
 11 20 strike the period, show as stricken, and insert "; and

12 (11) Have authority to mark significant tourism attractions as  
 13 provided in section 13 of this act."; and in line 31 after the comma  
 14 insert "to erect and replace highway tourism markers.".

15 4. Correct the operative date section and repealer so that the  
 16 sections added by this amendment become operative three calendar months  
 17 after adjournment of this legislative session.

18 5. Renumber the remaining sections accordingly.

Pending.

**LEGISLATIVE BILL 559.** Advanced to Enrollment and Review for  
 Engrossment.

**LEGISLATIVE BILL 156.** ER71, found on page 1096, was adopted.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 561.** ER77, found on page 1153, was adopted.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 458.** ER70, found on page 1057, was adopted.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 80.** Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 264.** Advanced to Enrollment and Review for Engrossment.

#### **BILLS ON FIRST READING**

The following bills were read for the first time by title:

**LEGISLATIVE BILL 423A.** Introduced by Nordquist, 7.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 423, One Hundred Fourth Legislature, First Session, 2015.

**LEGISLATIVE BILL 566A.** Introduced by Coash, 27.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 566, One Hundred Fourth Legislature, First Session, 2015.

#### **COMMITTEE REPORT(S)**

##### Appropriations

**LEGISLATIVE BILL 657.** Placed on General File with amendment. AM829 is available in the Bill Room.

**LEGISLATIVE BILL 656.** Placed on General File with amendment. AM828 is available in the Bill Room.

**LEGISLATIVE BILL 658.** Placed on General File.

**LEGISLATIVE BILL 659.** Placed on General File with amendment. AM1191 is available in the Bill Room.

**LEGISLATIVE BILL 660.** Placed on General File with amendment. AM830 is available in the Bill Room.

**LEGISLATIVE BILL 661.** Placed on General File with amendment.  
AM831 is available in the Bill Room.

**LEGISLATIVE BILL 662.** Placed on General File with amendment.  
AM1246

1 1. On page 3, after line 26 insert the following:  
2 (12) The State Treasurer shall transfer twenty-five million dollars  
3 from the Cash Reserve Fund to the Nebraska Capital Construction Fund on  
4 or after July 1, 2015, but before July 15, 2015, on such date as directed  
5 by the budget administrator of the budget division of the Department of  
6 Administrative Services for the Global Center for Advanced  
7 Interprofessional Learning.  
8 (13) The State Treasurer shall transfer eight million dollars from  
9 the Cash Reserve Fund to the Oral Health Training and Services Fund, on  
10 or after July 1, 2015, but before July 15, 2015, on such date as directed  
11 by the budget administrator of the budget division of the Department of  
12 Administrative Services.

(Signed) Heath Mello, Chairperson

#### EXPLANATION OF VOTES

Had I been present, I would have voted "aye" on final passage of LBs 56, 89, 89A, 152, 245, 324, 413, 413A, 415, 482, 15, and 641.

(Signed) Jim Smith

#### AMENDMENT(S) - Print in Journal

Senator Mello filed the following amendment to LB412:  
AM1367

1 1. On page 2, line 11, after "support" insert "or zoning approval".  
2 2. On page 3, line 21, strike "70-1001.01", show as stricken, and  
3 insert "70-1014.02"; in line 22 after "that" insert "qualified"; and in  
4 line 25 strike "ownership" and show as stricken.

#### UNANIMOUS CONSENT - Add Cointroducer(s)

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

Coash - LB357

#### VISITORS

Visitors to the Chamber were 65 fourth-grade students from Hill Rise Elementary, Elkhorn; 23 eighth-grade students from Omaha Nathan Hale Middle School; Kay Huber from South Padre Island, TX; 17 fourth-grade students from Karen Western Elementary, Omaha; 42 fourth-grade students

from Woodrow Wilson School, Council Bluffs, IA; 14 fourth-grade students from St. Francis Elementary, Humphrey; 45 fourth-grade students from Mockingbird Elementary, Omaha; and 55 fourth-grade students from Skyline Elementary, Elkhorn.

### RECESS

At 11:57 a.m., on a motion by Senator Howard, the Legislature recessed until 1:30 p.m.

### AFTER RECESS

The Legislature reconvened at 1:30 p.m., Speaker Hadley presiding.

### ROLL CALL

The roll was called and all members were present except Senator McCoy who was excused; and Senators Bolz, K. Haar, Morfeld, Schilz, and Watermeier who were excused until they arrive.

### MESSAGE(S) FROM THE GOVERNOR

April 28, 2015

Mr. President, Speaker Hadley  
and Members of the Legislature  
State Capitol  
Lincoln, NE 68509

Dear Mr. President, Speaker Hadley and Members of the Legislature:

Contingent upon your approval, the following individual is being appointed to the Board of Emergency Medical Services:

Michael D. Bailey, 80135 Hwy 183, Westerville, NE 68814

The aforementioned appointee is respectfully submitted for your consideration. Copies of the certificate and background information are included for your review.

Sincerely,  
(Signed) Pete Ricketts  
Governor

Enclosure

April 28, 2015

Mr. President, Speaker Hadley  
and Members of the Legislature  
State Capitol  
Lincoln, NE 68509

Dear Mr. President, Speaker Hadley and Members of the Legislature:

Contingent upon your approval, the following individual is being appointed to the Nebraska Accountability and Disclosure Commission:

Warren Arganbright, 806 Desirae Drive, Valentine, NE 69201

The aforementioned appointee is respectfully submitted for your consideration. Copies of the certificate and background information are included for your review.

Sincerely,  
(Signed) Pete Ricketts  
Governor

Enclosure

April 28, 2015

Mr. President, Speaker Hadley  
and Members of the Legislature  
State Capitol  
Lincoln, NE 68509

Dear Mr. President, Speaker Hadley and Members of the Legislature:

Contingent upon your approval, the following individual is being appointed to the State Board of Health:

Jim Trebbien, 15906 Military Road, Bennington, NE 68007

The aforementioned appointee is respectfully submitted for your consideration. Copies of the certificate and background information are included for your review.

Sincerely,  
(Signed) Pete Ricketts  
Governor

Enclosure

**SELECT FILE**

**LEGISLATIVE BILL 449.** Senator Brasch renewed her amendment, AM1383, found in this day's Journal.

The Brasch amendment was adopted with 31 ayes, 1 nay, 13 present and not voting, and 4 excused and not voting.

**PRESIDENT FOLEY PRESIDING**

Senator Krist moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 25 ayes, 0 nays, and 24 not voting.

Senator Chambers requested a machine vote on the advancement of the bill.

Advanced to Enrollment and Review for Engrossment with 31 ayes, 5 nays, 9 present and not voting, and 4 excused and not voting.

**COMMITTEE REPORT(S)**

Education

**LEGISLATIVE BILL 96.** Indefinitely postponed.

**LEGISLATIVE BILL 392.** Indefinitely postponed.

**LEGISLATIVE BILL 421.** Indefinitely postponed.

**LEGISLATIVE BILL 481.** Indefinitely postponed.

**LEGISLATIVE BILL 529.** Indefinitely postponed.

**LEGISLATIVE BILL 582.** Indefinitely postponed.

(Signed) Kate Sullivan, Chairperson

**REFERENCE COMMITTEE REPORT**

The Legislative Council Executive Board submits the following report:

Arganbright, Warren - Nebraska Accountability and Disclosure Commission  
- Government, Military and Veterans Affairs

Bailey, Michael D. - Board of Emergency Medical Services - Health and  
Human Services

Trebbien, Jim - State Board of Health - Health and Human Services

(Signed) Bob Krist, Chairperson  
Executive Board



**NOTICE OF COMMITTEE HEARING(S)**

Agriculture

Room 2102

Tuesday, May 5, 2015 12:30 p.m.

R.M. (Matt) Joeckel - Climate Assessment Response Committee

(Signed) Jerry Johnson, Chairperson

**COMMITTEE REPORT(S)**

Enrollment and Review

**LEGISLATIVE BILL 294.** Placed on Select File with amendment.  
ER96 is available in the Bill Room.

**LEGISLATIVE BILL 67.** Placed on Select File with amendment.  
ER95

1 1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:  
3 Section 1. Section 10-1101, Reissue Revised Statutes of Nebraska, is  
4 amended to read:  
5 10-1101 Sections 10-1101 to 10-1106 shall be known and may be cited  
6 as the Nebraska Governmental Unit Security Interest and Pledge Act.  
7 Sec. 2. Section 10-1102, Reissue Revised Statutes of Nebraska, is  
8 amended to read:  
9 10-1102 Except as otherwise provided in the Nebraska Governmental  
10 Unit Security Interest and Pledge Act, the ~~The~~ creation of security  
11 interests and pledges by governmental units is controlled by other  
12 provisions of law. ~~The act Nebraska Governmental Unit Security Interest~~  
13 ~~Act~~ governs the perfection, priority, and enforcement of all security  
14 interests created by governmental units except security interests in any  
15 retirement accounts, pension funds, and any other vested post-employment  
16 benefit whether such benefit is then payable or payable in the future  
17 contingent upon a future qualifying event.  
18 Sec. 3. Section 10-1103, Reissue Revised Statutes of Nebraska, is  
19 amended to read:  
20 10-1103 For purposes of the Nebraska Governmental Unit Security  
21 Interest and Pledge Act:  
22 (1) Ad valorem taxes means all ad valorem taxes levied by  
23 governmental units on property;  
24 (2) Authorizing statute means any statute which authorizes the  
25 issuance of bonds;  
26 (3) Bond means any bond, including any general obligation bonds,  
27 note, warrant, loan agreement, lease, lease-purchase agreement, pledge  
1 agreement, or other evidence of indebtedness for which a security  
2 interest is granted or a pledge made upon revenue or other property,  
3 including any bond-pledged ~~limited tax~~ revenue sources, whether limited

4 or not, to provide for payment or security of any bond;

5 (4) Bond-pledged revenue sources means all ad valorem taxes, local  
6 option sales and use taxes, special assessments, system revenue,  
7 collateral assets, and other revenue sources of a governmental unit  
8 pledged under the terms of the act or any authorizing statute to provide  
9 for or secure the payment of any bonds and all accounts and rights to  
10 receive the bond-pledged revenue sources in the general fund revenue or  
11 any other fund revenue and of any such revenue as and when received;  
12 (5) Collateral asset means any lease, loan agreement, note,  
13 mortgage, or other agreement made by any person which is not a  
14 governmental unit;

15 (6) General obligation bond means any bond for which the full faith  
16 and credit and unlimited taxing power of a governmental unit represent  
17 the source of payment under an authorizing statute or its related  
18 authorizing measure;

19 (7) Governmental unit means the State of Nebraska, any independent  
20 agency of the State of Nebraska, any county, school district, city,  
21 village, public power district, sanitary and improvement district,  
22 educational service unit, community college area, natural resources  
23 district, airport authority, fire protection district, hospital  
24 authority, joint entity created under the Interlocal Cooperation Act,  
25 joint public agency, instrumentality, or any other district, authority,  
26 or political subdivision of the State of Nebraska and governmental units  
27 as defined in subdivision (a)(45) of section 9-102, Uniform Commercial  
28 Code;

29 (8) Limited tax bond means any bond whose source for payment is  
30 limited by an authorizing statute or its related authorizing measure;  
31 (9) Local option sales and use taxes means all sales and use taxes  
1 levied by governmental units in accordance with the Local Option Revenue  
2 Act;

3 (10) Measure means any ordinance, resolution, or other enactment  
4 authorizing the issuance of bonds or authorizing an indenture with  
5 respect to bonds pursuant to an authorizing statute; and  
6 (11) Other revenue sources means all other taxes, including  
7 occupation taxes, fees, assessments, charges, receipts, and other monies,  
8 made the source of payment for any bonds by an authorizing statute or  
9 measure related to any bond, including unrestricted fund balances or  
10 sinking funds created for the redemption of bonds, derived from any  
11 source, to the extent that such monies are deposited or required to be  
12 deposited to the general fund or any other fund of the governmental unit;  
13 (12) Owner means any holder, registered owner, or beneficial owner  
14 of a bond; -

15 (13) Pledge means a lien on, and the grant of a security interest  
16 in, any bond-pledged revenue source or sources as received and held or to  
17 be received by a governmental unit. Any such source or sources are  
18 declared to constitute sources levied or otherwise devoted to finance one  
19 or more projects or systems as determined by each governmental unit and  
20 are not available for the financing of the general purposes of the  
21 governmental unit;

22 (14) Special assessments means all assessments levied upon  
23 properties benefited by local improvements by any governmental unit on  
24 property; and

25 (15) System revenue means revenue or receipts derived from the  
26 ownership and operation or disposition of projects or systems of a  
27 governmental unit that are primarily used or intended to be used  
28 primarily to provide public utility services, public transportation  
29 services, or other public services.

30 Sec. 4. Section 10-1104, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1 10-1104 (1) Any security interest created by a governmental unit in  
2 one or more bond-pledged revenue sources pursuant to an authorizing  
3 statute is perfected by the adoption of the measure or measures from the  
4 date on which the measure takes effect without the need for any physical  
5 delivery, filing, or recording in any office.

6 (2)(a) Notwithstanding any other provision of law, the pledge of any  
7 bond-pledged revenue source by a governmental unit to the payment of the  
8 principal, premium, and interest on bonds is valid and binding and deemed  
9 continuously perfected from the time the bonds or notes or other  
10 financing obligations are issued.

11 (b) No filing need be made under the Uniform Commercial Code or  
12 otherwise to perfect the lien on any bond-pledged revenue source in favor  
13 of any bonds.

14 (c) Unless otherwise specifically provided in a measure authorizing  
15 general obligation bonds or limited tax bonds or the authorizing  
16 statutes, all such bonds shall be of equal priority as to pledge and lien  
17 upon the related bond-pledged revenue sources, specifically including  
18 related ad valorem taxes.

19 (d) Nothing in the Nebraska Governmental Unit Security Interest and  
20 Pledge Act shall change the respective payment priorities of bonds,  
21 including general obligation bonds, construction fund warrants, and other  
22 warrants of sanitary and improvement districts, as provided for in  
23 sections 31-727 to 31-793, and other measures related to such bonds.

24 (e) Nothing in the Nebraska Governmental Unit Security Interest and  
25 Pledge Act shall alter the pledging of or security interest in special  
26 assessments provided for any bond under the terms of any authorizing  
27 statute.

28 Sec. 5. Section 10-1105, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 10-1105 (1) Except as otherwise provided in subsection (2) of this  
31 section with respect to general obligation bonds and limited tax bonds,

1 the ~~The~~ priority of any security interest created by a governmental unit  
2 shall be governed by the contractual terms set forth in such bonds and  
3 the measure or measures, including the terms of any indenture or any  
4 other agreement approved by the measure or measures, adopted by the  
5 governmental unit. No security interest having priority over an existing  
6 security interest may be created in violation of the terms of an existing  
7 measure governing outstanding bonds. ~~The~~ pledge and security interest in  
8 favor of any bonds, other than general obligation bonds and limited tax

9 bonds (a) shall not require any security agreement apart from the related  
10 authorizing measure or measures, (b) are subject to the lien of the  
11 pledge without delivery, and (c) in appropriate cases as determined by  
12 the related measure, may be without segregation. The lien on such bond-  
13 pledged revenue sources is valid, binding, and prior against all parties  
14 having claims of contract or tort or otherwise against the governmental  
15 unit, whether or not the parties have notice thereof.  
16 (2)(a) The pledge of ad valorem taxes and any other bond-pledged  
17 revenue sources with respect to general obligation bonds and limited tax  
18 bonds, including, but not limited to, any such taxes or sources, which  
19 may be considered general fund revenue sources for any other provision of  
20 law, is subject to the lien of the pledge without delivery or  
21 segregation, and the lien on ad valorem taxes and other such bond-pledged  
22 revenue sources is valid, binding, and prior against all parties having  
23 claims of contract or tort or otherwise against the governmental unit,  
24 whether or not the parties have notice thereof.  
25 (b) All pledges made by any governmental unit with respect to  
26 general obligation bonds and any limited tax bonds shall be a statutory  
27 lien effective by operation of law and shall apply to all bonds of  
28 governmental units heretofore or hereafter issued and shall not require a  
29 security agreement to be effective.  
30 (c) Any and all agreements made in any bonds or in any measure  
31 authorizing bonds which have been previously issued and remain  
1 outstanding are confirmed.  
2 (d) Any bond previously issued which, by its terms, or under the  
3 terms of the authorizing measure for which there has been pledged the  
4 full faith and credit or the unlimited taxing power of the governmental  
5 unit, is hereby granted a first lien on ad valorem taxes, levied and to  
6 be levied, securing payments of principal, interest, and premium, if any.  
7 (e) Any limited tax bond previously issued which, by its terms, or  
8 under the terms of the authorizing measure, for which there has been  
9 pledged the limited taxing power of the governmental unit is hereby  
10 granted a first lien on the limited ad valorem taxes, limited local  
11 option sales and use taxes, special assessments, or other limited revenue  
12 sources, levied and to be levied, securing payments of principal,  
13 interest, and premium, if any.  
14 (f) Any general obligation bonds previously issued or issued on or  
15 after the effective date of this act shall be equally and ratably secured  
16 by ad valorem taxes levied and to be levied from year to year by the  
17 governmental unit.  
18 (g) Any bonds for which limited ad valorem taxes, limited local  
19 option sales and use taxes, special assessments, or other limited revenue  
20 sources represent the source of payment under the related authorizing  
21 measure or authorizing statutes is hereby granted a first lien on such  
22 limited ad valorem taxes or local option sales and use taxes, special  
23 assessments, or limited other revenue sources, levied and to be levied,  
24 securing payments of principal, interest, and premium, if any. Unless  
25 otherwise provided in the related authorizing measure, any such bonds  
26 previously issued or issued on or after the effective date of this act

27 shall be equally and ratably secured by such limited ad valorem taxes,  
28 limited local option sales and use taxes, special assessments, or limited  
29 other revenue sources levied and to be levied from year to year by the  
30 governmental unit.

31 (h) Pledges and liens in favor of bonds issued pursuant to the  
1 Community Development Law shall be governed by the terms of the Community  
2 Development Law.

3 Sec. 6. Section 10-1106, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 10-1106 The terms of any applicable authorizing statute shall govern  
6 the enforcement of any security interest to the extent that the  
7 authorizing statute contains express provisions relating to enforcement  
8 or authorizes a governmental unit to contract with respect to  
9 enforcement. In the absence of any such express provisions in an  
10 authorizing statute, the following provisions apply:

11 (1) Any measure may include provisions determining what events  
12 constitute events of default. In the absence of any express provision  
13 relating to default in any measure, the governmental unit is in default  
14 so long as any default in payment with respect to principal, interest, or  
15 premium on a bond has occurred and remains uncured;

16 (2) Any trustee designated in or under the terms of a measure shall  
17 have the right, if a default has occurred, to have a receiver appointed  
18 for the collection of any revenue or property in which a security  
19 interest is granted, and if the revenue is from any revenue-producing  
20 undertaking, any such receiver may also be appointed to operate and  
21 manage such revenue-producing undertaking for the benefit of the owners  
22 of the bonds in accordance with the terms of the measure or measures  
23 authorizing their issuance;

24 (3) If there is no trustee designated in or under the terms of a  
25 measure, any owner of a bond shall have the right, if a default has  
26 occurred, to have a receiver appointed for the collection of any revenue  
27 or property in which a security interest is granted and, if the revenue  
28 is from any revenue-producing undertaking, any such receiver may also be  
29 appointed to operate and manage such revenue-producing undertaking for  
30 the benefit of the owners of the bonds in accordance with the terms of  
31 the measure or measures authorizing their issuance;

1 (4) Any trustee designated in or under the terms of any measure or  
2 any owner of a bond, if there is no trustee designated, shall have the  
3 right to bring proceedings against the governing body of the governmental  
4 unit to order the imposing of rates or charges with respect to any  
5 revenue-producing undertaking or taxes sufficient to provide for payment  
6 of principal, interest, and premium on a bond or bonds as the same fall  
7 due; and

8 (5) Any trustee designated in or under the terms of any measure or  
9 any owner of a bond shall have the right to exercise any other remedy  
10 provided by law.

11 Sec. 7. Section 70-1813, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 70-1813 (1) A public entity has the authority to issue mandated

14 project bonds, including refunding bonds, in one or more series. Mandated  
 15 project charges to which the public entity may at any time be entitled  
 16 shall be pledged, without any necessity for specific authorization of the  
 17 pledge by the public entity, to the mandated project bonds. Each such  
 18 series of mandated project bonds shall be secured by and payable from a  
 19 first lien on mandated project charges pledged for such purpose. Any  
 20 separate consensual lien or security interest shall be created in  
 21 accordance with and governed by the Nebraska Governmental Unit Security  
 22 Interest and Pledge Act. The proceeds of such bonds shall be applied  
 23 exclusively to payment of mandated project costs and financing costs and,  
 24 in the case of proceeds of refunding bonds, the retirement or defeasance  
 25 of mandated project bonds.

26 (2) The public entity and any successor or assignee of the public  
 27 entity shall be obligated to impose and collect the mandated project  
 28 charges in amounts sufficient to pay debt service on the mandated project  
 29 bonds as due. The pledge of mandated project charges shall be  
 30 irrevocable, and the state, the public entity, or any successor or  
 31 assignee of the public entity may not reduce, impair, or otherwise adjust  
 1 mandated project charges, except that the public entity and any successor  
 2 or assignee thereof shall implement the periodic adjustment method  
 3 established by the authorizing resolution pursuant to subdivision (1)(d)  
 4 of section 70-1812. Revenue from mandated project charges shall be deemed  
 5 special revenue and shall not constitute revenue of the public entity for  
 6 purposes of any pledge of revenue, receipts, or other income that such  
 7 public entity has made or will make for the security of debt other than  
 8 the mandated project bonds to which the revenue from the mandated project  
 9 charges is expressly pledged.

10 Sec. 8. Original sections 10-1101, 10-1102, 10-1103, 10-1104,  
 11 10-1105, 10-1106, and 70-1813, Reissue Revised Statutes of Nebraska, are  
 12 repealed.

13 2. On page 1, line 4, after the first semicolon insert "to change  
 14 applicability of the act;"

**LEGISLATIVE BILL 642.** Placed on Select File with amendment.

ER97

1 1. In the Standing Committee amendments, AM402, on page 3, line 5;  
 2 and page 4, line 20, strike "registration" and insert "a certificate of  
 3 title".

**LEGISLATIVE BILL 317.** Placed on Select File with amendment.

ER94

1 1. Strike the original sections and all amendments thereto and  
 2 insert the following new sections:

3 Section 1. This act becomes operative on July 1, 2018.

4 Sec. 2. The following sections are outright repealed: Sections  
 5 74-1601, 74-1602, and 74-1603, Reissue Revised Statutes of Nebraska.

6 2. On page 1, line 2, after the semicolon insert "to provide an  
 7 operative date;"

(Signed) Matt Hansen, Chairperson

### RESOLUTION(S)

**LEGISLATIVE RESOLUTION 207.** Introduced by Kolterman, 24.

WHEREAS, Glenda Maury, executive director of the Milford Housing Authority, was named the 2015 Nebraska Manager of the Year for Elderly Housing by the United States Department of Agriculture Rural Development Agency; and

WHEREAS, Glenda has held the executive director position for the past ten years; and

WHEREAS, Glenda offers tours of the Milford Housing Authority facilities, encourages youth groups to become involved with building upkeep, invites 4-H groups to plant flowers, and organizes elementary school students to read to the residents on a monthly basis.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FOURTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Glenda Maury on being named the 2015 Nebraska Manager of the Year for Elderly Housing by the United States Department of Agriculture Rural Development Agency.

2. That a copy of this resolution be sent to Glenda Maury.

Laid over.

**LEGISLATIVE RESOLUTION 208.** Introduced by Kolterman, 24.

WHEREAS, Bob and Bev Naber of Waco celebrated their 50th wedding anniversary on April 25, 2015; and

WHEREAS, Bob and Bev celebrated their golden anniversary with family.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FOURTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Bob and Bev Naber on their 50th wedding anniversary.

2. That a copy of this resolution be sent to Bob and Bev Naber.

Laid over.

### SELECT FILE

**LEGISLATIVE BILL 132.** ER75, found on page 1152, was adopted.

Senator Ebke offered her amendment, AM1327, found on page 1267.

The Ebke amendment was adopted with 30 ayes, 0 nays, 16 present and not voting, and 3 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 419.** ER72, found on page 1096, was adopted.

Senator Schnoor offered the following amendment:

AM1401

(Amendments to AM984)

1 1. On page 1, strike beginning with the first "or" in line 2 through  
2 the first "by" in line 3.

The Schnoor amendment lost with 5 ayes, 18 nays, 23 present and not voting, and 3 excused and not voting.

Senator Ebke offered the following amendment:

AM1385

(Amendments to AM984)

1 1. On page 1, line 3, strike "zoo or aquarium operated by a"; and in  
2 line 4 after "corporation" insert "operating".

Senator Ebke withdrew her amendment.

Senator Friesen offered the following amendment:

AM1406

(Amendments to AM984)

1 1. On page 1, line 5, after the underscored period insert "This  
2 section terminates on December 31, 2020.".

#### **SENATOR KRIST PRESIDING**

Senator Friesen moved for a call of the house. The motion prevailed with 36 ayes, 0 nays, and 13 not voting.

Senator Friesen requested a roll call vote on the amendment.

Voting in the affirmative, 10:

Bloomfield	Friesen	Groene	Johnson	Kuehn
Ebke	Garrett	Hughes	Kintner	Schnoor

Voting in the negative, 35:

Baker	Davis	Howard	Morfeld	Schumacher
Bolz	Gloor	Kolowski	Murante	Seiler
Brasch	Haar, K.	Kolterman	Nordquist	Smith
Chambers	Hadley	Krist	Pansing Brooks	Stinner
Coash	Hansen	Lindstrom	Riepe	Sullivan
Cook	Harr, B.	McCollister	Scheer	Watermeier
Crawford	Hilkemann	Mello	Schilz	Williams



Excused and not voting, 4:

Campbell      Craighead      Larson      McCoy

The Friesen amendment lost with 10 ayes, 35 nays, and 4 excused and not voting.

The Chair declared the call raised.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 414.** Senator Schumacher offered the following amendment:

AM1368

1 1. On page 2, line 5, strike the new matter and insert "and such  
2 property, or part thereof, that is used exclusively as a lodge by its  
3 members and their beneficiaries in the performance of ritualistic forms  
4 of work which do not inure to either increasing the difference between  
5 the revenues and expenses of the society or enhancing the compensation of  
6 its officers".

Senator Schumacher moved for a call of the house. The motion prevailed with 28 ayes, 0 nays, and 21 not voting.

Senator Schumacher requested a roll call vote, in reverse order, on the amendment.

Voting in the affirmative, 13:

Chambers	Ebke	Groene	Schilz	Seiler
Cook	Friesen	Hughes	Schnoor	
Davis	Gloor	Kintner	Schumacher	

Voting in the negative, 32:

Baker	Garrett	Johnson	Mello	Stinner
Bloomfield	Haar, K.	Kolowski	Morfeld	Sullivan
Bolz	Hadley	Kolterman	Nordquist	Watermeier
Brasch	Hansen	Krist	Pansing Brooks	Williams
Coash	Harr, B.	Kuehn	Riepe	
Craighead	Hilkemann	Lindstrom	Scheer	
Crawford	Howard	McCollister	Smith	

Present and not voting, 2:

Campbell      Murante

Excused and not voting, 2:

Larson McCoy

The Schumacher amendment lost with 13 ayes, 32 nays, 2 present and not voting, and 2 excused and not voting.

The Chair declared the call raised.

Senator Kolterman offered the following amendment:

AM1071

1 1. Insert the following new sections:

2 Sec. 2. Section 77-201, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 77-201 (1) Except as provided in subsections (2) through (4) of this  
5 section, all real property in this state, not expressly exempt therefrom,  
6 shall be subject to taxation and shall be valued at its actual value.

7 (2) Agricultural land and horticultural land as defined in section  
8 77-1359 shall constitute a separate and distinct class of property for  
9 purposes of property taxation, shall be subject to taxation, unless  
10 expressly exempt from taxation, and shall be valued at sixty-five  
11 ~~seventy-five~~ percent of its actual value.

12 (3) Agricultural land and horticultural land actively devoted to  
13 agricultural or horticultural purposes which has value for purposes other  
14 than agricultural or horticultural uses and which meets the  
15 qualifications for special valuation under section 77-1344 shall  
16 constitute a separate and distinct class of property for purposes of  
17 property taxation, shall be subject to taxation, and shall be valued for  
18 taxation at sixty-five ~~seventy-five~~ percent of its special value as  
19 defined in section 77-1343.

20 (4) Historically significant real property which meets the  
21 qualifications for historic rehabilitation valuation under sections  
22 77-1385 to 77-1394 shall be valued for taxation as provided in such  
23 sections.

24 (5) Tangible personal property, not including motor vehicles  
25 registered for operation on the highways of this state, shall constitute  
26 a separate and distinct class of property for purposes of property  
27 taxation, shall be subject to taxation, unless expressly exempt from  
1 taxation, and shall be valued at its net book value. Tangible personal  
2 property transferred as a gift or devise or as part of a transaction  
3 which is not a purchase shall be subject to taxation based upon the date  
4 the property was acquired by the previous owner and at the previous  
5 owner's Nebraska adjusted basis. Tangible personal property acquired as  
6 replacement property for converted property shall be subject to taxation  
7 based upon the date the converted property was acquired and at the  
8 Nebraska adjusted basis of the converted property unless insurance  
9 proceeds are payable by reason of the conversion. For purposes of this  
10 subsection, (a) converted property means tangible personal property which  
11 is compulsorily or involuntarily converted as a result of its destruction  
12 in whole or in part, theft, seizure, requisition, or condemnation, or the

13 threat or imminence thereof, and no gain or loss is recognized for  
14 federal or state income tax purposes by the holder of the property as a  
15 result of the conversion and (b) replacement property means tangible  
16 personal property acquired within two years after the close of the  
17 calendar year in which tangible personal property was converted and which  
18 is, except for date of construction or manufacture, substantially the  
19 same as the converted property.

20 Sec. 4. Section 77-5023, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 77-5023 (1) Pursuant to section 77-5022, the commission shall have  
23 the power to increase or decrease the value of a class or subclass of  
24 real property in any county or taxing authority or of real property  
25 valued by the state so that all classes or subclasses of real property in  
26 all counties fall within an acceptable range.

27 (2) An acceptable range is the percentage of variation from a  
28 standard for valuation as measured by an established indicator of central  
29 tendency of assessment. Acceptable ranges are: (a) For agricultural land  
30 and horticultural land as defined in section 77-1359, ~~fifty-nine to~~  
31 ~~sixty-five~~ ~~sixty-nine to seventy-five~~ percent of actual value; (b) for  
1 lands receiving special valuation, ~~fifty-nine to sixty-five~~ ~~sixty-nine to~~  
2 ~~seventy-five~~ percent of special valuation as defined in section 77-1343;  
3 and (c) for all other real property, ninety-two to one hundred percent of  
4 actual value.

5 (3) Any increase or decrease shall cause the level of value  
6 determined by the commission to be at the midpoint of the applicable  
7 acceptable range.

8 (4) Any decrease or increase to a subclass of property shall also  
9 cause the level of value determined by the commission for the class from  
10 which the subclass is drawn to be within the applicable acceptable range.

11 (5) Whether or not the level of value determined by the commission  
12 falls within an acceptable range or at the midpoint of an acceptable  
13 range may be determined to a reasonable degree of certainty relying upon  
14 generally accepted mass appraisal techniques.

15 Sec. 5. Section 79-1016, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 79-1016 (1) On or before August 25, the county assessor shall  
18 certify to the Property Tax Administrator the total taxable value by  
19 school district in the county for the current assessment year on forms  
20 prescribed by the Tax Commissioner. The county assessor may amend the  
21 filing for changes made to the taxable valuation of the school district  
22 in the county if corrections or errors on the original certification are  
23 discovered. Amendments shall be certified to the Property Tax  
24 Administrator on or before September 30.

25 (2) On or before October 10, the Property Tax Administrator shall  
26 compute and certify to the State Department of Education the adjusted  
27 valuation for the current assessment year for each class of property in  
28 each school district and each local system. The adjusted valuation of  
29 property for each school district and each local system, for purposes of  
30 determining state aid pursuant to the Tax Equity and Educational

31 Opportunities Support Act, shall reflect as nearly as possible state aid  
1 value as defined in subsection (3) of this section. The Property Tax  
2 Administrator shall notify each school district and each local system of  
3 its adjusted valuation for the current assessment year by class of  
4 property on or before October 10. Establishment of the adjusted valuation  
5 shall be based on the taxable value certified by the county assessor for  
6 each school district in the county adjusted by the determination of the  
7 level of value for each school district from an analysis of the  
8 comprehensive assessment ratio study or other studies developed by the  
9 Property Tax Administrator, in compliance with professionally accepted  
10 mass appraisal techniques, as required by section 77-1327. The Tax  
11 Commissioner shall adopt and promulgate rules and regulations setting  
12 forth standards for the determination of level of value for state aid  
13 purposes.

14 (3) For purposes of this section, state aid value means:

15 (a) For real property other than agricultural and horticultural

16 land, ninety-six percent of actual value;

17 (b) For agricultural and horticultural land, ~~sixty-two seventy-two~~  
18 percent of actual value as provided in sections 77-1359 and ~~to~~ 77-1363.

19 For agricultural and horticultural land that receives special valuation  
20 pursuant to section 77-1344, ~~sixty-two seventy-two~~ percent of special  
21 valuation as defined in section 77-1343; and

22 (c) For personal property, the net book value as defined in section  
23 77-120.

24 (4) On or before November 10, any local system may file with the Tax  
25 Commissioner written objections to the adjusted valuations prepared by  
26 the Property Tax Administrator, stating the reasons why such adjusted  
27 valuations are not the valuations required by subsection (3) of this  
28 section. The Tax Commissioner shall fix a time for a hearing. Either  
29 party shall be permitted to introduce any evidence in reference thereto.  
30 On or before January 1, the Tax Commissioner shall enter a written order  
31 modifying or declining to modify, in whole or in part, the adjusted  
1 valuations and shall certify the order to the State Department of  
2 Education. Modification by the Tax Commissioner shall be based upon the  
3 evidence introduced at hearing and shall not be limited to the  
4 modification requested in the written objections or at hearing. A copy of  
5 the written order shall be mailed to the local system within seven days  
6 after the date of the order. The written order of the Tax Commissioner  
7 may be appealed within thirty days after the date of the order to the Tax  
8 Equalization and Review Commission in accordance with section 77-5013.

9 (5) On or before November 10, any local system or county official  
10 may file with the Tax Commissioner a written request for a nonappealable  
11 correction of the adjusted valuation due to clerical error as defined in  
12 section 77-128 or, for agricultural and horticultural land, assessed  
13 value changes by reason of land qualified or disqualified for special use  
14 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the  
15 following January 1, the Tax Commissioner shall approve or deny the  
16 request and, if approved, certify the corrected adjusted valuations  
17 resulting from such action to the State Department of Education.

18 (6) On or before May 31 of the year following the certification of  
19 adjusted valuation pursuant to subsection (2) of this section, any local  
20 system or county official may file with the Tax Commissioner a written  
21 request for a nonappealable correction of the adjusted valuation due to  
22 changes to the tax list that change the assessed value of taxable  
23 property. Upon the filing of the written request, the Tax Commissioner  
24 shall require the county assessor to recertify the taxable valuation by  
25 school district in the county on forms prescribed by the Tax  
26 Commissioner. The recertified valuation shall be the valuation that was  
27 certified on the tax list, pursuant to section 77-1613, increased or  
28 decreased by changes to the tax list that change the assessed value of  
29 taxable property in the school district in the county in the prior  
30 assessment year. On or before the following July 31, the Tax Commissioner  
31 shall approve or deny the request and, if approved, certify the corrected  
1 adjusted valuations resulting from such action to the State Department of  
2 Education.

3 (7) No injunction shall be granted restraining the distribution of  
4 state aid based upon the adjusted valuations pursuant to this section.

5 (8) A school district whose state aid is to be calculated pursuant  
6 to subsection (5) of this section and whose state aid payment is  
7 postponed as a result of failure to calculate state aid pursuant to such  
8 subsection may apply to the state board for lump-sum payment of such  
9 postponed state aid. Such application may be for any amount up to one  
10 hundred percent of the postponed state aid. The state board may grant the  
11 entire amount applied for or any portion of such amount. The state board  
12 shall notify the Director of Administrative Services of the amount of  
13 funds to be paid in a lump sum and the reduced amount of the monthly  
14 payments. The Director of Administrative Services shall, at the time of  
15 the next state aid payment made pursuant to section 79-1022, draw a  
16 warrant for the lump-sum amount from appropriated funds and forward such  
17 warrant to the district.

18 2. Renumber the remaining sections and correct the repealer  
19 accordingly.

Senator Kolterman withdrew his amendment.

Senator Chambers offered the following motion:

MO91

Bracket until June 5, 2015.

Senator Chambers moved for a call of the house. The motion prevailed with  
32 ayes, 0 nays, and 17 not voting.

Senator Chambers requested a roll call vote on the motion to bracket.

Voting in the affirmative, 13:

Chambers	Davis	Gloor	Johnson	Schumacher
Cook	Ebke	Groene	Kintner	
Crawford	Friesen	Hughes	Schnoor	

Voting in the negative, 30:

Baker	Craighead	Kolowski	Mello	Seiler
Bloomfield	Garrett	Kolterman	Morfeld	Smith
Bolz	Haar, K.	Krist	Nordquist	Stinner
Brasch	Hadley	Kuehn	Riepe	Sullivan
Campbell	Hansen	Lindstrom	Scheer	Watermeier
Coash	Harr, B.	McCollister	Schilz	Williams

Present and not voting, 3:

Hilkemann	Murante	Pansing Brooks
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Excused and not voting, 3:

Howard	Larson	McCoy
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The Chambers motion to bracket failed with 13 ayes, 30 nays, 3 present and not voting, and 3 excused and not voting.

The Chair declared the call raised.

Pending.

#### AMENDMENT(S) - Print in Journal

Senator Bolz filed the following amendment to LB591:

AM1352

(Amendments to Standing Committee amendments, AM627)

- 1 1. Strike original sections 2, 6, 7, and 9 and insert the following
- 2 new sections:
- 3 Sec. 2. (1) For purposes of administering accounts established to
- 4 encourage and assist individuals and families in saving private funds for
- 5 the purpose of supporting individuals with disabilities, the State
- 6 Treasurer shall either establish the achieving a better life experience
- 7 program as provided in sections 3 to 9 of this act or contract with
- 8 another state with a qualified program. The State Treasurer may enter
- 9 into a contract with any contracting state to allow any resident of the
- 10 contracting state to participate in the program established by the State
- 11 Treasurer. Money from the Treasury Management Cash Fund may be
- 12 appropriated for a program pursuant to section 7 of this act and to
- 13 contract with another state with a qualified program under this section.
- 14 (2) Under a qualified program, one or more persons may make
- 15 contributions to an account to meet the qualified disability expenses of
- 16 the designated beneficiary of the account.

17 (3) If the State Treasurer establishes the program as authorized in  
18 this section, sections 3 to 9 of this act apply.  
19 Sec. 6. The State Treasurer and any designated administrator shall  
20 provide investment options for the investment of amounts contributed to  
21 an account, except that the state investment officer shall have fiduciary  
22 responsibility to make all decisions regarding the investment of the  
23 money in the expense fund and program fund created in section 7 of this  
24 act and any money credited to the Treasury Management Cash Fund for  
25 administrative expenses of the program, including the selection of all  
26 investment options and the approval of all fees and other costs charged  
1 to trust assets except costs for administration, operation, and  
2 maintenance of the trust as appropriated by the Legislature, pursuant to  
3 the directions, guidelines, and policies established by the Nebraska  
4 Investment Council. The State Treasurer shall not adopt and promulgate  
5 rules and regulations that in any way interfere with the fiduciary  
6 responsibility of the state investment officer to make all decisions  
7 regarding the investment of money in the expense fund and program fund or  
8 money of the program credited to the Treasury Management Cash Fund. The  
9 Nebraska Investment Council may adopt and promulgate rules and  
10 regulations to provide for the prudent investment of the assets of the  
11 program. The council or its designee also has the authority to select and  
12 enter into agreements with individuals and entities to provide investment  
13 advice and management of the assets held by the program, establish  
14 investment guidelines, objectives, and performance standards with respect  
15 to the assets held by the program, and approve any fees, commissions, and  
16 expenses, which directly or indirectly affect the return on assets.  
17 Sec. 7. (1) Funds contributed to the program shall be held in trust  
18 by the State Treasurer. The State Treasurer shall credit money received  
19 by the program into three funds: The ABLE Program Fund, the ABLE Expense  
20 Fund, and the Treasury Management Cash Fund. The State Treasurer shall  
21 credit money received into the appropriate fund. The State Treasurer and  
22 Accounting Administrator of the Department of Administrative Services  
23 shall determine the state fund types necessary to comply with section  
24 529A and state policy. The money in the funds shall be invested by the  
25 state investment officer pursuant to policies established by the Nebraska  
26 Investment Council. The program fund, the expense fund, and the Treasury  
27 Management Cash Fund shall be separately administered.  
28 (2) The ABLE Program Fund is created. All money paid by participants  
29 in connection with accounts and all investment income earned on such  
30 money shall be deposited as received into separate accounts within the  
31 program fund. Contributions to the program may only be made in the form  
1 of cash. All funds generated in connection with accounts shall be  
2 deposited into the appropriate accounts within the program fund. A  
3 beneficiary shall not provide investment direction regarding  
4 contributions or earnings held by the program. Money accrued by  
5 designated beneficiaries in the program fund may be used for qualified  
6 disability expenses. Any money in the program fund available for  
7 investment shall be invested by the state investment officer pursuant to  
8 the Nebraska Capital Expansion Act and the Nebraska State Funds

9 Investment Act.

10 (3)(a) The ABLÉ Expense Fund is created. The expense fund shall be  
11 used to pay costs associated with the program and shall be funded with  
12 fees assessed to the program fund.

13 (b) The State Treasurer shall transfer from the expense fund to the  
14 State Investment Officer's Cash Fund an amount equal to the pro rata  
15 share of the budget appropriated to the Nebraska Investment Council as  
16 permitted in section 72-1249.02, to cover reasonable expenses incurred  
17 for investment management of the program. Annually and prior to such  
18 transfer to the State Investment Officer's Cash Fund, the State Treasurer  
19 shall report to the budget division of the Department of Administrative  
20 Services and to the Legislative Fiscal Analyst the amounts transferred  
21 during the previous fiscal year. The report submitted to the Legislative  
22 Fiscal Analyst shall be submitted electronically.

23 (c) When the State Treasurer determines that the ABLÉ Program Fund  
24 is generating enough fees to make the program self-sustaining, it is the  
25 intent of the Legislature to reimburse the Treasury Management Cash Fund  
26 for startup costs of the program from the expense fund.

27 (d) Any money in the expense fund available for investment shall be  
28 invested by the state investment officer pursuant to the Nebraska Capital  
29 Expansion Act and the Nebraska State Funds Investment Act.

30 (4) Until the State Treasurer determines that the ABLÉ Program Fund  
31 is generating enough fees to make the program self-sustaining, the costs  
1 of establishing, administering, operating, and maintaining the program  
2 shall be paid from the Treasury Management Cash Fund and, to the extent  
3 permitted by section 529A, from money transferred from the expense fund  
4 to the Treasury Management Cash Fund, in an amount authorized by an  
5 appropriation from the Legislature. The Treasury Management Cash Fund  
6 shall not be credited with any money from the program other than money  
7 transferred from the expense fund in an amount authorized by an  
8 appropriation by the Legislature or any interest income earned on the  
9 money from the program held in the Treasury Management Cash Fund.

10 (5) The assets of the program, including the program fund and  
11 excluding the expense fund and the Treasury Management Cash Fund, shall  
12 at all times be preserved, invested, and expended solely and only for the  
13 purposes of the program and shall be held in trust for the designated  
14 beneficiaries. No property rights in the program shall exist in favor of  
15 the state. Such assets of the program shall not be transferred or used by  
16 the state for any purposes other than the purposes of the program.  
17 Sec. 9. The State Treasurer may adopt and promulgate rules and  
18 regulations, enter into contracts and agreements, charge fees and  
19 expenses to the funds held under the program or to persons establishing  
20 or owning accounts, make reports, retain designated administrators,  
21 employees, experts, and consultants, and do all other things necessary or  
22 convenient to implement sections 1 to 9 of this act.

23 Sec. 13. Section 84-618, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 84-618 (1) The Treasury Management Cash Fund is created. A pro rata  
26 share of the budget appropriated for the treasury management functions of



27 the State Treasurer and for the administration of the achieving a better  
 28 life experience program as provided in sections 1 to 9 of this act shall  
 29 be charged to the income of each fund held in invested cash, and such  
 30 charges shall be transferred to the Treasury Management Cash Fund. The  
 31 allocation of charges may be made by any method determined to be  
 1 reasonably related to actual costs incurred by the State Treasurer in  
 2 carrying out the treasury management functions under section 84-602 and  
 3 in carrying out the achieving a better life experience program as  
 4 provided in sections 1 to 9 of this act. Approval of the agencies,  
 5 boards, and commissions administering these funds shall not be required.  
 6 (2) It is the intent of this section to have funds held in invested  
 7 cash be charged a pro rata share of ~~such expenses~~ ~~the treasury management~~  
 8 expense when this is not prohibited by statute or the Constitution of  
 9 Nebraska.  
 10 (3) The Treasury Management Cash Fund shall be used for the treasury  
 11 management functions of the State Treasurer and for the administration of  
 12 the achieving a better life experience program as provided in sections 1  
 13 to 9 of this act. To the extent permitted by section 529A as defined in  
 14 section 1 of this act, the fund may receive gifts for administration,  
 15 operation, and maintenance of a program established under sections 3 to 9  
 16 of this act.  
 17 (4) Transfers may be made from the Treasury Management Cash Fund to  
 18 the General Fund at the direction of the Legislature. Any money in the  
 19 Treasury Management Cash Fund available for investment shall be invested  
 20 by the state investment officer pursuant to the Nebraska Capital  
 21 Expansion Act and the Nebraska State Funds Investment Act.  
 22 2. On page 16, line 2, strike "section 72-1239.01" and insert  
 23 "sections 72-1239.01 and 84-618".  
 24 3. Renumber the remaining sections accordingly.

Senator Bolz filed the following amendment to LB243A:

AM1363

1 1. Strike the original sections and insert the following new  
 2 sections:  
 3 Section 1. There is hereby appropriated (1) \$120,476 from the  
 4 General Fund for FY2015-16 and (2) \$151,716 from the General Fund for  
 5 FY2016-17 to the Department of Health and Human Services, for Program 33,  
 6 to aid in carrying out the provisions of Legislative Bill 243, One  
 7 Hundred Fourth Legislature, First Session, 2015.  
 8 Total expenditures for permanent and temporary salaries and per  
 9 diems from funds appropriated in this section shall not exceed \$37,295  
 10 for FY2015-16 or \$37,295 for FY2016-17.  
 11 Sec. 2. There is hereby appropriated (1) \$1,316,074 from the  
 12 General Fund for FY2015-16 and (2) \$1,286,834 from the General Fund for  
 13 FY2016-17 to the Department of Health and Human Services, for Program  
 14 354, to aid in carrying out the provisions of Legislative Bill 243, One  
 15 Hundred Fourth Legislature, First Session, 2015.  
 16 No expenditures for permanent and temporary salaries and per diems  
 17 for state employees shall be made from funds appropriated in this

18 section.

19 Sec. 3. There is hereby appropriated (1) \$63,450 from the General  
 20 Fund for FY2015-16 and (2) \$61,450 from the General Fund for FY2016-17 to  
 21 the Department of Health and Human Services, for Program 359, to aid in  
 22 carrying out the provisions of Legislative Bill 243, One Hundred Fourth  
 23 Legislature, First Session, 2015.  
 24 Total expenditures for permanent and temporary salaries and per  
 25 diems from funds appropriated in this section shall not exceed \$37,295  
 26 for FY2015-16 or \$37,295 for FY2016-17.

Senator Kuehn filed the following amendment to LB599:  
 AM1412

(Amendments to AM1319)

1 1. Strike amendment 1 and insert the following new amendments:  
 2 1. On page 1, line 27, after "hour" insert "or eighty-five percent  
 3 of the federal minimum wage, whichever is higher".  
 4 2. On page 2, strike beginning with "attends" in line 4 through  
 5 "(iii)" in line 5 and insert "does not have a high school diploma, (iii)  
 6 does not have a dependent child as defined in section 43-504, and (iv)".

Senator Crawford filed the following amendment to LB599:  
 AM1348

(Amendments to E and R amendments, ER84)

1 1. On page 2, line 5, after "school" insert "or any school which  
 2 elects pursuant to section 79-1601 not to meet accreditation or approval  
 3 requirements".

Senator Hansen filed the following amendment to LB599:  
 AM1296

(Amendments to E and R amendments, ER84)

1 1. On page 1, line 26, after "workers" insert "in any county with a  
 2 population of less than one hundred thousand inhabitants".

Senator Hansen filed the following amendment to LB599:  
 AM1281

(Amendments to E and R amendments, ER84)

1 1. On page 1, line 26, after "workers" insert "in any county with a  
 2 population of less than two hundred thousand inhabitants".

Senator McCollister filed the following amendment to LB104:  
 AM642

1 1. Strike the original sections and insert the following new  
 2 sections:  
 3 Section 1. Section 70-1605, Revised Statutes Cumulative Supplement,  
 4 2014, is amended to read:  
 5 70-1605 No public or private utility company, other than a municipal  
 6 utility owned and operated by a village, furnishing water, natural gas,  
 7 or electricity at retail in this state shall discontinue service to any  
 8 domestic subscriber for nonpayment of any past-due account unless the

9 utility company first gives notice ~~by first-class mail or in person~~ to  
 10 any subscriber whose service is proposed to be terminated. Such notice  
 11 shall be given in person, by first-class mail, or by electronic delivery,  
 12 except that electronic delivery shall only be used if the subscriber has  
 13 specifically elected to receive such notices by electronic delivery. If  
 14 notice is given by first-class mail or electronic delivery, such notice  
 15 ~~mail~~ shall be conspicuously marked as to its importance. Service shall  
 16 not be discontinued for at least seven days after notice is sent or  
 17 given. Holidays and weekends shall be excluded from the seven days.  
 18 Sec. 2. Original section 70-1605, Revised Statutes Cumulative  
 19 Supplement, 2014, is repealed.

Senator Davis filed the following amendment to LB414:  
 AM1447

1 1. On page 2, line 5, strike the new matter and insert "and such  
 2 property that is used exclusively for a charitable use to the general  
 3 public and not the financial gain of a society or officers of the  
 4 society".

### RESOLUTION(S)

**LEGISLATIVE RESOLUTION 209.** Introduced by Garrett, 3;  
 Crawford, 45; Kintner, 2; Murante, 49; Smith, 14.

WHEREAS, Sarpy County Adult Diversion is a voluntary pretrial diversion program founded on the commitment to assist people in preventing continued or repeated criminal behaviors; and

WHEREAS, Sarpy County Adult Diversion is generally 18 months in duration and is used in cases such as first offense driving under the influence or minor in possession. It includes several educational components as well as accountability requirements; and

WHEREAS, in addition to the adult diversion program, Sarpy County Attorney Lee Polikov also helped create a mental health diversion program to divert mentally ill individuals who commit low-level crimes out of jail and into appropriate treatment programs.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FOURTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature commends the Sarpy County Attorney's office under the leadership of Sarpy County Attorney Lee Polikov for seeking innovative ways to lower recidivism and discourage people from further criminal involvement in the justice system.

2. That a copy of this resolution be sent to Sarpy County Attorney Lee Polikov.

Laid over.

**VISITORS**

Visitors to the Chamber were 25 eighth-grade students being honored for academic achievement from across the state; 29 twelfth-grade students from Burwell; 27 fifth- and sixth-grade students from Loomis; 9 fifth-grade students, teachers, and sponsors from Kimball; and 10 third-grade students and teachers from City Impact Bible Club.

**ADJOURNMENT**

At 6:32 p.m., on a motion by Senator Craighead, the Legislature adjourned until 9:00 a.m., Wednesday, April 29, 2015.

Patrick J. O'Donnell  
Clerk of the Legislature