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[LB15 LB33 LB106A LB131 LB139 LB139A LB156 LB191 LB240 LB242 LB242A LB245 LB292 LB304 LB323 LB324 LB347A LB347 LB350 LB356 LB367 LB414 LB419 LB431 LB439 LB458 LB498 LB538 LB559 LB610 LB627 LR145 LR146 LR147 LR148 LR149 LR150 LR151 LR153 LR157 LR170]

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: GOOD MORNING, LADIES AND GENTLEMEN. WELCOME TO THE GEORGE W. NORRIS LEGISLATIVE CHAMBER FOR THE FIFTY-EIGHTH DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. OUR CHAPLAIN FOR TODAY IS PASTOR DONNA GOLTRY. SHE IS PASTOR OF THE TRINITY UNITED METHODIST CHURCH IN MADISON, NEBRASKA, AS WELL AS PASTOR OF THE WESTRIDGE UNITED METHODIST CHURCH IN NORFOLK, NEBRASKA, BOTH IN SENATOR SCHEER'S DISTRICT. PLEASE RISE.

PASTOR GOLTRY: (PRAYER OFFERED.)

PRESIDENT FOLEY: THANK YOU, PASTOR GOLTRY. I CALL TO ORDER THE FIFTY-EIGHTH DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. SENATORS, PLEASE RECORD YOUR PRESENCE. ROLL CALL. MR. CLERK, PLEASE RECORD.

CLERK: I HAVE A QUORUM PRESENT, MR. PRESIDENT.

PRESIDENT FOLEY: THANK YOU, MR. CLERK. ARE THERE ANY CORRECTIONS FOR THE JOURNAL?

CLERK: I HAVE NO CORRECTIONS.

PRESIDENT FOLEY: THANK YOU. ARE THERE ANY MESSAGES, REPORTS, OR ANNOUNCEMENTS?

CLERK: YOUR COMMITTEE ON ENROLLMENT AND REVIEW REPORTS LB458 TO SELECT FILE WITH ENROLLMENT AND REVIEW AMENDMENTS ATTACHED. THAT'S ALL I HAVE, MR. PRESIDENT. (LEGISLATIVE JOURNAL PAGE 1057.) [LB458]

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PRESIDENT FOLEY: THANK YOU, MR. CLERK. WHILE THE LEGISLATURE IS IN SESSION AND CAPABLE OF TRANSACTING BUSINESS, I PROPOSE TO SIGN AND DO HEREBY SIGN LR145, LR146, LR147, LR148, LR149, LR150, LR151, LR153, AND LR157. (VISITORS INTRODUCED.) AND WE'LL NOW PROCEED TO THE FIRST ITEM ON THE AGENDA, GENERAL FILE, LB347A. MR. CLERK. [LR145 LR146 LR147 LR148 LR149 LR150 LR151 LR153 LR157 LB347A]

CLERK: LB347A, A BILL BY SENATOR KRIST. (READ TITLE.) [LB347A]

PRESIDENT FOLEY: SENATOR KRIST, YOU'RE WELCOME TO OPEN ON LB347A. [LB347A]

SENATOR KRIST: GOOD MORNING, MR. PRESIDENT; GOOD MORNING, COLLEAGUES, AND NEBRASKA. LB347A, THE A BILL WHICH NEEDS TO MARRY UP WITH LB347, SIMPLY SPECIFIES THE EXACT AMOUNT APPROPRIATED OVER THE NEXT...OVER THE BIENNIUM FOR ADDITIONAL STAFF TO MAKE THIS THING WORK. I ASK FOR YOUR SUPPORT ON LB347A. AND PLEASE RECOGNIZE THAT IT IS A REDUCTION BASED UPON THE ORIGINAL ESTIMATE. FROM THE DEPARTMENT, THROUGH NEGOTIATION, WE REACHED A MODEST NUMBER. I WON'T SAY IT'S INSIGNIFICANT; NO AMOUNT IS INSIGNIFICANT UNTIL WE GET TO THE BUDGET, BUT \$71,000 IS THE TOTAL FOR '16-17. AND I ASK FOR YOUR GREEN LIGHT AND YOUR SUPPORT. THANK YOU, MR. PRESIDENT. [LB347A LB347]

PRESIDENT FOLEY: THANK YOU, SENATOR KRIST. DEBATE IS NOW OPEN ON LB347A. SENATOR KEN HAAR, YOU'RE RECOGNIZED. [LB347A]

SENATOR HAAR: MR. PRESIDENT, MEMBERS OF THE BODY, I RISE IN SUPPORT OF LB347A. BUT I JUST HAD TO TALK TO YOU ABOUT THIS THING ABOUT YOUNG NEBRASKA SCIENTISTS THAT'S BEING PASSED AROUND, BECAUSE THERE'S AN APRIL 27 DEADLINE ON THIS. THIS PROGRAM FOR NEBRASKA YOUNG SCIENTISTS IS SOMETHING THAT I HOPE YOU'LL TAKE BACK...COULD I HAVE THE GAVEL? [LB347A]

PRESIDENT FOLEY: SENATORS, PLEASE COME TO ORDER. [LB347A]

SENATOR HAAR: I HOPE YOU'LL TAKE THIS BACK AND FIND SOMEONE WHO WOULD LIKE TO ATTEND ONE OF THESE CLASSES. THESE ARE PRESENTED BY EPSCoR, WHICH IS A FEDERAL PROGRAM, THE NEBRASKA EXPERIMENTAL

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PROGRAM TO STIMULATE COMPETITIVE RESEARCH, EPSCoR. EPSCoR IS A PROGRAM THAT WAS FOUNDED IN 1993. AND SINCE THAT TIME, NEBRASKA RECEIVED MORE THAN \$251 MILLION FROM THE FEDERAL GOVERNMENT. MUCH OF THE MONEY GOES TO YOUNG RESEARCHERS AT THE UNIVERSITY. BUT THEY ALSO SUPPORT STEM EDUCATION. AND IF YOU'LL LOOK AT THIS, THE SIDE THAT TALKS ABOUT BECOMING A YOUNG NEBRASKA SCIENTIST, THERE ARE COURSES FOR MIDDLE SCHOOL, HIGH SCHOOL. THESE ARE THREE- TO FIVE-DAY CLASSES AT VARIOUS UNIVERSITIES; THEY INCLUDE HOUSING, PROFESSORS TEACHING THESE COURSES. AND TWO YEARS AGO, MY GRANDSON ATTENDED ONE OF THESE ON COMPUTER PROGRAMMING. THERE WAS ROOM FOR 20 KIDS AND ONLY 8 PEOPLE SIGNED UP FOR IT. IT'S A MARVELOUS PROGRAM. SO PLEASE TAKE A LOOK AT THIS HANDOUT. TRY TO RECRUIT SOME YOUNG PERSON THAT YOU KNOW IN YOUR DISTRICT. IT'S AN EXCELLENT OPPORTUNITY. IF YOU HAVE ANY QUESTIONS AT ALL, PLEASE TALK TO ME AND, AGAIN, THE DEADLINE IS APRIL 27. EVERYBODY HAS A KID THAT OUGHT TO BE IN ONE OF THESE CLASSES IN THEIR DISTRICT. SO THANK YOU VERY MUCH. [LB347A]

PRESIDENT FOLEY: THANK YOU, SENATOR HAAR. (VISITORS INTRODUCED.) SEEING NO OTHER SENATORS WISHING TO SPEAK, SENATOR KRIST, YOU'RE WELCOME TO CLOSE ON LB347A. SENATOR KRIST WAIVES CLOSING. THE QUESTION IS THE ADVANCE OF LB347A TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB347A]

CLERK: 40 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB347A. [LB347A]

PRESIDENT FOLEY: LB347A ADVANCES. SENATORS, WE'RE NOW GOING TO MOVE TO FINAL READING. MR. CLERK, THE FIRST BILL IS LB245. [LB347A LB245]

CLERK: MR. PRESIDENT, FIRST OF ALL, WITH RESPECT TO LB245: SENATOR KRIST, FA37, WITH A NOTE YOU WISH TO WITHDRAW, SENATOR. [LB245]

SENATOR KRIST: THAT'S CORRECT. [LB245]

PRESIDENT FOLEY: AMENDMENT IS WITHDRAWN. [LB245]

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CLERK: MR. PRESIDENT, SENATOR PANSING BROOKS WOULD MOVE TO RETURN THE BILL FOR A SPECIFIC AMENDMENT, AM1070. (LEGISLATIVE JOURNAL PAGE 1044.) [LB245]

PRESIDENT FOLEY: SENATOR PANSING BROOKS, YOU'RE WELCOME TO OPEN ON YOUR MOTION. [LB245]

SENATOR PANSING BROOKS: THANK YOU, MR. LIEUTENANT GOVERNOR. MEMBERS OF THE BODY, GOOD MORNING. I HOPE EVERYBODY HAD A WONDERFUL, RELAXING HOLIDAY. JUST AS A REMINDER, LB245 IS MY BILL THAT DEALS WITH DNA TESTING AND MOTIONS FOR NEW TRIAL BASED ON NEW EVIDENCE FOR CONVICTED PERSONS WHICH CAME OUT OF THE JUDICIARY COMMITTEE UNANIMOUSLY. THE ATTORNEY GENERAL'S AND THE GOVERNOR'S OFFICES RAISED SOME CONCERNS WITH THE BILL, AND I HAVE AGREED TO THIS AMENDMENT TO ADDRESS SOME OF THESE CONCERNS. I WORKED VERY HARD TO FIND COMMON GROUND. AND I'M SORRY TO BE BRINGING THIS SO LATE, BUT WE WEREN'T ALERTED TO THESE CONCERNS UNTIL AFTER SELECT FILE. SO I BRING THIS TO YOUR ATTENTION AND HOPE YOU'LL VOTE FOR THE AMENDMENT. [LB245]

PRESIDENT FOLEY: THANK YOU, SENATOR PANSING BROOKS. DEBATE IS NOW OPEN ON THE MOTION TO RETURN THE BILL TO SELECT FILE FOR A SPECIFIC AMENDMENT. SEEING NO SENATOR WISHING TO SPEAK, SENATOR PANSING BROOKS, YOU'RE WELCOME TO CLOSE ON YOUR MOTION. [LB245]

SENATOR PANSING BROOKS: I WAIVE, THANK YOU. [LB245]

PRESIDENT FOLEY: AND SENATOR PANSING BROOKS WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF THE MOTION TO RETURN THE BILL TO SELECT FILE FOR A SPECIFIC AMENDMENT. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED? RECORD, PLEASE, MR. CLERK. [LB245]

CLERK: 45 AYES, 0 NAYS TO RETURN THE BILL TO SELECT FILE, MR. PRESIDENT. [LB245]

PRESIDENT FOLEY: THE MOTION TO RETURN HAS BEEN ADOPTED. SENATOR PANSING BROOKS, YOU'RE WELCOME TO OPEN ON AM1070. [LB245]

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SENATOR PANSING BROOKS: THANK YOU, MR. LIEUTENANT GOVERNOR AND MEMBERS OF THE BODY. AGAIN, THIS IS AN AMENDMENT THAT SEEKS TO ADDRESS CONCERNS BROUGHT TO US BY THE ATTORNEY GENERAL'S AND THE GOVERNOR'S OFFICES. WE'VE WORKED VERY HARD TO FIND COMMON GROUND. THIS AMENDMENT CLARIFIES THAT ON A MOTION FOR NEW TRIAL, BASED ON NEW EVIDENCE, THE JUDGE CANNOT VACATE AND SET ASIDE THE JUDGMENT AND RELEASE THE PERSON FROM CUSTODY WITHOUT FIRST HAVING A HEARING, ALSO, THE AMENDMENT PUT INTO PLACE A TIME LIMIT ON MOTIONS FOR A NEW TRIAL. CURRENTLY, IN STATUTE, THERE'S A FIRM THREE-YEAR LIMIT ON MOTIONS FOR A NEW TRIAL. A JUDGE CANNOT EVEN ENTERTAIN SUCH A MOTION IF THE THREE-YEAR LIMIT HAS PASSED, NO MATTER HOW COMPELLING THE EVIDENCE, NO MATTER IF THERE'S VIDEOTAPE TESTIMONY SHOWING THAT SOMEONE ELSE COMMITTED THE CRIME, NO MATTER WHAT. SO THIS AMENDMENT REINSTATES AN INCREASED TIME LIMIT OF FIVE YEARS AND ESTABLISHES THAT A MOTION FOR NEW TRIAL, BASED ON NEW EVIDENCE, IS NOT AVAILABLE AFTER FIVE YEARS UNLESS--AND I EMPHASIZE "UNLESS"--THE MOTION AND SUPPORTING DOCUMENTS SHOW THAT NEW EVIDENCE COULD NOT, WITH REASONABLE DILIGENCE, HAVE BEEN DISCOVERED AND PRODUCED AT TRIAL, AND SUCH EVIDENCE IS SO SUBSTANTIAL THAT A DIFFERENT RESULT MAY HAVE OCCURRED. WITH THIS AMENDMENT, A PERSON WOULD STILL HAVE ACCESS TO THE COURTS BEYOND THE FIVE-YEAR LIMIT IF THE NEWLY DISCOVERED EVIDENCE IS COMPELLING. GIVING POTENTIALLY INNOCENT PEOPLE AND PERSONS ACCESS TO THE COURTS IN ORDER TO AVOID ANOTHER BEATRICE SIX CATASTROPHE WAS MY INTENT ALL ALONG. AND I BELIEVE THAT THIS BILL, WITH ITS CORRESPONDING AMENDMENT, STILL ACCOMPLISHES THAT. WITH THAT, I WILL ASK FOR YOUR SUPPORT OF AM1070. THANK YOU. [LB245]

PRESIDENT FOLEY: THANK YOU, SENATOR PANSING BROOKS. DEBATE IS NOW OPEN ON AM1070. SEEING NO SENATORS WISHING TO SPEAK, SENATOR PANSING BROOKS, YOU'RE WELCOME TO CLOSE ON YOUR AMENDMENT. SENATOR PANSING BROOKS WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1070. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB245]

CLERK: 37 AYES, 3 NAYS ON THE ADOPTION OF THE SELECT FILE AMENDMENT. [LB245]

PRESIDENT FOLEY: AM1070 IS ADOPTED. SENATOR HANSEN FOR A MOTION. [LB245]

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SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT LB245 BE ADVANCED TO E&R FOR ENGROSSING. [LB245]

PRESIDENT FOLEY: SENATORS, YOU'VE HEARD THE MOTION TO ADVANCE LB245 TO E&R FOR ENGROSSING. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. LB245 ADVANCES. NEXT BILL IS LB431. MR. CLERK. [LB245 LB431]

CLERK: MR. PRESIDENT, THE FIRST MOTION I HAVE, SENATOR CHAMBERS WOULD MOVE TO BRACKET THE BILL UNTIL JUNE 5, 2015. [LB431]

PRESIDENT FOLEY: SENATOR CHAMBERS, YOU'RE WELCOME TO OPEN ON YOUR MOTION TO BRACKET. [LB431]

SENATOR CHAMBERS: I'LL OPEN AND CLOSE. I WOULD WITHDRAW THAT MOTION. AND I WOULD ASK THE CLERK, DOES A SIMILAR MOTION ATTACH TO THE REMAINING BILLS, MR. CLERK, IF YOU CAN SCAN IT? [LB431]

CLERK: I BELIEVE MOST OF THEM, SENATOR, CERTAINLY, YES. [LB431]

SENATOR CHAMBERS: I WOULD WITHDRAW EACH ONE OF THOSE AS IT COMES UP. BUT IF I AM CALLED ON TO DO SO, I WILL DO IT. OTHERWISE, I WOULD MAKE A BLANKET WITHDRAWAL. AND I WOULD MAKE A COMMENT: I CHEWED THAT CUD THURSDAY, OR WHATEVER THE LAST DAY WE WERE HERE. MY NAME IS CHAMBERS, PLURAL. BUT IT DOES NOT DESCRIBE MY STOMACH. I'M NOT ONE OF THOSE WHO WILL CHEW A BIT, SWALLOW IT, THEN AT A MORE CONVENIENT TIME BRING IT BACK UP AND CHEW IT SOME MORE. THE VERY THOUGHT OF SOMETHING SO "ISHY," SQUISHY, AND SLIMY WILL TURN EVERY CHAMBER OF MY STOMACH, EVEN IF I HAD FOUR. SO I WILL NOT RECHEW THE CUD TODAY THAT I CHEWED THE OTHER DAY. AND THAT'S THE EXPLANATION. THANK YOU, MR. PRESIDENT. [LB431]

PRESIDENT FOLEY: THANK YOU, SENATOR CHAMBERS. THE MOTION TO BRACKET HAS BEEN WITHDRAWN. [LB431]

CLERK: MR. PRESIDENT, SENATOR GROENE WOULD MOVE TO RETURN FOR A SPECIFIC AMENDMENT, THAT AMENDMENT BEING TO STRIKE THE ENACTING CLAUSE. (FA40, LEGISLATIVE JOURNAL PAGE 1058.) [LB431]

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PRESIDENT FOLEY: SENATOR GROENE, YOU'RE WELCOME TO OPEN ON YOUR MOTION. [LB431]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I DISCUSSED THIS WITH SENATOR BAKER AND I'VE MENTIONED IT BEFORE ON THE FLOOR. IT CATCHES IN MY CRAW ANY TIME I SEE LEGISLATION THAT INCLUDES AN AUTOMATIC PILOT INCREASE OR GOVERNMENT BY FORMULA ON SPENDING. I AGREE WITH SENATOR BAKER RAISING THE \$40,000 TO \$100,000 INFLATIONARY FACTORS AND STUFF, HAVE SAID THAT THAT SHOULD PROBABLY HAPPEN. THE PART OF THIS BILL I REALLY HAVE A PROBLEM WITH IS WHERE IT SAYS, "THE STATE BOARD OF EDUCATION SHALL ADJUST THE DOLLAR AMOUNT IN THIS SUBSECTION EVERY FIFTH YEAR. THE FIRST SUCH ADJUSTMENT AFTER THE EFFECTIVE DATE OF THIS ACT SHALL BE EFFECTIVE ON JULY 1, 2020. THE ADJUSTED AMOUNT SHALL BE EQUAL TO THE THEN CURRENT AMOUNT ADJUSTED BY THE CUMULATIVE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED BY THE FEDERAL BUREAU OF LABOR STATISTICS FOR THE FIVE-YEAR PERIOD PRECEDING THE ADJUSTMENT DATE. THE AMOUNT SHALL BE ROUNDED TO THE NEXT HIGHEST ONE-THOUSAND-DOLLAR AMOUNT." THE WORD "SHALL" THAT THE STATE BOARD OF EDUCATION "SHALL" DO THAT, THAT JUST TAKES IT OUT OF OUR HANDS AS ELECTED OFFICIALS. IT TAKES IT OUT OF THE HANDS OF THE ELECTED PEOPLE IN THE STATE SCHOOL BOARD WHEN YOU SAY "SHALL" DO THAT. I THINK THAT NEEDS TO BE REVISITED DOWN THE ROAD AGAIN BY RAISING THAT AMOUNT. AND I WOULD HOPE WE COULD REMOVE THAT IN THE FUTURE AND NOT PRESENT LEGISLATION THAT HAS THAT IN IT. AUTOMATIC ADJUSTMENTS, GOVERNMENT BY FORMULA HAS BROKE OUR FEDERAL GOVERNMENT AND MEDICARE, MEDICAID, GOVERNMENT RETIREMENT, BECAUSE THEY THROW THEIR HANDS IN THE AIR AND SAY IT'S ALL BY FORMULA, CAN'T DO ANYTHING ABOUT IT. I WOULD HOPE OUR STATE, WHO HAS A BALANCED BUDGET, DOESN'T GO DOWN THAT ROUTE, EVEN THOUGH THIS IS JUST LOCAL SCHOOL BOARDS. I HAVE A QUESTION FOR...ANOTHER QUESTION FOR SENATOR BAKER TO CLARIFY SOMETHING IF HE WOULD TAKE A QUESTION. [LB431]

PRESIDENT FOLEY: SENATOR BAKER, WOULD YOU YIELD TO A QUESTION, PLEASE? [LB431]

SENATOR BAKER: YES, I WOULD. [LB431]

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SENATOR GROENE: SENATOR BAKER, I TALKED TO YOU ABOUT THIS EARLIER, BUT I'VE BEEN GETTING CALLS ABOUT, BOY, NOW THEY CAN BUY A SCHOOL BUS WITHOUT...BECAUSE IT'S UNDER \$100,000; NOW THEY CAN BUY COMPUTERS BECAUSE NOW IT'S UNDER \$100,000. THE WAY...THE WAY...HOW DO YOU READ YOUR BILL? CAN THEY DO THAT? [LB431]

SENATOR BAKER: IT HAS TO DO WITH CONSTRUCTION AND NOT SCHOOL BUSES. [LB431]

SENATOR GROENE: THANK YOU. SO TO CLARIFY, AND I TRUST SENATOR BAKER AND THE WAY I READ IT ALSO, IT'S ONLY FOR CONSTRUCTION, REMODELING, REPAIR OF SCHOOL-OWNED BUILDINGS. AND I'M GOING TO HAVE TO CALL A COUPLE OF ADMINISTRATORS IN MY DISTRICT, THEY BETTER NOT BE ORDERING BUSES IF THIS PASSES. BUT THAT'S THE POINT I WANTED TO MAKE-GOVERNMENT BY AUTOPILOT, WE CAN'T DO THAT, FOLKS, IF WE'RE GOING TO BE FISCAL CONSERVATIVES. AND I'LL BE WATCHING FOR THOSE AND TRY TO...I VOTED FOR THIS OUT OF COMMITTEE. I DIDN'T READ IT CLOSE ENOUGH, I APOLOGIZE. AND I ASKED ABOUT IT, BUT IT'S THERE. SO I WILL TRY TO INTRODUCE A BILL IN THE FUTURE TO REMOVE THAT SECTION, BUT THAT'S A YEAR OR TWO DOWN THE ROAD. AT THIS POINT, I WILL WITHDRAW MY MOTION. I VOTED FOR THIS OUT OF COMMITTEE. I'M GOING TO KEEP MY WORD TO SENATOR BAKER THAT IT NEEDS TO GO FORWARD AND I CAN ADDRESS IT AT A LATER DATE. THANK YOU. [LB431]

PRESIDENT FOLEY: THANK YOU, SENATOR GROENE. THE MOTION IS WITHDRAWN. MR. CLERK, PLEASE READ THE BILL. [LB431]

CLERK: (READ LB431 ON FINAL READING.) [LB431]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB431 PASS? ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB431]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1059.) 43 AYES, 0 NAYS, 1 PRESENT AND NOT VOTING, 5 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB431]

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PRESIDENT FOLEY: LB431 PASSES. WE WILL NOW PROCEED TO LB242E. MR. CLERK. [LB431 LB242]

CLERK: MR. PRESIDENT, SENATOR LARSON HAD A SERIES OF AMENDMENTS TO THE BILL THAT I UNDERSTAND YOU WISH TO WITHDRAW, SENATOR. SENATOR CHAMBERS, LIKEWISE, HAD A MOTION THAT HE WISHES TO WITHDRAW, MR. PRESIDENT. (READ LB242 ON FINAL READING.) [LB242]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB242E PASS WITH THE EMERGENCY CLAUSE ATTACHED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB242]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1060.) 42 AYES, 1 NAY, 1 PRESENT AND NOT VOTING, 5 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB242]

PRESIDENT FOLEY: LB242E PASSES. WE'LL NOW PROCEED TO LB242AE. MR. CLERK. [LB242 LB242A]

CLERK: MR. PRESIDENT, I HAVE A MOTION THAT IS TO BE WITHDRAWN AS OFFERED BY SENATOR CHAMBERS. [LB242A]

PRESIDENT FOLEY: MOTION WITHDRAWN. [LB242A]

CLERK: (READ LB242A ON FINAL READING.) [LB242A]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB242AE PASS WITH THE EMERGENCY CLAUSE ATTACHED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB242A]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1061.) 42 AYES, 1 NAY, 1 PRESENT AND NOT VOTING, 5 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB242A]

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PRESIDENT FOLEY: LB242AE PASSES. WE'LL NOW PROCEED TO LB15E. MR. CLERK. [LB242A LB15]

CLERK: MR. PRESIDENT, SENATOR KRIST WOULD MOVE TO RETURN THE BILL FOR A SPECIFIC AMENDMENT, AM1067. (LEGISLATIVE JOURNAL PAGE 1026.) [LB15]

PRESIDENT FOLEY: SENATOR KRIST, YOU'RE WELCOME TO OPEN ON YOUR MOTION TO RETURN THE BILL. [LB15]

SENATOR KRIST: THANK YOU, MR. PRESIDENT. AGAIN, GOOD MORNING, COLLEAGUES AND NEBRASKA. IT'S ESSENTIAL THAT THIS BILL COMES BACK AND AN AMENDMENT BE PUT ON IT. DURING THE E&R PROCESS, THERE WERE SEVERAL THINGS THAT NEEDED TO BE CHANGED WHICH WERE IN SCOPE LARGER THAN AN E&R AMENDMENT AND AM1067 IS CRITICAL TO THE SUCCESS OF LB15. [LB15]

PRESIDENT FOLEY: THANK YOU, SENATOR KRIST. DEBATE IS NOW OPEN ON THE MOTION TO RETURN THE BILL TO SELECT FILE FOR A SPECIFIC AMENDMENT. SEEING NO SENATORS WISHING TO SPEAK, SENATOR KRIST, YOU'RE WELCOME TO CLOSE. AND HE WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF THE MOTION TO RETURN THE BILL TO SELECT FILE FOR A SPECIFIC AMENDMENT. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED? RECORD, PLEASE, MR. CLERK. [LB15]

CLERK: 42 AYES, 0 NAYS, MR. PRESIDENT, ON THE MOTION TO RETURN THE BILL. [LB15]

PRESIDENT FOLEY: THE MOTION TO RETURN THE BILL TO SELECT FILE IS ADOPTED. SENATOR KRIST, YOU'RE WELCOME TO OPEN ON AM1067. [LB15]

SENATOR KRIST: FIRST OF ALL, I THANK YOU FOR THAT VOTE. AND VERY BRIEFLY, I'LL HIGHLIGHT SOME OF THE ISSUES YOU MAY SEE ON YOUR GADGET. WE'RE ALLOWING THE COURT TO PROVIDE REPORTS IN AN ALTERNATIVE WAY. WE'RE DEFINING A...INSTEAD OF IRRELEVANT STAKEHOLDER, WE'RE USING A DEFINITION THAT IS ALREADY IN STATUTE, INDIVIDUALS DESCRIBED IN SUBDIVISION (D) OF THE SECTION. THE REST OF IT IS INDEED REINFORCING THE FACT THAT THE GUARDIAN AD LITEM SHALL MEET WITH THE JUVENILE IN

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PERSON IF POSSIBLE, AND GIVE PROVISIONS WHEREBY THAT IS NOT POSSIBLE TO GIVE SOME ALTERNATIVES. AND I ASK YOU FOR A GREEN VOTE ON AM1067. [LB15]

PRESIDENT FOLEY: THANK YOU, SENATOR KRIST. DEBATE IS NOW OPEN ON AM1067. SEEING NO SENATORS WISHING TO SPEAK, SENATOR KRIST WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1067. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED? RECORD, PLEASE, MR. CLERK. [LB15]

CLERK: 44 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF THE SELECT FILE AMENDMENT. [LB15]

PRESIDENT FOLEY: AM1067 IS ADOPTED. SENATOR HANSEN FOR A MOTION. [LB15]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT LB15E BE ADVANCED TO E&R FOR ENGROSSING. [LB15]

PRESIDENT FOLEY: SENATORS, YOU'VE HEARD THE MOTION TO ADVANCE LB15E TO E&R FOR ENGROSSING. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. LB15E ADVANCES. WE'LL MOVE TO LB367. MR. CLERK. [LB15 LB367]

CLERK: MR. PRESIDENT, THE MOTION TO BE WITHDRAWN IS OFFERED BY SENATOR CHAMBERS. [LB367]

PRESIDENT FOLEY: MOTION WITHDRAWN. [LB367]

CLERK: (READ LB367 ON FINAL READING.) [LB367]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB367 PASS? ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB367]

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CLERK: (RECORD VOTE READ. LEGISLATIVE JOURNAL PAGE 1062.) 42 AYES, 0 NAYS, 2 PRESENT AND NOT VOTING, 5 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB367]

PRESIDENT FOLEY: LB367 PASSES. WE'LL NOW PROCEED TO LB498. MR. CLERK, THE FIRST VOTE IS TO DISPENSE WITH THE AT-LARGE READING. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB367 LB498]

CLERK: 41 AYES, 1 NAY, MR. PRESIDENT, TO DISPENSE WITH THE AT-LARGE READING. [LB498]

PRESIDENT FOLEY: THE AT-LARGE READING IS DISPENSED WITH. MR. CLERK, PLEASE READ THE TITLE. [LB498]

CLERK: (READ TITLE OF LB498.) [LB498]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB498 PASS? ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? MR. CLERK, PLEASE RECORD. [LB498]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1063.) 44 AYES, 0 NAYS, 5 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB498]

PRESIDENT FOLEY: LB498 PASSES. WE'LL NOW PROCEED TO LB33. MR. CLERK. [LB498 LB33]

CLERK: MR. PRESIDENT, I HAVE A MOTION TO BE WITHDRAWN BY SENATOR CHAMBERS. [LB33]

PRESIDENT FOLEY: MOTION IS WITHDRAWN. [LB33]

CLERK: (READ LB33 ON FINAL READING.) [LB33]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB33 PASS? ALL THOSE IN

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FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB33]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1064.) 44 AYES, 0 NAYS, 5 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB33]

PRESIDENT FOLEY: LB33 PASSES. WE'LL NOW PROCEED TO LB139. AND, MR. CLERK, THE FIRST VOTE IS TO DISPENSE WITH THE AT-LARGE READING. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB33 LB139]

CLERK: 42 AYES, 1 NAY, MR. PRESIDENT, TO DISPENSE WITH THE AT-LARGE READING. [LB139]

PRESIDENT FOLEY: THE AT-LARGE READING IS DISPENSED WITH. MR. CLERK, PLEASE READ THE TITLE. [LB139]

CLERK: (READ TITLE OF LB139.) [LB139]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB139 PASS? ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB139]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1065.) 45 AYES, 0 NAYS, 4 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB139]

PRESIDENT FOLEY: LB139 PASSES. (VISITORS INTRODUCED.) WE'LL NOW PROCEED TO LB139A. MR. CLERK. [LB139 LB139A]

CLERK: MR. PRESIDENT, I HAVE A MOTION TO BE WITHDRAWN BY SENATOR CHAMBERS. [LB139A]

PRESIDENT FOLEY: MOTION WITHDRAWN. [LB139A]

CLERK: (READ LB139A ON FINAL READING.) [LB139A]

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PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB139A PASS? ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB139A]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1066.) 44 AYES, 0 NAYS, 1 PRESENT AND NOT VOTING, 4 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB139A]

PRESIDENT FOLEY: LB139A PASSES. WE'LL NOW PROCEED TO LB324. MR. CLERK, THE FIRST VOTE IS TO DISPENSE WITH THE AT-LARGE READING. ALL THOSE...EXCUSE ME. MR. CLERK FOR A MOTION. [LB139A LB324]

CLERK: MR. PRESIDENT, FIRST OF ALL, A MOTION BY SENATOR KRIST. SENATOR, I HAD AM1154, BUT I HAVE A NOTE YOU WISH TO WITHDRAW. [LB324]

SENATOR KRIST: THAT'S CORRECT. [LB324]

PRESIDENT FOLEY: MOTION WITHDRAWN. [LB324]

CLERK: SENATOR CHAMBERS HAD A BRACKET MOTION THAT HE WISHES TO WITHDRAW. [LB324]

PRESIDENT FOLEY: MOTION WITHDRAWN. [LB324]

CLERK: MR. PRESIDENT, SENATOR McCOLLISTER WOULD MOVE TO RETURN TO SELECT FILE FOR A SPECIFIC AMENDMENT, AM1137. (LEGISLATIVE JOURNAL PAGE 1067.) [LB324]

PRESIDENT FOLEY: SENATOR McCOLLISTER, YOU'RE WELCOME TO OPEN ON YOUR MOTION. [LB324]

SENATOR McCOLLISTER: THANK YOU, MR. LIEUTENANT GOVERNOR, AND GOOD MORNING, COLLEAGUES. MUCH LIKE THE SITUATION ARISING WITH SOME OF THE OTHER BILLS HEARD THIS MORNING, NEW ISSUES HAVE SURFACED RELATING TO A RECENT ADDITION TO LB324. I THEREFORE MOVE TO RETURN LB324 TO SELECT FILE. [LB324]

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PRESIDENT FOLEY: THANK YOU, SENATOR McCOLLISTER. DEBATE IS NOW OPEN ON THE MOTION TO RETURN THE BILL TO SELECT FILE. SEEING NO SENATORS WISHING TO SPEAK, SENATOR McCOLLISTER, YOU'RE WELCOME TO CLOSE ON YOUR MOTION. HE WAIVES CLOSING. THE QUESTION IS RETURNING THE BILL TO SELECT FILE. ALL THOSE IN FAVOR VOTE AYE, THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB324]

CLERK: 40 AYES, 0 NAYS, MR. PRESIDENT, TO RETURN THE BILL TO SELECT FILE. [LB324]

PRESIDENT FOLEY: THE BILL IS RETURNED TO SELECT FILE. SENATOR McCOLLISTER, YOU'RE WELCOME TO OPEN ON AM1137. [LB324]

SENATOR McCOLLISTER: THANK YOU, AGAIN, MR. PRESIDENT, AND THANK YOU, COLLEAGUES, FOR THE AFFIRMATIVE VOTE. WHEN LB131 WAS VOTED OUT OF THE URBAN AFFAIRS COMMITTEE BACK IN FEBRUARY, THE COMMITTEE AMENDMENT INCLUDED LANGUAGE THAT HAD BEEN AGREED TO BY BOTH THE CITY OF OMAHA AND THE SID ATTORNEYS. SINCE THAT TIME, SEVERAL SID ATTORNEYS WHO WERE NOT INVOLVED WITH THE ORIGINAL NEGOTIATIONS HAVE RAISED CONCERNS ABOUT THE AMENDED LANGUAGE. AFTER DISCUSSIONS WITH SENATOR CRAIGHEAD AND SENATOR CRAWFORD OVER THE WEEKEND AND EARLY THIS MORNING, IT WAS AGREED TO THE BEST PATH FORWARD WOULD BE STRIKE LB131 FROM LB324 AT THIS TIME AND WORK WITH THE INTERESTED PARTIES OVER THE INTERIM TO ADDRESS ALL OF THEIR CONCERNS RATHER THAN ATTEMPTING TO FIX THE LANGUAGE WHILE THE BILL IS ON FINAL READING. I WOULD URGE YOUR GREEN VOTE TO RETURN THE BILL TO SELECT FILE AND ADOPT AM1137. THANK YOU, MR. PRESIDENT. [LB324 LB131]

PRESIDENT FOLEY: THANK YOU, SENATOR McCOLLISTER. DEBATE IS NOW OPEN ON AM1137. SEEING NO SENATORS WISHING TO SPEAK, SENATOR McCOLLISTER, YOU'RE WELCOME TO CLOSE ON THE AMENDMENT. HE WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1137. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED? RECORD, PLEASE, MR. CLERK. [LB324]

CLERK: 45 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF THE SELECT FILE AMENDMENT. [LB324]

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PRESIDENT FOLEY: THE AMENDMENT IS ADOPTED. SENATOR HANSEN FOR A MOTION. [LB324]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT LB324 BE ADVANCED TO E&R FOR ENGROSSING. [LB324]

PRESIDENT FOLEY: SENATORS, YOU'VE HEARD THE MOTION TO ADVANCE LB324 TO E&R FOR ENGROSSING. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. THE BILL ADVANCES. WE'LL PROCEED TO LB356. MR. CLERK. [LB324 LB356]

CLERK: MR. PRESIDENT, I HAVE A MOTION TO BE WITHDRAWN TO LB356 BY SENATOR CHAMBERS. [LB356]

PRESIDENT FOLEY: MOTION IS WITHDRAWN. [LB356]

CLERK: (READ LB356 ON FINAL READING.) [LB356]

PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB356 PASS? ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB356]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1068.) 45 AYES, 0 NAYS, 4 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB356]

PRESIDENT FOLEY: LB356 PASSES. WE'LL NOW PROCEED TO LB627. AND, MR. CLERK, THE FIRST VOTE IS TO DISPENSE WITH THE AT-LARGE READING. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB356 LB627]

CLERK: 43 AYES, 1 NAY, MR. PRESIDENT, TO DISPENSE WITH THE AT-LARGE READING. [LB627]

PRESIDENT FOLEY: THE AT-LARGE READING IS DISPENSED WITH. MR. CLERK, PLEASE READ THE TITLE. [LB627]

CLERK: (READ TITLE OF LB627.) [LB627]

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PRESIDENT FOLEY: ALL PROVISIONS OF LAW RELATIVE TO PROCEDURE HAVING BEEN COMPLIED WITH, THE QUESTION IS, SHALL LB627 PASS? ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB627]

CLERK: (RECORD VOTE READ, LEGISLATIVE JOURNAL PAGE 1069.) 45 AYES, 0 NAYS, 4 EXCUSED AND NOT VOTING, MR. PRESIDENT. [LB627]

PRESIDENT FOLEY: LB627 PASSES. THAT WILL CONCLUDE FINAL READING FOR THE DAY. WHILE THE LEGISLATURE IS IN SESSION AND CAPABLE OF TRANSACTING BUSINESS, I PROPOSE TO SIGN AND DO HEREBY SIGN LB431, LB242E, LB242AE, LB367, LB498, LB33, LB139, LB139A, LB356, AND LB627. WE WILL NOW PROCEED TO GENERAL FILE, 2015 SPEAKER PRIORITY BILLS, LB240. MR. CLERK. [LB627 LB431 LB242 LB242A LB367 LB498 LB33 LB139 LB139A LB356 LB240]

CLERK: MR. PRESIDENT, LB240, A BILL BY SENATOR HANSEN (READS TITLE), INTRODUCED ON JANUARY 14, REFERRED TO HEALTH AND HUMAN SERVICES. SENATOR HANSEN OPENED ON HIS BILL LAST THURSDAY, MR. PRESIDENT. AT THIS TIME, I HAVE NO AMENDMENTS TO THE BILL. [LB240]

PRESIDENT FOLEY: SENATOR HANSEN, YOU'RE RECOGNIZED TO OPEN ON YOUR BILL. [LB240]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES, AND GOOD MORNING, NEBRASKA. AS THE CLERK SAID, THIS WAS THE BILL WE WERE DISCUSSING WHEN WE ADJOURNED UPON LAST THURSDAY. AS YOU'LL NOTE DURING FINAL READING, JUST TO START OFF, THE CLERK...SORRY, THE PAGES WERE NICE ENOUGH TO PASS OUT A ONE "SHEETER" WITH MY INITIALS ON TOP THAT HAS SOME MORE INFORMATION, AS WELL AS IT DIRECTLY ADDRESSES SOME OF THE QUESTIONS THAT I BELIEVE I WAS ASKED ON THURSDAY. BUT A QUICK SUMMARY OF THE BILL AND THE PROGRAM: THIS BILL WOULD EXTEND AND MAKE PERMANENT A BEHAVIORAL HEALTH SCREENING AND REFERRAL PILOT PROGRAM THAT IS CURRENTLY OPERATING AT THREE SITES IN NEBRASKA: ONE IN OMAHA, ONE IN COLUMBUS, AND ONE OUT IN THE PANHANDLE. THE PROCESS FOR WHICH THESE SITES WORK IS ALSO DESCRIBED ON YOUR SHEET AS AN OPPORTUNITY WHEREIN A PEDIATRICIAN OR OTHER FAMILY HEALTH PROVIDER--A PATIENT WILL COME IN, A CHILD PATIENT WILL COME IN AND A PARENT WILL CONDUCT A SCREENING SURVEY TO POTENTIALLY IDENTIFY POTENTIAL BEHAVIOR HEALTH PROBLEMS. AFTER

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COMPLETING THE SURVEY, THE DOCTOR WILL SEE THE RESULTS AND CONFER WITH THEM; THAT IS, THEIR PEDIATRICIAN WILL. AND THEY, WITH THE PARENT, WILL COME TO A DECISION OF WHETHER OR NOT THERE NEEDS TO BE A REFERRAL OR A CONSULTATION WITH FURTHER BEHAVIORAL HEALTHCARE. SPECIFIC TO THIS PROGRAM. ALL OF THESE SITES DO HAVE BEHAVIORAL HEALTH PROFESSIONALS, TYPICALLY PSYCHOLOGISTS OR A PSYCHIATRIC NURSE PRACTITIONER, ON SITE. THERE'S SOME DATA AVAILABLE FROM THIS PILOT PROGRAM WHICH HASN'T BEEN IN OPERATION FOR TWO FULL YEARS YET. AS IT STARTED IN NOVEMBER OF 2013. BUT ON THE PAGE, YOU CAN SEE THAT OVER 1.900 STUDENTS WERE SCREENED, AND OF THAT, APPROXIMATELY 23 PERCENT, OR 460, SCREENED POSITIVE FOR ONE BEHAVIORAL HEALTH CONCERN. AND THEN FROM THERE MORE SOUGHT EITHER REFERRAL OR TREATMENT. AND GOING FORWARD, THE PROGRAM...ANOTHER PORTION OF THE BILL IS ASKING TO ELIMINATE THE CURRENT THREE-PROGRAM CAP ON PILOT SITES. THIS DOES NOT IMPACT THEIR CURRENT BUDGET, WHICH IS CURRENTLY CONTINUING IN THE UNIVERSITY'S BASE BUDGET AS PART OF THE PROGRAM. AS IT IS DEVELOPED AND IMPLEMENTED, THEY'VE BEEN ABLE TO CHANGE THE SCREENING PROCESS AND THE SURVEY INSTRUMENT FROM PAPER TO AN ELECTRONIC TABLET. THAT WAY THE SCORES CAN COMPUTE AUTOMATICALLY AND BE PRINTED OUT THAT DAY, IDEALLY, DURING THE FIRST DOCTOR'S VISIT, INSTEAD OF HAVING TO PAY FOR STAFF TIME TO SCORE AND GRADE THAT IN THE FUTURE. THAT REDUCED THE AMOUNT OF OVERHEAD COSTS FOR EACH OFFICE, MEANING THEY ARE HOPEFUL THAT IF WE DO PASS THIS BILL, THERE WILL BE MORE POTENTIAL SITES THEY CAN EXPAND TO WITHIN THEIR SAME BUDGET ALLOCATION. AND THAT'S MY SUMMARY OF THE BILL, MR. PRESIDENT. [LB240]

PRESIDENT FOLEY: THANKS, SENATOR HANSEN. DEBATE IS NOW OPEN ON LB240. SENATOR CAMPBELL, YOU'RE RECOGNIZED. [LB240]

SENATOR CAMPBELL: GOOD MORNING, COLLEAGUES. THANK YOU, MR. PRESIDENT. I AM SORRY TO HAVE MISSED THE INITIAL DISCUSSION ON LB240. BUT I WOULD LIKE TO PROVIDE A LITTLE HISTORY TO LB240 AND HOW WE GOT TO THIS POINT. IN 2008, THE LEGISLATURE TOOK ACTION AS ONE OF THE LAST STATES, IF NOT THE LAST STATE, TO HAVE A SAFE HAVEN LAW. AND IN THAT LAW, IT DID NOT PUT A LOWER AGE LIMIT, AS MOST STATES DID, BUT SAID, I BELIEVE, UP UNTIL THE AGE OF 18. AND WHAT HAPPENED IS THAT NEBRASKA BECAME THE DRAWING POINT FOR PEOPLE WHOSE YOUTH AND CHILDREN MIGHT BE TROUBLED SO THEY DROVE FROM DIFFERENT PARTS OF THE UNITED STATES AND BROUGHT THEM TO HOSPITALS IN NEBRASKA. [LB240]

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PRESIDENT FOLEY: EXCUSE ME, SENATOR. (GAVEL) SENATORS, PLEASE COME TO ORDER. PLEASE PROCEED, SENATOR CAMPBELL. [LB240]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. SO THEY BROUGHT THEIR YOUTH TO THE STATE OF NEBRASKA, AND THE LEGISLATURE AND THE GOVERNOR REALIZED THAT THEIR SAFE HAVEN LAW WAS NOT SPECIFIC ENOUGH IN TERMS OF REALLY HELPING AND PROTECTING SMALL CHILDREN. AND THE LEGISLATURE WAS CALLED INTO SPECIAL SESSION IN 2008 TO CHANGE THE SAFE HAVEN LAW, WHICH THEY DID. IN 2009, WHEN THE SENIOR MEMBERS HERE IN THE LEGISLATURE WERE FRESHMEN, WE HAD A NUMBER OF BILLS THAT CAME ABOUT BASED UPON WHAT WE SAW AND THE LESSONS WE LEARNED FROM WHAT HAS BEEN KNOWN AS THE SAFE HAVEN DEBACLE. A NUMBER OF THOSE BILLS CAME TOGETHER AND WERE BROUGHT UNDER THE UMBRELLA OF LB603. AND ONE OF THE COMPONENTS OF LB603 WAS AN OVERSIGHT COMMITTEE TO SEE WHAT WOULD HAPPEN TO THE DIFFERENT COMPONENTS. ONE OF THE COMPONENTS IN LB603 WAS THE ESTABLISHMENT AND BEGINNING OF BHECN, THE MAJOR PROGRAM THAT IS IN LB240. AND BHECN CAME ABOUT BECAUSE OF THE NEED IN RURAL NEBRASKA WHERE WE DO NOT HAVE PSYCHIATRISTS, PSYCHOLOGISTS, OR EVEN A LICENSED MEDICAL PRACTITIONER. AND FAMILY PHYSICIANS WERE FINDING YOUTH WITH BEHAVIORAL HEALTH PROBLEMS AND WHO COULD THEY TURN TO? I WILL NEVER FORGET THE NURSE FROM RURAL NEBRASKA WHO TESTIFIED AND SAID THAT SHE HAD A YOUNG PATIENT COME IN...MR. PRESIDENT, COULD I HAVE A GAVEL, PLEASE? [LB240]

PRESIDENT FOLEY: (GAVEL) [LB240]

SENATOR CAMPBELL: THANK YOU. AND SHE HAD A PRESENT CLIENT COME IN AND PRESENT IN THE CLINIC WITH BEHAVIORAL HEALTH PROBLEMS. AND SHE DIDN'T KNOW WHO TO TURN TO AND SHE DIDN'T KNOW WHO TO SEEK HELP FROM. AND UNFORTUNATELY THAT YOUNG ADULT COMMITTED SUICIDE. IT WAS FROM THAT TESTIMONY THAT BHECN BEGAN A SERIES OF CONSULTATIONS WITH RURAL PRACTITIONERS ACROSS THE STATE TO GIVE THEM AID AND CONSULTATION IN BEHAVIORAL HEALTH PROBLEMS. FROM LB240, WE THEN WENT TO THE BILL PASSED IN 2013 FROM SENATOR McGILL IN WHICH WE ESTABLISHED PILOTS ACROSS THE STATE TO BEGIN A... [LB240]

PRESIDENT FOLEY: ONE MINUTE. [LB240]

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SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT...A MORE FORMALIZED RELATIONSHIP. LB240 IS CRITICAL TO CARRY ON THE WORK THAT HAS BEEN ESTABLISHED SINCE 2009 AND THEN IN 2013. AND SO I WOULD ASK FOR YOUR "YES" VOTE ON LB240. THANK YOU, MR. PRESIDENT. [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR CAMPBELL. SENATOR KINTNER, YOU'RE RECOGNIZED. SENATOR KINTNER, YOU'RE RECOGNIZED. [LB240]

SENATOR KINTNER: WELL, THANK YOU, MR. PRESIDENT. YOU KNOW, I WANT TO TALK A LITTLE BIT ABOUT THE PROCESS WE USE HERE AND ABOUT PILOT PROGRAMS. THIS IS MY THIRD YEAR HERE. I GOT TO TELL YOU, I'VE NEVER SEEN A PILOT PROGRAM GO AWAY. AND THE REASON I TALK ABOUT THIS IS I WANT TO CAUTION EVERYBODY THAT ANY TIME YOU SEE THE WORD "PILOT PROGRAM," YOU'RE PRETTY MUCH TALKING ABOUT A PERMANENT PROGRAM BECAUSE I CAN'T REMEMBER ONE PILOT PROGRAM IN MY THREE YEARS WE'VE EVER GOTTEN RID OF. AND I WOULD REFER YOU TO WHAT PRESIDENT REAGAN ONCE SAID--THE CLOSEST THING ON EARTH TO ETERNAL LIFE IS A GOVERNMENT PROGRAM, SO ANY TIME THAT YOU SEE A PILOT PROGRAM, DON'T THINK WE'RE GOING TO GET RID OF IT AFTER TWO YEARS. WE JUST DON'T OPERATE THAT WAY. THERE'S ALWAYS A CONSTITUENCY. THERE'S ALWAYS SOMEONE SAYING--IT'S GOING TO...IT'S WORKING FINE, WE NEED TO CONTINUE. AS A MATTER OF FACT. WE NEED TO HELP MORE PEOPLE. THIS PROGRAM IS SO GOOD WE NEED TO EVEN HELP MORE PEOPLE. AND SO I JUST WANT TO REMIND EVERYONE THAT WHEN YOU SEE PILOT PROGRAM, IT'S NOT MUCH OF A PILOT. IT'S JUST GETTING A LITTLE STEAM SO IT CAN BECOME PERMANENT. AND I'M NOT TALKING, PER SE, ABOUT SENATOR HANSEN'S BILL HERE. I DON'T KNOW IT TO BE BAD OR ANYTHING. I JUST WANT TO TALK ABOUT THE PROCESS AND WARN EVERYONE THAT A PILOT PROGRAM IS PRETTY MUCH LOCKING IT IN CEMENT FOREVER AND EVER AND EVER. THANK YOU, MR. PRESIDENT. [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR KINTNER. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB240]

SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR, MEMBERS OF THE BODY. I WANT TO ECHO A LITTLE BIT OF WHAT SENATOR KINTNER SAID. THIS WAS SOLD AS A PILOT PROGRAM. IT PROBABLY, MAYBE, WAS A GOOD IDEA TO SCREEN KIDS AT THE VARIOUS STAGES AND REFER THEM OVER TO HELP IF THEY NEEDED HELP. BUT, AS A PILOT PROGRAM, WE SHOULD LEARN SOMETHING BEFORE WE "UNPILOT" IT AND MAKE IT A PERMANENT PROGRAM.

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SO FAR, WE'VE HEARD, WELL, THERE WAS SO MANY KIDS SCREENED, 1,900 KIDS SCREENED, AND 460 OF THEM WERE POSITIVE FOR CONCERNS. OKAY. WHAT KID ISN'T POSITIVE FOR CONCERN? WHAT CONCERNS WERE THERE? I WOULD EXPECT SOME DATA SAYING THIS WAS A DARNED GOOD IDEA. HERE'S WHAT HAPPENED. WE HAD THESE KIDS THAT WERE SCREENED IN THIS PILOT PROJECT. WE COMPARED THEM TO KIDS WHO WEREN'T SCREENED. THE RATE OF THIS PROBLEM WAS MUCH LESS OR DEALT WITH EFFECTIVELY IN THE KIDS THAT WERE SCREENED AND REFERRED, COMPARED TO THE KIDS THAT WERE NOT SCREENED AND REFERRED. THIS IS WHO THE KIDS WHO WERE SCREENED WERE REFERRED TO. THIS IS WHAT THE TREATMENT COST. THIS IS A BENEFIT TO SOCIETY FOR THAT EXTENSION OF TREATMENT. HERE'S WHO PAID FOR THE TREATMENT: IT WAS PRIVATE PAY; IT WAS INSURANCE; IT WAS MEDICAID; IT WAS THIS, THAT, OR THE OTHER THING. NONE OF THAT. OUR ONLY RESULT FROM THIS TWO YEARS WERE THAT, YEAH, KIDS WERE SCREENED AND SOME OF THEM WERE...HAD POTENTIAL CONCERNS. HUH? I THINK WE NEED TO ASK WHAT HAPPENED. HOW DO WE KNOW THESE KIDS WERE BETTER OFF? HOW DO THEY KNOW THAT WHAT THEY WERE SCREENED FOR WEREN'T SELF-CURING THINGS? WHAT WERE THE CREDENTIALS OF THE PEOPLE WHO DID THE CURING, IF THERE WERE CURES? WE DESERVE TO HAVE MORE BEFORE WE DO TWO THINGS: MAKE THIS AN ETERNAL PROGRAM, WHICH IS WHAT'S GOING TO HAPPEN, OR...AND SECONDLY, TAKE THE LIMIT OFF. CHANGE THIS FROM 3 TO 300 OR HOWEVER MANY...I THINK THERE'S EVEN REFERENCES IN HERE TO DOCTORS' OFFICES. I THINK WE NEED MORE INFORMATION. I'M TEMPTED, AT THIS STAGE, BUT MAYBE WILL WAIT UNTIL SELECT FILE, TO JUST EXTEND THE PILOT PROGRAM FOR TWO MORE YEARS IF THIS DATA DOES NOT BECOME READILY AVAILABLE. I'LL BE LISTENING TO THE VARIOUS PRESENTATIONS THAT FOLLOW TELLING...TO TELL ME HOW MUCH THIS COSTS, WHO DID THE TREATMENT, WHAT GOOD DID IT DO? RATHER THAN JUST TELL ME THE OBVIOUS, YEAH, KIDS WERE SCREENED BECAUSE SOMEBODY WAS CONCERNED ABOUT SOMETHING. AND SENATOR KINTNER IS VERY, VERY RIGHT. IF WE'RE GOING TO TREAT THE WORD "PILOT" WITH ANY MEANING OTHER THAN GETTING THE FOOT IN THE DOOR MEANING, WE NEED TO LOOK AT WHERE THE PILOT WENT WHEN HE WAS FLYING THE AIRPLANE AND WHETHER HE CRASHED AND BURNED OR WHETHER OR NOT HE LANDED SAFELY. SO I'M VERY SKEPTICAL ABOUT THIS UNTIL I HEAR SOME ANSWERS TO THE RESULTS OF THIS PROGRAM; AND THERE HAD BETTER BE BETTER RESULTS OR BETTER REPORT ON THE RESULTS THAN, YEAH, WE FOUND SOME KIDS THAT WE'RE CONCERNED AND WE DON'T KNOW HOW THEY WERE FIXED OR HOW MUCH IT COST US OR WHO PAID THE BILL. WE'VE GOT A TIGHT BUDGET SITUATION COMING UP OVER THE NEXT FEW YEARS, AND WE'VE GOT

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TO KNOW THAT WE'RE GETTING OUR MONEY'S WORTH. THANK YOU, MR. PRESIDENT. [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. SENATOR GROENE, YOU'RE RECOGNIZED. [LB240]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I AM CONCERNED ALSO WHERE THIS IS ALL HEADING. I MEAN, THE PILOT PROGRAM...WHAT'S THE MAIN GOAL? IT SAYS HERE--ARE WE HEADING TO THE POINT WHERE A PRIMARY PHYSICIAN, WHEN THEY DO A PHYSICAL FOR A CHILD IN KINDERGARTEN AND SEVENTH GRADE, THAT INSTEAD OF LOOKING AT THEIR TEETH, THEIR EARS, AND THEIR HEARING AND EYESIGHT AND HEALTH PROBLEMS, ARE WE STARTING TO SAY NOW WE'RE GOING TO DO A MENTAL HEALTH SCREENING AS PART OF THAT PHYSICAL? IT SAYS HERE THAT THIS PROGRAM IS TRAINING GENERAL PRACTITIONERS TO DO MENTAL HEALTH SCREENINGS AND PRIMARY CARE PROVIDER OFFICES DOING EXAMINATIONS UNDER EARLY AND PERIODIC SCREENING DIAGNOSIS AND TREATMENT SERVICE PROGRAMS. I DON'T KNOW IF THAT'S A FEDERAL PROGRAM, A STATE PROGRAM; BUT APPARENTLY, THERE'S NOTHING ABOUT PARENTAL PERMISSION HERE. THEN THEY'VE GOT AN "OR B: UPON REQUEST FROM PARENTS OR LEGAL GUARDIAN WHO HAVE CONCERNS ABOUT A CHILD'S BEHAVIORAL HEALTH." SO, WHAT COMES FIRST? THE DOCTOR JUST DOES IT WITHOUT THE PARENTS ASKING FOR IT OR DOES THE PARENT ASK FOR IT? AND THEN I HEARD...I CAN...I APPRECIATE SENATOR CAMPBELL'S CONCERN FOR US RURAL FOLKS, BUT "CLINICS SHALL BE SELECTED TO SERVE AS SITES FOR THE PROGRAM, INCLUDING AT LEAST ONE RURAL AND ONE URBAN CLINIC." I THOUGHT THE URBAN AREAS HAD PSYCHOLOGISTS AND COUNSELORS. SO WHY ARE WE PUTTING ONE IN URBAN IF IT'S ALL ABOUT US POOR BACKWARD FOLKS IN RURAL AREAS? I'VE GOT A REAL CONCERN ABOUT THIS. I MEAN, WE'RE GOING INTO DOING MENTAL HEALTH SCREENINGS FOR CHILDREN WITHOUT PARENTAL CHOICE OR PARENTAL ASKING FOR IT. PLUS, WHAT I'VE HEARD, THERE ARE NO RESULTS HERE. WHAT HAVE WE DONE? THEN IT SAYS HERE THAT...DID YOU ASK THE PSYCHOLOGIST AND THOSE IF THIS WAS OKAY? IF APPROPRIATE, THE CHILD SHALL RECEIVE BEHAVIORAL THERAPY, MEDICATION, OR COMBINATION THERAPY WITHIN THE PRIMARY CARE PRACTICE SETTING. SO A GENERAL PRACTITIONER IS NOW GOING TO DO PSYCHOLOGY WORK? WHERE ARE WE HEADED WITH THIS? AND I'M FROM THE RURAL AREA. NOBODY HAS ASKED ME FOR THIS PROGRAM. THEY'RE CONCERNED ABOUT THEIR HEALTHCARE. THEY'RE CONCERNED ABOUT BEHAVIOR IN THEIR SCHOOLS OF CHILDREN. BUT NOBODY IS ASKING ME FOR THIS. WHO'S THE NANNY WHO THINKS WE NEED THESE THINGS? SO...AND THEN

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IT'S GOT A FISCAL NOTE ON IT TOO. BY THE WAY, IT SAYS THAT THESE SERVICES WILL BE PROVIDED IF THEY'RE NEEDED. IT DOESN'T SAY WHO'S PAYING FOR THESE SERVICES IF THEY'RE NEEDED. DOES THIS GO ON TO MEDICAID? IS THAT WHO'S PAYING FOR THIS, THE TAXPAYERS IF THEY NEED THE SERVICES? "PROGRAM SHALL BE OFFERED ROUTINE MENTAL AND BEHAVIORAL HEALTH SCREENING FOR THEIR CHILD DURING REQUIRED PHYSICAL EXAMINATIONS OR AT THE REQUEST OF A PARENT OR LEGAL GUARDIAN." SHALL BE ADMINISTERED BY THE CLINIC AND INTERPRETED BY THE CLINIC, THE...WHO'S PAYING FOR THAT? IS THAT INCLUDED IN OUR MEDICAID? NOBODY IS ASKING ME FOR THIS IN LINCOLN COUNTY, NEBRASKA. SO WHO THINKS THEY KNOW WHAT'S BEST FOR CHILDREN OUT IN LINCOLN COUNTY? IT ISN'T ANYBODY OUT THERE. SO I WOULD...AND THE FISCAL NOTE IS \$455,000. WE CAN'T AFFORD THAT OR ANY MORE OF THAT KIND OF EXPANSION. SO I WOULD HOPE MY COLLEAGUES WOULD VOTE AGAINST THIS. I APPRECIATE SENATOR HANSEN BRINGING THE BILL FORWARD. I UNDERSTAND IT PROBABLY GOT BROUGHT TO HIM. BUT THAT'S WHERE I STAND, AND THANK YOU, [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR GROENE. SENATOR HANSEN, YOU'RE RECOGNIZED. [LB240]

SENATOR HANSEN: YES, THANK YOU. YES, THANK YOU. I KNOW WE HAD SOME GOOD ROUNDS OF QUESTIONING LAST THURSDAY AND I'M HAPPY TO CONTINUE MORE TODAY. SPECIFICALLY, SOME OF THE THINGS I'VE HEARD TODAY THAT I WANT TO ADDRESS IS THE PARTICULAR THINGS THAT ARE SCREENED FOR IN THIS PROGRAM ARE: ADHD, DEPRESSION, ANXIETY, OPPOSITIONAL BEHAVIOR, AND CONDUCT DISORDERS AS PART OF THE VANDERBILT PROBLEM BEHAVIOR RATING SCALES, AND AS WELL AS A REPORT ON THE DATA. IF THERE'S ANY SENATOR WHO HAS A SPECIFIC DATA SET, I'VE BEEN HEARING CONCEPTS AND THEORIES, I'LL BE TRYING TO COVER THEM AS BEST AS I CAN. BUT IF THERE'S A SPECIFIC QUESTION THAT YOU WANT TO ASK, BY ALL MEANS, LET US KNOW AND WE WILL SEE IF THAT IS AVAILABLE. BUT SOME PROGRESS REPORTS FROM THE RESULTS, SPECIFICALLY OF WHAT THEY WERE SCREENED FOR: SO OF THE 1,941 CHILDREN SCREENED--9 PERCENT SCREENED POSITIVE FOR ADHD INATTENTIVE TYPE; 7 PERCENT WITH ADHD HYPERACTIVE TYPE; 5 PERCENT WITH ADHD COMBINED TYPE; AND 6.5 PERCENT WITH ANXIETY OR DEPRESSION. SPECIFICALLY, AMONG YOUNG CHILDREN, SO CHILDREN AGED 3 THROUGH 5: 11 PERCENT WERE SCREENED WITH SLEEP PROBLEMS; 12 (PERCENT) WITH TOILETING PROBLEMS; AND 10 (PERCENT) WITH SPEECH PROBLEMS. AND THEN FOR THE CHILDREN AGED 6 TO 18, THESE WERE CONNECTED EARLIER, BUT: 9 PERCENT FOR OPPOSITIONAL DEFIANT DISORDER; 3 PERCENT FOR CONDUCT

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DISORDER; AND 9.7 PERCENT FOR ADHD. TALKING A LITTLE BIT ABOUT PARENTAL CONSENT AND PARENTAL CONTROL, THERE IS PARENTAL CONSENT AS PART OF THIS PROGRAM. IN FACT, THE SCREENING ELEMENTS ARE DESIGNED TO BE FILLED OUT BY THE PARENTS AND IT'S AN OPTIONAL PROGRAM AS PART OF, FRANKLY, ONE OF THE MANY FORMS YOU HAVE TO FILL OUT WHENEVER YOU HAVE TO GO TO A DOCTOR'S OFFICE. SO THAT IS WHERE THE FORM...THE FORM PRESENTS ITSELF. SO THEY HAVE A REGULAR APPOINTMENT WITH THEIR PEDIATRICIAN. THEY WALK INTO THE CLINIC; THEY'RE TOLD--WE HAVE THIS EXTRA SCREENING THAT CONDUCTS FOR BEHAVIORAL HEALTH, WOULD YOU LIKE TO FILL OUT THE SCREENING? FROM THERE, IF THE SCREENING TESTS POSITIVE, THEY THEN HAVE A CONSULTATION WITH THE DOCTOR WHO SHARES WITH THEM THE RESULTS. AND FROM THERE THE PARENTS GET TO DECIDE AND TALK WITH THE DOCTOR ABOUT WHETHER OR NOT THERE IS FURTHER REFERRAL OR FURTHER ACTION. SO AT ALL POINTS IN THE STAGE...AND EVEN IF THE SCREENING COMES UP WITH THE PARENTS REALLY WORRIED ABOUT THEIR CHILD'S BEHAVIORAL HEALTH AND THE SCREENING COMES UP BLANK, THEY DIDN'T SCREEN FOR ANYTHING, THE PARENTS COULD STILL SAY--I WOULD LIKE TO HAVE MORE HELP. AS FAR AS WHO'S PAYING FOR THIS? THIS IS AN ATTEMPT TO PROVIDE MORE SERVICES IN MORE AREAS, AS WELL AS TRAIN AND ENCOURAGE PHYSICIANS TO DO SO. CURRENTLY, IF SOMEONE IS DIAGNOSED AND DOES GO INTO PSYCHOLOGICAL TREATMENT, WHATEVER TREATMENT THEY SO CHOOSE WOULD THEN BE COVERED BY WHATEVER THEIR CURRENT HEALTHCARE COVERAGE IS. AND THAT IS OFTEN UNDER MOST PEOPLE'S HEALTHCARE. THE IMPORTANT GAP WE'RE ADDRESSING HERE IS THE SCREENING PROCESS; BECAUSE, CURRENTLY, THE BEHAVIORAL HEALTH SCREENING AND CONSULTATION TO PRIMARY CARE PHYSICIANS FROM BEHAVIORAL HEALTH SPECIALISTS AREN'T COVERED BY INSURANCE. SO YOU HAVE INSURANCE, YOU TAKE YOUR KID TO THE DOCTOR. THEY'LL PAY FOR THE DOCTOR'S VISIT. THEY'LL PAY FOR THE PSYCHOLOGIST. THEY WON'T PAY FOR WHAT'S IN BETWEEN. THAT'S WHAT WE'RE ATTEMPTING TO BRIDGE HERE BY PROVIDING MORE SUPPORT FOR DOCTORS AND OTHER PRIMARY CARE PHYSICIANS TO SCREEN FOR BEHAVIORAL HEALTH. IN ADDITION, THE SPECIFIC AREAS, THE CHOICES FOR ALL OF THE...THE CITIES WERE ALL SELECTED... [LB240]

PRESIDENT FOLEY: ONE MINUTE. [LB240]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT...BASED ON THE AVAILABILITY OF BEHAVIORAL HEALTH SERVICES. SPECIFICALLY, THE SITE IN OMAHA WAS CHOSEN BECAUSE OF THE PEDIATRICIANS' OFFICES IN OMAHA. MANY OF THEM

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DO HAVE PSYCHOLOGICAL BEHAVIORAL HEALTH SERVICES AVAILABLE. BUT SPECIFICALLY THEY DECIDED THAT THE DUNDEE AREA WAS UNDERSERVED, AS WELL AS THE AREA AROUND CREIGHTON UNIVERSITY IS A POTENTIAL EXPANSION SITE JUST BECAUSE OF THE DIFFERENCES IN PEDIATRICIANS' OFFICES IN THOSE AREAS. THANK YOU, MR. PRESIDENT. [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR HANSEN. SENATOR CAMPBELL, YOU'RE RECOGNIZED. [LB240]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT, COLLEAGUES, I WANTED TO FOLLOW UP A LITTLE BIT WITH SOME ADDITIONAL INFORMATION AND EMPHASIZE THAT THE TRUE SUCCESS OF THIS PROJECT, AND THE PILOTS, HAS COME FROM THE FACT THAT THIS IS WITH THE FAMILY'S PEDIATRICIAN OR FAMILY DOCTOR. AND QUITE FRANKLY, THAT'S WHERE WE ALL FEEL COMFORTABLE ABOUT TALKING ABOUT HEALTH PROBLEMS WITHIN A FAMILY OR THAT WE MAY BE SEEING IN A CHILD. AND I WOULD HAVE TO SAY THAT THE RESEARCH PRESENTED BY DR. EVANS IN HIS TESTIMONY BEFORE THE COMMITTEE, THIS HAS BEEN A RESEARCHED PROJECT. IT ISN'T JUST--WELL, WE KIND OF THINK THIS WORKED; WELL, WE KIND OF SAW THIS TOTAL NUMBER OF PEOPLE. THEY HAVE BEEN VERY DILIGENT IN PROVIDING STATISTICS, AND I THINK SENATOR HANSEN HAS GONE TO THAT. AND YOU SAY, WELL, THESE ARE SORT OF COMMON PROBLEMS, MAYBE. NO, THEY'RE NOT. ONE OF THE BIGGEST PROBLEMS THAT WE HAVE ACROSS THE ENTIRE STATE AND WHICH THERE'S PROBABLY GOING TO BE A STATEWIDE TASK FORCE ON, AND THAT HAS TO DO WITH SUICIDE IN TEENAGERS. IT HAS BEEN AN INCREASING AWARENESS ON THE PART OF THE LINCOLN COMMUNITY THAT WE HAVE A PROBLEM HERE. AND WHERE THAT SURFACES, WHERE THAT BEGINS TO TELL YOU, AND I GUESS I THINK WE SHOULDN'T DISMISS DEPRESSION, ANXIETY, THOSE ARE THE TYPES OF PRECURSORS TO WHAT THAT YOUNG PERSON MAY BE HAVING. EXCELLENT TESTIMONY WAS PROVIDED TO THE COMMITTEE AND, BY THE WAY, THIS CAME OUT UNANIMOUSLY FROM THE HEALTH COMMITTEE. THERE WAS NO OPPOSITION TO IT: NO OPPONENTS. TWO OF THE PEOPLE WHO TESTIFIED WERE THE MENTAL HEALTH PROVIDERS. ONE, A Ph.D. PSYCHOLOGIST WHO DID THE STUDY IN THE WESTERN PART OF NEBRASKA; AND KATHRYN MENOUSEK, WHO WORKED WITH THE PROGRAM OUT OF COLUMBUS. WE NEED TO HAVE IN PLACE SIGNIFICANT PROGRAMS THAT CAN EARLY IDENTIFY PROBLEMS FOR OUR TEENAGERS, OUR YOUTH, OUR YOUNG PEOPLE. WE NEED TO MOVE THIS PROGRAM FROM A PILOT SITUATION TO MAKING SURE THAT IT DOES EXIST ALL ACROSS THE STATE OF NEBRASKA. AND IT IS PARTICULARLY IMPORTANT. COLLEAGUES, TO REMEMBER THAT THIS HAS BEEN A PROJECT THAT HAS BEEN

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THOROUGHLY LOOKED AT BY DR. EVANS AT UNMC. THEY ARE TRACKING THIS VERY DILIGENTLY. AND I THINK THAT'S WHY THE PROGRAM HAS MOVED SIGNIFICANTLY FROM 2008 TO 2013 TO WHERE WE ARE TODAY. IT IS SIGNIFICANT FOR OUR YOUTH. THANK YOU, MR. PRESIDENT. [LB240]

PRESIDENT FOLEY: THANKS, SENATOR CAMPBELL. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB240]

SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR. I'M INCLINED TO GIVE THIS BILL THE BENEFIT OF THE DOUBT ON SELECT FILE. BUT I HAVE FILED AN AMENDMENT TURNING IT BACK INTO A PILOT PROJECT AND EXTENDED IT FOR TWO YEARS THAT CAN BE HEARD ON SELECT FILE IF WE DON'T GET SOME REALLY PERSUASIVE ANSWERS. I'D LIKE TO KNOW HOW DID THE OUTCOME OF THE CHILDREN WHO GOT TREATMENTS DIFFER FROM THE STATISTICAL NORMS IN THE STATE, IF THAT IS AVAILABLE. WHO PAID FOR THE COST? HOW MUCH DID THE MEDICAID PROGRAM PAY? HOW MUCH DID PRIVATE-PAY PAY? HOW MUCH DID THE INSURANCE COMPANIES PAY? HOW MUCH DID THE TREATMENT COST ONCE IT GOT OUT OF THE SCREEN AND INTO THE TREATING FACILITIES? WAS THAT DELIVERED FREE? WAS THAT JUST PART OF TALKING WITH THE LOCAL DOCTOR? HOW MUCH WAS IT? THE QUALIFICATIONS OF THE PEOPLE AND HOW MANY CASES EACH CATEGORY OF QUALIFIED PERSON ADDRESSED IN THE DELIVERY OF THESE TREATMENTS? WERE THEY GENERAL PRACTITIONERS IN THEIR OFFICES, PHYSICIANS ASSISTANTS? WERE THEY SKILLED PSYCHIATRISTS? WERE THEY PSYCHOLOGISTS, SOCIAL WORKERS, OTHER KIDS IN A GROUP SESSION? WHO WAS DOING THE TREATING? AND FINALLY, SINCE SUICIDE HAS BEEN RAISED AS AN ISSUE, WHAT IS THE DIFFERENCE IN SUICIDE RATES IN THE SCREENED POPULATION VERSUS THE STATE AS A WHOLE? WE NEED TO KNOW IF THIS IS DOING ANY GOOD RATHER THAN ASSERTIONS BY PEOPLE WHO ARE GETTING MONEY FROM THE SYSTEM SAYING IT IS JUST ABSOLUTELY WONDERFUL. I WOULD LIKE TO HAVE ANSWERS TO THOSE OUESTIONS. IF ANY OF THE REST OF YOU HAVE OTHER OUESTIONS THAT WE NEED TO ADDRESS BETWEEN NOW AND SELECT FILE, I'D SUGGEST WE PUT THEM ON THE RECORD AND SEE IF WE CAN GET SOME CLEAR DATA TO SUPPORT A DECISION. IF WE CAN'T, MAYBE THEY SHOULD GO BACK TO THE DRAWING BOARD FOR ANOTHER TWO YEARS AND COME UP WITH A GOOD ANALYSIS OF WHY THIS IS DOING GOOD AND WHY IT'S WORTH THE COST. THANK YOU. [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. SENATOR MORFELD, YOU ARE RECOGNIZED. [LB240]

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SENATOR MORFELD: THANK YOU, LIEUTENANT GOVERNOR. I RISE IN SUPPORT OF LB240. AND FOR ME, LB240 IS ABOUT BEING PROACTIVE AND BEING PROACTIVE IN A WAY THAT, IN MANY CASES, FAMILIES' HEALTH INSURANCE WILL BE PROVIDING FOR THE COSTS FOR SOME OF THESE MENTAL HEALTH SERVICES THAT THESE YOUNG PEOPLE NEED AND THE STATE WON'T HAVE TO IN THE FIRST PLACE. AND IN ADDITION, IT IS ALSO ABOUT PROVIDING PROACTIVE MENTAL HEALTH SCREENINGS TO PREVENT YOUTH FROM ENTERING INTO OUR CRIMINAL JUSTICE SYSTEM, FOR INSTANCE, WHICH IS OFTEN ONE OF THE MANY REASONS WHY YOUNG PEOPLE COMMIT CRIMES AND THEN ENTER INTO OUR CRIMINAL JUSTICE SYSTEM, AND THEN WE HAVE THE ISSUES THAT WE ARE DEALING WITH RIGHT NOW IN THE JUDICIARY COMMITTEE AND STATEWIDE. ALSO, I THINK THAT IT IS A PROACTIVE SOLUTION THAT WILL LEAD TO COST SAVINGS TO THE STATE IN THE LONG RUN. BECAUSE IF WE HAVE A MORE MENTALLY HEALTHY SOCIETY, AND PARTICULARLY YOUTH, WE WON'T HAVE TO DEAL WITH SOME OF THESE ISSUES THAT THE STATE ENDS UP PICKING UP THE TAB FOR DOWN THE ROAD. SO I URGE YOU TO SUPPORT LB240. AND I AM SURE THAT WE CAN GET SOME ANSWERS TO SENATOR SCHUMACHER'S QUESTIONS, WHICH I THINK ARE ALL LEGITIMATE QUESTIONS, BUT SOME OF THOSE QUESTIONS MAY NOT BE ABLE TO BE ANSWERED IN THE TWO YEARS THAT THIS PROGRAM HAS BEEN IN EXISTENCE. SO I URGE THE BODY TO SUPPORT LB240 AND ADVANCE IT TO E&R INITIAL. THANK YOU. [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR MORFELD. SEEING NO OTHER SENATORS WISHING TO SPEAK, SENATOR HANSEN, YOU ARE WELCOME TO CLOSE ON LB240. [LB240]

SENATOR HANSEN: THANK YOU, MR. PRESIDENT, AND THANK YOU, COLLEAGUES, FOR THE GOOD DISCUSSION AND DEBATE ON THIS BILL AND ITS MERITS. I WOULD BE HAPPY TO WORK WITH EVERYONE AND ANYONE BETWEEN NOW AND SELECT FILE TO MAKE SURE THAT ALL THE APPROPRIATE DATA IS AVAILABLE AND HAS BEEN AVAILABLE TO EVERYONE. I WOULD ASK EVERYONE TO SUPPORT THIS BILL. WE SEE TIME AND TIME AGAIN THE INTERCONNECTIONS BETWEEN BEHAVIORAL HEALTH AND, FRANKLY, THE LACK OF TREATMENT FOR BEHAVIORAL HEALTH AND FUTURE PROBLEMS DOWN THE LINE, WHETHER THEY'RE WITH OUR CRIMINAL JUSTICE SYSTEM, WHETHER THEY'RE WITH OUR EDUCATIONAL SYSTEM, AND SO ON AND SO ON AND SO ON. MANY TIMES WHEN WE DO AN INTERIM STUDY, WE DO A REPORT--IT DIGS DOWN TO THE ABSENCE OF TREATMENT OR DIAGNOSES EARLY ON, COULD HAVE POSSIBLY PREVENTED OR ADDRESSED THE ISSUES. AND THAT IS WHAT MY INTENT WITH LB240 IS. WE'RE ATTEMPTING TO PROVIDE MORE CENTERS THROUGHOUT NEBRASKA IN

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WHICH BEHAVIORAL HEALTH AND MENTAL HEALTH SCREENINGS DO OCCUR TO START THE CONVERSATION EARLIER WITH THE PARENTS, WITH THE FAMILY HEALTH PROVIDERS. THERE ARE A LOT OF BENEFITS FROM THAT. THROUGHOUT BOTH THE STUDY ON LR592 OVER THE FALL, AND IN THE COMMITTEE HEARING ON THIS BILL LB240, WE HEARD TIME AND TIME AGAIN THE PROVIDERS SHARE THEIR STORIES OF PARENTS WHO, FRANKLY, WERE AT THEIR WIT'S END NOT KNOWING WHAT SERVICES WERE AVAILABLE TO THEM OR HOW TO GET THEM. AND FINALLY, JUST CONNECTING WITH A BEHAVIORAL HEALTH PROVIDER WITH SOME SORT OF SCREENING OF, YES, THIS MIGHT BE A LARGER PROBLEM, AND, YES, WE DO HAVE AN AVENUE TO HELP YOU. FRANKLY, I THINK BACK TO THE COMMITTEE HEARING AND THERE WAS ONE OF THE PROVIDERS TALKED ABOUT A STORY ABOUT A FATHER WHO HAD BROKE DOWN CRYING WHEN SHE HAD CALLED HIM AND SAID THAT HIS TEENAGER HAD DIAGNOSED AS...NOT DIAGNOSED, HAD BEEN SCREENED AS LIKELY TO HAVE DEPRESSION. AND IT WAS JUST...HE KNEW SOMETHING WAS UP, BUT HE DIDN'T KNOW THE RESOURCES; HE DIDN'T KNOW WHAT WAS HAPPENING. AND THAT WAS SOMETHING...A CHILD WHO HAD BEEN GOING TO THE DOCTOR, BUT FOR WHATEVER REASON IN THE ADDRESSING WITH THEIR FAMILY HEALTH PHYSICIAN THAT JUST HADN'T BEEN CAUGHT. AND THAT'S AGAIN THE INTENT BETWEEN THE SCREENING PROCESS IS TO RECOGNIZE THAT PEOPLE DO HAVE A FAMILY PHYSICIAN, THEY DO HAVE A PEDIATRICIAN, THEY DO GO TO THEIR DOCTOR'S OFFICE. THEY DO INTERACT WITH THEIR DOCTOR, BUT I AM SURE, AS WE HAVE ALL PERSONALLY EXPERIENCED AND STUDIES HAVE SHOWN OVER AND OVER AGAIN, THOSE VISITS ARE INCREDIBLY BRIEF. AND IF YOU DON'T HAVE A NOTE WHEN YOU SCHEDULE THE APPOINTMENT ABOUT WHAT TO TALK ABOUT, IT MIGHT NOT GET RAISED IN TIME. SO JUST ADDING A SCREENING ELEMENT TO GET SOME RESPONSES, GET SOME REPLIES, GET SOME IDEAS AS TO ARE THERE OTHER ISSUES GOING ON? ESPECIALLY WHEN WE SEE TIME AND TIME AGAIN THAT THE PARENTS MIGHT RECOGNIZE A WARNING SIGN OR A PROBLEM, BUT NOT HAVE THE EXPERIENCE, NOT HAVE THE KNOWLEDGE, NOT HAVE THE EXPERTISE TO RECOGNIZE THAT THIS IS A WARNING SIGN OF SOMETHING ELSE. SO PASSING LB240 WOULD BE AN IMPORTANT STEP TO CONTINUE. THERE'S BEEN TALKS ABOUT THE BUDGET AND THE FISCAL IMPACT. THIS IS MONEY WE HAD IN THE UNIVERSITY SPACE BUDGET. THIS HAS BEEN THERE; THIS WAS SOMETHING THAT THE UNIVERSITY WANTS TO CONTINUE **BUILDING UPON.** [LB240]

PRESIDENT FOLEY: ONE MINUTE. [LB240]

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SENATOR HANSEN: AND WE'VE EVEN HAD AN OPPORTUNITY TO ADVANCE IT AND EXPAND TO MORE SITES, SUCH THAT WE'VE BEEN ABLE TO MAKE IT MORE EFFICIENT AND BE ABLE TO PROVIDE HELP FOR MORE PEOPLE. THANK YOU, MR. PRESIDENT, AND I WOULD DO A CALL OF THE HOUSE AND A ROLL CALL VOTE. [LB240]

PRESIDENT FOLEY: THANK YOU, SENATOR HANSEN. 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; THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB240]

CLERK: 29 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL. [LB240]

PRESIDENT FOLEY: THE HOUSE IS UNDER CALL. SENATORS, PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN TO THE CHAMBER AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONS PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATORS RIEPE, SEILER, KOLOWSKI, AND SCHILZ, THE HOUSE IS UNDER CALL. ALL SENATORS ARE PRESENT. THE QUESTION IS THE ADVANCEMENT OF LB240 TO E&R INITIAL. SENATOR HANSEN, DID YOU ASK FOR A ROLL CALL VOTE? ROLL CALL, MR. CLERK. [LB240]

CLERK: (ROLL CALL VOTE TAKEN, LEGISLATIVE JOURNAL PAGE 1069-1070.) 32 AYES, 11 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT. [LB240]

PRESIDENT FOLEY: LB240 ADVANCES. THE CALL IS LIFTED. WE WILL NOW PROCEED TO LB419. MR. CLERK. [LB240 LB419]

CLERK: MR. PRESIDENT, LB419 IS A BILL BY SENATOR MELLO. (READ TITLE.) INTRODUCED ON JANUARY 16 OF THIS YEAR; AT THAT TIME REFERRED TO THE REVENUE COMMITTEE, ADVANCED TO GENERAL FILE. I HAVE NO COMMITTEE AMENDMENTS. I DO HAVE ONE AMENDMENT TO THE BILL, MR. PRESIDENT. (AM984, LEGISLATIVE JOURNAL PAGE 974.) [LB419]

PRESIDENT FOLEY: THANK YOU, MR. CLERK. SENATOR MELLO, YOU'RE WELCOME TO OPEN ON LB419. [LB419]

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SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. OVER MY PAST SEVEN YEARS IN THIS LEGISLATURE, BOTH THROUGH LEGISLATION AND THROUGH THE STATE BUDGET PROCESS, OUR BRANCH OF GOVERNMENT HAS PRIORITIZED GROWING NEBRASKA'S TOURISM INDUSTRY, AS MOST OF YOU KNOW, NEBRASKA RANKS 48th IN THE COUNTRY WHEN IT COMES TO INVESTMENT IN TOURISM. WE HAVE THE POTENTIAL TO ATTRACT VISITORS FROM AROUND THE GLOBE TO DEVELOP AND ATTRACT A TALENTED WORK FORCE AND RAISE THE PRESTIGE OF THE STATE BY HIGHLIGHTING SOME OF OUR BEST INSTITUTIONS AND ATTRACTIONS. LB419 IS AN OPPORTUNITY FOR US TO TAKE THE NEXT LOGICAL AND CRITICAL STEP FORWARD FOR OUR TOURISM INDUSTRY BY ALLOWING OUR NATIONALLY ACCREDITED ZOOS AND AQUARIUMS TO REINVEST FORGONE SALES TAXES INTO FURTHER DEVELOPMENT IN THEIR ORGANIZATIONS AND BY EXTENSION OUR STATE ECONOMY. AS MEMBERS OF THE BODY ARE AWARE, OMAHA'S HENRY DOORLY ZOO HAS BEEN A MAJOR ECONOMIC DRIVER AND IS OUR STATE'S NUMBER-ONE TOURIST ATTRACTION. THE ECONOMIC IMPACT OF THIS FACILITY ALONE IS OVER \$115 MILLION ANNUALLY TO THE STATE, WELCOMING OVER 1.7 MILLION VISITORS THROUGH ITS GATES EACH YEAR. THEIR RECENT RANKING BY TRIPADVISOR AS THE WORLD'S NUMBER-ONE ZOO IS AN ACHIEVEMENT FOR ALL NEBRASKANS AND GIVES OUR STATE AND TOURISM INDUSTRY IN UNPRECEDENTED WORLDWIDE ATTENTION. EVERY YEAR THAT HENRY DOORLY ZOO REMAINS AT THE TOP OF TRIPADVISOR'S LIST, NEBRASKA GAINS ADDITIONAL WORLDWIDE ATTENTION, NEW TOURIST VISITATION AND ECONOMIC DEVELOPMENT. LB419 WILL ALLOW OUR STATE'S TOP TOURIST ATTRACTION TO REINVESTMENT IN ITS FACILITIES AND PROGRAMMING, ASSISTING THEM IN HOLDING ON TO THAT NUMBER-ONE RANKING. THIS IS AN UNPRECEDENTED OPPORTUNITY FOR OUR STATE TO SEIZE THE MOMENT AND MAKE NEBRASKA KNOWN THROUGHOUT THE WORLD AS A PREMIER TOURIST DESTINATION. NOW IS A PERFECT TIME FOR US TO FORM A PUBLIC-PRIVATE PARTNERSHIP WITH NEBRASKA'S MOST GLOBAL RECOGNIZABLE INSTITUTION. HOWEVER, LB419 IS NOT SIMPLY A BILL FOR THE OMAHA ZOO. IT BENEFITS ALL OF OUR STATE'S NATIONALLY ACCREDITED ZOOS, INCLUDING THE CITY OF LINCOLN'S NUMBER-ONE ATTRACTION, LINCOLN CHILDREN'S ZOO; AND THE RIVERSIDE DISCOVERY CENTER, WHICH IS SCOTTSBLUFF'S NUMBER-TWO ATTRACTION; AND THE LEE G. SIMMONS CONSERVATION AND WILDLIFE SAFARI IN CASS COUNTY. LB419 WILL PROVIDE THOSE ZOOS A NEW FOUNDATION TO BUILD UPON THE CRITICAL, EDUCATIONAL, RECREATIONAL, AND FAMILY-FRIENDLY QUALITY OF LIFE FUNCTIONS THAT OUR ZOOS PERFORM. IT WILL SPARK NEW LIFE INTO THEIR COMMUNITIES AND ENRICH THE EDUCATIONAL AND RECREATIONAL LIVES OF NEBRASKANS ACROSS THE STATE. LB419 IS ALSO

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A LONG-TERM INVESTMENT IN OUR STATE'S EFFORTS TO DEVELOP AND ATTRACT TALENTED INDIVIDUALS. AT THE LOCAL LEVEL, STUDENTS AND CHILDREN FROM ACROSS THE STATE WILL SEE MORE EDUCATIONAL OPPORTUNITIES; AND THE ZOOS THEMSELVES WILL BE ABLE TO INVEST MORE FUNDING INTO RESEARCH DEVELOPMENT AND OUTREACH IMPACTING THE LOCAL ECONOMY SURROUNDING THEM. THE PRESTIGE BROUGHT TO OUR ZOOS THROUGH THE WORLDWIDE ATTENTION AND ADDITIONAL INVESTMENT IN RESEARCH WILL ATTRACT MORE HIGH-CALIBER TALENT FROM ACROSS THE COUNTRY INTERESTED IN WORKING IN NEBRASKA'S TOP QUALITY ZOOS. LB419 ALSO SENDS A POWERFUL MESSAGE TO NEBRASKA'S PRIVATE AND PHILANTHROPIC COMMUNITY THAT THE STATE IS CONTINUING TO MAKE STRATEGIC INVESTMENTS IN TOURISM-RELATED ECONOMIC DEVELOPMENT AND THE UNIQUE OUALITY OF LIFE ENHANCEMENTS THAT INSTITUTIONS LIKE ZOOS AND AQUARIUMS BRING TO OUR COMMUNITIES. THIS IS A STRONG, ECONOMIC DEVELOPMENT BILL, COLLEAGUES, THAT WILL FINALLY PARTNER THE STATE WITH ITS PREMIER TOURIST ATTRACTIONS. LB419 IS A WIN FOR OUR TOURISM INDUSTRY, OUR STUDENTS, AND THE NEBRASKA COMMUNITIES THROUGHOUT THE STATE WHICH IS EVIDENCED BY THE IMPRESSIVE NUMBER OF PEOPLE AND ASSOCIATIONS WHICH HAVE SUPPORTED THE BILL AND RECOGNIZE ITS POTENTIAL AS AN ECONOMIC DRIVER FOR THE STATE. AT THE LEGISLATIVE HEARING, WE HEARD SUPPORTING TESTIMONY FROM LINCOLN MAYOR CHRIS BEUTLER; OMAHA MAYOR JEAN STOTHERT, BOTH OF WHOM CAME IN TO PERSONALLY TESTIFYING IN SUPPORT OF THE BILL; AND THE CITY OF GERING AND CITY OF SCOTTSBLUFF; THE NEBRASKA AND GREATER OMAHA CHAMBERS OF COMMERCE; AND THE NEBRASKA HOTEL AND MOTEL ASSOCIATION, AMONG MANY OTHER TOURISM-RELATED ORGANIZATIONS. LB419 WAS ADVANCED OUT OF THE REVENUE COMMITTEE WITH UNANIMOUS 8-0 VOTE, AND I URGE THE BODY TO ADOPT LB419. THANK YOU, MR. PRESIDENT. [LB419]

PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. MR. CLERK. [LB419]

CLERK: MR. PRESIDENT, SENATOR MELLO WOULD MOVE TO AMEND WITH AM984. [LB419]

PRESIDENT FOLEY: SENATOR MELLO, YOU'RE WELCOME TO OPEN ON AM984. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. AM984 MAKES THREE CHANGES TO THE UNDERLYING BILL. FIRST, IT NARROWS

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THE SALES TAX EXEMPTIONS TO MEMBERSHIPS, ADMISSIONS, AND PURCHASES BY ZOOS AND AQUARIUMS. AFTER CONVERSATIONS WITH THE LEGISLATIVE FISCAL OFFICE WHO WORKED WITH THE DEPARTMENT OF REVENUE ON THE FISCAL NOTE, WE CAN EXPECT THAT THE CHANGE WILL HAVE AN EFFECT OF REDUCING THE FISCAL NOTE BY ROUGHLY \$800,000 THE FIRST FULL YEAR OF IMPACT. ESSENTIALLY, OVER THE BIENNIUM, IT BRINGS THE FISCAL NOTE FROM ROUGHLY \$3.8 MILLION TO \$2.6 MILLION. OBVIOUSLY, YOU'VE HEARD ME TALK ON THE FLOOR IN REGARDS TO HAVING SENATORS BE FLEXIBLE WITH THEIR LEGISLATION IN RESPECT TO FISCAL NOTES, AND I BELIEVE THE STEWARDSHIP OF OUR STATE OBLIGATION TO BE ABLE TO DO THIS IS FIRST AND FOREMOST, PARAMOUNT AS WE DISCUSS ANY AND ALL LEGISLATION. LIMITING THE EXEMPTIONS OF THESE THREE AREAS WILL ENABLE THE STATE TO ACCOMPLISH THE GOAL THAT WE WERE STRIVING FOR IN LB419, WHILE STILL REDUCING THE BILL'S FISCAL NOTES BOTH IN THIS BIENNIUM AND FUTURE BIENNIUMS. THE SECOND CHANGE THAT AM984 MAKES IS TO NOT EXPLICITLY NAME AN ACCREDITING ORGANIZATION. IT WAS BROUGHT TO MY ATTENTION THAT SPECIFICALLY NAMING AN ORGANIZATION MAY GIVE SOME DOUBT AS TO WHETHER OR NOT THE BILL WOULD BE DELEGATING TOO MUCH AUTHORITY TO A NONGOVERNMENTAL ENTITY. THEREFORE, THE AMENDMENT BROADENS THIS LIMITATION AND THE BILL BY STIPULATING THAT THE ZOO AND AQUARIUM MUST BE NATIONALLY ACCREDITED. THE FINAL CHANGE THAT THE AMENDMENT SEEKS TO MAKE IS TO LIMIT THE QUALIFYING ZOO AND AQUARIUM TO BEING EITHER A "PUBLIC OR NONPROFIT ORGANIZATION PRIMARILY FOR EDUCATIONAL, SCIENTIFIC, OR TOURISM PURPOSES." THIS QUALIFICATION MAKES SURE THAT ANY ZOO OR AQUARIUM THAT RECEIVES THIS EXEMPTION IS ONE THAT HAS THE PUBLIC BENEFIT IN ITS CORE MISSION AND IS NOT TAKING THE EXEMPTION IN THE FORM OF PROFIT. I'D URGE THE BODY TO ADOPT AM984 WHICH MAKES THE BILL MORE FISCALLY RESPONSIBLE AND GUARANTEES THAT THE EXEMPTION WILL BE USED FOR REINVESTMENT THAT SERVES THE PUBLIC INTEREST AND THE STATE'S GREATER ECONOMY. THANK YOU, MR. PRESIDENT. [LB419]

PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. DEBATE IS NOW OPEN ON AM984 TO LB419. SENATOR NORDQUIST, YOU ARE RECOGNIZED. [LB419]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. I RISE IN STRONG SUPPORT OF LB419. AND THIS ENTIRE DIVISION ON OUR AGENDA REALLY IS AN ECONOMIC DEVELOPMENT DIVISION. ALL FOUR BILLS COME TOGETHER AND MAKE SMART TAX CHANGES TO GROW NEBRASKA'S ECONOMY IN DIFFERENT SECTORS. AND AS SENATOR MELLO SAID, TOURISM IS AN AREA

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THAT WE HAVE FOCUSED ON VERY MUCH STRATEGICALLY IN THE LAST FEW YEARS; ONE OF NEBRASKA'S LARGEST SECTORS OF OUR ECONOMY. WHEN I WAS A LEGISLATIVE STAFFER IN 2005-2006, WORKING FOR SENATOR SYNOWIECKI AT THE TIME, WE REALLY STRUGGLED TO GET MOMENTUM GOING ON TOURISM. WE WORKED ON DIVERTING SOME OF THE HOTEL LODGING TAXES TO TOURISM. BUT IN RECENT YEARS, IT VERY MUCH HAS BEEN A STRATEGIC FOCUS OF OUR STATE. AND I CERTAINLY THINK THAT THIS BILL TO ENHANCE AND TO BE A PUBLIC PARTNER WITH OUR THREE ACCREDITED ZOOS IN THE STATE MAKES PERFECT SENSE. CERTAINLY THE HENRY DOORLY ZOO IN DISTRICT 7, WHICH I'M PROUD TO REPRESENT, IS A WORLD-CLASS ATTRACTION, IT'S A WORLD-CLASS ZOO, RANKED THE TOP ZOO IN THE WORLD BY TRIPADVISOR. AND THE IMPACT ON OUR ECONOMY IN OMAHA AND IN NEBRASKA IS SIGNIFICANT. THEY HAVE...DIRECTLY EMPLOY ABOUT 770 INDIVIDUALS. ECONOMIC IMPACT STUDIES HAVE SHOWN ABOUT ANOTHER 900 JOBS ON TOP OF THAT ARE SUPPORTED BECAUSE OF THE ZOO. AND BY BEING A PUBLIC PARTNER WITH THESE PRIVATE ORGANIZATIONS. HELPING THEM GROW AND EXPAND WILL HELP GROW AND EXPAND NEBRASKA'S ECONOMY, HELP GROW AND EXPAND OUR WORK FORCE; AND, CERTAINLY GROW AND EXPAND OUR FUTURE OPPORTUNITIES. THESE ARE GEMS IN OUR COMMUNITIES. THEY ARE NOT ONLY WORLD-CLASS ATTRACTIONS, BUT THEY'RE GREAT MEMBERS OF THE COMMUNITY. HENRY DOORLY ZOO INTERACTS WITH OVER 100,000 STUDENTS THROUGH EDUCATIONAL PROGRAMS AND FIELD TRIPS. THEY GIVE AWAY TENS OF THOUSANDS OF FREE TICKETS TO UNDERSERVED FAMILIES AND INDIVIDUALS. THEY ARE A GEM IN OUR COMMUNITY. AND THEY ARE DEFINITELY A WORLD-CLASS ATTRACTION. AND I KNOW THE SAME CAN BE SAID OF THE LINCOLN AND SCOTTSBLUFF ZOO. THANK YOU, MR. PRESIDENT. [LB419]

PRESIDENT FOLEY: SENATOR STINNER, YOU ARE RECOGNIZED. [LB419]

SENATOR STINNER: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I STAND TODAY ALSO IN SUPPORT OF LB419. AND I WOULD GUESS THAT I AM ONE OF THE FEW LEGISLATORS IN THIS CHAMBER THAT HAVE VISITED ALL THREE ACCREDITED ZOOS. AND I WOULD LIKE TO TAKE THIS TIME TO INVITE YOU OUT TO SCOTTSBLUFF ZOO. YOU CAN ACTUALLY STAY AT MY HOUSE IF YOU WOULD LIKE TO. BUT MY ZOO STORY, AS IT RELATES TO SCOTTSBLUFF, STARTS IN 1990 WHEN I MOVED OUR FAMILY OUT TO GERING, NEBRASKA. I HAD A SON THAT WAS GOING INTO SIXTH GRADE, A DAUGHTER GOING INTO SECOND GRADE, AND BOTH OF THOSE WERE TRAUMATIC EXPERIENCES LEAVING THEIR FRIENDS. BUT THE REAL TRAUMATIC EXPERIENCE REALLY CAME FROM MY WIFE WHO HAD A VERY SUCCESSFUL CAREER AS A

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VOCAL MUSIC TEACHER HERE AT LINCOLN SOUTHEAST. BUT RIGHT AFTER WE MOVED, ONE SUNDAY MY WIFE INDICATED THAT SHE WANTED TO TAKE THE KIDS AND EXPLORE THE SCOTTSBLUFF/GERING COMMUNITY. AND ABOUT FIVE HOURS LATER...AND I HAD BEEN UNPACKING BOXES AND PAINTING AND I CAN REMEMBER THIS, THAT MY SON RAN IN AND SAID--GOD, DAD, THIS IS A GREAT PLACE; THIS IS A WONDERFUL PLACE, IT HAS A GREAT ZOO. AND, OF COURSE, MY WIFE AND DAUGHTER CAME IN, AND, AGAIN, THEY TALKED ABOUT HOW WONDERFUL THE SCOTTSBLUFF ZOO WAS. SO THAT TOOK A LITTLE BIT OF PRESSURE OFF OF ME. ABOUT A YEAR LATER, I WAS ASKED TO SIT ON THE BOARD OF DIRECTORS OF THE ZOOLOGICAL SOCIETY AND THE FOUNDATION. AND I CAN TELL YOU THAT MOST OF THAT TIME I WAS ALSO PRESIDENT OF THE ZOO, BUT DURING THAT TIME, A 10-, 12-YEAR PERIOD OF TIME, IT WAS A WONDERFUL EXPERIENCE BEING SURROUNDED BY DEDICATED PEOPLE AND IT ALSO PRESENTED A LOT OF CHALLENGES. BUT I CAN TELL YOU FROM THE ZOOKEEPERS THROUGH THE DOCENTS TO THE STUDENTS THAT COME IN BUSES, SPEND A HALF A DAY FOR ENTERTAINMENT AND EDUCATION. THE ZOO IS A VALUABLE RESOURCE IN OUR COMMUNITY. NOW, I WAS GIVEN A LIST OF FACTOIDS AND ONE OF THEM WAS MENTIONED BY SENATOR MELLO, BUT IT IS THE SECOND LARGEST TOURISM ATTRACTION IN OUR REGION, SECOND ONLY TO THE SCOTTSBLUFF NATIONAL MONUMENT. OUR ZOO IS THE LARGEST NONFORMAL EDUCATOR IN THE ENTIRE PANHANDLE OF NEBRASKA, OUR REACH IS OVER 240 MILES. ITS IMPACT ARE RETENTION AND ATTRACTION EFFORTS. THE FOLLOWING GROUPS DO SUPPORT THE BILL INCLUDING SCOTTSBLUFF NATIONAL MONUMENT; SCOTTS BLUFF COUNTY COMMISSIONERS; CITY OF SCOTTSBLUFF; CITY OF GERING; CITY OF TERRYTOWN; SCOTTSBLUFF/GERING UNITED CHAMBER OF COMMERCE; GERING VISITORS BUREAU AND CONVENTION CENTER; AND THE SCOTTSBLUFF AREA VISITORS BUREAU. THEY DID SO BECAUSE THEY UNDERSTAND THE IMPACT OF OUR ZOO HAS ON OUR TOURISM. I WOULD LIKE TO CONCLUDE IN SUMMARY THAT ZOOS ARE IMPORTANT ECONOMIC GENERATORS IN OUR LOCAL ECONOMIES. THEY ARE ALSO AN IMPORTANT SOURCE OF ENTERTAINMENT AND EDUCATION. THEREFORE, I AM ASKING FOR A LITTLE BIT OF HELP FOR OUR ZOOS AND YOUR SUPPORT OF LB419. THANK YOU. [LB419]

PRESIDENT FOLEY: THANK YOU, SENATOR STINNER. MR. CLERK. [LB419]

CLERK: MR. PRESIDENT, I HAVE SOME ITEMS: NEW A BILL, SENATOR WATERMEIER OFFERS LB106A. (READ LB106A BY TITLE FOR THE FIRST TIME). COMMUNICATION FROM THE GOVERNOR: (READ RE LB304 AND LB439). BILLS READ ON FINAL READING THIS MORNING WERE PRESENTED TO THE GOVERNOR

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AS OF 11:10 A.M. (RE: LB431, LB242E, LB242AE, LB367, LB498, LB33, LB139, LB139A, LB356, AND LB627.) NEW RESOLUTION: SENATOR COOK OFFERS LR170. THAT WILL BE LAID OVER. (LEGISLATIVE JOURNAL PAGES 1070-1072.) [LB106A LB304 LB439 LB431 LB242 LB242A LB367 LB498 LB33 LB139 LB139A LB356 LB627 LR170]

MR. PRESIDENT, SENATOR KEN HAAR WOULD MOVE TO RECESS THE BODY UNTIL 1:30 P.M.

PRESIDENT FOLEY: SENATORS, YOU'VE HEARD THE MOTION TO RECESS UNTIL 1:30. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. WE ARE IN RECESS.

RECESS

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: 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. RECORD, MR. CLERK.

CLERK: I HAVE A QUORUM PRESENT, MR. PRESIDENT.

SPEAKER HADLEY: THANK YOU, MR. CLERK. DO YOU HAVE ANY ITEMS FOR THE RECORD?

CLERK: JUST AN ANNOUNCEMENT, MR. PRESIDENT. THE PLANNING COMMITTEE WILL HAVE AN EXECUTIVE SESSION AT 2:00 IN ROOM 2102, PLANNING COMMITTEE IN ROOM 2102 AT 2:00. THAT'S ALL THAT I HAVE.

SPEAKER HADLEY: THANK YOU. THANK YOU, MR. CLERK. WE WILL PROCEED TO THE FIRST ITEM ON THIS AFTERNOON'S AGENDA, MR. CLERK.

CLERK: MR. PRESIDENT, SENATOR MELLO HAD OPENED ON LB419. (READ TITLE.) SENATOR MELLO PRESENTED HIS BILL. HE ALSO OFFERED AM984 AS AN AMENDMENT TO THE BILL. THAT AMENDMENT IS PENDING, MR. PRESIDENT. (LEGISLATIVE JOURNAL PAGE 974.) [LB419]

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SPEAKER HADLEY: SENATOR KOLOWSKI, YOU'RE RECOGNIZED. [LB419]

SENATOR KOLOWSKI: THANK YOU, MR. SPEAKER. AND GOOD AFTERNOON, COLLEAGUES. I STAND IN TOTAL SUPPORT OF LB419 AND AM984 THAT SENATOR MELLO HAS BROUGHT FORWARD. I THINK IT'S A PHENOMENAL OPPORTUNITY THAT WE HAVE TO ENHANCE EVEN FURTHER ONE OF THE BEST ZOOS IN THE WORLD, NOT JUST IN OUR COUNTRY. AND IF YOU TRAVEL ELSEWHERE AND SEEN SOME OF THE MODELS AND EXAMPLES OF ZOOS IN OTHER COUNTRIES, YOU KNOW EXACTLY WHAT WE'RE TALKING ABOUT. WE'VE BEEN EXTREMELY FORTUNATE, BLESSED IN NEBRASKA TO HAVE TREMENDOUS DONATIONS FROM MANY FAMILIES OVER THE YEARS. AS YOU TRAVERSE THE GROUNDS OF THE ZOO, YOU SEE ALL THE NAMES OF THOSE WHO HAVE DONATED, FAMILY DONATIONS OVER THE YEARS, AND HAVE MADE SUBSTANTIAL IMPACT AND IMPROVEMENTS UPON EACH OF THE ADDITIONS THAT HAVE BEEN ADDED TO THE ZOO OVER THAT TIME. WITH THE DEMISE OF ROSENBLATT STADIUM, THE EXTRA GROUND THAT HAD BEEN GAINED AT THE ZOO PROPERTY, AND AS THAT EXPANSION HAS TAKEN PLACE, THEIR DREAMS HAVE ALSO EXPANDED EXPONENTIALLY. AND ALL THE CHANGES THAT ARE TAKING PLACE AT THE...ON THE ZOO GROUNDS AT THE CURRENT TIME WILL HAVE TREMENDOUS BENEFITS, NOT ONLY TO OUR COMMUNITY BUT TO THE ANIMALS THAT ARE ON DISPLAY THERE, AND GREAT IMPACT FOR THE FUTURE. ONE OF THE IMPACTS, ONE OF THE AREAS I DO WANT TO STRESS TO EVERYONE IN THE BODY THAT YOU MAY NOT KNOW ABOUT, THERE IS A ZOO SCHOOL IN...AT THE LOCATION OF THE ZOO ITSELF THAT PRIMARILY PAPILLION-LA VISTA SCHOOLS HAVE BEEN INVOLVED IN THAT OVER THE YEARS. BUT IT'S LOOKED AT AND WILL BE EXPANDED UPON AS MORE AND MORE TERRITORY IS DEVELOPED IN THE ZOO AREA. THAT OPPORTUNITY FOR THOSE STUDENTS CHOSEN TO BE PART OF THE ZOO SCHOOL HAS TREMENDOUS REPERCUSSIONS UPON THEIR OWN FUTURES AS THEY'RE LOOKING AT GOING INTO ANY OF THE BIOLOGICAL AREAS THAT THEY'VE WORKED IN FROM THE TIME THEY ARE IN HIGH SCHOOL THROUGH COLLEGE AND EVEN ON TO GRADUATE SCHOOL. THEY DO A TREMENDOUS AMOUNT OF TEACHING AND DIRECT LEARNING WITH THE PROFESSIONAL STAFF OF THE ZOO FROM EVERY ASPECT OF DEALING WITH LARGE ANIMALS DOWN TO THE SMALLEST "WHATEVERS" THAT THEY HAVE ON DISPLAY AT THE ZOO. SO JUST ANOTHER EXAMPLE OF WHAT WE HAVE GOING ON IN OMAHA WITH HENRY DOORLY ZOO IS A TREMENDOUS DRAW AND A TREMENDOUS LEARNING LOCATION FOR MANY STUDENTS THAT WILL BE GOING ON TO PROFESSIONAL CAREERS IN THE AREAS OF ZOO MANAGEMENT AND MANY OTHER THINGS IN THEIR OWN FUTURES. SO WE'RE VERY PROUD OF WHAT WE HAVE IN THE OMAHA HENRY DOORLY ZOO AND WE HOPE WE CAN EXPAND UPON THIS WITH THE

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ASSISTANCE THAT WOULD BE COMING THROUGH THIS PARTICULAR BILL AND MAKE IT AN EVEN BETTER PLACE FOR THE FUTURE. AND I GIVE THE REST OF MY TIME TO SENATOR MELLO. [LB419]

SPEAKER HADLEY: SENATOR MELLO, YOU'RE YIELDED 2:05. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT. MEMBERS OF THE LEGISLATURE, I'LL BE BRIEF, JUST TO REMIND MEMBERS A LITTLE BIT OF WHAT WE HAVE IN FRONT OF US. AM984 CHANGES THE NATURE OF THE UNDERLYING BILL, LB419, TO RESTRICT THE SALES TAX EXEMPTION TO ADMISSIONS. MEMBERSHIPS, AND PURCHASES BY A NONPROFIT ENTITY THAT'S MANAGED EITHER BY THE CITY OR DONE IN PARTNERSHIP WITH A LITTLE...POLITICAL SUBDIVISION TO ALSO LIMIT IN REGARDS TO WHO CAN QUALIFY FOR THE SALES TAX EXEMPTION TO ENSURE THAT THERE IS A PUBLIC BENEFIT ATTACHED TO IT. IN TALKING WITH A COUPLE COLLEAGUES, WHO I FULLY RESPECT THEIR OPINIONS ON THE ISSUE, BUT THEY DON'T SUPPORT THE UNDERLYING BILL AND THAT'S FINE, I DO WANT TO REMIND THE BODY THAT THE LEGISLATURE OVER THE LAST FIVE YEARS HAS PASSED SIMILAR LEGISLATION THAT YOU HAVE IN FRONT OF YOU UNDER LB419. IN 2012, THE LEGISLATURE PASSED AND GOVERNOR HEINEMAN SIGNED A SALES TAX EXEMPTION FOR NONPROFIT ORGANIZATIONS IN REGARDS TO MEMBERSHIPS THAT THEY CHARGED RELATED TO SPORTS IN YOUTH-RELATED EVENTS, AS WELL AS EVENTS THAT HAD SOME KIND OF HEALTHY LIFESTYLE COMPONENT ATTACHED TO IT, AS WELL AS LAST YEAR THE LEGISLATURE PASSED, SIGNED INTO LAW BY GOVERNOR HEINEMAN, A BILL THAT PROVIDED A SALES TAX EXEMPTION FOR PURCHASES MADE BY HISTORIC AUTOMOBILE MUSEUMS. SO IN THE SENSE THAT THIS IS NOT A NEW POLICY, COLLEAGUES, THAT WE HAVE IN FRONT OF US WHEN WE COME TO DISCUSS SALES TAX EXEMPTIONS WHEN THEY'VE BEEN PUT FORWARD BY THE LEGISLATURE FOR STRATEGIC PURPOSES, I WOULD MAKE THE ARGUMENT THAT LB419 AS AMENDED BY AM984 HAS A VERY STRATEGIC ECONOMIC DEVELOPMENT FOCUS THOUGH. BECAUSE, UNLIKE YOUTH SPORTS AND UNLIKE HISTORIC AUTOMOBILE MUSEUMS, OUR ZOOS ARE OUR NUMBER-ONE ATTRACTIONS IN THE STATE. THEY ARE SIGNIFICANT REVENUE GENERATORS FOR NOT ONLY THE STATE COFFERS BUT CITY COFFERS. AND THIS IS THE FIRST SALES TAX EXEMPTION BILL IN MY SEVEN YEARS IN THE LEGISLATURE WHERE THE CITY GOVERNMENTS THAT WOULD BE AFFECTED BY THIS BILL IN REGARDS TO THE LOSS OF SALES TAX DOLLARS CAME IN SUPPORT OF THE BILL. EVERYONE ELSE WHO'S DONE A SALES TAX EXEMPTION THAT AFFECTS A CITY, YOU NEVER SEE CITY GOVERNMENTS COME FORWARD AND SAY... [LB419]

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SPEAKER HADLEY: TIME, SENATOR. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: THOSE IN THE QUEUE ARE SENATORS FRIESEN, SCHILZ, BRASCH, DAVIS, PANSING BROOKS, AND OTHERS. SENATOR FRIESEN, YOU'RE RECOGNIZED. [LB419]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT, THE UNDERLYING BILL, I HAVE NO PROBLEM WITH PARTS OF IT. I... YOU KNOW, SENATOR MELLO HAS DONE A GOOD JOB OF FRAMING THE ARGUMENT. BUT I GUESS THE PART I'M HAVING A PROBLEM WITH IS THAT ONCE WE START...WE ARE STARTING DOWN A LITTLE BIT OF A NEW ROAD HERE IN A LARGE ATTRACTION THAT IS DOING RATHER WELL. THEY'RE EXPANDING MEMBERSHIP AND GUESTS EVERY YEAR. THEY'VE BEEN, I THINK, OPERATING IN THE BLACK ACCORDING TO THE TESTIMONY THAT I'VE SEEN HERE THAT WAS PRESENTED AT THE COMMITTEE. SO IT'S NOT AS THOUGH THEY'RE SHORT OF REVENUE OR NEEDING HELP IN ORDER TO EXPAND. THE PROBLEM I GUESS I HAVE IS WITH THE PORTION THAT EXEMPTS THE MEMBERSHIP AND THOSE TICKET SALES. I FULLY SUPPORT EXEMPTING THEM FROM HAVING TO PAY SALES TAX ON THEIR INPUT COSTS. THAT'S NO DIFFERENT THAN ANY OTHER INDUSTRY. I DO THINK WE NEED TO EXEMPT THOSE SALES. I WOULD FULLY SUPPORT THAT. BUT WHEN IT COMES TO EXEMPTING THE MEMBERSHIP SALES AND THE ENTRANCE FEES, THAT'S WHERE I HAVE A LITTLE BIT OF A PROBLEM, I GUESS. I LOOK AT THIS AS, YOU KNOW, THEY ARE A NATIONWIDE ATTRACTION, ALMOST A WORLDWIDE ATTRACTION, YOU CAN SAY. THEY'RE ONE OF THE TOP ZOOS IN THE COUNTRY AND IT BRINGS IN REVENUE FROM OUT OF STATE. I DON'T THINK ANYBODY FLYING INTO THE STATE IS GOING TO LOOK AT THAT AND SAY, WELL, I'M NOT GOING TO GO TO THE ZOO BECAUSE I HAVE TO PAY SALES TAX. I THINK THEIR MEMBERSHIPS ARE REASONABLY PRICED. I DON'T THINK THIS IS A DETRIMENT TO THEM GETTING INTO THE ZOO. SO I LOOK AT THAT AND I...WOULD SENATOR MELLO YIELD TO A QUESTION? [LB419]

SPEAKER HADLEY: SENATOR MELLO, WILL YOU YIELD? [LB419]

SENATOR MELLO: ABSOLUTELY. [LB419]

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SENATOR FRIESEN: SO I WAS UNDER THE IMPRESSION THAT NONPROFIT ORGANIZATIONS DID NOT PAY FOR...PAY SALES TAX ON INPUT COSTS AND SUPPLIES, THINGS LIKE THAT. BUT YOU'RE SAYING THEY DO. [LB419]

SENATOR MELLO: CORRECT. [LB419]

SENATOR FRIESEN: SO IN THE END HERE, I MEAN, WHAT WE'RE TALKING ABOUT IS THE CITY OF OMAHA IS WILLING TO GIVE UP ROUGHLY \$400,000 IN SALES TAX REVENUE? THAT WOULD BE THE 1.5 PERCENT PORTION? [LB419]

SENATOR MELLO: THAT IS CORRECT. ALL THREE CITIES--THE CITY OF OMAHA, CITY OF LINCOLN, AND THE CITY OF GERING, SCOTTSBLUFF--BOTH HAVE COMMITTED TO GIVE AS PART OF THE BILL. THAT'S WHY THEY SUPPORTED IT. THEY WERE ACKNOWLEDGING THEY WOULD BE GIVING UP OR FORGOING THEIR SALES TAX DOLLARS FROM THE LOCAL LEVEL THAT WOULD ALSO GO TO THESE ZOOS AND AQUARIUMS TO PROVIDE AND SHOW THAT THEY'RE WILLING TO MAKE A LOCAL INVESTMENT IN THESE ORGANIZATIONS AS WELL. [LB419]

SENATOR FRIESEN: SO YOUR ARGUMENT SAYS THAT BY EXEMPTING THEM FROM SALES TAX WE'RE GOING TO GROW EVEN MORE REVENUE, MORE VISITORS TO THE STATE TO COME VISIT THE ZOO. IS THAT CORRECT? [LB419]

SENATOR MELLO: THAT IS ABSOLUTELY CORRECT. [LB419]

SENATOR FRIESEN: SO CAN I ASSUME FROM THAT ASSUMPTION, I GUESS, THAT THEN LOWERING INCOME TAX, PROPERTY TAX, AND THOSE TYPES OF THINGS DOWN THE ROAD FOR PEOPLE WOULD SPUR ECONOMIC DEVELOPMENT IN THE STATE? [LB419]

SENATOR MELLO: YOU KNOW, SENATOR FRIESEN, I DON'T KNOW IF I'M GOING TO JUMP TO THAT CONCLUSION IN REGARDS TO THAT. I DON'T FULLY ACCEPT THAT PREMISE IN THE SENSE OF EVERY TIME WE MAKE A CHANGE IN THE TAX CODE WE DO THAT FOR A VARIETY OF REASONS AND THAT'S NOT ALWAYS, SO TO SPEAK, FOR GROWING OUR ECONOMY. SOMETIMES THERE'S CHANGES THAT ARE MADE PURELY IN REGARDS TO PROVIDING AN...FOR WHATEVER REASON WE MAY BELIEVE, SOMETIMES THE BELIEF THAT THERE'S AN INJUSTICE IN THE TAX CODE. OTHER TIMES IT'S...IN CASES LIKE LB419, IT'S TO PROVIDE FOR AN

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INCENTIVE, AN INCENTIVE FOR THIS PARTICULAR INDUSTRY TO BE ABLE TO GROW FURTHER THAN WHAT IT'S ALREADY DONE. [LB419]

SENATOR FRIESEN: WELL, I...OKAY. THANK YOU, SENATOR MELLO. I LOOK AT THIS, YOU KNOW, AND THEY HAVE...THE HENRY DOORLY ZOO HAS A \$144 MILLION IMPACT ON THE CITY OF OMAHA--TREMENDOUS RESOURCE. I'VE GONE THERE. I'VE TAKEN GRANDKIDS THERE. MY GRANDKIDS FROM D.C. COME TO VISIT. THEY WON'T GO TO ANY OTHER ZOO. IT IS A SPECIAL PLACE. BUT I LOOK AT IT AS THAT REVENUE IS ALSO SPECIAL TO THIS STATE. I WILL LOOK FORWARD TO MAYBE AN AMENDMENT DOWN THE ROAD THAT PUTS THE MEMBERSHIP AND THOSE ENTRANCE TICKETS ON SALES TAX AGAIN. [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: SENATOR SCHILZ, YOU'RE RECOGNIZED. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB419]

SENATOR BRASCH: THANK YOU, MR. SPEAKER, AND GOOD AFTERNOON, COLLEAGUES. I WANTED TO STAND IN SUPPORT OF THE AMENDMENT AND LB419. MANY OF YOU MAY KNOW THAT I AM ON THE REVENUE COMMITTEE. I AM ONE OF EIGHT MEMBERS OF THE REVENUE COMMITTEE, BUT I DID WANT TO STAND AND DISCUSS THIS JUST SHORTLY. INITIALLY ONE OF THE LOBBY HAD COME TO ME, ASKING ME IF I WOULD BE A COSIGNER ON LB419. AND I THOUGHT ABOUT IT AND I SAID, I NEED MORE TIME TO THINK ABOUT THIS. FROM WHAT I KNOW ABOUT THE ZOOS. THEY'RE DOING VERY, VERY WELL OR AT LEAST THE ONES I'VE BEEN TO. I HAVE NOT BEEN TO ALL OF THE NEBRASKA ZOOS. AND I DON'T HAVE A PROBLEM WITH THE ZOOS. I THINK THEY'RE GREAT. THEY'RE FUN FOR FAMILIES, INDIVIDUALS, A HEALTHY ACTIVITY. AND I UNDERSTAND THAT THE AMOUNT OF REVENUE THAT THEY GENERATE DOES GO BACK INTO THE ZOOS. IT WILL JUST MAKE A BETTER ZOO. AND INITIALLY, WHEN OUR COMMITTEE VOTES WERE TAKEN, I WAS THE ONLY NO. AND I DID NOT FEEL GOOD ABOUT BEING THE ONLY NO AND I THOUGHT AND I CHANGED MY VOTE TO A YES BECAUSE, AFTER ALL, TOURISM AND THE ZOOS ARE OUR SECOND INDUSTRY IN THE STATE. AND THE REASON THAT I HAD SUPPORTED THIS IS I THOUGHT WE SHOULD SUPPORT OUR INDUSTRIES IN NEBRASKA. OUR NUMBER-ONE INDUSTRY IS AGRICULTURE. AND I THOUGHT SURELY OUR COLLEAGUES, THE COMMITTEE, WOULD HELP SUPPORT AGRICULTURE AS WELL. AND I CONTINUE TO WAIT AND HOPE I CAN

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GET SUPPORT ON MY PRIORITY BILL, BECAUSE IT IS OUR NUMBER-ONE INDUSTRY. BUT I DID WANT TO SAY THAT, THIS BILL, I BELIEVE IT SHOULD PASS BECAUSE IT WILL HELP. YOU KNOW, WE NEED TO LOOK AT HOW WE GENERATE REVENUES IN THIS STATE, HOW WE CAN GROW OUR ECONOMY. THIS WILL HELP GROW, AND WE HAVE OTHERS THAT WE MUST ALSO BE AWARE OF. AND I WILL TELL YOU THAT THE HENRY DOORLY ZOO IS AN AMAZING PLACE. IT IS CERTAINLY WORLD CLASS. I HAVE NO DOUBT THAT THEY WILL DO BIGGER AND BETTER THINGS WITH THE INVESTMENT THAT WE ARE MAKING HERE AS A LEGISLATURE. BUT I DID WANT TO STAND UP AND GIVE A SHOUT-OUT TO OUR AG INDUSTRY. AND I'M NOT TURNING A BLIND EYE ON THAT AND NEITHER IS THE REST OF THIS BODY. I'M NOT SAYING THAT. BUT AS WE MOVE FORWARD INTO THE SESSION, I DID WANT TO REMIND COLLEAGUES THAT WE HAVE MORE AHEAD OF US TO HELP OUR NUMBER-ONE INDUSTRY. AND SO I DO STAND UP IN SUPPORT, AND I DID WANT TO GIVE AN EXPLANATION OF WHY I RECONSIDERED AND WHY MY VOTE HAS BECOME A YES. THANK YOU, MR. PRESIDENT, MR. SPEAKER, AND THANK YOU, COLLEAGUES. [LB419]

SPEAKER HADLEY: SENATOR DAVIS, YOU'RE RECOGNIZED. [LB419]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, COLLEAGUES. I JUST WANT TO TALK A LITTLE BIT ABOUT MY VISIT TO THE ZOO LAST FALL AND WHY I DECIDED I THOUGHT THIS WAS A GOOD BILL. AS YOU ALL KNOW, I'M ON THE REVENUE COMMITTEE. I ALWAYS CALL THAT THE TAX EXEMPTION COMMITTEE BECAUSE IT SEEMS TO BE THAT THAT'S THE COMMITTEE WHERE EVERYBODY COMES FOR THAT. BUT THE CASE THAT WAS MADE FOR THIS BILL BY SENATOR MELLO AND THE PROPONENTS DEALT WITH THE ECONOMIC IMPACT THAT THIS HAS ON THE CITY OF OMAHA AND, REALLY, THE STATE OF NEBRASKA. AND LET'S NOT FORGET THAT WE DO HAVE THIS ZOO HERE IN LINCOLN AND SCOTTSBLUFF AND THE OTHER ONES WHO ARE GOING TO BENEFIT. SO I THINK WHEN THE CITIES AGREE THAT THEY'RE GOING TO FORGO THEIR TAX REVENUE, THEY SEE WHAT CAN HAPPEN FROM ECONOMIC DEVELOPMENT ACTIVITIES LIKE THAT ZOO. SENATOR BRASCH MADE REFERENCE TO IT BEING OUR NUMBER-TWO INDUSTRY, WHICH OF COURSE IT IS, AND THE ZOO IS THE NUMBER-ONE ZOO IN THE UNITED STATES. A LOT OF PRIVATE MONEY HAS GONE INTO THAT TO MAKE IT WHAT IT IS TODAY. THIS BODY HAS PUT THROUGH A LOT OF TAX EXEMPTIONS, A LOT OF TAX CREDITS, A LOT OF OTHER PROGRAMS WHICH HAVE A LOT HIGHER FISCAL NOTE AND HAVEN'T HAD THE, I THINK, THE DUE DILIGENCE THAT THIS ONE HAS HAD. SO, YOU KNOW, I RISE, YOU KNOW, WITHOUT RESERVATION TO SAY THIS IS A GOOD

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BILL AND WE NEED TO PUT IT THROUGH. WITH THAT SAID, I'LL YIELD THE REST OF MY TIME TO SENATOR MELLO. [LB419]

SPEAKER HADLEY: SENATOR MELLO, YOU'RE YIELDED 3:30. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. AND I WANTED TO FINISH WHERE I LEFT OFF. I APPRECIATED THE DIALOGUE ON THE MIKE WITH SENATOR FRIESEN AND CAN UNDERSTAND AND APPRECIATE HIS RESERVATIONS. BUT, COLLEAGUES, IF HISTORY IS ANY INDICATION OF WHAT WE'VE DONE BEFORE WHEN IT COMES TO PROVIDING A SALES TAX EXEMPTION FOR NONPROFIT ORGANIZATIONS, AS WELL AS THEIR ABILITY TO PURCHASE GOODS, AS WELL AS ADMISSIONS TO OTHER NONPROFIT ORGANIZATIONS THAT ARE SIMILAR TO A ZOO OR AQUARIUM, I DON'T SEE THIS BEING A SIGNIFICANT STEP FORWARD FOR THIS LEGISLATURE OR OUR STATE IN LIGHT OF THESE OTHER ORGANIZATIONS DO NOT HAVE NEAR THE ECONOMIC IMPACT THAT THE HENRY DOORLY ZOO, THE LINCOLN CHILDREN'S ZOO, OR THE RIVERSIDE DISCOVERY CENTER HAVE ACROSS THE STATE. AND, YES, THE INTENT WITH LB419 IS TO HAVE THE STATE PROVIDE A SMALL INVESTMENT INTO THESE ZOOS AND AQUARIUMS BECAUSE, COLLEAGUES, THE STATE HAS NOT PROVIDED A DIRECT INVESTMENT IN THESE ORGANIZATIONS. CITY GOVERNMENTS HAVE, BUT THE STATE OF NEBRASKA HAS NOT PROVIDED A TAX INCENTIVE, HAS NOT PROVIDED A TAX CREDIT, NOT A SALES TAX EXEMPTION. THESE ARE NONPROFIT ORGANIZATIONS THAT ARE PUBLIC-PRIVATE PARTNERSHIPS BETWEEN CITY GOVERNMENTS AND A NONPROFIT ORGANIZATION THAT RUN THESE ZOOS AND AQUARIUMS. AND THEY'RE LUCKILY ABLE TO DO IT DUE TO THE GENEROSITY OF THE PHILANTHROPIC COMMUNITY ACROSS NEBRASKA, AS WELL AS THE CORPORATE COMMUNITY. AND WHAT WE HAVE IN FRONT OF US IN LB419 IS THE ACKNOWLEDGEMENT THAT THE STATE IS FINALLY SAYING, WE ACKNOWLEDGE HOW BIG OF AN IMPORTANCE THE ZOOS AND AQUARIUMS ARE AROUND THE STATE, PARTICULARLY IN LIGHT OF THE REVENUE YOU GENERATE FOR THE STATE, REVENUE THAT GETS GENERATED OUT OF OMAHA, LINCOLN, AND SCOTTSBLUFF THAT GETS SPENT IN McCOOK, THAT GETS SPENT IN AURORA, THAT GETS SPENT IN SOUTH SIOUX CITY AND IT MAY NOT HAVE BEEN GENERATED THERE. BUT THESE ARE TOURISM DOLLARS THAT THESE COMMUNITIES ARE RECEIVING BASED OFF HOTEL/MOTEL TAX DOLLARS THAT ARE GENERATED, LODGING TAX DOLLARS, INCOME AND SALES TAX DOLLARS THAT ARE GENERATED BY THESE THREE MAIN ORGANIZATIONS. AND OUR ACKNOWLEDGEMENT UNDER LB419 WITH THE ADOPTION OF AM984 IS THAT WE THINK THE STATE SHOULD BE A PARTNER MOVING FORWARD BECAUSE WE KNOW THE OPPORTUNITY AND THE GROWTH THAT LIES AHEAD OF THESE

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ORGANIZATIONS WITH THE STATE BEING A PARTNER WITH LOCAL CITY GOVERNMENTS WHO ARE ALSO WILLING TO MAKE THAT EXTRA INVESTMENT BY FORGOING THEIR SALES TAX. [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR MELLO: AND I CANNOT REITERATE THAT ENOUGH, COLLEAGUES. FOR AT LEAST THE SENIOR MEMBERS, WE HAVE NEVER HAD A CITY GOVERNMENT COME AND OKAY AND SUPPORT A SALES TAX EXEMPTION. WHY: BECAUSE THAT IS REVENUE THAT'S TAKEN OFF THEIR LEDGERS AND THEIR BUDGETS AND THEY'RE...WE'RE DOING IT THROUGH STATE LAW. AND THIS IS THE FIRST SALES TAX EXEMPTION BILL IN SEVEN YEARS WHERE THEY'VE COME IN SUPPORT OF THE BILL BECAUSE THEY ACKNOWLEDGE THE POTENTIAL GROWTH IN REVENUE THAT WILL COME BY MAKING A SMALL INVESTMENT IN THESE ORGANIZATIONS BECAUSE THEY'VE GOT A PROVEN TRACK RECORD. COLLEAGUES, IF THAT'S NOT ENOUGH EVIDENCE IN REGARDS TO THE STATE MAKING A SMALL ECONOMIC DEVELOPMENT INVESTMENT FOR LONG-TERM REVENUE GROWTH FOR THE STATE, I DON'T KNOW WHAT WILL, BECAUSE RIGHT NOW WE'RE NOT APPROPRIATING MONEY TO THESE ORGANIZATIONS. THEY'RE NOT RECEIVING TAX INCENTIVES OR TAX CREDITS. AND I THINK THIS IS GOOD TAX POLICY, PROVIDING SMALL, STRATEGIC STATE INVESTMENT TO GROW OUR ECONOMY. GROW OUR TOURISM INDUSTRY, AND HELP THESE ORGANIZATIONS CONTINUE TO GROW REGIONAL ECONOMIES. THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: SENATOR PANSING BROOKS, YOU'RE RECOGNIZED. [LB419]

SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I RISE IN SUPPORT OF LB419 AND AM984. SENATOR FRIESEN TALKED ABOUT A SPECIAL PLACE IN OMAHA, AND I WOULD JUST LIKE TO ADD THAT RIGHT HERE IN DISTRICT 28 IS A VERY SPECIAL PLACE AND THAT'S THE LINCOLN CHILDREN'S ZOO. AND AGAIN, IT IS PART OF NEBRASKA'S THIRD LARGEST INDUSTRY, TOURISM. AS A FORMER BOARD MEMBER AND EXECUTIVE BOARD MEMBER OF THE LINCOLN CHILDREN'S ZOO, I CANNOT SPEAK HIGHLY ENOUGH ABOUT THE ADVANTAGES TO THIS SMALL ZOO IN LINCOLN. AND I KNOW THAT MANY PEOPLE ARE QUITE FAMILIAR WITH THE ZOO IN OMAHA, BUT I WOULD INVITE YOU AND ENCOURAGE YOU TO COME TO THE LINCOLN CHILDREN'S ZOO TO SEE WHAT A SPECIAL PLACE THAT IS. IT'S AN ACCESSIBLE PLACE. IT'S A SMALLER PLACE. IT WAS AWARDED THE...IT WAS RATED AMONG THE NATION'S BEST ZOOS FOR CHILDREN BY PARENTS MAGAZINE. IT'S LINCOLN'S NUMBER-ONE FAMILY

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ATTRACTION. AGAIN, THE LINCOLN CHILDREN'S ZOO HAS CAMPS AND EDUCATIONAL CAMPS IN THE SUMMER FOR DAY CARE AND SUPPORTS THE SCHOOLS. THEY WERE...THE LINCOLN CHILDREN'S ZOO DEVELOPED THE FIRST FOCUS PROGRAM, A SCIENCE...HIGH SCHOOL SCIENCE FOCUS PROGRAM FOR THE LINCOLN...IN COLLABORATION WITH THE LINCOLN PUBLIC SCHOOLS. AND THE ALUMNI ARE NOW VETERINARIANS, MEDICAL PROFESSIONALS, TEACHERS, AND A VARIETY OF OTHER SCIENCE- AND MATH-FOCUSED PROFESSIONS IN ANOTHER...IN MANY OF THOSE PROFESSIONS. THEY'VE DEVELOPED COLLEGE COURSES AND THEY MENTOR STUDENTS AND TEACHERS AT CLASSES AT NEBRASKA WESLEYAN. THIS...I KNOW PERSONALLY THAT THIS ZOO IMPACTS EDUCATION IN THE REALM OF WONDER. CHILDREN ARE ALLOWED TO GET OUTSIDE AND WALK AND GET CLOSE UP AND NOSE TO NOSE WITH MANY OF THE FABULOUS ANIMALS AND CREATURES THAT ARE AT THE ZOO. IT'S A GREAT WAY TO TEACH. IT'S A GREAT WAY FOR THOSE KIDS TO LEARN. IT'S A GREAT WAY TO BUILD WONDER IN THOSE KIDS AND IT'S A GREAT WAY TO BUILD WONDER IN THOSE WHO VISIT OUR STATE. THESE ZOOS ARE IMPORTANT FOR OUR TOURISM. THEY ATTRACT PEOPLE TO OUR CITIES. THEY ATTRACT PEOPLE TO COME TO THE STATE AND STAY AND SPEND DOLLARS. AND SO I HOPE THAT YOU'LL ALL SEE THAT THE LINCOLN CHILDREN'S ZOO IS ON CITY-OWNED LAND, HOWEVER, IT'S 100 PERCENT SUPPORTED BY PRIVATE DOLLARS. THERE ARE NO TAX DOLLARS THAT ARE USED IN THE OPERATION OF THE LINCOLN CHILDREN'S ZOO. SO I THINK THIS IS A GREAT WAY FOR THE STATE TO PARTNER IN GROWING OUR ECONOMY IN NEBRASKA. I THINK IT'S IMPORTANT TO NOTE THAT THEY HAVE ALL SORTS OF COLLABORATIONS WITH HUMAN SERVICE PROVIDERS AND AGENCIES. THERE ARE...THEY GIVE 20...LINCOLN CHILDREN'S ZOO ALONE GIVES 20,000 ADMISSION PASSES TO AREA LOW-INCOME FAMILIES ANNUALLY. AND THEY HAVE 1,000 FREE MEMBERSHIP PASSES FOR LOW-INCOME PEOPLE WITHIN WALKING DISTANCE OF THE ZOO TO ALLOW CHILDREN AND FAMILIES TO SPEND TIME TOGETHER. THEY HAVE REACHED OVER 100,000 CHILDREN IN HOSPITALS ACROSS THE NATION FREE OF CHARGE THROUGH AN EDUCATIONAL PROGRAM THAT WAS CREATED CALLED "ZOOFARI" IN COLLABORATION WITH LARRY THE CABLE GUY. AND IF YOU HAVEN'T SEEN THOSE, THEY'RE QUITE HUMOROUS, SO YOU SHOULD GO ON-LINE AND SEE THE WONDERFUL THINGS HAPPENING TO REACH OUT TO THE ZOOS ACROSS THIS STATE. SO AGAIN, COLLEAGUES, I HOPE THAT YOU WILL HELP TO SEE THE VALUE OF THE DOLLARS THAT ARE ATTRACTED TO OUR STATE BY THE ZOOS, BY THE HUSKERS, BY ALL SORTS OF THINGS THAT... [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

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SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT...ALL SORTS OF ORGANIZATIONS AND ACTIVITIES THAT ATTRACT PEOPLE TO OUR CITIES AND OUR STATE AND THAT HELP US TO GROW ECONOMICALLY. THANK YOU SO MUCH, MR. PRESIDENT. I...THAT'S IT. [LB419]

SPEAKER HADLEY: THOSE IN THE QUEUE ARE SENATORS GROENE, KRIST, JOHNSON, HUGHES, SCHNOOR, AND OTHERS. SENATOR GROENE, YOU'RE RECOGNIZED. [LB419]

SENATOR GROENE: THANK YOU, MR. PRESIDENT, SENATOR MELLO KNOWS I HAVE SOME REAL CONCERNS WITH THIS BILL. HIS AMENDMENT HELPS BECAUSE IT PUTS SALES TAX BACK ON THE HOT DOGS AND THE POP AND ALL THAT STUFF AT THE CONCESSIONS STAND AND AT THE GIFT SHOP. BUT I'M CONFUSED. THEY ALWAYS TELL US TOURISM BRINGS PEOPLE TO OUR STATE TO PAY HIGHER FUEL TAXES, OUTRAGEOUS HOTEL TAXES IF YOU STAY IN A COUPLE OF OUR CITIES. THIS IS SUPPOSED TO BE GOOD. IT CREATES TAX DOLLARS FOR US, TOURISM DOES, IS WHAT I'VE ALWAYS BEEN TOLD. AND I DON'T UNDERSTAND. WE KEEP TALKING ABOUT THE ZOOS, BUT THE ZOO DOES NOT PAY THE TAX ON ADMISSIONS AND MEMBERSHIPS. THE CUSTOMER DOES. THIS SHOULD NOT AFFECT THE ZOOS AT ALL. IT AFFECTS THE CUSTOMERS. AND I WOULD BE HARD FOUGHT TO FIND ANYBODY WHO DIDN'T COME TO THE ZOO BECAUSE THEY PAID 7.5 PERCENT TAX ON THEIR ADMISSION. IF THEY NEED TO SHOW THAT AS A LINE ITEM ON THEIR ADMISSION, THE SALES TAX, LIKE MOST BUSINESSES DO. THEY SHOULD DO THAT AND THEY SHOULD ALSO DO IT ON THEIR ADMISSIONS. BUT THIS IS A LOT OF TAX DOLLARS. WE'RE TALKING \$2.6 MILLION WE'RE GIVING UP HERE, AND NOBODY CAN SHOW ME WHAT WE'RE GETTING IN RETURN. IS ONE MORE TOURIST GOING TO COME TO THE STATE? IS ONE LESS TOURIST NOW COMING BECAUSE THEY PAY SALES TAX? THOSE ZOOS DON'T PAY ANY PROPERTY TAXES, SO THEY'RE NOT...AND THERE'S SOME HIGH-PAYING JOBS AT THOSE ZOOS AND THOSE PEOPLE HAVE AN OCCUPATION THAT THEIR BUSINESS DOESN'T BRING ANYTHING TO THE STATE IN TAX DOLLARS. BUT ZOOS ARE GOOD; SO IS THE GOLDEN SPIKE IN NORTH PLATTE; SO IS THE NEBRASKALAND DAYS WE HAVE IN NORTH PLATTE. IF WE GIVE IT HERE, WHERE DOES IT STOP? WHERE DOES IT STOP? WHY WOULDN'T THEY HAVE THE RIGHT TO COME HERE AND SAY, WE CREATE JOBS, WE'RE DOING ALL THESE GOOD THINGS FOR THE STATE, WHY SHOULD WE PAY SALES TAX ON OUR ADMISSIONS AT THE RODEO? HOW ABOUT THE CONCERTS AT CENTURYLINK AND PINNACLE BANK? WHERE DO WE STOP HERE? PINNACLE BANK ARENA IS HAVING FINANCIAL PROBLEMS; SO IS CENTURYLINK. ARE THEY COMING NEXT? ARE THEY GOING TO SAY, WE NEED THAT SALES TAX DOLLARS TO BE KEPT? I KNOW THERE ARE

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SPECIAL EXCEPTIONS NOW FOR CERTAIN AREAS ON THE SALES TAX THAT THEY GET TO KEEP THEM. COME ON, FOLKS. WE GOT...CAN'T KEEP DIVIDING AND CONQUERING. WE CAN'T KEEP SENDING PEOPLE HOME WITH THEIR SPECIAL TAX BREAKS BECAUSE THEY CAME AND LOBBIED. I RAN ON THE PRINCIPLE THAT...TAX BREAKS FOR EVERYONE OR NOBODY. EVERY TIME YOU GIVE \$2 MILLION HERE OR \$3 MILLION THERE, IT ADDS THE BURDEN TO THE REST OF US. THAT MONEY HAS TO BE MADE UP. AND WE KEEP TALKING ABOUT TAX RELIEF FOR THE FAMILIES. THIS IS TAX RELIEF FOR TOURISTS. IT'S NOT A TAX RELIEF FOR THE ZOOS. IT'S TAX RELIEF FOR TOURISTS. THEY COME AND THEY GO. I DON'T UNDERSTAND. THIS HAS NOTHING TO DO WITH THE VALUE OF ZOOS. THEY ARE WHAT THEY ARE. SO ANYWAY, I STAND AGAINST THE AMENDMENT AND LB419. WE'VE GOT TO STOP THIS DIVIDING AND CONQUERING, A LITTLE BIT OF A TAX BREAK HERE, A LITTLE BIT THERE, THEN MIKE GROENE AND HIS FRIENDS ARE STANDING THERE PAYING ALL THE TAXES. THAT'S GOT TO STOP. WORKING PEOPLE OUT THERE DON'T HAVE THE LOBBYISTS TO COME IN HERE AND ASK YOU FOR TAX BREAKS. BUT WHEN YOU GIVE \$2.5 MILLION AWAY HERE, SOMEBODY ELSE HAS TO MAKE IT UP. AND THIS HAS NO COMMON SENSE AT ALL AS TO CREATE MORE TOURISTS IN THE STATE WHATSOEVER. THE TOURISTS PAY THIS TAX, NOT THE ZOOS. THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: SENATOR KRIST, YOU'RE RECOGNIZED. [LB419]

SENATOR KRIST: GOOD AFTERNOON. THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, COLLEAGUES, AND GOOD AFTERNOON, NEBRASKA. I STAND IN COMPLETE SUPPORT OF AM984 AND THE UNDERLYING BILL, LB419, AS IT WOULD BE AMENDED. I HAVE VOTED ON THIS FLOOR WITH A GREEN BUTTON EVERY TIME WE TALK ABOUT ALLOWING SOME KIND OF A TAX BREAK FOR FARM MACHINERY, IMPLEMENTATION, AGRICULTURE ACROSS THE BOARD, AND, YES, IT'S THE NUMBER-ONE INDUSTRY IN THIS STATE, BUT IT IS NOT THE ONLY INDUSTRY IN THE STATE. WE HAVE ALSO TALKED OVER THE LAST FEW YEARS COMPLIMENTARY OF OUR TOURISM BUT REALLY HAVE NEVER PUT MONEY IN BACK OF THAT COMPLEMENTARY EFFORT THAT WE'VE GONE FORWARD WITH. I WILL AGREE THAT IT'S TOURISM THAT PAYS THE TAXES, I DO THINK THAT MEMBERSHIP BY ITSELF IS A LOT OF LOCAL, BLUE-COLLAR FOLKS WHO TAKE THEIR KIDS TO THE ZOO, A LOT OF STATE PEOPLE WHO TAKE THEIR KIDS TO THE ZOO. AND MEMBERSHIP BY ITSELF TO ME MAKES PERFECT SENSE IN TERMS OF ALLOWING THAT NOT TO BE TAXED. I ALSO WOULD AGREE THAT, IN LOOKING AT HOW WE GIVE TAX CREDITS AND THOSE KINDS OF THINGS IN THE STATE AWAY, WE'VE BEEN VERY SELECTIVE IN MY TIME HERE, MAKING SURE THAT THERE IS, INDEED, A PAYBACK. I THINK THAT THE STUDIES I'VE SEEN AND THE METRICS

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THAT I HAVE SEEN ON THIS PARTICULAR ISSUE MAKES PERFECT SENSE. AND THE TAX STUDY THAT WE DID OVER THE INTERIM PERIOD ALSO GIVES US GOOD INDICATION THAT WE SHOULD START LOOKING AT THOSE EXEMPTIONS ACROSS THE BOARD AND MAYBE NOT GIVING THEM OUT LIKE CANDY AT HALLOWEEN. BUT I DO SUPPORT THIS EFFORT. IT IS IN MY BACKYARD AND I WOULD NOTE THAT THE CITY OF OMAHA PAYS \$1.5 MILLION A YEAR OUT OF THEIR GENERAL FUNDS, OUT OF TAXES TO SUPPORT THE ZOO, WHICH I HAVE MADE VERY CLEAR TO THE MAYOR AND STAFF THAT, IF THIS TAX EXEMPTION GOES THROUGH, IT SHOULD...WE SHOULD NOT CONTINUE TO GIVE \$1.5 MILLION IN TAX BASE FROM THE CITY OF OMAHA. AND I ECHO WHAT SENATOR MELLO HAS SAID IN HIS FEW TIMES ON THE MIKE IN TERMS OF I'VE NEVER SEEN A CITY COME IN, IN ANY OF MY TIME HERE, AND PROPOSE THAT THEY WOULD SUPPORT THIS KIND OF AN EFFORT. SO I STAND IN SUPPORT OF AM984 AND THE UNDERLYING LB419 AS IT WOULD BE AMENDED, AND I'D LIKE TO YIELD THE BALANCE OF MY TIME TO SENATOR MELLO, SHOULD HE CHOOSE TO TAKE IT. [LB419]

SPEAKER HADLEY: SENATOR MELLO, 2:10. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I WILL HAVE TO RESPECTFULLY RISE AND SHARE MY DISAGREEMENTS WITH MY COLLEAGUE, SENATOR GROENE. WHILE I'M NOT A ZOOLOGICAL SOCIETY DIRECTOR AND I'VE NOT HAD THE DISTINCT PLEASURE OF RUNNING A ZOO, I CAN TELL YOU THE WAY THE ZOOS OPERATE IS THAT THEY INCORPORATE...THEIR SALES TAX THAT'S OWED BY A CUSTOMER IS INCORPORATED INTO THEIR TICKET PRICE. SO AS ANY...IF YOU TALK TO ANY OF THE THREE ZOOS THAT CAME IN SUPPORT OF THE BILL, THEY WOULD TELL YOU THEY HAVE TO ESSENTIALLY CHARGE A PRICE AND THEN PAY THE STATE AND CITY OUT OF WHAT THAT PRICE IS, AND THEY WANT TO BE ABLE TO KEEP THAT PRICE WHERE IT IS AT NOW. AND INSTEAD OF PAYING THAT SALES TAX FOR THESE THREE COMPONENTS BACK TO THE STATE AND CITY, THEY WOULD BE ABLE TO KEEP THAT SALES TAX THAT'S PAID AND REINVEST IT IN THEIR ORGANIZATION. A YOUNGER VERSION OF PROBABLY MYSELF BACK IN 2009-2010 PROBABLY WOULD HAVE RAISED THE ISSUE THAT SENATOR KRIST JUST DID IN RESPECTS TO THE CONCERNS OF PAROCHIALISM IN REGARDS TO WHY ARE WE NOT DOING THIS FOR MY COMMUNITY, WHY ARE WE NOT PROVIDING A SALES TAX EXEMPTION FOR MY ORGANIZATION OR MY COMMUNITY. AND I WOULD TELL YOU, COLLEAGUES, THROUGHOUT THE YEARS, WE'RE VERY STRATEGIC AS A LEGISLATURE IN REGARDS TO WHAT WE CHOOSE TO PROVIDE ANY KIND OF INCENTIVE OR TAX CREDIT OR EXEMPTION TO. WE DID PASS SOME SALES TAX EXEMPTIONS LAST YEAR FOR GOLD AND SILVER BOUILLON, THE HISTORIC

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AUTOMOBILE MUSEUMS, DIRECT-MAIL POSTAGE. THOSE WERE JUST A FEW OF THE SALES TAX EXEMPTIONS THAT WE PASSED LAST YEAR BECAUSE THERE WAS A STRATEGIC REASON FOR US TO DO SO BECAUSE THEY WERE BROUGHT FORWARD. WHAT YOU HAVE IN FRONT OF YOU IS THE TOURISM INDUSTRY UNANIMOUSLY COMING FORWARD SAYING, WE GENERATE A CONSIDERABLE AMOUNT OF REVENUE THROUGH LODGING TAXES THAT GETS SPENT IN NORTH PLATTE, THAT GETS SPENT IN OTHER COMMUNITIES ACROSS THE STATE FROM THAT LODGING TAX MONEY THAT'S GENERATED OUT OF OMAHA, LINCOLN, AND SCOTTSBLUFF. WE FEEL THAT OUTWEIGHS THE \$2.6 MILLION THIS BIENNIUM WE WILL GIVE UP IN SALES TAXES AT THE STATE LEVEL. THERE IS A SIMPLE COSTBENEFIT ANALYSIS. THERE'S A BELIEF THAT WE WILL BE ABLE TO GROW OUR TOURISM INDUSTRY FASTER BY GIVING A SMALL STATE INVESTMENT... [LB419]

SPEAKER HADLEY: TIME, SENATOR. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: SENATOR JOHNSON, YOU ARE RECOGNIZED. [LB419]

SENATOR JOHNSON: THANK YOU, MR. SPEAKER. I WAS GOING TO HAVE A LITTLE CONVERSATION WITH SENATOR MELLO BEFORE WE GOT INTO THE SESSION AND ROLL CALL WAS CALLED AND WE STARTED. SO I'M NOT OUITE THERE YET ON LB419. I DO SUPPORT TOURISM. I DO SUPPORT ECONOMIC DEVELOPMENT, BUT...AND I WAS INVOLVED IN PART OF THE PROCESS WHEN WE MADE SOME TAX EXEMPTIONS. AND WHEN WE STARTED DOING THAT, WE OPENED UP A BIG GATE, A BIG DOOR TO CONTINUE THAT PLAN, I GUESS, IN ORDER TO HAVE MORE TAX EXEMPTIONS FOR MORE ORGANIZATIONS. AND I GUESS MAYBE A CONFLICT OF INTEREST, I HAVE SOME HISTORIC VEHICLES. I'M NOT A LICENSED MUSEUM. BUT AS I'M MAYBE SELLING MY INVENTORY NOW, MAYBE IT WILL HELP ME SELL THAT BECAUSE I CAN SELL IT TO A MUSEUM AND THEY WON'T HAVE TO PAY THE SALES TAX. SO MAYBE I CAN USE THAT AS A MARKETING TOOL, BUT THAT'S A PERSONAL THING. GOING BACK TO SENATOR KOLOWSKI'S COMMENTS ABOUT THE DONATIONS THAT ARE MADE TO THE ZOOS, I THINK IT'S VERY POPULAR FOR PEOPLE TO DO THAT. I JUST WONDER, OKAY, THEY'RE GETTING SUPPORT NOW FROM THE STATE, \$2.6 MILLION MAYBE, AND MAYBE THERE'S OTHER PLACES THAT THOSE ENTITIES WILL START MAKING THEIR DONATIONS. MAYBE THAT'S GOOD BUT MAYBE IT WON'T BE COMING TO THE ZOOS. LARRY THE CABLE GUY, I THINK HE'S TRYING TO HELP CHILDREN. SO THAT ONE PROBABLY STAYS THERE. BUT SOME OF THESE OTHER DONORS MIGHT LOOK AT IT A LITTLE BIT

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DIFFERENT AND THEY MIGHT OFFSET THEIR DONATIONS BECAUSE OF THE STATE NOT COLLECTING SALES TAX. SO THAT'S A CONCERN, A QUESTION I HAVE OR A CONCERN. YOU KNOW, WE'VE TALKED ABOUT PROPERTY TAX RELIEF AND TRYING TO BALANCE THAT. WHENEVER WE HAVE PROPERTY TAX RELIEF AND WE MAKE THAT STATE CREDIT LARGER. THAT COMES OUT OF INCOME AND INCOME TAX AND SALES TAX. THAT'S WHERE IT'S GENERATED. WE GIVE UP THAT MONEY FOR PROPERTY TAX RELIEF. SO WE'RE GOING TO BE COLLECTING \$2.6 MILLION LESS DOLLARS IN SALES TAX, WHICH IS GOING TO IN MY MIND PROBABLY SLOW DOWN ANY EFFORT, WHETHER IT'S OF TAX RELIEF IN THE METROPOLITAN AREAS OR URBAN AREAS OR RURAL AREAS. SO IT DOES HAVE A RIPPLE. IT DOES HAVE SOME EFFECT ON BALANCING OUR TAX LOAD. I HAD A COUPLE MEETINGS OVER THE WEEKEND. ONE OF THEM WAS WITH SOME PRODUCERS AND THEY'RE GOING TO HAVE ANOTHER 10 PERCENT...PROBABLY ANOTHER 10 PERCENT INCREASE IN THEIR PROPERTY TAXES THIS NEXT YEAR. THAT'S WHAT THE PREDICTIONS ARE. SO WE'RE NOT DONE YET TRYING TO GET THIS THING BALANCED. I DID SIGN ON WITH LB350. SENATOR BRASCH'S BILL FOR THE 75 TO 65 PERCENT REDUCTION. I KNOW THAT'S NOT A "FIX ALL," BUT I BELIEVE IT CONTINUES TO HELP US MOVE IN THE RIGHT DIRECTION. AT THIS POINT, AS FAR AS AM984 DOES HELP THE BILL, I'M NOT SURE SOMETIMES TO SAY DON'T...IF IT'S A BAD BILL, DON'T TRY AND FIX IT WITH AMENDMENTS, BUT TRY AND MAKE IT BETTER. I'M STILL WAVERING RIGHT NOW WHERE I'LL BE ON LB419. THANK YOU, MR. SPEAKER. [LB419 LB350]

SPEAKER HADLEY: THOSE IN THE QUEUE INCLUDE SENATORS HUGHES, SCHNOOR, BLOOMFIELD, FRIESEN, RIEPE, AND OTHERS. SENATOR HUGHES, YOU'RE RECOGNIZED. [LB419]

SENATOR HUGHES: THANK YOU, MR. PRESIDENT. I HAVE BEEN TO THE OMAHA ZOO A COUPLE TIMES, WAS JUST THERE THIS LAST YEAR. IT'S AN INCREDIBLE FACILITY. I HAVE NOT MADE IT TO LINCOLN OR SCOTTSBLUFF, BUT...AND I DO COMMEND THOSE CITIES FOR THEIR SUPPORT OF THESE ATTRACTIONS TO OUR STATE. QUITE SPECIFICALLY, THE HENRY DOORLY ZOO IN OMAHA IS A WORLD-CLASS ZOO. BUT THE FACT THAT THEY'RE ASKING FOR SALES TAX EXEMPTION DOES BOTHER ME AT SOME POINT. THE CITY OF OMAHA STEPPING UP AND WILLING TO FORGO THEIR SALES TAX IS GOOD, BUT THEY ALSO HAVE A BACKDOOR REVENUE THAT THEY CAN MAKE THAT UP UNLESS RESTAURANTS AND HOTELS IN THAT CITY ARE WILLING TO GIVE UP THEIR CITY SALES TAX AS WELL. IF THERE IS, INDEED, INCREASED TRAFFIC BECAUSE OF THE CHEAPER TICKET PRICES AT HENRY DOORLY, THERE WILL BE MORE MEALS, MORE HOTEL ROOMS BOOKED, AND THE CITY WILL STILL BE GETTING INCREASED REVENUE

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FROM THOSE AREAS. AND IF THE RESTAURANTS AND THE HOTELS ARE WILLING TO FORGO THEIR SALES TAX TO HELP THE ZOO THEN, YOU KNOW, I MIGHT THINK ABOUT IT. A COUPLE OF MY COLLEAGUES, MY RURAL COLLEAGUES. HAVE TOUCHED ON PROPERTY TAXES. YOU KNOW, LAST YEAR, DURING OUR CAMPAIGNS THAT'S ALL WE HEARD ABOUT WAS. WE NEED PROPERTY TAX RELIEF. AND I GOT HAMMERED ON IT AGAIN THIS WEEKEND WHEN I WAS HOME--YOU KNOW, WHEN ARE WE GOING TO GET SOME KIND OF SIGNIFICANT PROPERTY TAX RELIEF? AND MY ANSWER IS, QUITE FRANKLY, I DON'T KNOW. I DON'T HAVE ANY IDEA. I DON'T SEE THE WILL OF THIS BODY STEPPING UP TO TAKE ON THE NUMBER-ONE TAX PROBLEM IN THE STATE OF NEBRASKA AND THAT'S PROPERTY TAX. I AGREE WITH SENATOR GROENE, THIS \$1 OR \$2 MILLION THAT WE'RE GIVING TO TAX SHIFT FROM THE STATE OF NEBRASKA COFFERS INTO THE CITY OF OMAHA COFFERS--AND THAT'S WHAT IT IS, IT'S A TAX SHIFT--DOESN'T SELL WELL BACK HOME. AND I APOLOGIZE TO MY COLLEAGUE FROM SCOTTSBLUFF AND MY LINCOLN COLLEAGUES, BUT THAT DOESN'T PLAY WELL OUT IN THE COUNTRY. WE'VE HEARD WAY TOO LONG THAT PROPERTY TAXES ARE A PROBLEM, AND THIS IS JUST ANOTHER WAY TO SEE A SHIFT. AND YOU CAN'T TELL ME THAT CITY SALES TAXES AREN'T USED TO BUY DOWN PROPERTY TAXES IN EVERY TOWN THAT THEY'RE HAD. AND WHEN I GO TO ANYTHING I BUY HERE IN LINCOLN, WHEN I'M STAYING HERE DOING THIS JOB, THE LINCOLN CITY SALES TAX, SOME OF THAT MONEY IS USED IN LIEU OF PROPERTY TAX IN THE CITIES. THAT, LIKE SENATOR GROENE, STICKS IN MY CRAW. SO I AM OPPOSED. I VISITED WITH SENATOR MELLO. I THINK IT'S A, YOU KNOW, A GOOD IDEA, BUT IT'S NOT SOMETHING THAT I THINK IS TIME THAT WE ADDRESS NOW. THANK YOU. [LB419]

SPEAKER HADLEY: SENATOR SCHNOOR, YOU'RE RECOGNIZED. [LB419]

SENATOR SCHNOOR: THANK YOU, SIR. IN ALL THE E-MAILS THAT I RECEIVED, I WAS KIND OF SURPRISED TO HEAR THAT TOURISM, WHAT I HAD RECEIVED WAS TOURISM WAS OUR NUMBER-THREE INDUSTRY. AND I THINK SOMEBODY IN HERE ON THE FLOOR SAID IT WAS NUMBER TWO. BUT IN ANY CASE, I WAS SURPRISED HOW HIGH THAT RANKED IN OUR INDUSTRIES IN THE STATE. SO THAT'S GOOD TO HEAR. SENATOR HUGHES, YOU TALKED ABOUT CHEAPER TICKETS. WELL, SENATOR MELLO SAID THEY AREN'T GOING TO BE ANY CHEAPER. THEY'RE JUST GOING TO TAKE THE MONEY AND REINVEST IT INTO THE ZOO ITSELF. WHEREAS SENATOR KOLOWSKI HAD SAID THEY RECEIVED...THEY RECEIVE PROBABLY MILLIONS OF DOLLARS...HE DIDN'T SAY THIS AMOUNT SPECIFICALLY, BUT HE TALKED ABOUT ALL THE DONATIONS THEY RECEIVE ALREADY. AND I WOULD...I THINK I'D BE SAFE TO ASSUME THAT

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THAT'S IN THE MILLION-DOLLAR FIGURE OR BETTER OF DONATIONS THAT THEY RECEIVE. SO THE ZOO IS, IN FACT, A GREAT PLACE. BUT I WOULD LIKE TO REMIND PEOPLE WHAT GOES ON IN FLORIDA, THAT FLORIDA HAS NO INCOME TAX BECAUSE OF THEIR TOURISM INDUSTRY. THEY TAX THE PEOPLE THAT COME IN AND VISIT THEIR SITES AND VISIT, YOU KNOW, DISNEY WORLD AND THOSE AREAS. NOW THAT'S FAR, FAR MORE PEOPLE THAN WE'RE EVER GOING TO SEE AT THE ZOO, THERE'S NO DOUBT ABOUT THAT. BUT LOOKING AT THAT, LET'S USE THAT AS AN EXAMPLE AND NOT GIVE UP THAT SOURCE OF REVENUE FROM OUR STATE AND FROM OUTSIDE OF THE STATE, AS WELL, BECAUSE SOMEWHERE ALONG THE LINE THAT'S GOING TO HAVE TO BE MADE UP. SO WHEN SENATOR HUGHES TALKS ABOUT THE TAX SHIFT, THAT'S GOING TO HAVE TO HAPPEN FROM SOMEWHERE ELSE. SO WHERE ARE WE GOING TO GET IT FROM? SO I WILL NOT BE IN SUPPORT OF THIS, AND I WOULD ENCOURAGE EVERYBODY ELSE TO THINK LONG AND HARD ABOUT WHERE IS THIS MONEY GOING TO COME FROM WHEN...IF WE VOTE IN FAVOR OF THIS. SO THANK YOU. [LB419]

SPEAKER HADLEY: SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB419]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, COLLEAGUES. I AM GOING TO SUPPORT AM984. I HAVE YET TO MAKE UP MY MIND ON LB419. SENATOR MELLO IS CORRECT WHEN HE SAID THAT WE PASSED PROPERTY TAX...SALES TAX RELIEF LAST YEAR ON MACHINE PARTS. THAT'S SOMETHING THAT I WORKED ON THE FIRST FOUR YEARS I WAS HERE. SENATOR ANNETTE DUBAS CARRIED THE BILL LAST YEAR AND I DON'T KNOW HOW MANY YEARS BACK THAT FIGHT TOOK, 10-12 YEARS, I BELIEVE, MAYBE MORE, THAT WE STRUGGLED TO GET THAT EXEMPTION. AND FINALLY, LAST YEAR THE GOVERNOR SIGNED THAT BILL. SO THE IDEA THAT SALES TAX EXEMPTIONS CAN HELP IS NOT MISTAKEN. I WILL CONTINUE TO LISTEN ON THIS ONE. I DON'T KNOW THAT I'M GOING TO BE ABLE TO SUPPORT IT. BUT I CERTAINLY AM GOING TO SUPPORT AM984. I ALSO INTRODUCED A LITTLE BILL, LB191, THAT WOULD HAVE EXEMPTED SALES TAX FROM VETERAN SERVICE GROUPS, LIKE AMERICAN LEGION, THE VETERANS OF FOREIGN WARS, ON WHAT THEY SELL AND BUY. IT DIDN'T COME OUT OF COMMITTEE BECAUSE IN PART THE LITTLE FISCAL NOTE AND IN PART BECAUSE THEY WERE AFRAID OF WHAT WOULD COME BEHIND. AND AS SENATOR GROENE SAID, THAT'S WHAT CONCERNS ME THE MOST ON THIS BILL IS WHAT MAY COME BEHIND IT. WHO ELSE IS GOING TO BE IN LINE WANTING THE EXEMPTION NEXT YEAR? I SPOKE TO SENATOR MELLO BRIEFLY ABOUT ADDING LB191 ON AS AN AMENDMENT DURING SELECT FILE. IF I DO THAT, IT WOULD NOT BE IN AN ATTEMPT TO SABOTAGE HIS BILL AT ALL. WE WILL HAVE THAT CONVERSATION IF THIS PASSES. AND IF HE THINKS IT WOULD

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BE A DETRIMENT TO HIS BILL, I WILL NOT ATTEMPT TO ATTACH IT. BUT LET'S SEE WHERE THIS GOES. I, TOO, HEAR THE PROPERTY TAX CRY EVERYWHERE I GO. I HEARD IT IN JACKSON LAST NIGHT. WE'RE NOT...WE DON'T SEEM TO BE GETTING THERE. SENATOR BRASCH'S BILL, I BELIEVE IT'S LB350, HAS BEEN MENTIONED BEFORE. TO LOWER THE RATE FROM 75 TO 65 PERCENT OF ASSESSED VALUE. THAT CAN'T SEEM TO FIND ITS WAY OUT OF COMMITTEE, EITHER, BUT YET WE'RE LOOKING AT \$2 MILLION TO \$3 MILLION TO GO TO A ZOO IN OMAHA? I HAD THE OPPORTUNITY TO VISIT TENNESSEE LAST FALL. THEY HAVE A HIGH SALES TAX, NO INCOME TAX, AND VERY LOW PROPERTY TAX. I TALKED WITH ONE OF THEIR SENATORS. HE SAID, WHY SHOULD OUR PEOPLE PAY WHEN FOLKS FROM OUTSIDE THE STATE ARE WILLING TO SPEND THEIR MONEY HERE AND PAY OUR BILLS? WELL, COLLEAGUES, THAT'S WHAT'S HAPPENING IN OMAHA RIGHT NOW. THEY'RE HELPING PAY OUR BILLS. I DON'T KNOW IF WE WANT TO GIVE THAT AWAY. BUT THERE ARE BENEFITS TO DOING SO. MR. PRESIDENT, IF SENATOR GROENE WOULD LIKE ANY TIME, HE CAN HAVE WHAT I HAVE LEFT. [LB419 LB191 LB350]

SPEAKER HADLEY: SENATOR GROENE, YOU'RE YIELDED 1:30. [LB419]

SENATOR GROENE: THANK YOU. I KEEP HEARING ABOUT THE CITIES GIVING UP THEIR SALES TAX. THAT'S 1.5 PERCENT. THIS FISCAL NOTE IS ALL STATE MONEY. IT WAS \$3 MILLION; BUT THANKS TO THE AMENDMENT WHERE THEY'LL PAY SALES TAX ON HOT DOGS, IT DROPS IT TO \$2.67 MILLION. THAT ALL COMES OUT OF THE GENERAL FUND THAT WE'RE GOING TO HAVE TO MAKE UP SOMEWHERE. [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR GROENE: NOBODY YET IS GOING TO...HAS TOLD ME WE'RE GOING TO GET ONE MORE TOURIST INTO THE STATE BECAUSE WE DID THIS. I WASN'T HERE WHEN THEY DID THE PARTS ON EQUIPMENT, AGRICULTURE EQUIPMENT, BUT I WILL TELL YOU THIS: I'M IN THAT BUSINESS AND WE DID LOSE A LOT OF BUSINESS IN THIS STATE FROM FARMERS WHO WENT TO KANSAS, COLORADO, AND OTHER STATES WHERE THEY DIDN'T HAVE TO PAY SALES TAX. THAT WAS A BILL THAT INCREASED BUSINESS IN THE STATE OF NEBRASKA. THIS BILL IS A FEEL-GOOD BILL. YOU'RE TELLING ME SOMEBODY WON'T COME TO OUR STATE BECAUSE THEY HAVE TO PAY AN EXTRA 7.5 PERCENT FOR A ZOO TICKET? COME ON. I DON'T UNDERSTAND THE PURPOSE OF THIS BILL, BUT THE FEEL-GOOD THING THAT WE LIKE ZOOS. WE GOT TO HAVE A BETTER REASON THAN THAT

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THAN TO GIVE TAX BREAKS. AND IT'S PROPERTY TAXES, PROPERTY TAXES, PROPERTY TAXES. SENATOR BRASCH HAS A POINT. WE CAN'T GET A PROPERTY TAX BILL THROUGH THE REVENUE COMMITTEE WHEN THAT'S ALL WE HEAR IN THE COUNTRY, EVERYWHERE. [LB419]

SENATOR COASH PRESIDING

SENATOR COASH: TIME, SENATOR. [LB419]

SENATOR GROENE: THANK YOU. [LB419]

SENATOR COASH: THANK YOU, SENATOR GROENE. SENATOR FRIESEN, YOU'RE RECOGNIZED. [LB419]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. WELL, I WANT TO ASSURE EVERYBODY THAT I DON'T WANT TO TAKE THE ZOO AWAY FROM THE KIDS. I THINK IT IS A GOOD PLACE. AND I HAVE BEEN TO THE LINCOLN ZOO. IT IS A NICE, WONDERFUL, LITTLE ZOO. I HAVE NO PROBLEM WITH THAT. AND I HAVE NO PROBLEM AT ALL EXEMPTING THEIR INPUTS FROM SALES TAX. IT'S NO DIFFERENT THAN WE DID FOR FARM REPAIRS, MACHINERY. I DON'T HAVE A PROBLEM WITH THAT. I DON'T KNOW HOW THAT WOULD IMPACT THE FISCAL SHEET, BUT I'LL MAKE AN ASSUMPTION IT MAY CUT IT IN HALF, I DON'T KNOW. BUT I FULLY SUPPORT THAT. I TOTALLY SUPPORT THAT IDEA, BUT I DON'T THINK...YOU CAN CORRECT ME IF I'M WRONG, SENATOR MELLO, DOWN THE ROAD, BUT IF WE'D EXEMPT THE PURCHASE PRICE OF TICKETS TO GET INTO AN ANTIQUE CAR MUSEUM, I THINK WE'VE...YOU MADE IT CLEAR. I THOUGHT THAT WE EXEMPTED MAYBE SOME OF THEIR PURCHASES. BUT STILL, I MEAN, I LOOK AT THIS AND I LOOK AT THE REVENUE THAT IT BRINGS IN AND I JUST THINK IT'S REVENUE WE DON'T WANT TO GIVE UP RIGHT NOW. I WOULD FULLY SUPPORT GIVING UP THE SALES TAX ON THEIR INPUTS. I WILL REITERATE THAT, MAKE SURE I'M CLEAR ABOUT THAT. SO I AM HAPPY WITH THE AMENDMENT. I JUST THINK IT NEEDS TO DO A LITTLE MORE. IT'S BROUGHT UP THAT THEY'VE RECEIVED A LOT OF DONATIONS FROM THE AREA IN OMAHA. THAT'S FANTASTIC. THAT'S GREAT. AND THEY RECEIVED A NICE INCOME TAX BREAK BY MAKING THAT TAX DONATION. BUT I THINK IT'S A WONDERFUL PARTNERSHIP. IT IS A UNIQUE OPPORTUNITY AND IT IS A WONDERFUL ZOO TO BE ABLE TO DO IT WITH, SAME WITH LINCOLN, SAME WITH SCOTTSBLUFF. I JUST CONTINUE TO HAVE PROBLEMS WITH WHEN THE CITY OF OMAHA IS LOOKING FOR EXTRA REVENUE AND HELPING WITH THEIR SEWER SEPARATION ISSUE, THEY'RE

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LOOKING FOR STATE AID TO CITIES TO INCREASE, AND AT THE SAME TIME WE'RE WILLING TO GIVE UP REVENUE THAT'S RIGHT THERE. I HAVE A PROBLEM WITH THAT. I JUST FIND IT DIFFICULT TO DO, ESPECIALLY WHEN IT'S NOT THE ZOO THAT'S PAYING IT, IT'S THE CUSTOMER. AND I DON'T THINK YOU'RE GOING TO SEE A DROP IN CUSTOMERS BECAUSE THE SALES TAX IS THERE. I HAVE NOT HEARD THAT COMPLAINT. I HAVE NOT GONE THERE AND SAID, OH, MY, THIS IS HIGH-PRICED, I WISH THEY WOULDN'T CHARGE ME SALES TAX. THAT HAS NOT OCCURRED TO ME. I'M MORE THAN HAPPY TO HELP OUT THE CITY OF OMAHA. I'M MORE THAN HAPPY TO HELP OUT THE CITY OF LINCOLN HERE. THE CITY OF LINCOLN IS ACTUALLY GOING TO RAISE...PUT IT ON THE BALLOT TO RAISE A QUARTER CENT THE SALES TAX. ON ONE HAND, WE GIVE IT UP; THE OTHER HAND, WE ADD TO IT. IT JUST DEPENDS MAYBE ON WHO YOU WANT TO PAY IT. I WAS MORE THAN WILLING TO STEP OUT AND SUPPORT THE GAS TAX INCREASE TO BRING IN MORE REVENUE, AND I LOOK AT IT AS PROPERTY TAX RELIEF. AND I KNOW THERE'S SOME OPPOSITION TO IT AND I'M GOING TO TAKE SOME HEAT FROM IT. AND SOME OF YOU HERE STOOD ASIDE ON THE VOTE AND DIDN'T VOTE AND I UNDERSTAND THE POLITICAL REALITY OF IT. BUT WE HAVE A REVENUE PROBLEM AT TIMES. THE GOVERNOR WANTS TO CUT INCOME TAXES AND PROPERTY TAXES AND WHERE DO WE GET THE FUNDS FROM? MY PRIORITY IS PROPERTY TAXES YET. I LOOK AT THINGS LIKE THE GAS TAX. I DID THINK IT DID PROVIDE AN OPPORTUNITY FOR CITIES AND COUNTIES TO LOWER THEIR PROPERTY TAX VALUES IF THEY SO CHOOSE. THEIR CONSTITUENTS ARE GOING TO HAVE TO HOLD THEM TO IT, BUT I'M WILLING TO SAY, ALWAYS, THAT ROADS SHOULD BE FUNDED WITH THE GAS TAX. I'LL STAY WITH THAT. I'M NOT CHANGING. BUT I DO LOOK AT WHEN WE HAVE THIS REVENUE STREAM HERE AND THE CUSTOMERS ARE WILLING TO PAY IT, IT'S NOT AS THOUGH MEMBERSHIP IS DECLINING. THEY'RE NOT IN NEED OF REVENUE. THEY'VE BEEN OPERATING IN THE BLACK. I SEE NO REASON TO GIVE UP THE REVENUE ON MEMBERSHIP... [LB419]

SENATOR COASH: ONE MINUTE. [LB419]

SENATOR FRIESEN: ...AND THOSE TICKETS, ENTRANCE TICKETS. SO THANK YOU, MR. PRESIDENT. [LB419]

SENATOR COASH: THANK YOU, SENATOR FRIESEN. SENATOR RIEPE, YOU'RE RECOGNIZED. [LB419]

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SENATOR RIEPE: THANK YOU, MR. CHAIR, MR. PRESIDENT, AND MEMBERS OF THIS AUGUST GROUP, ALONG WITH NEBRASKANS. I DON'T WANT TO SAY A LOT. I SIMPLY WANT TO POINT OUT THAT OMAHA HAS LONG DEPENDED UPON, AND THOSE OF YOU WHO...THAT HAVE VISITED, ON THE PHILANTHROPIC GENEROSITY OF MANY CIVIC LEADERS. AND THOSE CIVIC LEADERS ARE AGING AND THERE'S NO ASSURANCE THAT THEIR FAMILIES ARE GOING TO PICK UP THE MILLIONS AND MILLIONS OF DOLLARS THAT THEY HAVE INVESTED IN THE COMMUNITY. OMAHA'S ZOO IS ONE OF A KIND. I THINK IT'S ALSO AN IMPORTANT POINT TO MAKE, THAT ANY OF THIS TAX IS NOT GOING BACK TO THE TOURISTS THAT ARE COMING. IT SIMPLY IS TURNED BACK TO THE ZOO AND THE ZOO IS ABLE TO USE THAT TO FILL WHAT WILL EVENTUALLY BE A VOID WHEN THE WALTER SCOTTS, THE BRUCE LAURITZENS, THE ALLAN LOZIERS, AND THE NAME GOES ON AND ON AND ON ABOUT PEOPLE. AND I DON'T BELIEVE, I HONESTLY DON'T BELIEVE, THAT IN THEIR HEART OF HEARTS THEY'RE DOING IT SIMPLY TO GET A TAX ADVANTAGE OR TO GET A TAX BREAK. DO THEY GET ONE? YES, THEY DO. I'M JUST GLAD THAT THEY CHOOSE THE OMAHA ZOO AS TO WHERE THEY ARE WILLING TO MAKE THEIR DONATION. THANK YOU. [LB419]

SENATOR COASH: THANK YOU, SENATOR RIEPE. SENATOR GROENE, YOU'RE RECOGNIZED. [LB419]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. ON THE AMOUNT OF THE TAX DOLLARS, I'VE BEEN TALKING TO SENATOR MELLO, WHICH I ENJOYED DEBATING SENATOR MELLO. HE'S A WISE MAN, STICKS TO DETAIL. BUT IT WAS...THE FISCAL NOTE WAS \$3,028,000 AND THE NEW FISCAL NOTE IS \$2.66 MILLION. IT'S ALL STATE MONEY. THAT'S NOT CONSIDERING THE SALES TAX OF THE CITIES BECAUSE WE'VE GAINED MONEY. IT'S NOT A BIG DIFFERENCE BECAUSE YOU'VE GAINED ON THE HOT DOGS AND THE STUFFED ANIMALS AT THE GIFT SHOP BUT LOST IT ON THE INPUTS. SO IT'S STILL \$2.7 MILLION, CALL IT. WHEN I CALL OMAHA MOTEL AND I ASK FOR A RATE, I GET \$150. I CHECK IN AND I PAY \$190 BECAUSE OF THE TAXES. I STILL GO TO OMAHA BECAUSE I NEED TO GO THERE. WHEN SOMEBODY GOES TO THE ZOO, THEY CALL AND GET A TICKET PRICE. COMMON SENSE WOULD SAY YOU'D TELL THEM IT'S \$50 OR WHATEVER IT IS. I HAVEN'T BEEN TO A ZOO. I KIND OF LIKE THE ANIMALS THAT RUN FREE OUT THERE WHERE I LIVE. THEY KEEP ME ENTERTAINED. BUT MY GRANDKIDS DO GO TO THE ZOO, AND I LIKE THE LINCOLN ZOO. I TRY TO TAKE EVERY ONE OF MY GRANDKIDS THERE WHEN THEY REACH THAT SIX-SEVEN AGE GROUP. IT'S PERFECT FOR THAT AGE GROUP. BUT ANYWAY, THE POINT IS, WHY DON'T THEY JUST PUT 7.5 PERCENT AS A LINE ITEM, LIKE EVERY BUSINESS DOES, IF YOU'RE GOING TO PAY THAT TAX? IF YOU NEED TO INCREASE YOUR TICKET PRICE,

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INCREASE IT. BUT TOURISTS, THEY WANT TO GIVE A TAX BREAK TO PEOPLE FROM OUT OF STATE WHO COME TO THE ZOO. BUT YOU DON'T WANT TO GIVE PROPERTY TAX RELIEF TO THE PEOPLE WHO LIVE HERE. WE CAN'T GET A BILL OUT OF THE REVENUE COMMITTEE, BUT WE CAN GET THIS OUT OF THE REVENUE COMMITTEE. IT MIGHT BE THE POLITICAL SKILLS OF SENATOR MELLO. I'LL GIVE HIM THAT. HE'S GOT SOME GOOD POLITICAL SKILLS. BUT WE NEED PROPERTY TAX RELIEF. AND EVERY TIME WE DO THIS, WE WILL NOT GET PROPERTY TAX RELIEF. I WILL GUARANTEE YOU, WITHIN THE NEXT FIVE YEARS, WITH THE FARM ECONOMY THE WAY IT IS, THIS BODY WILL BE BEGGING FOR \$2.6 MILLION. THEY WILL BE HUNTING FOR \$2.6 MILLION. AND I WILL GUARANTEE YOU, THAT WILL HAPPEN IN THE NEXT FIVE YEARS IF THE FARM ECONOMY CONTINUES ON THE WAY IT'S GOING. AND YOU CAN ASK ANY RURAL SENATOR ABOUT THAT FACT AND THEY WILL BACK ME UP. WE DON'T HAVE \$2.6 MILLION TO FEEL GOOD BECAUSE WE LIKE ZOOS. I LIKE THEM TOO. BUT WE CANNOT CONTINUE TO DO THIS LITTLE BIT HERE, TAKE THEIR PITCHFORKS AND GO HOME. AND THE REST OF US ARE STANDING THERE TRYING TO CHARGE THE MOAT IN A MINORITY TRYING TO GET PROPERTY TAX RELIEF. THAT'S THE WAY POLITICS WORKS: RELIEVE THE PRESSURE BY GIVING A LITTLE TAX BREAK HERE AND A LITTLE TAX BREAK HERE AND THEN THE "TAX AND SPENDERS" ARE IN THE MAJORITY AGAIN AT 51 PERCENT AND THE REST OF US ARE STANDING THERE. I WILL NOT SUPPORT ANY TAX BREAK UNLESS EVERYBODY IN THIS STATE GETS A TAX BREAK. THAT'S THE ONLY WAY WE CAN GET IT DONE. SO THAT'S WHY I STAND IN OPPOSITION TO LB419. I'LL PROBABLY VOTE FOR AM984 BECAUSE SENATOR MELLO DID MAKE IT BETTER, JUST TO HEDGE MY BETS IN CASE THE WHOLE THING PASSES. THANK YOU, MR. PRESIDENT. [LB419]

SENATOR COASH: THANK YOU, SENATOR GROENE. SENATOR SCHEER, YOU'RE RECOGNIZED. [LB419]

SENATOR SCHEER: THANK YOU, MR. PRESIDENT. I RISE TO SUPPORT AM984 AND LB419. I VOTED TO BRING IT OUT OF COMMITTEE, AND I STILL BELIEVE IT'S THE RIGHT POLICY DECISION. I DON'T HAVE SKIN IN THIS GAME. NORFOLK HASN'T HAD A ZOO FOR 30 OR 40 YEARS. I'M NOT ANTIZOO. BUT WE HAVE TO REMEMBER WE'RE NEBRASKA SENATORS. AND, YES, SENATOR GROENE, MAYBE IN FIVE YEARS WE MIGHT BE LOOKING FOR \$2.6 MILLION. BUT YOU KNOW WHERE ELSE SOME OF THOSE METROPOLITAN SENATORS MIGHT DECIDE THEY WANT TO GO LOOKING FOR IT, JUST LIKE YOU WANT TO LOOK FOR IT AT THE ZOO? BY GOLLY, YOU USED TO PAY SALES TAX ON THOSE PARTS, THOSE FILTERS, THE CONSUMABLES. BY GOLLY, THAT'S A BIG TICKET. LET'S GO BACK AFTER THAT. WE CAN'T THROW DARTS AT EACH OTHER. THIS IS A STATE SYSTEM. IT HAS TO

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WORK. WE ALL HAVE TO WORK TOGETHER. THE ZOO IS TRYING TO FIND WAYS TO FUND ITSELF AND SOME OF THAT HAS TO DO WITH THIS TAX RELIEF. YES, INDEED, THEY GET MILLIONS OF DOLLARS A YEAR IN DONATIONS. IT CONTINUES TO GROW AND EXPAND. EVERY YEAR IT IS ADDING NEW AND RENOVATED PROJECTS TO IT. PEOPLE PAY TO BUILD THOSE. PEOPLE PAY TO RENOVATE THOSE THINGS. BUT IT STILL TAKES MONEY TO MAINTAIN THEM. AND AS WE MOVE FORWARD, THE ZOO HAS TO HAVE FUNDS AVAILABLE SO THAT IT CAN CONTINUE TO MAINTAIN WHAT OTHERS HAVE GRACIOUSLY GIVEN THEM IN ORDER TO PRODUCE A...SOMETHING THAT IS A WELL-BEING FOR THE COMMUNITIES THAT WE HAVE ZOOS, MOST NOTABLY SCOTTSBLUFF, LINCOLN, AND OMAHA. THE PROJECTS AREN'T FREE. WE HAVE VERY PHILANTHROPIC PEOPLE THROUGHOUT THIS STATE THAT CONTINUE TO SUPPORT THESE TYPE OF ACTIVITIES, AND WE AS A STATE HAVE TO BE PARTNERS TO THE EXTENT OF TRYING TO MAINTAIN THESE. AND YES, INDEED, IT WILL COST \$2 MILLION. BUT AS WE CONTINUE TO EXPAND...AND I HAVE PEOPLE ALL THE TIME THAT I'LL START TALKING TO IN AN ELEVATOR IN OMAHA OR LINCOLN AND ASK THEM WHY THEY'RE HERE AND ABOUT HALF THE TIME IT'S BECAUSE THEY'RE VISITING A ZOO. WELL, THAT \$2-POINT-MILLION JUST GOT MUCH, MUCH LESS BECAUSE EACH YEAR MORE AND MORE OF THOSE HOTELS, NOT JUST IN OMAHA, NOT JUST IN LINCOLN, NOT IN SCOTTSBLUFF, BUT ALL THE SMALL TOWNS UP AND DOWN THE INTERSTATE, ALL THE LITTLE COMMUNITIES AROUND THOSE COMMUNITIES ARE FULL AND THEY'RE FULL BECAUSE PEOPLE COME BECAUSE OF THE TOURISM IT DEVELOPS. WHEN THEY GO OUT AND THEY BUY THAT BURGER OR THEY BUY THAT COKE OR THAT DIET PEPSI OR THE DR. PEPPER. WHATEVER WE WANT TO DO, THEY'RE PAYING SALES TAX ON IT. THOSE COME INTO THE COFFERS. WE'RE NOT GIVING A DIME OF THAT UP. WE ARE BENEFITING OFF THE BACK OF THOSE TOURISM ACTIVITIES, JUST LIKE WE WERE FIVE YEARS AGO, JUST LIKE WE WILL IN FIVE YEARS FROM THIS POINT. THE FACT THAT THEY HAVE THE ADDITIONAL DOLLARS TO HELP MAINTAIN THEIR FACILITIES ISN'T GOING TO KILL THIS STATE. IT'S NOT GOING TO STAND IN THE WAY OF PROPERTY TAX RELIEF. YES, INDEED, EVERY ONE OF YOU THAT HAVE TALKED ABOUT PROPERTY TAX RELIEF AND WHERE IS IT, I'D LIKE TO KNOW TOO. I'M ON THE REVENUE COMMITTEE. WE HAVEN'T BEEN ABLE TO SUBSTANTIALLY DO ANYTHING IN RELATION TO THE PROPERTY TAX. WE'VE DONE SOME ON PERSONAL PROPERTY BUT NOT PROPERTY. I BELIEVE THERE'S STILL OPPORTUNITY TO DO SOMETHING THIS YEAR. MYSELF AND OTHER SENATORS ARE CONTINUING TO WORK ON THIS. IT'S NOT A DEAD SUBJECT, I HOPE THAT WE WILL BE ABLE TO ACCOMPLISH SOMETHING. [LB419]

SENATOR COASH: ONE MINUTE. [LB419]

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SENATOR SCHEER: BUT IT WILL TAKE TIME. THIS IS NOW. THIS IS WHEN WE HAVE TO ACT UPON THIS. DON'T HOLD THIS HOSTAGE SIMPLY BECAUSE YOU'RE NOT GETTING SOMETHING FROM A COMMITTEE. THIS IS GOOD POLICY. IT DOES HELP THE STATE. IT HELPS FAR MORE THAN THE THREE COMMUNITIES THAT HOUSE THOSE ZOOS. BE STATESMEN. LOOK AT THE BENEFITS. LOOK AT WHAT WE RECEIVE IN RELATIONSHIP TO WHAT WE GIVE. WE GIVE VERY LITTLE. WE GET A LOT, NOT ONLY FOR OUR STATE COFFERS, BUT THINK ABOUT OUR STATE CONSTITUENTS THAT GET TO ENJOY THESE FACILITIES DAY AFTER DAY, THE EDUCATIONAL OPPORTUNITIES THAT OUR YOUTH GET TO EXPERIENCE DAY AFTER DAY. IT'S A BARGAIN. THANK YOU, MR. PRESIDENT. [LB419]

SENATOR COASH: THANK YOU, SENATOR SCHEER. SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB419]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. AS I SAID EARLIER, I CERTAINLY STAND IN SUPPORT OF LB419. BUT I WANT TO SET A LITTLE FRAMEWORK, A LITTLE HISTORICAL DISCUSSION ABOUT WHERE WE'VE BEEN WITH TAXES AND WHERE WE'RE GOING IN THIS LEGISLATURE. EVERY YEAR, OUTSIDE OF THE FIRST TWO, THAT I'VE BEEN IN THIS BODY WE'VE PASSED SIGNIFICANT TAX RELIEF. IN MY FIRST TWO YEARS WE CAME IN, WE WERE WRESTLING WITH BUDGET DEFICITS UPWARDS OF A BILLION DOLLARS AND WE HAD TO CUT OUR WAY OUT OF THEM. WE DIDN'T RAISE TAXES TO CLIMB OUR WAY OUT AND IN THAT TIME WE ACTUALLY PROTECTED THE PROPERTY TAX RELIEF CREDIT AND SAID, EVEN AS WE FACE A BILLION-DOLLAR BUDGET SHORTFALL, WE'RE NOT GOING TO TOUCH THE PROPERTY TAX RELIEF CREDIT. AND THEN WE HAVE PASSED ADDITIONAL TAX RELIEF. IN THE LAST TEN YEARS. IF YOU LOOK AT JUST THE IMPACT OF THOSE TAX CUTS ON THIS FISCAL YEAR, IT'S \$580 MILLION OF TAX RELIEF THAT HAS BEEN PASSED IN THIS...THAT AFFECTS THIS FISCAL YEAR. ABOUT \$300 MILLION OF THAT \$580 MILLION HAS BEEN INCOME TAX RELIEF. AS WE LOOK AT THE PROPERTY TAX DISCUSSION, IT ISN'T SOLELY TAKING PLACE IN THE REVENUE COMMITTEE. THE APPROPRIATIONS COMMITTEE, IF YOU'VE READ ARTICLES RECENTLY, HAS TAKEN SIGNIFICANT ACTION TO ADDRESS PROPERTY TAX RELIEF. I ACTUALLY MADE THE MOTION, AND I BELIEVE IT WAS SENATOR KINTNER THAT SECONDED THE MOTION, TO MOVE US TO \$60 MILLION OF PROPERTY TAX RELIEF IN THE BUDGET EVERY YEAR THAT'S GOING TO BE COMING TO THE FLOOR OF THE LEGISLATURE. THAT'S ON TOP OF THE \$25 MILLION WE PUT IN, IN THE LAST BUDGET. SO IN THE LAST FOUR YEARS, IF WE ADOPT THE BUDGET THAT'S GOING TO BE COMING OUT OF THE APPROPRIATIONS COMMITTEE, WE WOULD HAVE GONE FROM \$115 MILLION A YEAR OF PROPERTY TAX RELIEF DIRECT TO

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NEBRASKA PROPERTY OWNERS TO \$200 MILLION A YEAR OF DIRECT PROPERTY TAX RELIEF TO NEBRASKA PROPERTY OWNERS. THAT'S A 73 PERCENT INCREASE IN THAT FUND OVER A FOUR-YEAR PERIOD. YOU KNOW WHERE THAT MONEY IS COMING FROM? IF I WANT TO BE PAROCHIAL, YOU KNOW HOW MUCH THE AVERAGE HOMEOWNER IN MY DISTRICT IS GOING TO GET OUT OF THAT RELIEF THAT I MOVED TO PUT IN THE BUDGET THIS YEAR? PROBABLY ABOUT \$20. AND YOU KNOW WHERE THAT MONEY IS COMING FROM? IT'S COMING FROM INCOME AND SALES TAX MONEY GENERATED IN OUR STATE AND IT'S GOING OUT. IT'S BEING REDISTRIBUTED THROUGH THE PROPERTY TAX CREDIT FUND TO PROPERTY TAX OWNERS...TO PROPERTY OWNERS. SO TO SAY WE HAVEN'T DONE ANYTHING ON PROPERTY TAX RELIEF, FOLKS, JUST ISN'T BEING FAIR. WE HAVE MADE SIGNIFICANT STRIDES IN PROPERTY TAX RELIEF. DOES MORE NEED TO BE DONE TO TARGETED AREAS? ABSOLUTELY. BUT TO INCREASE OUR PROPERTY TAX CREDIT FUND 73 PERCENT IN FOUR YEARS IS A SIGNIFICANT INCREASE. THIS BILL IS ABOUT GROWING NEBRASKA'S ECONOMY. IT'S NOT ABOUT PEOPLE NOT GOING TO THE ZOO BECAUSE THEY HAVE TO PAY A 7 PERCENT SALES TAX. IT'S ABOUT THE ZOO BEING ABLE TO REINVEST THAT SALES TAX MONEY OVER THE NEXT DECADE AND THE DECADE AFTER THAT TO ENHANCE THE ATTRACTIONS THAT WILL MAKE IT AND KEEP IT--IT ALREADY HAS BEEN RANKED AS THE WORLD'S BEST ZOO--TO KEEP IT AT THAT PLACE. IT'S A PUBLIC-PRIVATE PARTNERSHIP. YES. THERE HAS BEEN A LOT OF PUBLIC...PRIVATE CONTRIBUTIONS, A LOT OF DONATIONS. BUT THE PUBLIC BENEFITS GREATLY FROM THIS ATTRACTION, AS WELL, THROUGH ALL THE OTHER TAX MECHANISMS THAT WE HAVE--LODGING TAX, RENTAL CAR TAX. THIS IS A WAY TO KEEP THE ZOOS AT THE TOP OF THEIR GAME OVER THE NEXT COUPLE DECADES WITH GREAT INVESTMENT AND KEEP OUR ECONOMY STRONG. BECAUSE IF THAT STARTS TO FALL OFF, IF THE ZOO LOSES ITS COMPETITIVENESS, THE STATE OF NEBRASKA LOSES. THANK YOU. [LB419]

SENATOR COASH: THANK YOU, SENATOR NORDQUIST. THOSE STILL WISHING TO SPEAK: SENATORS BRASCH, DAVIS, HILKEMANN, AND OTHERS. SENATOR BRASCH, YOU ARE RECOGNIZED. [LB419]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT. AND, OH, MY GOODNESS, I'VE BEEN IN A CONVERSATION WITH SENATOR MURANTE AND I ONLY STOPPED BECAUSE SENATOR NORDQUIST WAS GETTING LOUDER AND LOUDER. AND I HEARD THE WORDS "PROPERTY TAX" START TO THUNDER FROM HIS LIPS. AND I HAD PUT THE LIGHT ON--IT SEEMED AN HOUR AGO--AND I WAS GOING TO STAND UP AND SUPPORT THIS BILL ONCE MORE. I DIDN'T WANT TO TALK ABOUT PROPERTY TAX, BUT I WILL NOW THAT IT'S BEEN EVOKED. AND WHERE I'M

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COMING FROM WITH THIS--YOU SEE I HAVE NO NOTES--WAS MY BILL, LB350. I HEARD IT A COUPLE TIMES WHILE I WAS TALKING WITH SENATOR MURANTE, BUT ACTUALLY WE WERE TALKING ABOUT LB610. AND AG LAND VALUES, THAT'S WHAT LB350 IS ABOUT. AND WHEN WE TALKED ABOUT PROPERTY TAX, BECAUSE OF...THE TAX MODERNIZATION COMMITTEE HELD STATEWIDE HEARINGS ALL ACROSS THE STATE, PUBLIC HEARINGS, AND THEN WE HAD OUR HEARINGS. AND THE REPORT, THE OFFICIAL REPORT, WHICH WE DID MAKE OUR WAY THROUGH AND, YES, WE DID GIVE EXEMPTION, LONG OVERDUE, I THINK 14 YEARS, TO REPAIRS AND...BUT THE REPORT SAID THAT COMMERCIAL PROPERTY IS 6 PERCENT HIGHER THAN THE NATIONAL--AND THESE ARE INDEPENDENT REPORTS. THIS IS NOT ANYONE WHO THOUGHT ABOUT IT AND CAME UP WITH NUMBERS, INDEPENDENT REPORTS FROM THE EXPERTS WE PULLED IN--6 PERCENT HIGHER ON COMMERCIAL, 44 PERCENT HIGHER PROPERTY TAXES ON RESIDENTIAL, BUT AG LAND VALUES 180 PERCENT TO 300 PERCENT HIGHER THAN OUR SURROUNDING STATES AND THIRD HIGHEST IN THE NATION. AND THE INDEPENDENT REPORT AND THE SUMMARY AT THE END SAID STEPS WERE TAKEN ON INCOME TAX, ON PERSONAL PROPERTY TAX, AND ON SOME PROPERTY TAX, BUT THAT NEXT IN THE QUEUE, IF YOU WOULD SAY THE TERMS WE KNOW HERE BEST, WAS AG LAND VALUE. AND WE WILL COME BACK TO THAT, MOST CERTAINLY. THAT'S IN THE BOOK. I HIGHLIGHTED IT IN YELLOW. YOU CAN HAVE A COPY. THAT'S WHAT WE'RE COMING BACK TO EVENTUALLY, I HOPE, AND I HOPE IT'S THIS SESSION. BUT WE HAVE 18 NEW MEMBERS, INDEPENDENT THINKERS. I DON'T KNOW IF THEY READ THE REPORT OR WANT TO LOOK AT THE REPORT OR EVEN CARE TO LOOK AT THE REPORT. WE HAVE SOME RETURNING MEMBERS WHO ARE ALSO SAYING THIS ISN'T THEIR IDEA, LET'S MOVE ON. I BELIEVE, AGAIN, WE HAVE INDUSTRIES THAT HELP OUR STATE FISCALLY WITH REVENUES. THIS IS ONE THAT, LIKE FARMERS, THEY WILL REINVEST IT INTO THE ZOO. THEY WILL MAKE THAT ZOO GROW. IT'S FERTILIZER FOR THE ZOOS. IT'LL MAKE THESE ZOOS BRING IN MORE PEOPLE, MORE MONEY. LET'S HELP THIS INDUSTRY. BUT LET'S NOT PUT ON THE BACK BURNER WHAT THE TAX MODERNIZATION COMMITTEE SET OUT TO DO, WHAT THE REVENUE COMMITTEE IS HOLDING IN A HOLDING PATTERN. AGAIN, I'M STILL HOPEFUL THAT I CAN GET ADDITIONAL MEMBERS TO STEP UP. WE NEED TO TALK ABOUT EDUCATION. WHAT THE IMPACT WILL DO. I'M NOT GOING TO TURN A BLIND EYE ON EDUCATION. WE NEED TO LOOK OUT AFTER OUR CLASS D SCHOOLS. WE'RE GOING TO DO THAT. WE CAN DO THIS ALL. BUT HERE AND NOW TODAY, I WAS HOPING WE'D STAY ON TASK. I HAD JUST A FEW MINUTES TO SAY I COULDN'T SUPPORT THIS BILL AT FIRST BUT I GET IT. AS A FARMER, I GET IT. YOU REINVEST IN YOUR BUSINESS TO GROW YOUR BUSINESS. I GET IT. WE'RE GOING TO REINVEST IN OUR ZOOS,... [LB419 LB350 LB610]

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SENATOR COASH: ONE MINUTE. [LB419]

SENATOR BRASCH: ...TAKE THIS MONEY, AND GROW THE ZOOS. SO ONCE MORE, THINK WE ARE ONE GROUP OF PEOPLE, 49 SENATORS WHO WORK TOGETHER FOR THE BEST INTEREST OF THE STATE. AND THIS WILL MOVE FORWARD, BUT WE MUST NOT FORGET THAT WE STILL HAVE BILLS THAT NEED TO COME OUT OF COMMITTEE AND TO THE FLOOR. AND WE'LL GET THERE, WHETHER IT'S THE TOP OF THIS SESSION OR OUR NEXT. THANK YOU, MR. PRESIDENT. AND THANK YOU FOR YOUR ATTENTION, COLLEAGUES. [LB419]

SENATOR COASH: THANK YOU, SENATOR BRASCH. SENATOR DAVIS, YOU ARE RECOGNIZED. [LB419]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. JUST A FEW NOTES, I WANT TO MAKE SOME OBSERVATIONS. AND AS YOU ALL KNOW, I SERVE ON THE REVENUE COMMITTEE WITH SENATOR BRASCH AND SEVERAL OTHER SENATORS, AND I WANT EVERYBODY IN HERE TO KNOW THAT WE TALK ABOUT PROPERTY TAXES EVERY TIME WE GET TOGETHER. BUT FINDING A SOLUTION TO THE PROPERTY TAX PROBLEM ISN'T NEARLY AS EASY AS ANYBODY THINKS IT IS. IT'S A BIG, BIG PROBLEM THAT WE HAVE IN THE STATE. WE CAN THROW LITTLE PATCHWORK PIECES HERE AND THERE BUT, YOU KNOW, TO FIX THE PROBLEM WE REALLY NEED TO DEAL WITH SCHOOL FINANCE REFORM, WHICH IS WHY I INTRODUCED LB323, WHICH NOW HAS 37 COSIGNERS AND IS STILL IN COMMITTEE, RECONSTITUTES THE SCHOOL FINANCE REVIEW COMMISSION. AND IT'S A GOOD BILL AND I HOPE THAT THE COMMITTEE WILL EXEC THAT OUT SOON SO THAT WE CAN DISCUSS THAT. ALSO, I'M LOOKING FOR MORE COSIGNERS BECAUSE, IF 49 PEOPLE WERE TO DO THAT, IT WOULD SEND A MESSAGE TO THE PEOPLE IN THE LOBBY AND THE PEOPLE ACROSS THE STATE THAT THE LEGISLATURE IS REALLY CONCERNED ABOUT LOOKING AT SCHOOL FINANCE. BUT NOW TO GET BACK TO THE BILL AT HAND, YOU HEARD WHAT'S BEEN SAID ABOUT THE OMAHA BUSINESS COMMUNITY AND HOW THE...AND HOW MUCH THEY HAVE PUT INTO THAT ZOO TO MAKE IT THE NUMBER-ONE ZOO IN THE WORLD, AND I RESPECT THAT. WHEN I WENT OVER THERE AND SAW THAT ZOO, I'D NEVER BEEN THERE BEFORE, I WAS AMAZED AT THE CAPITAL THAT'S BEEN INVESTED THERE TO MAKE THAT AN OUTSTANDING NEBRASKA ATTRACTION. IF WE'RE GOING TO BRING TOURISTS TO THE STATE OF NEBRASKA, WE NEED ATTRACTIONS LIKE THAT ZOO. AND WE'VE GOT THAT ZOO. WE'VE GOT THE STRATEGIC AIR COMMAND MUSEUM, WE'VE GOT MAHONEY STATE PARK, ALL RIGHT HERE IN THIS PART OF THE STATE. IN THE WESTERN PART OF THE STATE, WE'VE GOT ALSO SOME GREAT TOURIST ATTRACTIONS. WE NEED TO PROMOTE THEM, AND THIS

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FUNDING IS GOING TO HELP THESE ZOOS GET WHERE THEY WANT TO GO. IT'S A GOOD BILL. IT'S NOT A BIG FISCAL NOTE. WE NEED TO LOOK HARD AT GETTING IT DONE AND MOVE IT ON. SO I THOUGHT I WOULD JUST DO A LITTLE RESEARCH ON THE WEB WHILE I WAS WAITING TO SPEAK ON THIS, AND I FOUND THAT THE ST. LOUIS ZOO IS FUNDED ONE-THIRD BY PROPERTY TAXES. NOW THAT WAS THE ZOO THAT I USED TO GO TO. MY PARENTS WOULD GO TO ST. LOUIS ONCE IN A WHILE AND THEY'D TAKE ME THERE AND THAT WAS THE BIG ZOO AT THE TIME IN THE '60s, GREAT ZOO, ONE-THIRD FUNDED BY PROPERTY TAXES. NORTH CAROLINA ZOO, ONE OF THE BIG ZOOS IN NORTH CAROLINA, IS A STATE-OWNED ZOO. SO WHAT WE'RE DOING HERE ISN'T SOMETHING UNUSUAL. WHAT WE'RE TRYING TO DO IS INCENTIVIZE GOOD BEHAVIOR THAT'S BEEN DONE BY THE CIVIC LEADERS OF OMAHA TO MAKE THAT ZOO A TOP-NOTCH ATTRACTION. IT'S A GOOD BILL, COLLEAGUES. WE NEED TO MOVE IT FORWARD. EVERY DOLLAR THAT IS GENERATED OVER THERE, IT HELPS OUR STATE BUDGET TOO. WITH THAT, I'D YIELD THE REST OF MY TIME TO SENATOR MELLO. [LB419 LB323]

SENATOR COASH: SENATOR MELLO, YOU'VE BEEN YIELDED 2:20. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I THINK LISTENING TO THE DEBATE A LITTLE BIT THIS AFTERNOON, I DON'T THINK I'M GOING TO BE ABLE TO PERSUADE SENATOR GROENE, SENATOR FRIESEN, OR SENATOR HUGHES. BUT I'LL TRY TO DO MY BEST TO BE PERSUASIVE TO THE OTHER MEMBERS WHO STILL HAVE AN OPEN MIND IN REGARDS TO WHAT WE'RE DOING. FIRST OFF, THIS IS NOT GIVING ANY, QUOTE UNQUOTE, TAX RELIEF TO TOURISTS. LET'S STOP THAT CONVERSATION RIGHT NOW. PEOPLE WILL ALL BE PAYING THE SAME AMOUNT OF ADMISSION FEES AT THESE LOCATIONS. THE REALITY IS, IS EXACTLY WHAT YOU HEARD SENATOR BRASCH AND SENATOR DAVIS JUST SAY, WHICH IS, INSTEAD OF REMITTING THAT SALES TAX THAT'S ALREADY BAKED INTO AN ADMISSION FEE, THAT'S GOING TO STAY WITH THE ZOO THAT THEY CAN THEN SPEND ON EXPANDING THEIR OPERATIONS, REINVESTING IN THEIR OPERATIONS, TO CONTINUE TO GROW THEIR ORGANIZATION TO BRING IN MORE VISITORS. AND I THINK THAT LEADS TO THE SECOND POINT, THAT SENATOR GROENE HAS MADE THE ARGUMENT THAT WE CAN'T GUARANTEE ANYTHING IS GOING TO HAPPEN. WELL, COLLEAGUES, TO SOME EXTENT, WE CAN'T GUARANTEE ANYTHING IS GOING TO HAPPEN WHEN WE MAKE A TAX POLICY CHANGE. AND I THINK EVERY ONE OF US ON THIS BODY FULLY UNDERSTANDS WE CAN'T MAKE A PROMISE LIKE THAT, AND NOR WOULD I DO THAT ON THIS BILL, NOR SHOULD YOU ON ANY OTHER TAX BILL, THAT WE CAN GUARANTEE AN OUTCOME. BUT WHAT WE CAN GUARANTEE IS THAT THIS MONEY WILL BE REINVESTED BACK INTO THESE

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ORGANIZATIONS AND THAT THESE ORGANIZATIONS WILL CONTINUE TO PROMOTE THE UNIQUE ATTRACTIONS THAT THEY HAVE TO BRING IN OUT-OF-STATE TOURISTS, TO BE ABLE TO FILL LOCAL AND STATE COFFERS WITH THIS REVENUE. AND I THINK THAT CUTS TO THE POINT THAT MAYBE SENATOR SCHNOOR AND SENATOR HUGHES RAISED,... [LB419]

SENATOR COASH: ONE MINUTE. [LB419]

SENATOR MELLO: ...WHICH IS A LITTLE BIT CONCERNING. THE REALITY IS THIS...THESE ATTRACTIONS, COLLEAGUES, ARE GENERATING REVENUE FOR THE STATE AND THEY'RE NOT GOING TO BE TAX EXEMPT OR TAX FREE WITH THE PASSAGE OF LB419. LET'S MAKE THAT VERY CLEAR. THEY'RE STILL PAYING A VARIETY OF INCOME, SALES, OCCUPATION TAXES ALONG THE WAY. AND I'M GETTING THIS UNEASINESS ABOUT THIS BEING AN URBAN-RURAL FIGHT WHERE IT REALLY SHOULDN'T BE, COLLEAGUES, BECAUSE WHAT YOU'RE SEEING IS SOME URBAN CENTERS THAT ARE PROVIDING A SIGNIFICANT AMOUNT OF REVENUE TO THE STATE THAT CAN BE USED FOR PROPERTY TAX RELIEF, THAT CAN BE USED FOR PUBLIC EDUCATION AID, THAT CAN BE USED FOR A VARIETY OF REASONS THAT THIS LEGISLATURE SO DETERMINES. AND I JUST DON'T...I FEEL A LITTLE UNEASY HEARING SOME OF THE COMMENTS ON THE FLOOR TODAY THAT ARE BEING MADE,... [LB419]

SENATOR COASH: TIME, SENATOR. [LB419]

SENATOR MELLO: ...WHICH IS TRYING TO MAKE THIS AN "OMAHA VERSUS THE REST OF THE STATE" ISSUE. THANK YOU, MR. PRESIDENT. [LB419]

SENATOR COASH: THANK YOU, SENATOR MELLO. MR. CLERK FOR AN ANNOUNCEMENT. MR. CLERK FOR AN ANNOUNCEMENT. [LB419]

CLERK: EXCUSE ME, MR. PRESIDENT. YES, THERE IS AN EXECUTIVE SESSION OF JUDICIARY AT 2:00...OR 3:00, EXCUSE ME. JUDICIARY COMMITTEE, 3:00, IN ROOM 2102.

SENATOR COASH: THANK YOU, MR. CLERK. RETURNING TO DISCUSSION ON LB419, THOSE WISHING TO SPEAK: SENATORS HILKEMANN, FRIESEN, McCOLLISTER, GROENE, HUGHES, AND OTHERS. SENATOR HILKEMANN, YOU ARE RECOGNIZED. [LB419]

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SENATOR HILKEMANN: THANK YOU, MR. SPEAKER. I'D LIKE TO ASK IF SENATOR MELLO WOULD ASK...ANSWER A COUPLE QUESTIONS FOR ME. [LB419]

SENATOR COASH: SENATOR MELLO, WOULD YOU YIELD? [LB419]

SENATOR MELLO: ABSOLUTELY. [LB419]

SENATOR HILKEMANN: SENATOR MELLO, I WANTED TO MAKE SURE THIS IS ON RECORD. YOU SAID...I KNOW THAT THE ZOO DOES A NUMBER OF WONDERFUL RECEPTIONS AND SO FORTH. WILL THEY BE PAYING SALES TAX ON THESE TYPE EVENTS? [LB419]

SENATOR MELLO: UNDER THE AMENDMENT, AM984, YES. ANYTHING THAT IS NOT AN ADMISSION, THAT IS NOT A MEMBERSHIP, OR IS NOT, SO TO SPEAK, QUOTE UNQUOTE, THEIR ABILITY TO PURCHASE GOODS AND SERVICES TO RUN THEIR ORGANIZATION WOULD STILL HAVE TO PAY SALES TAX. AND I THINK SPECIFICALLY I CAN'T SPEAK TO THE LINCOLN CHILDREN'S MUSEUM OR THE RIVERSIDE DISCOVERY CENTER IN REGARDS TO HOW MANY EVENTS THAT THEY HOST OR CATER; BUT AT LEAST AT THE OMAHA HENRY DOORLY ZOO, THEY HOST AND CATER A NUMBER OF EVENTS AT THE RESTAURANT AND THAT WOULD BE SUBJECT TO SALES TAXES. [LB419]

SENATOR HILKEMANN: OKAY. ON THE FISCAL NOTE, SENATOR MELLO, IS THERE ANY WAY THAT WE ARE GOING TO BE EXEMPTING THEM FROM SOME OF THEIR INPUTS AND THEN THEY'LL BE EXEMPTED FROM SALES...OR FROM ADMISSIONS? IS THERE ANY WAY THAT THAT CAN BE BROKEN DOWN THAT WE KNOW HOW MUCH OF IT IS GOING FOR THE INPUT AND FOR THE ADMISSIONS? [LB419]

SENATOR MELLO: SENATOR HILKEMANN, NORMALLY...I LOOKED AT THE ORIGINAL FISCAL NOTE AND IT'S NOT BROKEN DOWN IN THE ORIGINAL FISCAL NOTE. NORMALLY, THE DEPARTMENT OF REVENUE IS NOT GOING TO BREAK DOWN EVERY SINGLE COMPONENT, SO TO SPEAK, OF SOMETHING THAT'S BEING GIVEN A SALES TAX EXEMPTION. THEY WILL SIMPLY GIVE AN ANALYSIS OF THE LEGISLATION ITSELF IN WHICH, IF YOU LOOK AT THE ORIGINAL BILL, IT DOESN'T BREAK IT DOWN. WITH THE AMENDMENT, IT REDUCES IT FROM \$3.8 MILLION OVER THE BIENNIUM TO \$2.6 MILLION OVER THE BIENNIUM AND WILL HAVE AN ANNUAL COST OF ABOUT \$1.8 MILLION IN LOST REVENUE. [LB419]

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SENATOR HILKEMANN: OKAY. AND, SENATOR, WE WERE VISITING AND I...ONE OF THE ...WHEN I WAS RUNNING MY CAMPAIGN LAST YEAR, ONE OF THE THINGS THAT PEOPLE TALKED ABOUT WAS...IS THAT WE'VE GIVEN OUT A LOT OF THESE SALES TAX EXEMPTIONS AND THAT OVER THE COURSE OF TIME YOU'VE GOT TO PAY THE FIDDLE ON THIS. BUT I WAS INTERESTED WHEN YOU AND I WERE VISITING. WHAT ARE SOME OF THE ...OVER THE YEARS THAT YOU'VE SERVED HERE, WHAT ARE SOME OF THE AREAS THAT WE'RE ALREADY GIVING EXEMPTIONS FOR SALES TAX? [LB419]

SENATOR MELLO: WELL, JUST A COUPLE, SENATOR HILKEMANN, THAT WE'VE ENACTED IN NOW MY...THIS WILL BE MY SEVENTH YEAR IN THE LEGISLATURE. WE'VE GIVEN A SALES TAX EXEMPTION FOR USING MINERAL OIL AS A DUST SUPPRESSANT. WE'VE GIVEN A SALES TAX EXEMPTION FOR ANIMAL GROOMING. WE'VE GIVEN A SALES TAX EXEMPTION FOR ADMISSIONS TO STATEWIDE SPORTING EVENTS, ENTRY FEES TO YOUTH SPORTS EVENTS, ADMISSIONS CHARGED BY NONPROFIT ORGANIZATIONS DEDICATED TO YOUTH DEVELOPMENT AND HEALTHY LIVING; BOUILLON AND CURRENCY, DIRECT-MAIL POSTAGE, HISTORICAL AUTOMOBILE MUSEUMS, AG MACHINERY PARTS AND REPAIRS, CONFERENCE BRIDGING SERVICES, NONVOICE DATA SERVICES, BIOCHIPS, DATA CENTERS, NONPROFIT NEBRASKA-LICENSED HEALTH CLINICS. THERE'S ROUGHLY ABOUT 13 OR SO WE'VE DONE IN OVER THE LAST SIX YEARS, SENATOR HILKEMANN, THAT RANGE IN A VARIETY FROM HEALTHCARE TO BUSINESS INPUTS TO NONPROFITS. AND EVERYTHING IN LB419 I BELIEVE HAS A POLICY LEG TO STAND ON OF BILLS THAT WE HAVE PASSED BEFORE THAT HAVE A STATEWIDE IMPACT THAT JUST DOESN'T IMPACT ONE CITY OR ANOTHER BUT HAS A GENERAL IMPACT TO THE OVERALL STATE ECONOMY. [LB419]

SENATOR HILKEMANN: THANK YOU VERY MUCH, SENATOR MELLO, FOR ANSWERING THOSE QUESTIONS. I BELIEVE THAT I DEFINITELY WILL BE SUPPORTING THE AMENDMENT AND I THINK THAT WE OUGHT TO MOVE LB419. [LB419]

SENATOR COASH: ONE MINUTE. [LB419]

SENATOR HILKEMANN: THE ZOO HAS BEEN GREAT FOR THE STATE. IT'S FIRST CLASS IN EVERY WAY. IT'S NOT...AND, SENATOR, THANK YOU FOR LISTING THOSE. IT'S NOT LIKE THIS IS UNIQUE THAT WE'RE GIVING JUST THE OMAHA AND THE SCOTTSBLUFF AND THE LINCOLN ZOO A BREAK. WE'VE BEEN DOING THIS

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THROUGHOUT, AND SO I WOULD ENCOURAGE US TO MOVE THIS BILL. THANK YOU VERY MUCH. [LB419]

SENATOR COASH: THANK YOU, SENATOR HILKEMANN. (VISITORS INTRODUCED.) SENATOR FRIESEN, YOU ARE RECOGNIZED AND THIS IS YOUR THIRD TIME. [LB419]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. OKAY, I WILL ADMIT TO SOME CONFUSION ON MY PART. WHEN I READ THE BILL, IT'S A SALES TAX EXEMPTION. BUT WHAT WE REALLY HAVE HERE IS THEY'RE STILL GOING TO COLLECT THE SALES TAX, THEY'RE JUST NOT GOING TO REMIT THE PROCEEDS. WOULD SENATOR MELLO YIELD TO A QUESTION? [LB419]

SENATOR COASH: SENATOR MELLO, WILL YOU YIELD? [LB419]

SENATOR MELLO: YES. [LB419]

SENATOR FRIESEN: WOULD THAT BE A FAIR STATEMENT? [LB419]

SENATOR MELLO: SENATOR FRIESEN, THAT WOULD BE A FAIR STATEMENT. AND IF FOR WHATEVER REASON I WAS UNCLEAR IN DISCUSSING THIS ON THE FLOOR, THE REALITY IS ALL THREE ZOOS WILL CONTINUE TO CHARGE THE SAME DOLLAR AMOUNT THEY'RE CHARGING NOW FOR THEIR ADMISSIONS, THEIR MEMBERSHIPS. AND INSTEAD OF REMITTING THE SALES TAXES ON THOSE TWO SPECIFIC ITEMS, THEY WOULD INSTEAD KEEP THOSE SALES TAXES AND BE ABLE TO REINVEST THAT IN THEIR ORGANIZATION. THAT IS THE INTENT OF THE ZOO. THEY DON'T HAVE TO DO THAT. THE ZOOS COULD, IN THEORY, LOWER THEIR TICKET PRICE IF THEY CHOSE TO. BUT THE REALITY IS THIS IS A WAY FOR THEM TO GENERATE, WITH THE ASSISTANCE FROM THE SALES TAX EXEMPTION, REVENUE TO BE REINVESTED INTO THE ORGANIZATION. [LB419]

SENATOR FRIESEN: TYPICALLY WHEN I PAY ANY SORT OF FEE, THE SALES TAX IS LINE-ITEMED SEPARATELY. SO I TAKE IT THE ZOOS HAVE JUST INCORPORATED THIS INTO THEIR PRICE; AND, THEREFORE, NO ONE WILL SEE ANY DIFFERENCE. THERE WILL BE NO SAVINGS TO CUSTOMERS. IT WILL JUST BE A REVENUE SWITCH TO THE ZOO. [LB419]

SENATOR MELLO: CORRECT. [LB419]

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SENATOR FRIESEN: OKAY. YOU KNOW, IT WOULD HAVE BEEN A LOT SIMPLER TO ME IF WE WOULD HAVE JUST DONE STATE AID TO ZOOS. BUT I SEE WHERE YOU'RE GOING NOW. I STILL...I GUESS I'M NOT ALL THAT IN FAVOR OF IT. I THINK THE EXEMPTION ON THE INPUTS IS STILL GOOD, BUT THIS DOES LOOK A LITTLE DIFFERENTLY NOW. I KEPT THINKING, WHY ARE WE ARGUING OVER THIS IN A WAY THAT WE WERE? AND WE TURNED IT INTO THE PROPERTY TAX DEBATE, WHICH I DO HAVE TO ANSWER SENATOR NORDQUIST. I HAVE A RESPONSE. RURAL NEBRASKANS PAY MORE IN COMBINED PROPERTY AND INCOME TAXES. WE'LL LEAVE IT AT THAT. THANK YOU, MR. PRESIDENT. [LB419]

SENATOR COASH: THANK YOU, SENATOR FRIESEN. SENATOR McCOLLISTER, YOU ARE RECOGNIZED. [LB419]

SENATOR McCOLLISTER: THANK YOU, MR. PRESIDENT, AND GOOD AFTERNOON, COLLEAGUES. I RISE IN SUPPORT OF AM984 AND LB419. MOST OF US RECOGNIZE AND APPRECIATE THE MAJOR INVESTMENT MADE BY PHILANTHROPISTS IN OMAHA, AND THAT TOTALS UP MORE THAN \$200,000...\$200 MILLION IN THE LAST FIVE YEARS. AND THOSE CONTRIBUTIONS HAVE MADE THE ZOO THE MOST POPULAR ZOO IN THE COUNTRY. AND I'M AWARE OF ADDITIONAL INVESTMENTS THAT WILL BE MADE SOON TO ENHANCE THE ZOO EVEN FURTHER. SINCE THE ZOO IS A MAJOR ATTRACTION, IT BENEFITS THE CITY AND THE STATE, I THINK WE HAVE A PARTNERSHIP WITH THOSE PHILANTHROPISTS THAT HAVE BENEFITED BOTH PARTIES. IT'S BEEN A MUTUALLY BENEFICIAL PARTNERSHIP. I THINK WE CAN HOLD UP OUR OBLIGATION AND OUR PART OF THE PARTNERSHIP BY PASSING AM984 AND LB419. I WOULD HOPE YOU'LL SUPPORT THESE, THE AMENDMENT AND THE BILL. I YIELD THE BALANCE OF MY TIME TO SENATOR MELLO IF HE WANTS IT. [LB419]

SENATOR COASH: SENATOR MELLO, YOU'VE BEEN YIELDED 3:40. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I WILL BE BRIEF. SENATOR FRIESEN ASKED, I THINK, A GOOD QUESTION, WHICH POSES IT IN THE SENSE THAT, YES, I COULD HAVE SIMPLY BROUGHT A BRILL TO APPROPRIATE MONEY TO ZOOS AND AQUARIUMS AND DONE IT THROUGH THE APPROPRIATIONS PROCESS. THAT WAS SOMETHING THAT I COULD HAVE EASILY DONE ARGUABLY AS CHAIRMAN OF THE APPROPRIATIONS COMMITTEE. BUT IN DISCUSSING THIS POLICY OVERALL WITH THE ZOOS AND AQUARIUMS AND THOSE IN THE TOURISM INDUSTRY, THIS WAS A MORE APPROPRIATE POLICY AND A MORE APPROPRIATE PATHWAY BECAUSE WE HAVE HAD PRECEDENT SET BY

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DOING SOME SIMILAR ACTIONS OVER THE LAST SIX YEARS IN RESPECTS TO NONPROFIT ORGANIZATIONS, MUSEUMS, AND ADMISSION FEES AS IT RELATES TO SALES TAX POLICY. THE REALITY IS ZOOS AND AQUARIUMS WILL KEEP THE SALES TAXES THAT WOULD NORMALLY BE PAID ON THEIR ADMISSIONS AND MEMBERSHIPS AND REINVEST THAT REVENUE INTO THEIR ORGANIZATION. AND THAT'S SOMETHING THAT IF FOR WHATEVER REASON I WAS UNCLEAR ABOUT THAT DURING ANY OF THIS CONVERSATION, I APOLOGIZE, COLLEAGUES, BECAUSE THAT IS ESSENTIALLY WHAT WAS DISCUSSED AT THE COMMITTEE HEARING. THAT WAS DISCUSSED IN MY TESTIMONY AT THE REVENUE COMMITTEE. AND THAT HAS BEEN THE INTENT FROM THE BEGINNING IN REGARDS TO FINDING A WAY TO HAVE THE STATE PARTNER WITH THESE ORGANIZATIONS. LASTLY, I WANT TO REITERATE, I CAN UNDERSTAND SOME MEMBERS HAVING CONCERNS IN REGARDS TO HOW THIS HAS A BIGGER IMPACT, SO TO SPEAK, WITH OTHER TAX POLICY. BELIEVE ME, COLLEAGUES, I KNOW THE REVENUE COMMITTEE HAS VOTED OUT A NUMBER OF OTHER BILLS THAT, YES, ONE DEALS WITH PROPERTY TAX ISSUES. AND THE APPROPRIATIONS COMMITTEE I THINK HAS SHOWN LEADERSHIP IN REGARDS TO DEALING WITH PROPERTY TAXES AS WELL. BUT THE REALITY, COLLEAGUES, THIS IS AN ECONOMIC DEVELOPMENT BILL. AND I WAS ALWAYS TOLD SOMETIMES YOU NEED TO INVEST A LITTLE MONEY TO MAKE A LITTLE MONEY. AND THIS IS A SCENARIO WE HAVE RIGHT HERE WITH THE STATE'S THIRD-LARGEST INDUSTRY, THE STATE'S TOP ATTRACTIONS IN THE STATE THAT WANT A LITTLE STATE SUPPORT TO PARTNER WITH THE PRIVATE AND PHILANTHROPIC COMMUNITIES AND THEIR LOCAL CIVIC COMMUNITIES AND MUNICIPAL GOVERNMENTS TO GROW THESE ORGANIZATIONS AND TO GROW THE TOURISM PIE. COLLEAGUES, WE HAVE DONE THIS MULTIPLE TIMES FOR MULTIPLE INDUSTRIES BECAUSE WE KNOW THERE IS POTENTIAL IN SOME INDUSTRIES WHERE WE ARE SEEING UNTAPPED OPPORTUNITIES. AND WHEN YOU GET A STATE THAT HAS THE ZOO NAMED THE NUMBER-ONE ZOO IN THE WORLD... [LB419]

SENATOR COASH: ONE MINUTE. [LB419]

SENATOR MELLO: ...THAT GIVES YOU GLOBAL ATTENTION, COLLEAGUES, THAT'S UNTAPPED POTENTIAL, THAT'S AN OPPORTUNITY THAT WE HAVE TO BE WILLING TO SEIZE. AND MAKING A SMALL STATE INVESTMENT THROUGH A SALES TAX EXEMPTION, COLLEAGUES, I THINK WILL PAY DIVIDENDS FOR YEARS TO COME. WITH THAT, I'D URGE YOU TO ADOPT AM984 AND PASS LB419. THANK YOU, MR. PRESIDENT. [LB419]

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SENATOR COASH: THANK YOU, SENATOR MELLO. SENATOR GROENE, YOU'RE RECOGNIZED, AND THIS IS YOUR THIRD TIME. [LB419]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. I STOOD HERE AND LISTENED TO ALL THE DEBATE. NOT ONCE DID I HEAR ONE OF THE SENATORS, MOSTLY RURAL, WHEN THEY TALKED ABOUT THIS BILL, BROUGHT UP AN URBAN-RURAL CONFLICT, NOT ONCE. URBAN PEOPLE PAY PROPERTY TAXES, RURAL PEOPLE PAY PROPERTY TAXES. URBAN PEOPLE PAY SALES TAX, RURAL PEOPLE PAY SALES TAX. THAT ISSUE WAS NOT EVER BROUGHT UP UNTIL AN URBAN SENATOR BROUGHT UP SALES PARTS EXEMPTIONS ON FARM EQUIPMENT. I'LL REMIND YOU, FARMERS ARE NOT NONPROFIT ORGANIZATIONS. THEY PAY LOTS AND LOTS OF INCOME TAXES AND THEY PAY SALES TAXES AND THEY PAY PROPERTY TAXES. NONPROFITS PAY NO PROPERTY TAXES, NO INCOME TAXES. SO THERE IS NO OFFSET WHEN YOU GIVE A SALES TAX BREAK TO A NONPROFIT. SO THAT ARGUMENT, ECONOMICALLY AND TAX POLICY, IS NOT THERE. NOBODY, INCLUDING ME, IS TRYING TO DIVIDE URBAN AND RURAL. EVERYBODY PAYS PROPERTY TAXES, EVERYBODY PAYS INCOME TAXES. WE HAVE HEARD OVER AND OVER AGAIN, THE SUPPORTERS OF LB419 IN A MICROECONOMIC STUDY THAT IF WE GIVE THE ZOOS THIS TAX BREAK IT WILL BE A BOON FOR TOURISM, BOON FOR THE ECONOMY. IMAGINE IF WE EXPAND THAT AND THEY FOLLOW WHAT I BELIEVE, THAT WE GIVE A TAX BREAK TO EVERYBODY IN THE STATE. CAN YOU IMAGINE THE ECONOMIC BOOM THE STATE WOULD SEE? INSTEAD OF ARGUING ABOUT A MICRO-TAX BREAK HERE AND A MICRO-TAX BREAK HERE. LET'S CONCENTRATE ON CONTROLLING SPENDING. THAT'S A STATEWIDE ISSUE, NOT URBAN-RURAL. LET'S CONCENTRATE ON GIVING TAX BREAKS TO ALL TAXPAYERS. AND MAYBE SOME PEOPLE FROM OUT OF STATE, TOURISTS, WE COULD ASK THEM TO PAY A LITTLE TAXES. IT WOULDN'T HURT THEIR FEELINGS I DON'T THINK. I DON'T THINK THAT'S THE REASON THEY'RE COMING HERE. BECAUSE WE HAVE ONE OF THE BEST ZOOS IN THE NATION IS WHY WE'RE COMING HERE. BY THE WAY, WE ARE THE BEST ZOO IN THE NATION AND WE CHARGE SALES TAXES, RIGHT? AND I DID CHECK. I HAD MY AIDE CHECK. KANSAS CITY DOESN'T CHARGE SALES TAX ON THEIR ADMISSIONS. WHERE ARE THEY RATED? MAYBE THEY OUGHT TO COLLECT SALES TAXES. IF YOU'RE GOING TO COMPARE ISSUE TO ISSUE AND VARIABLES TO VARIABLES, MAYBE THEY OUGHT TO START CHARGING SALES TAX BECAUSE SEEING THAT WE COLLECT SALES TAX HERE IN NEBRASKA SEEMED TO HAVE HELP US BECOME NUMBER ONE. ANY ARGUMENT CAN BE MADE FOR ANY FACT. BUT THE FACT IS IMAGINE WHAT WOULD HAPPEN IF WE CONCENTRATED ON GIVING EVERY NEBRASKAN, URBAN AND RENEWAL (SIC), TAX RELIEF, WHAT IT WOULD DO FOR THIS ECONOMY, INSTEAD OF THESE LITTLE MICROECONOMIC EXPERIMENTS OF

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PICKING AND CHOOSING WINNERS AND LOSERS. LET'S GIVE EVERYBODY A TAX BREAK. AND I'M...AND THIS URBAN...IT'S ALMOST LIKE PARTISANSHIP IN SOME OF THE BILLS THAT SOME OF US HAVE DEBATED. THERE IS NO PARTISANSHIP. IT'S ISSUES. THERE'S NO URBAN. THERE'S NO RURAL. THERE'S TAXPAYERS WHO PAY PROPERTY, INCOME, AND SALES TAX. LET'S GIVE ALL OF THEM A TAX BREAK. LET'S WORK ON THE BUDGET. LET'S LOWER SPENDING. LET'S GIVE EVERYBODY A TAX BREAK. NOW SOMEBODY WILL PROBABLY SAY I'M TALKING URBAN AND RURAL CONFLICT HERE. IF YOU CAN READ THAT INTO WHAT I SAID, I WISH ERNIE...SENATOR CHAMBERS WOULD HEAR US TALK BECAUSE HE'D HAVE MORE COMMON SENSE IN WHAT HE SAYS THAN ARGUING THAT DEBATE, BECAUSE NONE OF THE SENATORS THAT STOOD UP HERE AND TALKED ABOUT THIS ISSUE FROM OUR SIDE OF IT EVER BROUGHT UP ANY DISPUTE BETWEEN URBAN AND RURAL. IT'S A FALSE ARGUMENT. [LB419]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR GROENE: IT ISN'T THERE. IT ISN'T THERE. THIS IS ABOUT PROPERTY TAX RELIEF. THIS IS ABOUT OUR TAX POLICY STATEWIDE AND WHAT IS BEST FOR EVERY TAXPAYER IN THIS STATE. AS I SAID, THIS DIVIDING AND CONQUERING AND PICKING WINNERS AND LOSERS AND GIVING ME PAST HISTORY ABOUT WHO WE GAVE A TAX BREAK TO AND WHO WE DIDN'T GIVE A TAX BREAK TO--IT WAS BAD POLICY THEN, IT'S BAD POLICY NOW. JUST BECAUSE YOU DID IT BEFORE, YOU'RE GOING TO JUMP OFF THE CLIFF? DID YOU EVER TELL YOUR KID THAT, YOU JUMPED OFF...BECAUSE JOHNNY (PHONETIC) JUMPED OFF THE CLIFF, ARE YOU GOING TO DO IT? THAT'S THE FOOLISH ARGUMENT I EVER HEARD. JUST BECAUSE WE DID IT IN THE PAST DOESN'T MAKE IT RIGHT NOW. LET'S GIVE EVERYBODY IN THIS STATE TAX RELIEF INSTEAD OF THESE PICK AND CHOOSE WINNERS AND LOSERS. THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB419]

SENATOR NORDQUIST: QUESTION. [LB419]

SPEAKER HADLEY: DO I SEE FIVE HANDS? I DO. THE QUESTION HAS BEEN CALLED. THE QUESTION IS, SHALL DEBATE CEASE? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB419]

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CLERK: 26 AYES, 0 NAYS TO CEASE DEBATE. [LB419]

SPEAKER HADLEY: DEBATE DOES CEASE. SENATOR MELLO, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. AM984, AS I MENTIONED MULTIPLE TIMES ON THE FLOOR, DOES THREE MAIN CHANGES TO THE UNDERLYING BILL. FIRST, IT NARROWS THE SALES TAX EXEMPTION TO MEMBERSHIPS, ADMISSIONS, AND PURCHASES BY A ZOO OR AOUARIUM. SECOND. IT MAKES...THE CHANGE IS TO NOT EXPLICITLY NAME AN ACCREDITING ORGANIZATION AS IT RELATES TO ZOOS BECAUSE OF THE CONCERN OF DELEGATING LEGISLATIVE AUTHORITY TO A NONGOVERNMENTAL ENTITY. AND THE THIRD CHANGE IS THAT IT SEEKS TO LIMIT THE QUALIFYING ZOO OR AQUARIUM TO ENSURE THAT IT'S A PUBLIC OR NONPROFIT ORGANIZATION WITH A SPECIFIC PRIMARY FOCUS ON EDUCATIONAL. SCIENTIFIC, OR TOURISM PURPOSES. THIS IS DONE TO ENSURE THAT THE ZOOS ARE IN PUBLIC...ARE ESSENTIALLY FOCUSING ON THE PUBLIC BENEFIT AND NOT A FOR-PROFIT ENTITY. COLLEAGUES, I THINK WE'VE HAD SOME INTERESTING DIALOGUE. AND OUTSIDE OF ADOPTING AM984 WHICH REDUCES THE FISCAL NOTE BY ROUGHLY \$1.2 MILLION OVER THE BIENNIUM, IT'S BEEN AN INTERESTING CONVERSATION TO HEAR MEMBERS DISCUSS GENERAL PHILOSOPHY AND GENERAL TAX PHILOSOPHY. THE REALITY IS THIS, LB419, COLLEAGUES, IS A RECOGNITION TO THE STATE'S TOURISM INDUSTRY THAT THEY GENERATE A SIGNIFICANT AMOUNT OF INCOME AND SALES TAX, LET ALONE GENERATE A CONSIDERABLE AMOUNT OF LODGING AND OCCUPATION TAXES THAT ONLY FURTHERS THE STATE'S ABILITY TO CONTINUE TO GROW OUR INCOME AND SALES TAX REVENUES. AND WHAT LB419 WITH THE ADOPTION OF AM984 DOES IS IT MAKES THAT ECONOMIC CASE. AND BELIEVE ME. COLLEAGUES, I APPRECIATE SENATOR GROENE'S PERSPECTIVE. NOW I MAY NOT AGREE THAT EVERY SINGLE TAXPAYER SHOULD GET TAX RELIEF BECAUSE THAT'S NOT MY PHILOSOPHY, AND THAT'S NOT WHAT I'M TRYING TO DEBATE ON LB419 WITH AM984. THIS BILL AND THE UNDERLYING AMENDMENT, COLLEAGUES, IS AN ECONOMIC DEVELOPMENT BILL THAT SEEKS TO INVEST A SMALL STATE SALES TAX EXEMPTION INTO THESE ORGANIZATIONS FOR THEM TO BE ABLE TO GENERATE MORE REVENUE IN THE FUTURE THAT WOULD THEN ALLOW THIS LEGISLATURE TO BE ABLE TO CONSIDER REDUCING TAXES SOMEWHERE ELSE. SPEAKER HADLEY, EVERY YEAR I'VE BEEN IN THE LEGISLATURE, HAS CONSISTENTLY REMINDED US THE ONLY WAY WE CAN REALLY DEAL WITH OUR ECONOMY AND DEAL WITH BUDGET CUTS IN THE FUTURE IS WE'VE GOT TO GROW OR ECONOMY. THAT'S HOW WE HAVE TO BE

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ABLE TO DEAL WITH FISCAL ISSUES AND FISCAL CHALLENGES. I WOULD MAKE THE ARGUMENT THAT'S WHAT WE'VE GOT IN AM984 AND LB419, THAT WE HAVE GOT THE STATE'S TOP ATTRACTIONS THAT GENERATE MILLIONS OF DOLLARS IN VARIOUS REVENUE SOURCES, THAT COME TO THE STATE FOR US TO BE ABLE TO APPROPRIATE IN A VARIETY OF WAYS. THAT MONEY GETS APPROPRIATED ACROSS THE STATE. AND THE REALITY IS WHAT WE'RE TRYING TO DO IS ACKNOWLEDGE THAT SMALL INVESTMENT CAN YIELD MORE REVENUE FROM TOURISM. AND AS THE STATE'S THIRD-LARGEST INDUSTRY, IT'S...DON'T BELIEVE ME, COLLEAGUES, IF THAT'S YOUR CONCERN. TALK TO THE NEBRASKA TOURISM COMMISSION. THEY CAME IN SUPPORT OF THE BILL REITERATING THAT EXACT POINT, THAT FOR THE LEGISLATURE TO ACKNOWLEDGE THE TOURISM INDUSTRY THROUGH LB419 AND TO MAKE A SMALL INVESTMENT IN THE STATE'S LARGEST ATTRACTIONS, THIS WILL SHOW PRIVATE PHILANTHROPY, THE CORPORATE COMMUNITY, AND OBVIOUSLY COMMUNITIES ACROSS THE STATE THAT THE STATE WANTS TO BE A PARTNER IN THESE PUBLIC-PRIVATE PARTNERSHIPS AS IT RELATES TO TOURISM. I APPRECIATE THE WORK THE REVENUE COMMITTEE DID ON THE UNDERLYING BILL. WE'VE DISCUSSED IT. I'VE DISCUSSED IT WITH EVERY MEMBER OF THE COMMITTEE IN REGARDS TO AM984 THAT ADDRESSES SOME OF THE CONCERN THAT THE FISCAL NOTE MAYBE WAS A LITTLE HIGH, THAT THE BILL WAS A LITTLE MORE ALL-ENCOMPASSING AT FIRST. AND WE TOOK A STEP BACK, COLLEAGUES, DRAFTED THIS AMENDMENT TO ENSURE THAT THE POLICY IS SOUND POLICY. AND, YES, MEMBERS MAY DISAGREE WITH THAT POLICY, BUT THE LEGISLATURE HAS PROVEN BEFORE TO MAKE STRATEGIC, KEY ECONOMIC DEVELOPMENT INVESTMENTS. NOW, YOU MAY NOT THINK THE STATE SHOULD BE INVOLVED IN ECONOMIC DEVELOPMENT AND THAT'S A BELIEF YOU CAN HAVE. [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR MELLO: BUT, COLLEAGUES, WHEN WE TALK ABOUT OUR STATE ECONOMY AND OUR STATE ECONOMIC GROWTH, IT'S NOT SIMPLY BASED ON SOME RANDOM PHILOSOPHY THAT EACH OF US HAS. TALK TO SENATOR SCHILZ IN REGARDS TO LAKE McCONAUGHY AND SOME OF THE INVESTMENTS WE'VE MADE AS A STATE IN LAKE McCONAUGHY OVER THE LAST COUPLE YEARS TO GROW THE TOURISM AROUND THE OGALLALA AREA. TALK TO ANY OTHER SENATOR WHO HAS OTHER TOURIST ATTRACTIONS WHEN THE STATE MAKES KEY INVESTMENTS IN THOSE AREAS. WE SEE MORE GROWTH, WE SEE MORE REVENUE, AND THAT'S WHAT WE HAVE IN AM984 AND THAT'S WHAT, COLLEAGUES, WE HAVE IN THE UNDERLYING BILL, THAT WE WANT TO BE ABLE TO GROW OUR STATE'S

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TOURISM INDUSTRY, NOT JUST OMAHA, LINCOLN, AND SCOTTSBLUFF, BUT IT HAS A STATEWIDE IMPACT BECAUSE THE STATE COLLECTS THOSE REVENUES THAT CAN BE USED ACROSS THE STATE, ACROSS BUDGET ITEMS, ACROSS AGENCIES AND, YES, COLLEAGUES, ULTIMATELY BE USED FOR TAX RELIEF... [LB419]

SPEAKER HADLEY: TIME, SENATOR. [LB419]

SENATOR MELLO: ...IN SOME FORM OR ANOTHER. THANK YOU, MR. PRESIDENT. AND I ELECT TO REQUEST A CALL OF THE HOUSE. [LB419]

SPEAKER HADLEY: THERE HAS 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. [LB419]

CLERK: 31 AYES, 0 NAYS, MR. PRESIDENT, TO PLACE THE HOUSE UNDER CALL. [LB419]

SPEAKER HADLEY: THE HOUSE IS UNDER CALL. SENATORS, PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN TO THE CHAMBER AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONNEL MUST LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATORS EBKE, MORFELD, PANSING BROOKS, SCHNOOR, KUEHN, SEILER, KRIST, BRASCH, COASH, CHAMBERS, HILKEMANN, GARRETT, THE HOUSE IS UNDER CALL. SENATOR GARRETT, THE HOUSE IS UNDER CALL. SENATOR MELLO. [LB419]

SENATOR MELLO: WE CAN PROCEED, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: WOULD YOU LIKE A MACHINE VOTE? [LB419]

SENATOR MELLO: YES. [LB419]

SPEAKER HADLEY: THE QUESTION IS, SHALL THE AMENDMENT TO LB419 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED? RECORD, MR. CLERK. [LB419]

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CLERK: 41 AYES, 4 NAYS, MR. PRESIDENT, ON THE AMENDMENT. [LB419]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. THE CALL IS LIFTED. DISCUSSION ON THE ADVANCEMENT OF LB419 TO E&R INITIAL CONTINUES. SENATOR BRASCH, YOU ARE RECOGNIZED. [LB419]

SENATOR BRASCH: THANK YOU, MR. SPEAKER, AND THANK YOU, COLLEAGUES. ONCE AGAIN, I SUPPORT THIS BILL. I THINK THE INVESTMENT IS A GOOD INVESTMENT MOVING FORWARD. WHEN I HAD LEFT THE FLOOR EARLIER, THE LAST DIALOGUE I HEARD, WHICH I DISAGREE WITH, IT'S NOT AN OMAHA BILL. IT'S A NEBRASKA BILL. AND WHEN IT COMES DOWN TO WHAT WAS MENTIONED BEFORE, THE AG LAND VALUE BILL, THAT'S ALSO A NEBRASKA BILL. OUR COLLEAGUES ARE ALL WORKING TOGETHER TO HELP REVENUES IN THIS STATE, TO HELP INCREASE OUR ECONOMY, TO BRING IN VISITORS. I DO ENCOURAGE YOU TO VOTE GREEN ON THIS BILL, AND I'D LIKE TO THANK SENATOR MELLO FOR INTRODUCING IT. THANK YOU, COLLEAGUES. [LB419]

SPEAKER HADLEY: SENATOR CHAMBERS, YOU'RE RECOGNIZED. [LB419]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I'VE BEEN WORKING ASSIDUOUSLY IN MY OFFICE, BUT I'VE BEEN FOLLOWING THE DEBATE. AND IT SEEMS THAT THE BODY CAN BECOME ENGAGED OVER VERY TRIFLING MATTERS BUT ON BIG ONES IT CANNOT. BUT IF THE TRIFLING MATTER IS ONE WHICH A LOT OF PEOPLE WANT TO PARTICIPATE IN, THEN NOBODY HAS ANY OBJECTION TO IT. THIS IS WHAT I WOULD REFER TO AS A PEEWEE BILL. BUT I'VE BEEN IN THE LEGISLATURE FOR OVER THREE DECADES. I KNOW THE DIFFERENCE BETWEEN WHAT HAS SUBSTANCE AND WHAT DOES NOT. SOME PEOPLE COME FROM SMALL TOWNS, THEY BRING SMALL TOWN WAYS. THEY COME FROM SMALL GROUPINGS, THEY BRING SMALL GROUP WAYS. AND IT TAKES A WHILE TO GET OUT OF THAT METHOD OF THINKING TO REALIZE THAT NOW YOU'RE IN A WIDER PLATFORM...ON A WIDER PLATFORM DEALING WITH BROADER ISSUES. WE'RE NOT DEALING WITH ARGUMENTS IN A CITY COUNCIL MEETING OR A SCHOOL BOARD OR EVEN A COUNTY COMMISSIONERS' MEETING. THERE IS MUCH TALK ABOUT OUR BEING STATE SENATORS THAT THE STATE IS VIEWED AS AN ENTITY, AND WHAT BENEFITS ONE PART OF THE STATE SUPPOSEDLY AND THEORETICALLY BENEFITS THE WHOLE. JUST AS IF YOU HAVE A FINGER ON YOUR LEFT HAND WHICH IS VERY PAINFUL, IT RADIATES THROUGHOUT YOUR BODY IN A SENSE BECAUSE IT AFFECTS YOUR BRAIN AND NOTHING ELSE THAT YOU DO CAN MAKE YOU FORGET IT. WHEN THE

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FINGER IS HEALED, THE ENTIRE BODY IS HEALED. THIS IS ONE OF THOSE BILLS WHICH LEAVES ME WITH DIVIDED FEELINGS, NOT BECAUSE OF WHAT THE BILL OFFERS, BUT I DON'T LIKE ZOOS. I DON'T LIKE ANIMALS IN CAGES. THERE WAS AN EXPRESSION THAT A PERSON, I GUESS HE WAS RELIGIOUS, SAID: GOD CREATED BIRDS AND LOVED THEM SO HE NEXT INVENTED TREES. HUMAN BEINGS LOVE BIRDS SO THEY INVENTED CAGES. AND IT WAS ONE OF THE--I'VE QUOTED HIM--ONE OF THE PHILOSOPHICAL POETS WHO SAID: A ROBIN REDBREAST IN A CAGE/PUTS ALL HEAVEN IN A RAGE, JOHN MILTON (SIC--WILLIAM BLAKE). IF I COULD ABOLISH ALL ZOOS, I WOULD. THERE'S A DIFFERENCE BETWEEN ANIMAL RESERVES AND ZOOS. BUT THERE WILL BE ZOOS. SO I WOULD BE IN A POSITION, IF I WERE TO TAKE ONE, WHERE I WOULD SAY THAT IF YOU HAVE A ZOO WHICH IS OPERATED IN A HUMANE FASHION, WHICH RESPECTS--AND THIS IS GOING TO CAUSE COLD CHILLS UP SOME PEOPLE'S SPINES BECAUSE I'M TALKING ABOUT A FOUR-FOOTED ANIMAL--RESPECTS THE DIGNITY AND THE BEINGNESS OF THESE LIVING CREATURES, PERHAPS IT CAN BE HELD UP AS AN EXAMPLE OF THE WAY THESE THINGS SHOULD BE OPERATED IF THEY ARE GOING TO BE OPERATED. SO I SEE SOMETHING THAT TRANSCENDS THE MATTER OF WHETHER YOU ARE GOING TO HAVE THIS SALES TAX HANDLED ONE WAY OR ANOTHER WAY. I'M GOING TO SUPPORT THE BILL, AND IF PEOPLE ARE...GRUMBLE BECAUSE THEY CAN'T GET SALES TAX RELIEF OR WHATEVER THEY'RE TALKING ABOUT OUT OF A CERTAIN COMMITTEE, THIS BILL SHOULD NOT BE HELD HOSTAGE. IF IT WERE MY BILL, I COULD UNDERSTAND IT. YOU SHOULD BE ABLE TO LOOK AT THIS BILL ON ITS MERITS; AND IT HAS, IN MY OPINION, VERY GREAT MERIT. IF THERE WERE SOME WAY I COULD WAVE A WAND OVER THIS BODY AND CAUSE THEM TO SEE WITH THE INTELLECTUAL AND MORAL AND ETHICAL CLARITY... [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR CHAMBERS: ...THAT I SEE THIS ISSUE, IT WOULD HAVE BEEN HANDLED A LONG TIME AGO. I BELIEVE THAT THE BILL WILL BE ADVANCED, AND I THINK THAT IT WILL BE ADVANCED FOR THE RIGHT REASON. BUT WHEN SOMETHING WHICH IS GOOD IS TO BE DONE, THE REASON MAY NOT MAKE THAT MUCH DIFFERENCE IN THE BROADER SWEEP OF THINGS. SO I HOPE THAT THIS BILL WILL GET ENOUGH VOTES. AND AS I SAID, I HAVE AN EXPECTATION THAT IT WILL. THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: SENATOR HUGHES, YOU ARE RECOGNIZED. [LB419]

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SENATOR HUGHES: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR CHAMBERS, FOR REMINDING US THAT THIS IS A PEEWEE BILL, BUT ALSO THERE WERE SOME THINGS BROUGHT UP THAT ALLOWS US TO TALK ABOUT THE LARGER ISSUES. AND I WOULD LIKE TO RESPOND TO SENATOR NORDQUIST, ABOUT THE AMOUNT OF MONEY THAT'S BEING PUT INTO THE PROPERTY TAX RELIEF FUND. I BELIEVE \$120 MILLION WAS THE FIGURE. AND THAT'S GREAT. YOU KNOW, THOSE OF US THAT ARE PAYING LARGE AMOUNTS OF PROPERTY TAX, WE DO APPRECIATE THAT. BUT THE FACT OF THE MATTER IS, I HAD TO RESPOND TO ONE OF MY CONSTITUENTS THE OTHER DAY AND SHE WAS WANTING TO KNOW WHY WE WEREN'T FIXING OUR PROPERTY TAX PROBLEM. AND SO I TOOK A RANDOM PIECE OF PROPERTY THAT I OWN, FARMLAND. IN 2010, THE PROPERTY VALUE WAS VALUED AT \$82,000 AND CHANGE. IN 2014, IT HAD JUMPED TO \$197,000 AND CHANGE. IT HAD MORE THAN DOUBLED IN FIVE YEARS. THE TAXES THAT I HAVE TO PAY ON THAT PROPERTY ALSO DOUBLED IN FIVE YEARS, WENT FROM \$1,099 IN 2010 TO \$2,054 IN 2014. MY TAX BILL DOUBLED IN FIVE YEARS. I DON'T BELIEVE THAT THE PROPERTY TAX RELIEF FUND HAS DOUBLED IN FIVE YEARS. AND SENATOR JOHNSON SAID THAT HE HAD TALKED TO SOME OF HIS COLLEAGUES OVER THE WEEKEND AND THOUGHT THEIR VALUATIONS WERE GOING TO GO UP 10 PERCENT. I'VE TALKED TO TWO OF MY COUNTY ASSESSORS AND IT'S 20-25 PERCENT FOR ME, THE 1ST OF JUNE THIS YEAR AGAIN. SO PROPERTY TAX IS A BIT OF A HOT ISSUE FOR ME. AND FOR THOSE OF YOU WHO BELIEVE THAT FARMERS ARE GETTING A BREAK, THERE'S FARMLAND FOR SALE EVERY DAY. IF IT IS SUCH A GREAT DEAL, GO BUY SOME AND SEE HOW HARD IT IS. I DO APOLOGIZE FOR JUMPING UP ON THIS BILL AGAIN. I TRY TO STAY ON TOPIC. BUT THERE ARE SOME THINGS THAT CANNOT BE...GO UNCHALLENGED. BUT THE POINT I REALLY WANT TO MAKE IS THE PROPERTY TAX SYSTEM, THE WAY WE FUND THINGS IN THE STATE OF NEBRASKA IS BROKEN. IT'S NOT ABOUT HOW MUCH WE'RE SPENDING, WHERE THE MONEY IS COMING FROM. THE PROPERTY TAX SYSTEM IN THIS STATE IS BROKEN. PUTTING MONEY IN THE PROPERTY TAX RELIEF FUND DOESN'T SOLVE THE PROBLEM. DROPPING FROM 75 PERCENT TO 65 PERCENT DOES NOT SOLVE THE PROBLEM. WE NEED TO FIX THIS PROBLEM. AND IT'S NOT A PROBLEM THAT'S JUMPED IN JUST IN THE LAST YEAR OR TWO. IT IS AN ONGOING PROBLEM, WHERE THE STATE OF NEBRASKA IS TAXING A CLASS OF WEALTH THAT CANNOT FLEE THE STATE AND THAT'S NOT RIGHT. THAT'S UNFAIR. THAT'S WHY WE CAME TO LINCOLN. WE ARE STATE SENATORS AND IT'S A STATE PROBLEM AND WE NEED TO FIX IT. THANK YOU. [LB419]

SPEAKER HADLEY: SENATOR FRIESEN, YOU ARE RECOGNIZED. [LB419]

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SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. AGAIN, I THINK THE AMENDMENT HELPED A LOT. I STILL...THINGS ARE A LITTLE BIT CLEARER TO ME NOW, AND I WOULD RATHER THAT SENATOR MELLO WOULD HAVE BROUGHT AN APPROPRIATIONS BILL IN FRONT OF US TO HELP THE ZOO WITH A PROJECT AND WE COULD HAVE FUNDED THAT IN THAT MANNER, NOW, YOU KNOW, WE'VE DONE AN APPROPRIATION BASICALLY YEAR AFTER YEAR. WE'RE GOING TO GIVE THEM THE SAME AMOUNT AND IT'S GOING TO BE ONGOING. IF THEY HAD A SPECIAL NEED, I THINK THERE IS GREAT SUPPORT FOR THE ZOO HERE. IT'S NOT A QUESTION. THAT WOULD HAVE PASSED. AND I FEEL THIS BILL WILL PASS TOO. I JUST AM REGISTERING MY OPPOSITION AND WILL CONTINUE TO. I STILL THINK THAT WHAT WE'VE ALLOWED THEM TO DO NOW IS JUST TO RAISE THEIR ADMISSION FEES UNDER COLOR OF SALES TAX. PEOPLE WILL NOT KNOW THE DIFFERENCE. THEY WILL JUST GET TO KEEP THE DIFFERENCE. I WOULD MUCH RATHER HAVE SEEN AN APPROPRIATIONS COME BEFORE US FOR A GOOD CAUSE, AND WE WOULD HAVE HANDLED IT THAT WAY. SO THANK YOU, MR. PRESIDENT. **[LB419]**

SPEAKER HADLEY: SENATOR GROENE, YOU'RE RECOGNIZED. [LB419]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. THIS IS THE LAST TIME I'LL RISE, UNLESS SOMEONE EGGS ME ON. BUT I DOUBT THAT WILL HAPPEN. I ADMIRE SENATOR MELLO'S COMMENT. IT IS A PHILOSOPHICAL DEBATE. AND US SIMPLE RURAL FOLK DO READ THE MILTONS AND WE DO READ THE GREAT THINKERS OF THE WORLD AND WE HAVE, A COUPLE OF THOSE BOOKS BY MY BEDSIDE NOW. WE JUST SEE THINGS A LITTLE DIFFERENTLY BECAUSE THAT'S WHY WE LIVE IN THE RURAL AREAS. BUT OUR EDUCATION IS GOOD THERE TOO. SO ANYWAY, BUT THIS IS A PHILOSOPHICAL DEBATE. I'M STANDING HERE TRYING TO GIVE EVERYBODY A TAX BREAK. SOME OF THE REST OF US ARE TOO. WE WANT TO GIVE EVERYBODY PROPERTY TAX BREAKS. WE WANT TO GIVE THEM INCOME TAX BREAKS. CITY OF LINCOLN IS BEING SUCH A GOOD HOST THEY'RE GOING TO LET ME COME DOWN HERE AND SPEND ANOTHER .25 PERCENT ON MY PURCHASES IF THEY PASS THAT LEGISLATION. ALL OF US, OUR CHILDREN DOWN TO THE SCHOOLS. AND THEY'RE SO KIND TO US RURAL FOLKS THEY'RE GOING TO CHARGE THEM ANOTHER .25 PERCENT TAX TO COME DOWN AND GO TO THE SCHOOLS HERE, STATE SCHOOLS. WE DON'T DO THAT OUT IN THE RURAL AREAS. WE TRY TO BE NEIGHBORLY AND SO DO THE FOLKS, MOST OF THE FOLKS IN LINCOLN AND OMAHA. BUT THE POINT IS LET'S GIVE EVERYBODY A TAX BREAK. THAT'S WHAT THIS DEBATE IS ABOUT. LET'S CONCENTRATE ON STATEWIDE TAX RELIEF AND GO FROM THERE. THEN WE DON'T WORRY ABOUT URBAN AND RURAL BECAUSE PEOPLE IN THE CITIES

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PAY...BUSINESSES, LET'S GET RID OF THE CORPORATE TAX, INCOME TAX. WHAT WOULD THAT DO FOR THE ECONOMY? THOSE FOLKS WOULD TELL YOU IT WOULD BE A BOOM TO EMPLOYMENT AND GROWTH OF JOBS. WHERE DO YOU STOP? LET'S GIVE EVERYBODY A TAX BREAK. I'M THE ONLY REASONABLE ONE HERE, THE FEW OF US THAT WANT TO DO THAT, INSTEAD OF PICKING AND CHOOSING WINNERS AND LOSERS. SO THAT'S WHERE I STAND. BUT THIS IS A MAJOR DEBATE. IT'S NOT PEANUTS. WE'RE TALKING ABOUT A PHILOSOPHY OF THIS BODY. DO WE AGREE THAT WE'RE ALL ONE? WE'RE ONE STATE. WE GIVE A TAX BREAK TO ALL. ONE FOR ALL...ONE FOR ONE...HOW DOES THE SAYING GO? ONE FOR ALL, ALL FOR ONE. LET'S GIVE EVERYBODY A TAX BREAK, AND I DON'T CARE WHERE YOU LIVE. YOU'LL ALL GET ONE. LET'S CUT THE SPENDING. LET'S CONCENTRATE ON THAT. IMAGINE WHAT THAT WOULD DO. INSTEAD OF TOURISTS COMING HERE TO VISIT THE ZOO AND KEEP MOVING, SOMEBODY MIGHT SAY, HEY, THIS IS A LOW-TAX STATE, NICE PEOPLE. I WANT TO LIVE HERE, UNTIL THEY SEE THE TAX RATES. MAYBE A BUSINESS WILL DO THAT TOO. LET'S GIVE EVERYBODY TAX BREAKS. LET'S CONCENTRATE ON THAT IN THE FUTURE. THEN IT WON'T BE THIS URBAN-RURAL RUMBLING THAT SOME PEOPLE BELIEVE THIS ARGUMENT IS ABOUT, WHICH IT'S NOT. SCOTTSBLUFF'S ZOO, SENATOR STINNER HASN'T JUMPED UP AND SAID, WELL, WAIT A MINUTE. WE GOT A ZOO, TOO, AND THAT'S A RURAL ONE. IT'S ABOUT AS FAR WEST AS YOU CAN GO. AND I UNDERSTAND WHY HE SUPPORTS THIS BILL. BUT LET'S GIVE EVERYBODY A TAX BREAK. AND I'M NOT GOING TO SUPPORT LB419. I'LL VOTE AGAINST IT ON PRINCIPLE. WHEN YOU WANT TO GIVE EVERYBODY A TAX BREAK, I'LL BE JUMPING UP AND DOWN AND BE THE FIRST ONE TO HIT THE GREEN BUTTON. THANK YOU. [LB419]

SPEAKER HADLEY: SENATOR CHAMBERS, YOU'RE RECOGNIZED. [LB419]

SENATOR CHAMBERS: MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I'VE LIVED IN NEBRASKA. IT'S BEEN MY PLACE OF RESIDENCE ALL MY LIFE UP TO NOW. BUT I HAVE TRAVELED OTHER PLACES. I'VE HEARD NEBRASKA RIDICULED, AND IT'S NOT BECAUSE OF THE HIGH TAXES. IT IS BECAUSE OF THE NARROW-MINDEDNESS, THE HOMOPHOBIA, THE RACISM, AND THE OTHER SOCIAL DEFECTS. THAT'S WHAT BRANDS NEBRASKA AS A BACKWARDS STATE. THE TAXES DON'T EVEN COME UP. BUT IF THIS IS SUCH A PROFOUND ISSUE, AT LEAST WHEN I BRING UP SOMETHING, I DO IT BECAUSE I HAVE NO CHOICE. I HEARD WHEN I WAS DOWNSTAIRS--AND IF I MISHEARD, CORRECT ME--THERE IS A TAX BILL WITH 37 SIGNATURES. IF I HAD A BILL WITH 37 SIGNATURES AND THE COMMITTEE WOULDN'T BRING IT OUT, I WOULD OFFER A MOTION TO PULL IT FROM COMMITTEE. BUT INSTEAD, YOU WHINE. YOU BELLYACHE. YOU SAY, AS

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SENATOR GROENE DID, THIS ISN'T ABOUT PEANUTS. THIS BILL IS ABOUT PEANUTS. YOU DON'T HAVE TO TAKE A BILL TO MAKE A POINT IN THE WAY THAT I DO. YOU ALWAYS HAVE THE MAJORITY, ONE WAY OR THE OTHER. THERE'S NO EXCUSE FOR ANY OF YOU TO STAND ON THIS FLOOR AND WHINE AND BELLYACHE ABOUT HOW BAD IT IS YOU'VE GOT IT. I DIDN'T MAKE SENATOR HUGHES A FARMER. I DIDN'T PUT PRAIRIE DOGS ON HIS LAND. BUT HE CAN DO WITH THE PRAIRIE DOGS ON HIS LAND WHATEVER HE WANTS TO. BUT THEY BRING UP THINGS THAT HAVE NOTHING TO DO WITH A BILL OF MINE AS A REASON TO ATTACK IT. THAT'S WHAT I'M TALKING ABOUT. SO I HAVE TO USE STRATAGEMS AND ALTERNATIVES THAT THE REST OF YOU DO NOT. AND YOU DON'T WANT TO HEAR WHAT I HAVE TO SAY BECAUSE I TELL THE TRUTH. AND I'M GOING TO SAY IT AGAIN. WHEN WHITE ISSUES ARE BEFORE A STATE LEGISLATURE OR THE WHITE CONGRESS, WHITE PEOPLE'S INTERESTS ARE ALWAYS LOOKED AFTER. THAT IS THE STANDARD NO MATTER WHAT THE ISSUE IS. AND THEIR INTERESTS PARALLEL, THEY INTERSECT, THEY OVERLAP SO THEY ALWAYS HAVE SOMEBODY LOOKING OUT FOR THEM. IF I DON'T SPEAK FOR THE CONSTITUENCY THAT I REPRESENT, AND BY THE WAY, FOR YOU NARROW-MINDED PEOPLE WHO DON'T LISTEN, THEY'RE NOT JUST BLACK PEOPLE. I HAVE CALLS IN MY OFFICE RIGHT NOW ABOUT PROBLEMS IN SOME OF YOUR DISTRICTS BECAUSE THEY DON'T GET TO TALK TO THE SENATOR AND SOMETIMES THE STAFF PUSHES THEM AWAY. SO I SAY, WELL, WHY DO YOU CALL ME? AREN'T YOU AWARE OF THE ISSUES THAT I HAVE, THAT YOUR REPRESENTATIVES ARE PUTTING ON ME? THEY SAY, BUT YOU WILL LISTEN AND YOU WILL TRY TO DO SOMETHING. IF YOU DON'T BELIEVE ME, GO OUT AMONG YOUR PEOPLE, YOUR PEOPLE. AND ONE OF THE PROBLEMS IS THAT YOU ALL MADE PROMISES THAT YOU COULDN'T KEEP. YOU ALL WENT AROUND THE STATE WITH A DOG AND PONY SHOW ABOUT WHAT PEOPLE FEEL ABOUT PAYING TAXES. AND I WAS TELLING YOU BEFORE YOU WENT, IF THE OUESTION IS DO YOU WANT TO PAY TAXES, THE ANSWER IS NO. AND YOU DIDN'T HAVE TO TRAVEL ALL OVER THE STATE TO KNOW THAT. AND IF YOU GO TO A PART OF THE STATE WHERE PEOPLE HAVE A LOT OF PROPERTY, WHAT ARE THEY TELL GOING TO TELL YOU IF YOU BRING UP THE ISSUE OF TAXES? WE DON'T WANT TO PAY THE KIND OF TAXES WE PAY. YOU GO TO OMAHA AND WHAT DO YOU HAVE? A BIG BUSINESS, THEY CAN CALL IT NONPROFIT, CHARITABLE, FRATERNAL... [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR CHAMBERS: ...A BIG BUSINESS LIKE W-O-W, WOODMEN OF THE WORLD, WHAT KIND OF TAXES DO THEY WANT? WE DON'T WANT TO PAY ANY PROPERTY

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TAX AND WE'LL EXTORT ENOUGH FROM YOU AND WE'LL STAY HERE. THAT'S WHAT'S WRONG WITH NEBRASKA. YOU DON'T HAVE THE WILL WHERE YOU OUGHT TO HAVE THE WILL. YOU PIECEMEAL IT, HERE A LITTLE, THERE A LITTLE. WHO HAS THE MOST PEOPLE WHO CAN MAKE THE MOST NOISE AND THAT'S THE DIRECTION YOU GO. WELL, I'M GOING TO CONTINUE DOING WHAT I HAVE TO DO TO REPRESENT THOSE PRINCIPLES THAT I HAVE. BUT I'M ALSO GOING TO MOCK YOU FOR WHINING WHEN YOU DON'T HAVE TO WHINE. PULL THE BILL FROM COMMITTEE IF YOU'RE SERIOUS ABOUT WANTING THIS DEBATE AND STOP TELLING YOUR CONSTITUENTS THAT SOMEBODY IN A COMMITTEE IS STOPPING YOU. YOU HAVE A REMEDY FOR THAT. I DON'T. THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: SENATOR BRASCH, YOU'RE RECOGNIZED. [LB419]

SENATOR BRASCH: THANK YOU, MR. SPEAKER, AND THANK YOU ONCE AGAIN, COLLEAGUES. I DID WANT TO RESPOND TO WHAT SENATOR HUGHES HAD MENTIONED EARLIER ABOUT 75 PERCENT TO 65 PERCENT NOT BEING A SOLUTION, ABOUT THE TAX SITUATION. AND MY OBSERVATION OF WHAT IS HAPPENING AT THIS POINT IN TIME IS THE FACT THAT OUR URBAN SENATORS HAVE NOT BEEN A PROBLEM HERE. THEY REALIZE THAT DROPPING 75 PERCENT TO 65 PERCENT ISN'T GOING TO IMPACT THE URBAN SCHOOLS. THEY DON'T RELY ON AG LAND VALUES FOR FUNDING SCHOOLS. CLASS A SCHOOLS WILL BE UNAFFECTED. OPS SCHOOLS, THEY HAVE A COMMON LEVY. THEY WON'T BE AFFECTED. B AND C CLASS SCHOOLS, THEY WILL DO THE SAME OR BETTER. ONCE AGAIN, THE CLASS D SCHOOLS WHEN WE GET OUT INTO THE WESTERN PART OF THE STATE, WE NEED TO HELP THEM. WE NEED TO HELP THEM WITH EITHER WITH AN AMENDMENT THAT HOLDS THEM HARMLESS, OR WE NEED TO LOOK AT EDUCATION FUNDING FOR THOSE SCHOOLS. WE NEED TO MAKE SURE THAT THOSE SCHOOLS ARE UNAFFECTED. SO I WILL STRESS WITH MY RURAL SENATORS, TALK TO YOUR RURAL SENATORS ABOUT GETTING THIS BILL BROUGHT OUT TO THE FLOOR BECAUSE THE FACT THAT NOT EVERYONE AGREES, THEY WANT TO FIX THE TAX SYSTEM WHICH IS MORE COMPLICATED THAN IT SEEMS. WE JUST DON'T FIX PROPERTY TAX, BUT WE CAN GIVE TAX RELIEF, MINIMAL BUT TAX RELIEF. IT'S A START. IT'S GOING TO TAKE MORE THAN ONE SESSION AND ONE BILL TO CURE THAT. AND THEN I WANTED TO RESPOND TO SENATOR CHAMBERS. UNTIL I WAS ELECTED, I'D BEEN TO 42 STATES, I THINK, WITH AN EDUCATIONAL SOFTWARE COMPANY, AND PEOPLE LOVE NEBRASKA. THEY WANTED TO HEAR ABOUT NEBRASKA. AND IN FACT, I WORKED REMOTE FOR TWO COMPANIES. ONE WAS BASED OUT OF...IT WAS PEARSON EDUCATION. THEIR PARENT COMPANY IS OUT OF ENGLAND, BUT I REPORTED TO MESA,

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ARIZONA. THE OTHER COMPANY WAS FOR FOLLETT THAT I WORKED WITH. THEY'RE BASED OUT OF ILLINOIS. THEY HIRE NEBRASKANS BECAUSE OF OUR GREAT WORK ETHIC, THAT WE WORK HARD, THAT WE ARE HONEST, THAT YOU CAN DEPEND ON WHAT A NEBRASKAN SAYS THEY ARE GOING TO DO, THEY GET IT DONE. WE WERE NOT SHUNNED, THOUGHT OF AS BACKWARD, ALL OF THE THINGS THAT SENATOR CHAMBERS...I DON'T KNOW WHO HE WENT TO SEE THAT IS SO ADVERSE TO NEBRASKA OR WHAT YEAR THAT WAS IN, BUT I'M SAD TO HEAR THAT THE PEOPLE HE VISITED WITH THOUGHT SO POORLY OF NEBRASKANS. I'M TOLD THAT EMPLOYERS ACROSS THE COUNTRY MAKE JOB OFFERS TO NEBRASKANS. THEY WOULD LOVE TO SEE US WORKING IN NEW YORK CITY OR IN LOS ANGELES BECAUSE YOU CAN COUNT ON US SHOWING UP TO WORK. YOU CAN COUNT ON US WORKING PAST THE CLOCK. NEBRASKANS ARE GOOD PEOPLE. WE HAVE ISSUES THAT EVERY LEGISLATURE IS LOOKING AT. NOT JUST NEBRASKA. WE ARE NOT UNIQUE OR ISOLATED OR AN ISLAND TO WHAT OTHER STATES HAVE AND ARE FACING IN MEETING THE NEEDS OF THOSE WHO ARE IN NEED OF HELP, THOSE WHO NEED TO HAVE JOBS AND GET THEM TO WORK, THOSE WHO ARE IN NEED OF EDUCATION OR OF HEALTH. WE ARE LOOKING AT WHAT IS THE BEST POSSIBLE WAY TO SERVE ALL PEOPLE. AND IN NEBRASKA, WE ARE A HIGH-TAX STATE. WE NEED TO LOOK AT BRINGING THOSE TAXES DOWN, LOWERING THEM, AND BEING MORE EFFICIENT IN ALL WE DO TO MAKE SURE THAT DOLLARS SPENT ARE NOT SPENT... [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR BRASCH: ...NEEDLESSLY OR IN THE WRONG WAY. SO ONCE AGAIN, I BELIEVE LB419 IS HELPING TO GROW THOSE REVENUES, HELPING TO BRING IN MORE VISITORS TO OUR STATE, HELPING FAMILIES LOOKING FOR A REFRESHING WAY TO SPEND AN AFTERNOON. I SUPPORT THIS BILL. I BELIEVE IT IS GOING TO BE REINVESTED, BUT I AM NOT TURNING MY BACK ON MY RURAL SENATORS BECAUSE I BELIEVE IF OUR URBAN SENATORS SUPPORTING US IN AG LAND RELIEF AT THIS POINT, AND THE RURAL SENATORS NEED TO START WORKING TOGETHER ON WHATEVER BILL IT IS TO FUND OUR RURAL SCHOOLS AND TO BRING TAX RELIEF. WE WILL FIX TAXES BUT NOT IN THE FIRST SESSION. THANK YOU, MR. PRESIDENT, MR. SPEAKER, AND COLLEAGUES. [LB419]

SPEAKER HADLEY: SENATOR SCHNOOR, YOU ARE RECOGNIZED. [LB419]

SENATOR SCHNOOR: SENATOR EBKE BROUGHT SOMETHING UP. WE MIGHT FIX TAXES, BUT IT MIGHT NOT BE IN OUR LIFETIME. SO WE'LL SEE WHAT HAPPENS.

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IT'S AMAZING HOW WE'RE TALKING ABOUT TAXES ON THE ZOO, AND IT TURNS INTO EDUCATION. IT TURNS INTO A RACE ISSUE. AND I GUESS I CAN NEVER UNDERSTAND WHY THAT HAPPENS, BUT IT SEEMS TO HAPPEN A LOT AROUND HERE. IF SOMEBODY DOESN'T LIKE IT IN THE STATE OF NEBRASKA, THEY CAN LEAVE. IT'S...NOBODY IS FORCING ANYBODY TO STAY HERE. I DO HAVE A QUESTION FOR SENATOR MELLO, IF YOU WOULD, PLEASE, YIELD TO A QUESTION. [LB419]

SPEAKER HADLEY: SENATOR MELLO, I BELIEVE, HAS LEFT THE CHAMBER. [LB419]

SENATOR SCHNOOR: OH, THERE HE IS. [LB419]

SPEAKER HADLEY: HERE HE IS. SENATOR MELLO. SENATOR MELLO, WILL YOU YIELD TO A QUESTION? [LB419]

SENATOR MELLO: ABSOLUTELY. [LB419]

SENATOR SCHNOOR: I APOLOGIZE, SENATOR MELLO. I THOUGHT WHEN I LOOKED BACK THERE, I THOUGHT I SAW YOU THERE. WE TALKED A LOT ABOUT, OH, YOU HAD MENTIONED NON-FOR-PROFIT GROUPS. AND WE WERE IN THE BACK, IN THE BREAK AREA SOLVING ALL THE PROBLEMS. AND I GUESS I ASKED A QUESTION OF SOMEBODY, IS THE ZOO A NONPROFIT? AND I DON'T KNOW IF I HAVE MY NUMBERS RIGHT BUT A 501(c)(3) CORPORATION? [LB419]

SENATOR MELLO: CORRECT, YES. AND THE WAY THE BILL IS ALSO DRAFTED IS THAT THEY HAVE TO BE A NONPROFIT TO BE ABLE TO QUALIFY FOR THE EXEMPTION. [LB419]

SENATOR SCHNOOR: OKAY. SO BEING A NONPROFIT, THEY DON'T PAY ANY KIND OF PROPERTY TAXES OVER THE EXPANSE OF AREA, EVERY AREA THAT THEY OWN, DO THEY? [LB419]

SENATOR MELLO: LET ME CORRECT YOU A LITTLE BIT, SENATOR SCHNOOR. THE CITIES OF OMAHA, SCOTTSBLUFF, AND LINCOLN OWN THE PROPERTY THAT THE ZOOS ARE LOCATED ON. SO THEY'RE ALL...IT IS A VERY UNIQUE PUBLIC-PRIVATE PARTNERSHIP IN REGARDS TO THE CITY GOVERNMENTS AND THESE NONPROFIT

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ORGANIZATIONS BECAUSE THE CITY OWNS THE LAND WHERE ALL OF THESE ZOOS ARE CURRENTLY ON. [LB419]

SENATOR SCHNOOR: OKAY. SO I GUESS IF THE CITY OWNS IT THEN THEY AREN'T GENERATING ANY REVENUE AS FAR AS PROPERTY TAXES FROM THAT, ARE THEY? [LB419]

SENATOR MELLO: GOVERNMENT ENTITIES, I BELIEVE, UNDER STATE LAW ARE NOT REQUIRED TO PAY PROPERTY TAXES. [LB419]

SENATOR SCHNOOR: OKAY. THAT ANSWERS MY QUESTIONS. I JUST NEEDED THAT FOR SOME CLARIFICATION, SO THANK YOU, SIR. [LB419]

SPEAKER HADLEY: SENATOR CHAMBERS, YOU'RE RECOGNIZED, AND THIS IS YOUR THIRD TIME. [LB419]

SENATOR CHAMBERS: MR. PRESIDENT, I'LL SAY IT AGAIN. HERE, BECAUSE ALL THE PEOPLE ARE WHITE, THEY DON'T HAVE TO SAY WHITE, THEY SAY RURAL. THEN YOU HEAR THEM TALKING ABOUT ALL THE RURAL PROBLEMS. THE SCHOOLS IN THE RURAL AREAS. THE PROPERTY TAXES IN THE RURAL AREAS. IT BECOMES A RACE ISSUE FOR ME BECAUSE THAT'S WHAT IT IS. AND I WON'T BE SILENCED ON IT. AND I HEARD SENATOR BRASCH GIVE AS GOOD AN ARTICULATION OF THE RURAL-URBAN SPLIT AS I'VE EVER HEARD. YOU WANT TO PRETEND YOU CAN PAPER OVER IT AND IT DOESN'T EXIST. BUT AS SOON AS SOMEBODY PULLS THE SCAB OFF, YOU SEE THE INFECTION RESTING UNDER IT. AND UNTIL THE PEOPLE ON THIS FLOOR CAN BROADEN THEIR SCOPE AND GET RID OF THEIR SMALL TOWN WAYS, WHETHER YOU LIKE IT OR NOT, YOU'RE NOT GOING TO SOLVE ANY OF THESE PROBLEMS. IF...LET ME ASK A QUESTION. I'LL ASK IT OF SENATOR GROENE BECAUSE HE'S BEEN PART OF THE DEBATE. SENATOR GROENE, WOULD YOU... [LB419]

SPEAKER HADLEY: SENATOR GROENE, WILL YOU YIELD? [LB419]

SENATOR GROENE: YES. [LB419]

SENATOR CHAMBERS: DID I CORRECTLY HEAR SOMEBODY MENTION A BILL THAT WOULD RELATE TO PROPERTY TAXES THAT HAS 37 COSPONSORS, OR WAS THAT A MISTAKE ON MY PART IN WHAT I HEARD? [LB419]

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SENATOR GROENE: I HAVE HEARD NONE, NO RUMOR OR HEARSAY ON ANY SUCH THINGS, SIR. I REALLY HAVEN'T, SENATOR CHAMBERS. [LB419]

SENATOR CHAMBERS: THANK YOU. I'D LIKE TO ASK SENATOR BLOOMFIELD A QUESTION. [LB419]

SPEAKER HADLEY: SENATOR BLOOMFIELD, WILL YOU YIELD TO A QUESTION? [LB419]

SENATOR BLOOMFIELD: YES, I WILL. [LB419]

SENATOR CHAMBERS: SENATOR BLOOMFIELD, WAS THERE A BILL MENTIONED DURING THE DEBATE THAT HAD 37 COSPONSORS BUT THE COMMITTEE WOULD NOT LET IT GO? [LB419]

SENATOR BLOOMFIELD: I DON'T BELIEVE IT'S A BILL, SENATOR. I THINK IF YOU TALK TO SENATOR DAVIS, IT'S A RESOLUTION THAT HE WAS TRYING TO GET CIRCULATED TO LOOK AT REFUNDING THE SCHOOLS. [LB419]

SENATOR CHAMBERS: THANK YOU. IS SENATOR DAVIS HERE? [LB419]

SPEAKER HADLEY: SENATOR DAVIS, WILL YOU YIELD TO A QUESTION? [LB419]

SENATOR DAVIS: CERTAINLY. [LB419]

SENATOR CHAMBERS: SENATOR DAVIS, IS LB323 A BILL THAT YOU'RE FAMILIAR WITH? [LB323 LB419]

SENATOR DAVIS: I'M VERY FAMILIAR WITH IT, SENATOR CHAMBERS. [LB419]

SENATOR CHAMBERS: WHAT DOES IT DEAL WITH? [LB419]

SENATOR DAVIS: IT ESTABLISHES A SCHOOL FINANCE REVIEW COMMISSION TO LOOK AT WAYS TO FUND EDUCATION IN THE STATE OF NEBRASKA, WHICH I THINK RIGHT NOW IS 49 OF 50 IN TERMS OF STATE SUPPORT. WE RELY PRIMARILY ON PROPERTY TAXES. [LB419]

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SENATOR CHAMBERS: SO IT IS AN ISSUE THAT IMPLICATES THE PROPERTY TAX QUESTION IN A VERY SIGNIFICANT WAY, IS THAT CORRECT? [LB419]

SENATOR DAVIS: THAT'S CORRECT. AND WHAT IT DOES IS IT RECONSTITUTES AN ENTITY THAT WAS PUT IN PLACE IN 1988, WHICH STUDIED HOW WE FUND SCHOOL FINANCE AND DEVELOPED THE FORMULA WE HAVE IN PLACE TODAY. [LB419]

SENATOR CHAMBERS: HOW MANY SIGNATURES DOES THAT BILL HAVE? [LB419]

SENATOR DAVIS: I HAVE 37. [LB419]

SENATOR CHAMBERS: THANK YOU. THAT'S ALL I...MEMBERS OF THE LEGISLATURE, I LISTEN TO YOU. I LISTEN TO YOU. YOU ARE THE ONES WHO DON'T PAY ATTENTION THEN YOU GET ANGRY WITH ME. GET AS ANGRY AS YOU WANT TO. BUT I GET TIRED OF HEARING PEOPLE WHO HAVE A METHOD AT THEIR DISPOSAL FOR DEALING WITH AN ISSUE AND THEY WON'T DO IT. THEN DON'T COMPLAIN ABOUT IT. I COMPLAIN AND I WILL CONTINUE DOING SO BECAUSE THAT IS ONE OF THE ONLY THINGS THAT I HAVE AT MY DISPOSAL. SO EVERY TIME YOU SAY RURAL, SUBSTITUTE RACIAL. AND THEN YOU'VE GOT IT. BUT THAT IS WHAT WHITE PRIVILEGE IS. YOU CAN CALL YOUR ISSUES SOMETHING ELSE BECAUSE EVERYBODY IS WHITE AND YOU DON'T HAVE TO MENTION IT. YOU'RE NOT THE OTHER. YOU'RE NOT THE OUTSIDER. YOU ARE NOT THE ONE MARGINALIZED. YOU'VE NEVER BEEN ENSLAVED IN THIS COUNTRY AND I HAVE. [LB419]

SPEAKER HADLEY: ONE MINUTE. [LB419]

SENATOR CHAMBERS: AND I'M GOING TO DEAL WITH THE ISSUE AND I'M GOING TO DEAL WITH IT AND DEAL WITH IT. AND WHATEVER ATTEMPTS ANYBODY MAKES AGAINST ME OR MY LEGISLATION, IT'S NOT GOING TO STOP ME FROM DOING AND SAYING WHAT I THINK OUGHT TO BE DONE AND OUGHT TO BE SAID ON THIS FLOOR. AND ONE OF THESE DAYS YOU ALL WILL WAKE UP AND YOU'LL BE GLAD THAT SOMEBODY OPENED THE DOOR FOR YOU TO DO WHAT YOU OUGHT TO DO. THIS AND THEN MY TIME WILL BE UP, WHEN HOWEVER YOU CAME INTO THIS UNIVERSE, YOUR BRAIN IS LIKE A TOOLBOX AND IN THAT TOOLBOX IS EVERY TOOL NEEDED TO MAKE IT THROUGH THIS EXISTENTIAL WORLD. BUT YOU'VE GOT TO AT LEAST OPEN THE BOX AND TAKE THE TOOL OUT

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AND MAKE USE OF IT. BUT DON'T ASK THE TOOLMAKER TO NOW MANIPULATE THE TOOL FOR YOU AFTER GIVING IT TO YOU... [LB419]

SPEAKER HADLEY: TIME, SENATOR. [LB419]

SENATOR CHAMBERS: THANK YOU, MR....(MICROPHONE MALFUNCTION) [LB419]

SPEAKER HADLEY: SENATOR BAKER, YOU'RE RECOGNIZED. [LB419]

SENATOR BAKER: QUESTION. [LB419]

SPEAKER HADLEY: YOU'RE LAST IN THE QUEUE. SEEING NO ONE ELSE TO SPEAK, SENATOR MELLO, YOU'RE RECOGNIZED TO CLOSE ON LB419. [LB419]

SENATOR MELLO: THANK YOU, MR. PRESIDENT. MEMBERS OF THE LEGISLATURE, I APPRECIATE THE DEBATE THIS AFTERNOON ON ONE OF THE PROBABLY BIGGEST TOURISM BILLS WE WILL HAVE THIS LEGISLATIVE SESSION, LB419. THE REALITY IS, AS YOU'VE HEARD ME SAY THROUGH SOME OF THE DEBATE THIS AFTERNOON, SOMETIMES IT REQUIRES AN INVESTMENT TO MAKE GOOD ON THAT INVESTMENT IN REGARDS TO SOMETIMES IT TAKES MONEY TO MAKE MONEY, AND IN THIS PARTICULAR CASE WHEN IT COMES TO TOURISM, THAT WAS THE ISSUE WE HAD HEARD IN RESPECT TO GROWING OUR STATE'S TOP ATTRACTIONS AND EXPANDING THE STATE'S THIRD-LARGEST INDUSTRY. I CAN APPRECIATE TO SOME EXTENT THE THOUGHT THAT SENATOR FRIESEN THREW OUT, OF SAYING WHY NOT INSTEAD GO THROUGH THE APPROPRIATIONS PROCESS. BUT ARGUABLY THROUGH A SALES TAX EXEMPTION I THINK IT ACTUALLY PUTS MORE OF THE ONUS ON THE ACTUAL ORGANIZATION TO IMPROVE ITSELF TO SHOW THEY WILL ONLY GET THE INVESTMENT, SO TO SPEAK, BEYOND WHAT'S LISTED IN THE FISCAL NOTE IF THEY'RE ABLE TO GROW. SO THE BETTER THEY DO AND THE MORE THEY'RE ABLE TO EXPAND AND GROW THE PIE FOR BOTH THE LOCAL GOVERNMENTS AND THE STATE, THEY SEE A SLIGHTLY BIGGER IMPACT IN REGARDS TO THE SALES TAX EXEMPTION THEY WOULD RECEIVE BACK. THAT'S AN INCENTIVE APPROACH, COLLEAGUES, AND THAT WAS THE CONCEPT THAT WE HAD DISCUSSED WHEN THINKING THIS THROUGH. NOW I THINK WITH THE ADOPTION OF AM984, THAT WILL OBVIOUSLY TAME THE FISCAL NOTE AS I DISCUSSED WITH YOU, BUT THE POLICY STAYS THE SAME. IT'S CREATING A POLICY THAT HAS THE STATE MAKE A SMALL STRATEGIC INVESTMENT IN THE STATE'S LARGEST TOURISM ATTRACTIONS BECAUSE IT'S AN ECONOMIC DEVELOPMENT PRIORITY FOR THIS STATE TO GROW THAT INDUSTRY

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AND TO GROW THESE ORGANIZATIONS ACROSS THE STATE TO GENERATE MORE REVENUE. COLLEAGUES, I THINK THIS IS A GOOD ECONOMIC DEVELOPMENT POLICY. IT'S A POLICY WE'VE IMPLEMENTED BEFORE. AND I THINK, COLLEAGUES, WE WILL SEE THE FRUITS OF THIS BILL FOR YEARS TO COME WITH PASSING LB419. THANK YOU, MR. PRESIDENT. [LB419]

SPEAKER HADLEY: THE QUESTION IS THE ADVANCEMENT OF LB419 TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED? RECORD, MR. CLERK. [LB419]

CLERK: 33 AYES, 5 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB419. [LB419]

SPEAKER HADLEY: THE BILL ADVANCES. MR. CLERK FOR ITEMS. [LB419]

CLERK: MR. PRESIDENT, VERY QUICKLY, ENROLLMENT AND REVIEW REPORTS LB347A TO SELECT FILE. AMENDMENTS TO BE PRINTED: SENATOR CRAWFORD, LB292; SENATOR SCHUMACHER, LB240. THAT'S ALL THAT I HAVE. (LEGISLATIVE JOURNAL PAGES 1073-1076.) [LB347A LB292 LB240]

SPEAKER HADLEY: MR. CLERK, WE WILL CONTINUE TO THE NEXT BILL ON GENERAL FILE.

CLERK: MR. PRESIDENT, LB559, A BILL BY SENATOR SCHUMACHER. (READ TITLE.) THE BILL WAS INTRODUCED ON JANUARY 21, REFERRED TO THE REVENUE COMMITTEE, ADVANCED TO GENERAL FILE. AT THIS TIME, I HAVE NO AMENDMENTS TO THE BILL, MR. PRESIDENT. [LB559]

SPEAKER HADLEY: SENATOR SCHUMACHER, YOU'RE RECOGNIZED TO OPEN ON LB559. [LB559]

SENATOR SCHUMACHER: THANK YOU, MR. SPEAKER, MEMBERS OF THE BODY. I'D OPEN CALLING THIS A TECHNICAL CORRECTIONS BILL, BUT THAT WOULD BE THE WRONG THING TO DO BECAUSE WHENEVER YOU HEAR THOSE WORDS YOU SHOULD COME TO HIGH ALERT AND LOOK FOR WHAT ELSE MIGHT BE IN IT. BUT THIS BILL AMENDS A LACK OF CLARITY WITH RESPECT TO THE NEW MARKETS ACT. IT WAS AN ACT THAT WAS ADOPTED IN 2012 AS PART OF AN ECONOMIC DEVELOPMENT PROCESS AND IT IS SPECIFICALLY DESIGNED TO LOOK TO LOW-

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INCOME AREAS, ZIP CODES, FOR INVESTMENT. IT'S A SPIN-OFF OF A FEDERAL ACT THAT WAS ADOPTED AS A RESULT OF EFFORTS BY PRESIDENT CLINTON AND JACK KEMP BACK IN AROUND 2000, ONE OF THE LAST BIPARTISAN THINGS PROBABLY DONE IN WASHINGTON. AND UNDER THE NEW MARKETS CONCEPT, TAX CREDITS ARE APPROPRIATED AND APPLIED FOR BY A DEVELOPMENT ORGANIZATION WHICH THEN USES THEM TO INCENT INVESTMENT IN THESE POORER, QUOTE, NEW MARKET AREAS. THE PROBLEM WITH IT WAS THAT NEBRASKA GOT VERY LITTLE IN THE 10, 12 YEARS BEFORE THIS OF THE \$30 MILLION THAT WAS APPROPRIATED IN TAX CREDITS BY WASHINGTON. AND THE REASON FOR THAT WAS ATTRIBUTED TO THE FACT THAT THE OTHER STATES THAT WERE GETTING THE WASHINGTON INVESTMENT SUPPLEMENTED THE PROGRAM WITH A STATE'S NEW MARKET GROWTH INVESTMENT ACT. SO IN 2012, THE LEGISLATURE ADDED NEBRASKA TO THOSE LISTS OF STATES THAT WERE SUPPLEMENTING THE FEDERAL ACT. AND BASICALLY WHAT WAS DONE THEN IS \$15 MILLION A YEAR TIMES FIVE YEARS FOR AN INVESTMENT CYCLE, WAS APPROPRIATED AND SET ASIDE FOR THESE NEW MARKET INVESTMENTS, AND THEY TAKE THESE CREDITS AND THEY USE THEM TO SUPPLEMENT AND INCENT THE INVESTMENTS. AS IN ALL THINGS, ALTHOUGH SMALLER INVESTORS CAN INVEST IN THIS, MOST OF THE INVESTMENT IS DONE BY LARGER FINANCIAL INSTITUTIONS WHO ARE INVESTING IN ALL KINDS OF DIFFERENT PROGRAMS IN NOT ONLY THE OMAHA POOR AREAS BUT IN RURAL AREAS THAT MEET THE ZIP CODE QUALIFICATIONS. THE ISSUE ADDRESSED IN THIS BILL IS, THERE'S A COMPLICATED PROVISION OF TAX LAW THAT SAYS AN INSURANCE COMPANY CAN TAKE CREDIT FOR ITS PREMIUM TAX PAID AGAINST ITS INCOME TAX DUE AND, THEREFORE, BASICALLY REDUCE ITS STATE INCOME TAX. THE NEW MARKETS ACT SAYS THAT THE NEW MARKETS CREDIT CAN BE TAKEN AGAINST THE PREMIUM TAX. AND THE STUMBLING BLOCK COMES, WELL, THEN, CAN A PREMIUM TAX WHICH IS PAID BY A NEW MARKET CREDIT THEN BE USED AS CREDIT AGAINST THE INCOME TAX OF THAT COMPANY? BECAUSE OF THIS LACK OF CLARITY, THE REVENUE DEPARTMENT HAS SAID, WELL, WE HAVEN'T BEEN TOLD EXACTLY THAT'S THE CASE. AS A RESULT OF THAT, THE PREMIUM TAX CREDIT HAS NOT BEEN ALLOWED TO BE TAKEN AGAINST THE INCOME TAX CREDIT OF THE INSURANCE COMPANY, WHICH MEANS THE INSURANCE COMPANY GETS NO BENEFIT AND IS EXCLUDED FUNCTIONALLY FROM PARTICIPATING IN THE NEW MARKETS GROWTH INVESTMENT ACT AND HAS NOT BEEN ABLE TO PARTICIPATE. THIS WAS CLEARLY CONTRARY TO THE INTENT OF THE LEGISLATION WHICH SPECIFICALLY SAID THAT THEY COULD USE THIS AGAINST THEIR PREMIUM CREDIT AND IT WAS JUST IMPLIED THAT IT WOULD DO THEM GOOD, WHEREAS IF THEY CAN'T USE IT ULTIMATELY AGAINST THEIR INCOME TAX, IT DOESN'T DO THEM ANY GOOD. SO THIS PARTICULAR PIECE OF

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LEGISLATION SAYS "ANY TAX CREDIT CLAIMED UNDER THIS SECTION," WHICH IS THE NEW MARKETS SECTION, "SHALL BE CONSIDERED A PAYMENT OF TAX FOR PURPOSES OF SUBSECTION (1) OF SECTION 77-2734.03," WHICH IS THE INCOME TAX SECTION. SO WHAT WE'RE BASICALLY SAYING IS THAT INSURANCE COMPANIES DO INDEED GET TO HAVE A REAL TAX BENEFIT, NOT JUST A PAPER SHUFFLE, IF THEY PARTICIPATE IN THE NEW MARKETS CREDIT. IT DOES NOT INCREASE THE AMOUNT THAT'S COMMITTED TO THE NEW MARKETS CREDIT, WHICH INCIDENTALLY WILL SUNSET UNDER THE...SENATOR WATERMEIER'S SUNSET BILL THAT STUDIES ALL OF THESE. I'D ALSO LIKE TO THANK SENATOR WILLIAMS FOR PRIORITIZING THIS BILL SO THAT WE CAN GET THIS ISSUE CLARIFIED. I'D ASK YOUR SUPPORT FOR LB559. THANK YOU, MR. SPEAKER. [LB559]

SPEAKER HADLEY: SENATOR WILLIAMS, YOU ARE RECOGNIZED. [LB559]

SENATOR WILLIAMS: THANK YOU, MR. PRESIDENT, AND A BIG THANK-YOU TO SENATOR SCHUMACHER FOR BRINGING FORWARD THIS PROPOSAL TO CLEAR UP WHAT HE ADEQUATELY DESCRIBED AS A TECHNICAL AREA HERE. SINCE SENATOR CHAMBERS IS NOT ON THE FLOOR, I WILL TAKE THE PRIVILEGE OF MY TURN TO ASK FOR A...WAVE THE MAGIC WAND OVER THIS GROUP AND HAVE THIS ISSUE CLEARED UP RATHER QUICKLY. WE'VE TALKED A LOT OVER THESE LAST WEEKS ABOUT ECONOMIC DEVELOPMENT AND THE IMPORTANCE OF ECONOMIC DEVELOPMENT TO OUR STATE. THE REASON I PRIORITIZED THE NEW MARKET TAX CREDIT IS BECAUSE THIS PARTICULAR TOOL THAT IS IN THE ECONOMIC DEVELOPMENT TOOLBOX HAS BEEN USED QUITE EXTENSIVELY FOR GOOD BUSINESS EXPANSION IN MY LEGISLATIVE DISTRICT, DISTRICT 36. THERE ARE TWO PROJECTS UNDERWAY RIGHT NOW THAT ARE VERY LARGE PROJECTS THAT ARE MAKING USE OF THE NEW MARKET TAX CREDIT. ONE IS THE CURRENT EXPANSION THAT'S GOING ON AT ORTHMAN MANUFACTURING IN LEXINGTON. AND LEXINGTON, AS YOU KNOW, IS ONE OF THOSE ZIP CODES THAT SENATOR SCHUMACHER TALKED ABOUT THAT'S A HIGHLY DISTRESSED, LOW-INCOME COMMUNITY, AND ORTHMAN MANUFACTURING, WHICH STARTED IN BUSINESS THERE IN 1965, MANUFACTURES AG EQUIPMENT THAT IS SHIPPED ALL ACROSS NOT ONLY OUR COUNTRY BUT OTHER COUNTRIES. THEY ALSO HAVE AN ASSEMBLY FACILITY IN SOUTH AFRICA. THEY ARE CURRENTLY EXPANDING THEIR BUSINESS, ADDING 100 NEW JOBS TO THE COMMUNITY OF LEXINGTON; 80 CONSTRUCTION JOBS IN ADDITION TO THAT ARE GOING ON. AND IT IS A 115 SQUARE FOOT...115,000 SQUARE FOOT STATE-OF-THE-ART MANUFACTURING FACILITY. THAT FACILITY WOULD NOT BE ABLE TO DO THAT EXPANSION WITHOUT THE NEW MARKET TAX CREDIT PROGRAM. THE OTHER PROJECT THAT

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IS GOING ON IN DISTRICT 36 IS THAT THE LEXINGTON REGIONAL HEALTH CENTER, WHICH IS UNDERTAKING A \$23 MILLION EXPANSION THAT INCLUDES NEW INPATIENT AND OUTPATIENT SERVICES, NEW EXAM ROOMS, NEW OPERATING ROOMS, ALL BRINGING THAT HOSPITAL UP TO THE STANDARDS WHICH ARE EXPECTED TO BE MET BY HOSPITALS. THE HOSPITAL CURRENTLY EMPLOYS 170 DIRECT PERMANENT EMPLOYEES, AND THIS EXPANSION WOULD ADD 24 MORE EMPLOYEES TO THAT BASE. SO THE TOOLS THAT ARE AVAILABLE THROUGH THE NEW MARKET TAX CREDIT PROGRAM ARE CLEARLY TOOLS THAT WERE WISELY CHOSEN BY THIS LEGISLATURE BACK IN 2012. AND RIGHT NOW, WE HAVE THIS VERY AWKWARD SITUATION WITH INSURANCE COMPANIES THAT ARE TAXPAYERS THAT PAY TAXES IN OUR STATE BASED ON A PREMIUM TAX AND/OR THEIR CORPORATE INCOME TAX. AND THE INTERPRETATION BY THE NEBRASKA DEPARTMENT OF REVENUE THAT USING A CREDIT TO OFFSET THE PREMIUM TAX IS NOT PAYING THE TAX UNDER THEIR INTERPRETATION. SO TO FIX THAT QUIRK, LB559 COMES INTO PLAY. THIS IS SOMETHING I BELIEVE STRONGLY IN. I BELIEVE STRONGLY IN ECONOMIC DEVELOPMENT. WE HAVE TALKED ABOUT THE NEED OF OUR STATE TO GROW, TO PAY THE TAXES THAT WE HAVE DEBATED SO LONG AND HARD TODAY AND WILL DEBATE SO LONG AND HARD AS WE GO FORWARD IN THIS LEGISLATIVE SESSION. SO, I WOULD ASK FOR... [LB559]

SPEAKER HADLEY: ONE MINUTE. [LB559]

SENATOR WILLIAMS: ...YOUR SUPPORT OF LB559 AND YOUR VOTE GREEN. THANK YOU, MR. PRESIDENT. [LB559]

SPEAKER HADLEY: SEEING NO ONE ELSE IN THE QUEUE, SENATOR SCHUMACHER, YOU'RE RECOGNIZED TO CLOSE ON LB559. SENATOR SCHUMACHER WAIVES CLOSING. THE QUESTION BEFORE THE BODY IS THE ADOPTION OF LB559. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH TO? RECORD, MR. CLERK. [LB559]

CLERK: 27 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB559. [LB559]

SPEAKER HADLEY: THE BILL ADVANCES TO E&R INITIAL. MR. CLERK, THE NEXT ITEM ON GENERAL FILE. [LB559]

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CLERK: LB156 WAS A BILL ORIGINALLY INTRODUCED BY SENATOR STINNER. (READ TITLE.) THE BILL WAS INTRODUCED ON JANUARY 9 OF THIS YEAR, AT THAT TIME REFERRED TO THE REVENUE COMMITTEE. THE BILL WAS ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS PENDING. (AM645, LEGISLATIVE JOURNAL 716.) [LB156]

SPEAKER HADLEY: SENATOR STINNER, YOU'RE RECOGNIZED TO OPEN ON YOUR BILL. [LB156]

SENATOR STINNER: THANK YOU, MR. SPEAKER, MEMBERS OF THE LEGISLATURE. BEFORE I BEGIN, I MUST THANK SENATOR HILKEMANN FOR DESIGNATING LB156 HIS PRIORITY BILL. AS INTRODUCED, LB156 ADDED \$2 MILLION OF FUNDING PER YEAR TO THE ANGEL INVESTMENT TAX CREDIT PROGRAM WHICH RESTORES IT TO ITS ORIGINAL INTENT OF GOVERNOR HEINEMAN AS A \$5 MILLION PROGRAM. THE REVENUE COMMITTEE AMENDED CHANGES FROM THE INCREASE OF \$2 MILLION TO \$1 MILLION MAKING IT A \$4 MILLION FUNDING. WITH THE COMMITTEE AMENDMENT, LB156 WAS ADVANCED TO THE FLOOR ON A UNANIMOUS VOTE. THE TESTIMONY AT THE PUBLIC HEARING WAS VERY ENTHUSIASTIC AND SUPPORTIVE. THIS PROGRAM HAS DEMONSTRATED SUCCESS AND NEEDS TO BE EXPANDED. IN 2012, ITS FIRST YEAR, THE FUNDS WERE GONE BY MID-JULY; IN 2013, GONE BY MID-APRIL; IN 2014 AND '15, THE CREDITS WERE ALL USED ON JANUARY 1, THE FIRST DAY THE CREDITS WERE AVAILABLE. THROUGH 2014, OVER 250 APPLICATIONS HAVE BEEN APPROVED AS QUALIFIED INVESTORS; 72 BUSINESSES HAVE BEEN APPROVED TO RECEIVE INVESTMENTS UNDER THE PROGRAM WITH ONLY 4 OF THOSE BUSINESSES NOT LOCATED IN A DISTRESSED AREA, AND MORE THAN 103 STARTUPS ARE ELIGIBLE FOR FUNDING. CLEARLY THE DEMAND IS BIGGER THAN THE AVAILABLE CREDITS. THE SUCCESS OF THIS PROGRAM AND THE LACK OF ADEQUATE FUNDING SHOULD NOT BE A SURPRISE. IN 2010, THE DEPARTMENT OF ECONOMIC DEVELOPMENT HIRED NATIONAL CONSULTING FIRM BATTELLE TO LOOK AT NEBRASKA'S ECONOMIC DEVELOPMENT PROGRAMS. THE STUDY REVEALED THERE WAS WHAT THEY CALLED, AND I OUOTE, A GLARING SHORTAGE OF TECHNOLOGY-BASED DEVELOPMENT PROGRAMS IN NEBRASKA ORIENTED TO ASSISTING HIGH-GROWTH POTENTIAL SMALL BUSINESSES. AS PART OF THE STUDY, THE ENTREPRENEURS AND EARLY-STAGE TECHNOLOGY COMPANIES INTERVIEWED INDICATED THAT IT WAS VERY DIFFICULT TO ACCESS EARLY-STAGE CAPITAL IN NEBRASKA. THE STUDY REPORTED THAT A WAY FOR THE STATE TO DECREASE THE RISK AND FURTHER INCENT THE INVESTING IN TECHNOLOGY VENTURES IS TO PROVIDE A TAX CREDIT TO THE ANGEL INVESTORS. ANOTHER REPORT PREPARED BY THE LEGISLATURE'S INNOVATION AND ENTREPRENEURIAL TASK

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FORCE OUTLINED THE NEED TO IMPROVE NEBRASKA'S ENTREPRENEURIAL ENVIRONMENT. THE STUDY COMPARED NEBRASKA TO OTHER STATES AND REPORTED IN PART UNDER THE CAPTION "ACCESS TO CAPITAL" NEBRASKA RANKS VERY LOW IN ACCESS TO CAPITAL. ACTUALLY IT WAS DEAD LAST IN THE KAUFFMAN INDEX. THIS IS A MAJOR AREA IN NEED OF IMPROVEMENT. WITH THIS PROGRAM AND INVEST NEBRASKA, WE ARE NOW RANKED 37th. UNDER THE TOPIC OF INNOVATION, NEBRASKA RANKS VERY LOW IN TECHNOLOGY AND INNOVATION. THIS IS ALSO A MAJOR AREA IN NEED OF IMPROVEMENT. THIS STUDY ALSO RECOMMENDED THE CREATION OF AN ANGEL INVESTMENT ECONOMIC DEVELOPMENT TOOL FOR THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO FILL THE CAPITAL FINANCE GAP THAT HIGH-TECHNOLOGY INNOVATORS EXPERIENCE. IN RESPONSE TO THESE STUDIES, GOVERNOR HEINEMAN IN HIS 2011 STATE OF THE STATE ADDRESS ANNOUNCED A TALENT AND INNOVATION INITIATIVE DESIGNED TO ENHANCE NEBRASKA'S ECONOMIC MOMENTUM. THE PURPOSE OF THIS INITIATIVE WAS TO GIVE THE DEPARTMENT OF ECONOMIC DEVELOPMENT NEW TOOLS TO PROMOTE ECONOMIC GROWTH. AS PART OF HIS INITIATIVE, HE PROPOSED A \$5 MILLION ANGEL INVESTMENT TAX CREDIT PROGRAM AS A NEW WAY TO FOSTER HIGH-TECH STARTUPS IN NEBRASKA. HE STATED, THE ANGEL INVESTMENT TAX CREDIT PROGRAM IS KEY TO INCREASING THE NUMBER OF HIGHER PAYING JOBS IN NEBRASKA. AFTER EXTENSIVE DEBATE, THE ACT PASSED WITH STRONG SUPPORT. UNFORTUNATELY, DUE TO POLITICAL AND ECONOMIC REALITIES, FUNDING WAS SCALED BACK TO \$3 MILLION. THE PROGRAM HAS A SUNSET DATE OF 2019 WHERE IT CAN BE EVALUATED USING THE METRICS FORMULATED BY LR444, TAX INCENTIVE EVALUATION COMMITTEE. IF LB538 IS PASSED BY THE LEGISLATURE, THIS ACT COULD BE EVALUATED WITHIN THE NEXT THREE YEARS. THE TERM "ANGEL INVESTOR" ORIGINATED IN EARLY 1900s TO DESCRIBE BUSINESSMEN OF FINANCIAL MEANS WHO INVESTED IN BROADWAY PRODUCTIONS. TODAY, THE TERM REFERS TO PRIVATE INDIVIDUALS OF MEANS WHO CONTRIBUTE THEIR MONEY AND SOMETIMES THEIR SKILLS TO STARTUP COMPANIES. ANGEL INVESTORS UNDER THE ACT ARE REFERRED TO AS QUALIFIED INVESTORS, WHICH CAN BE AN INDIVIDUAL OR A QUALIFIED FUND CERTIFIED BY THE DIRECTOR. THIS IS HOW THE PROGRAM WORKS. THE INDIVIDUAL QUALIFIED INVESTOR WHO INVESTS IN A STARTUP GETS A 35 PERCENT TAX CREDIT IN NONDISTRESSED AREAS AND A 40 PERCENT TAX CREDIT ON INVESTMENTS OF \$25,000 OR MORE LOCATED IN WHAT IS CALLED DISTRESSED AREAS IN ANY CALENDAR YEAR. THE QUALIFIED FUND MUST INVEST \$50,000 OR MORE IN A CALENDAR YEAR. A QUALIFIED FUND MUST HAVE AT LEAST THREE INVESTORS THAT WOULD MEET THE DEFINITION OF QUALIFIED INVESTORS. THE AMOUNT OF TAX CREDIT IS LIMITED. FOR THE MARRIED COUPLE FILING A JOINT RETURN,

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THE MAXIMUM IS \$350,000, AND FOR ALL OTHER FILERS, THE MAXIMUM IS \$300,000. THE DIRECTOR SHALL NOT ALLOCATE MORE THAN A TOTAL OF \$1 MILLION IN TAX CREDIT TO ANY ONE QUALIFIED SMALL BUSINESS. ONLY NEBRASKA RESIDENTS, NEBRASKA PASS-THROUGH ENTITIES, AND NONRESIDENT ESTATES AND TRUSTS MAY CLAIM THE TAX CREDIT ON A NEBRASKA INCOME TAX RETURN. QUALIFIED SMALL BUSINESS IS DEFINED...DEFINES STARTUPS THAT ARE HELPED. IN ORDER FOR A STARTUP TO BE ELIGIBLE TO START UP IN THE HIGH-TECHNOLOGY FIELD, THEY MUST APPLY TO THE DIRECTOR OF ECONOMIC DEVELOPMENT TO BECOME CERTIFIED AS A QUALIFIED SMALL BUSINESS. IT MUST HAVE 25 OR FEWER EMPLOYEES, BE BASED IN NEBRASKA, HAVE AT LEAST 51 PERCENT OF ITS PAYROLL IN NEBRASKA, BE ENGAGED OR COMMITTED TO INNOVATION IN NEBRASKA OF ONE OR MORE OF THE HIGH-TECH FIELDS AS DEFINED BUT NOT LIMITED TO AEROSPACE, AGRICULTURAL PROCESSING, RENEWABLE ENERGY, ENERGY EFFICIENCY AND CONSERVATION, ENVIRONMENTAL ENGINEERING, FOOD TECHNOLOGY, CELLULOSIC ETHANOL, INFORMATION TECHNOLOGY, MATERIALS SCIENCE TECHNOLOGY, NANOTECHNOLOGY, TELECOMMUNICATIONS, BIOSOLUTIONS, MEDICAL DEVICE PRODUCTS, PHARMACEUTICALS, DIAGNOSTICS, BIOLOGICS, CHEMISTRY, VETERINARY SCIENCE, AND SIMILAR OTHER FIELDS. BECAUSE OF FEDERAL LAWS, MATCHES BETWEEN QUALIFIED INVESTORS AND SMALL BUSINESSES MUST BE MADE WITHOUT THE DEPARTMENT'S ASSISTANCE. HOWEVER, THE DEPARTMENT CAN LIST QUALIFIED BUSINESSES ON THE DED'S WEB SITE IF THE BUSINESS GRANTS ITS PERMISSION. IF THIS PROGRAM IS TO BE SUCCESSFUL IN THE FUTURE AND ATTRACT INVESTORS AS CONTEMPLATED IN THE LAW, IT SHOULD RECEIVE ADDITIONAL FUNDING. IN 2014, THOSE WHO INVESTED \$25,000 EQUITY SHOULD HAVE RECEIVED A 40 PERCENT TAX CREDIT OF \$10,000. BECAUSE OF DEMAND, THE INVESTOR GOT \$8,624. IN 2015, THE SAME \$25,000 EQUITY INVESTMENT HAS BEEN PRORATED DOWN EVEN MORE TO \$8,574, THUS THE INCENTIVE FOR THE ANGEL INVESTOR CONTINUES TO DECLINE. UNDER THE CIRCUMSTANCES, IT IS VERY FAIR TO ASSUME THAT IF THE PROGRAM WAS FUNDED AT A HIGHER LEVEL, IT WOULD BE INVESTED IN NEBRASKA'S INNOVATIVE HIGH-TECHNOLOGY STARTUP COMPANIES AND CREATE JOBS RIGHT HERE IN NEBRASKA. THE ANGEL TAX CREDIT FILLS AN IDENTIFIED KEY GAPS IN THE NEBRASKA ECONOMIC DEVELOPMENT PROGRAM. THE PROGRAM SUPPORTS NEW TECHNOLOGY COMPANIES IN NEBRASKA. THE FACT THAT THE AGGREGATE CREDIT AMOUNT IS EXHAUSTED IN THE FIRST DAY OF THE PAST TWO YEARS SHOWS THE IMPACT OF THE FUND. IT IS GETTING THE ATTENTION OF INVESTORS AND INVESTMENT GROUPS THROUGHOUT THE STATE AND IS A CREATIVE TOOL FOR A LOT OF SMALL BUSINESS OWNERS AND ENTREPRENEURS. THE PAGES HAVE PASSED OUT

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A MAP THAT SHOWS WHERE THE QUALIFIED INVESTORS ARE LOCATED ACROSS THE STATE AND THE NUMBER OF CREDITS APPROVED FOR THE FIRST TWO YEARS OF THE PROGRAM. KEEP IN MIND THESE INVESTORS ARE KEEPING THEIR INVESTMENTS HOME IN NEBRASKA AND NOT INVESTING THEIR MONEY IN WALL STREET. NEBRASKA MUST ALSO BE COMPETITIVE WITH OTHER STATES. IN 2015, 23 STATES INCLUDING NEBRASKA HAVE SOME OF THE ANGEL TAX CREDIT PROGRAMS. NEBRASKA MUST BE COMPETITIVE WITH THESE STATES AND OTHER MIDWESTERN STATES THAT HAVE AN ANGEL TAX CREDIT PROGRAM. THOSE STATES ARE COLORADO, MINNESOTA, IOWA, KANSAS, NORTH DAKOTA, AND WISCONSIN. THE ANGEL TAX... [LB156 LB538]

SPEAKER HADLEY: ONE MINUTE. [LB156]

SENATOR STINNER: ...CREDIT ACT IS WORKING. THIS REQUEST IS ABOUT GROWING NEBRASKA, CREATING GOOD PAYING JOBS, AND REBUILDING OUR MIDDLE CLASS. THIS CONCLUDES MY EXPLANATION OF LB156, AND I WOULD ASK MEMBERS OF THE BODY TO VOTE TO ADVANCE BOTH LB156, THE COMMITTEE AMENDMENT, AND AMENDMENT AM1060. THANK YOU. [LB156]

SPEAKER HADLEY: (VISITORS INTRODUCED.) AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE REVENUE COMMITTEE. SENATOR GLOOR, AS CHAIR OF THE COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE AMENDMENTS. [LB156]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. I'LL RUN THROUGH SOME QUICK SPEAKING POINTS ON THE AMENDMENT FROM THE REVENUE COMMITTEE. THE AMENDMENT DECREASES THE ADJUSTMENT OF THE CAP BY HALF FROM \$2 MILLION INCREASE TO A \$1 MILLION INCREASE FOR A TOTAL ANNUAL AMOUNT OF \$4 MILLION THAT WILL BE AVAILABLE UNDER THE ANGEL INVESTMENT ACT. CURRENTLY IT'S CAPPED AT \$3 MILLION PER YEAR. AS SENATOR STINNER POINTED OUT, THIS HAS BEEN A VERY POPULAR PROGRAM. THE FULL AMOUNT HAS BEEN USED EVERY YEAR TO THE POINT WHERE IT'S SOLD OUT THE FIRST DAY THAT IT'S AVAILABLE. I'D REITERATE A LITTLE HISTORY, NOT AS MUCH AND NONE OF THE SPECIFICS THAT SENATOR STINNER WENT INTO. BUT THE ACT WAS CREATED IN 2011 UNDER LB389. IT WAS INTRODUCED BY THEN-CHAIRMAN SENATOR ABBIE CORNETT AT THE REQUEST OF GOVERNOR HEINEMAN. AT THAT TIME, THE REVENUE COMMITTEE AMENDED THE BILL BEFORE ADVANCING IT; IT WAS ADVANCED 8-0. BUT THAT'S WHEN THE CAP WENT FROM \$5 MILLION TO \$3 MILLION OR WAS PROPOSED AT \$5 MILLION. THE REVENUE COMMITTEE DID DROP IT TO \$3 MILLION, ALSO REDUCED THE CREDIT PERCENTAGE OF THE

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QUALIFIED INVESTMENT FROM 40 PERCENT TO 35 PERCENT. THAT BILL IS WHAT PASSED. THAT'S THE BILL WE'RE WORKING ON TODAY. IN 2013, SENATOR PETE PIRSCH INTRODUCED LB281 WHICH WOULD HAVE INCREASED THE CAP FROM \$3 MILLION TO \$5 MILLION. ALTHOUGH IT WAS ADVANCED BY THE REVENUE COMMITTEE, IT FAILED TO ADVANCE FROM GENERAL FILE. AND SO WE HAVE IN FRONT OF US A BILL THAT ALSO HAS ADVANCED UNANIMOUSLY FROM THE COMMITTEE WITH THE AMENDMENT THAT REDUCES IT FROM \$5 MILLION TO \$4 MILLION. THAT'S A \$1 MILLION INCREASE ON A \$3 MILLION PROGRAM. I THINK IT'S SAFE TO SAY THAT THE COMMITTEE IS INTERESTED IN SEEING HOW WE DO WITH THIS ADDITIONAL \$1 MILLION TO A PROGRAM THAT'S PROVEN TO BE USED, PROVEN TO BE VERY POPULAR, PROVEN TO BE VERY HELPFUL. THAT \$1 MILLION, IF EXPENDED QUICKLY, GIVES US AN OPPORTUNITY TO THEN COME BACK WITH A LEVEL OF JUSTIFICATION TO PERHAPS IN THE FUTURE BUMP IT UP ANOTHER \$1 MILLION. AND WITH THAT, I WOULD ASK FOR A POSITIVE VOTE ON THE COMMITTEE AMENDMENT, AM645. [LB156]

SPEAKER HADLEY: SENATOR STINNER, YOU'RE RECOGNIZED TO OPEN ON AM1060, YOUR AMENDMENT TO THE COMMITTEE AMENDMENTS. (LEGISLATIVE JOURNAL PAGE 1019.) [LB156]

SENATOR STINNER: THANK YOU, MR. PRESIDENT. MEMBERS OF THE BODY, AS I BEGAN DEVELOPING THE INFORMATION TO SUPPORT THE ADDITIONAL FUNDING OF THE ANGEL INVESTMENT TAX CREDIT PROGRAM, I WAS DISAPPOINTED WITH THE INFORMATION PROVIDED TO ME BY THE DEPARTMENT OF ECONOMIC DEVELOPMENT. TO ME, KEY INFORMATION WAS MISSING THAT WOULD ALLOW A FULL EVALUATION OF THE PROGRAM. WE WERE FORTUNATE THAT THE ANGEL INVESTMENT GROUP CALLED INVEST NEBRASKA WAS WILLING TO SURVEY ITS PORTFOLIO OF COMPANIES TO PROVIDE AN ESTIMATE OF JOBS CREATED DUE TO THE ANGEL INVESTMENT TAX CREDIT. THAT ESTIMATE IS 228 JOBS. THE ECONOMIC RESEARCH DEPARTMENT OF UNL AND UNO BOTH SUGGESTED A FACTOR OF 1.9 TO 2 FOR THE NUMBER OF INDIRECT JOBS CREATED FOR EACH NEW TECHNOLOGY JOB. THUS, WE ESTIMATE THAT ALMOST 500 JOBS HAVE BEEN CREATED BY THIS ACT. MOREOVER, THE INVEST NEBRASKA SURVEY REPORTED THE AVERAGE SALARY OF NEW JOBS TO BE OVER \$60,000. THIS IS THE KIND OF INFORMATION WE NEED TO SEE IF THIS PROGRAM IS WORKING. AM1060 IS AN AMENDMENT RECOMMENDED TO ME BY THE DEPARTMENT OF ECONOMIC DEVELOPMENT. IT IS NO WONDER THAT THE DEPARTMENT DOESN'T HAVE THE SUPPORTING INFORMATION REQUIRED FOR ITS MANDATED REPORTING TO THE LEGISLATURE. CURRENT LAW DOES NOT REQUIRE QUALIFIED BUSINESSES, QUALIFIED INVESTORS, OR QUALIFIED FUNDS TO SUBMIT AN ANNUAL REPORT

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TO INCLUDE ALL THE INFORMATION WHICH WILL ENABLE THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO FULFILL ITS REPORTING REQUIREMENTS UNDER THE ANGEL INVESTMENT ACT. AM1060 WILL FILL THAT VOID BY ADDING THESE REQUIREMENTS TO THE LAW. THIS NEW LANGUAGE IS FOUND ON PAGE 1, LINES 11-13. AM1060 ON PAGE 1, LINE 21 WILL REQUIRE THAT ANNUAL REPORTS SUBMITTED ARE COMPLETE OR BE SUBJECT TO FINE. ON PAGE 2, LINE 6, A NEW SUBSECTION (c) IS ADDED THAT WILL REQUIRE THE TOTAL AMOUNT OF ALL GRANTS, LOANS, INCENTIVES, AND INVESTMENTS WHICH ARE NOT QUALIFIED INVESTMENTS RECEIVED BY THE QUALIFIED SMALL BUSINESS SINCE RECEIVING THE INITIAL QUALIFIED INVESTMENT. ON LINE 12, THE SUBSECTION (e) WILL READ: "THE NUMBER AND ANNUAL SALARY OR WAGE OF JOBS CREATED AT EACH QUALIFIED SMALL BUSINESS SINCE RECEIVING THE INITIAL QUALIFIED INVESTMENT." THIS INFORMATION COULD BE VERY VALUABLE TO EVALUATE THE PROGRAM. FOR AN EXAMPLE, WHEN THE STATE OF WISCONSIN REPORTED ON JOBS CREATED UNDER THE STATE'S ANGEL TAX CREDIT PROGRAM, THE AVERAGE ANNUAL SALARY WAS \$83,000. SUCH HIGH-INCOME JOBS ARE ESPECIALLY HELPFUL TO THE ECONOMY BECAUSE THEY PRODUCE GREATER TAX REVENUES THAN LOWER PAYING JOBS. WE DO NOT KNOW HOW MANY MORE JOBS IN SMALL BUSINESSES WILL CREATE AS THEY CONTINUE TO GROW. COMPANIES THAT ATTRACT ANGEL INVESTMENTS GENERALLY HAVE THE POTENTIAL TO EMPLOY FAR MORE PEOPLE PER COMPANY THAN THOSE THAT STRUGGLE THROUGH THEIR EARLY YEARS WITHOUT ANY HELP FROM ANGELS. THE IMPACT OF ANGEL INVESTMENTS ON THE EMPLOYMENT SHOULDN'T BE UNDERESTIMATED WITHOUT THE ANGEL INVESTMENT. MANY COMPANIES THAT TODAY EMPLOY DOZENS OF PEOPLE OR MORE MIGHT NOT EVER HAVE MADE IT PAST ITS INFANCY, AND THE MONEY THEIR EMPLOYEES ARE PUMPING INTO THE ECONOMY MIGHT NOT BE THERE. I WOULD URGE YOU TO SUPPORT THE ADOPTION OF AM1060 SO THE DEPARTMENT OF ECONOMIC DEVELOPMENT CAN FULFILL ITS REQUIRED REPORTING OBLIGATIONS TO THE LEGISLATURE. WITH THIS INFORMATION, THE LEGISLATURE CAN PROVIDE THE OVERSIGHT THE PUBLIC EXPECTS OVER THE EXPENDITURES OF PUBLIC FUNDS. THANK YOU. [LB156]

SPEAKER HADLEY: SENATOR GLOOR, YOU'RE RECOGNIZED. [LB156]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. I WONDER IF SENATOR STINNER WOULD YIELD FOR A QUESTION OR TWO. [LB156]

SPEAKER HADLEY: SENATOR STINNER, WILL YOU YIELD TO A QUESTION? [LB156]

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SENATOR STINNER: YES, I WILL. [LB156]

SENATOR GLOOR: THANK YOU, SENATOR STINNER. I WANT TO MAKE SURE THAT WE HAVE ON THE RECORD SOMETHING THAT, HOPEFULLY, ISN'T NECESSARY FROM A PROTECTIVE STANDPOINT FOR THOSE PEOPLE WHO ARE SMALL BUSINESSES WHO ARE PARTICIPANTS. BUT GOING BACK TO YOUR AMENDMENT, NOW THAT I'VE HAD A CHANCE TO HAVE READ IT, WHAT THE DED IS REQUIRED TO REPORT IN TERMS OF THEIR ANNUAL REPORT, THE ACTUAL TAX CREDITS ISSUED TO THE PROJECT, THEN GOES ON TO LIST...AND THIS IS LINE 13 ON PAGE 2...AGAIN, YOU REFERENCED THIS JUST A FEW MINUTES AGO WITH IT...ANNUAL SALARY OR WAGE OF JOBS CREATED AT EACH QUALIFIED SMALL BUSINESS SINCE RECEIVING THE INITIAL QUALIFIED INVESTMENT, SO THAT'S LISTED. BUT IF YOU GO OVER TO THE FIRST PAGE, WHAT THE SMALL BUSINESS GRANTEE IS REQUIRED IS "ALL INFORMATION WHICH WILL ENABLE THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO FULFILL ITS REPORTING REQUIREMENTS UNDER SECTION 77-6309." IT'S...WE'RE VERY SPECIFIC WITH WHAT WE'RE ASKING FOR THE DEPARTMENT OF DED TO REPORT HERE. WHAT WE THEN SAY IS: THE GRANTEE HAS TO SUPPLY ALL INFORMATION WHICH ENABLES THE DEPARTMENT TO DO ITS JOB. BUT THEN IT REFERENCES IT TO SECTION 77-6309. I WANT TO MAKE SURE THAT WHAT THAT REFERENCE IS, IS SOMETHING THAT HAS SOME GENERAL GUIDELINES WITHIN IT SO THAT IF DED DECIDES IT WANTS TO KNOW HOW MUCH THEY SPENT ON CHRISTMAS PRESENTS FOR THEIR CHILD EVERY YEAR OR WHAT COLOR SOCKS THEY WEAR TO CHURCH ON SUNDAYS; IN OTHER WORDS, IS THERE SOME COMMON SENSE BEHIND WHAT DED MIGHT REQUIRE OF THE GRANT OWNER? [LB156]

SENATOR STINNER: MY UNDERSTANDING...FIRST OF ALL, I'M NOT 100 PERCENT SURE WHAT YOU'RE REFERRING TO, BUT I THINK THERE IS SPECIFIC INFORMATION THAT NEEDS TO BE REQUIRED. NOW, ONE OF THE THINGS THAT THEY DIDN'T...WEREN'T...WAS NOT AVAILABLE TO ME WHEN I WAS ASKING A QUESTION IS WHAT'S THE AVERAGE WAGE THAT WAS ACTUALLY STIMULATED BY THESE QUALIFIED BUSINESSES? WHAT WERE WE DOING THERE? WHAT TYPE OF WAGES? WERE THEY TECHNOLOGY WAGES? WERE THEY \$60,000 OR \$80,000? AND THEY HAD SOME PROBLEMS WITH MAKING SURE THAT ALL THE INFORMATION WAS KEPT CONFIDENTIAL. SO THEY WERE GOING TO A NUMBERING SYSTEM WHERE YOU WOULDN'T SEE THE NAME OF THE COMPANY, BUT THEY WOULD REPORT CERTAIN FINANCIAL INFORMATION THAT I THINK WE NEED TO HAVE AS LEGISLATORS TO SAY THIS IS A GOOD PROGRAM OR MAYBE THIS IS WHERE IT NEEDS TWEAKED OR MAYBE JUST ELIMINATE THE PROGRAM

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IF YOU WEREN'T GETTING YOUR BANG FOR THE BUCK OUT OF THIS. THAT'S WHAT I BELIEVE IS IN THIS AMENDMENT AND IN THIS BILL. [LB156]

SENATOR GLOOR: THANK YOU, SENATOR STINNER. AND I HAVE NO DOUBT WHAT THE INTENT IS, IS NOT TO BE BURDENSOME; AND I'M GUESSING THAT WITH A LITTLE MORE INFORMATION, I'LL BE ASSURED OF THAT. AND I'M CERTAINLY GOING TO VOTE TO MOVE THIS FORWARD, AND I CAN ASK QUESTIONS OFF MIKE OF YOU TO RESOLVE ANY CONCERNS I HAVE BETWEEN NOW AND SELECT. THANK YOU, SENATOR STINNER. THANK YOU, MR. PRESIDENT. [LB156]

SPEAKER HADLEY: SENATOR CRAWFORD, YOU'RE RECOGNIZED. [LB156]

SENATOR CRAWFORD: THANK YOU, MR. PRESIDENT. AND I APPRECIATE SENATOR STINNER PAYING ATTENTION TO THE REPORTING REQUIREMENTS AND TRYING TO MAKE SURE WE HAVE THE DATA THAT WE NEED TO ASSESS HOW WELL THIS PROGRAM IS WORKING. AND I JUST HAD A QUESTION ON THAT AMENDMENT, IF HE WOULD YIELD TO A QUESTION. [LB156]

SENATOR STINNER: YES, I WILL. [LB156]

SENATOR CRAWFORD: THANK YOU. I JUST WONDERED IF YOU WOULD EXPLAIN (C) ON PAGE 2 THAT TALKS ABOUT "THE TOTAL AMOUNT OF ALL GRANTS, LOANS, INCENTIVES, AND INVESTMENTS THAT ARE NOT QUALIFIED INVESTMENTS RECEIVED BY EACH QUALIFIED SMALL BUSINESS." SO IF YOU WOULD JUST EXPLAIN WHAT THAT MEANS AND WHY THAT'S IMPORTANT FOR THIS REPORTING. [LB156]

SENATOR STINNER: I THINK IT'S IMPORTANT THAT WHEN YOU LOOK AT A STARTUP BUSINESS, YOU KNOW, YOU ATTRACT THIS STARTUP CAPITAL. BUT AS THAT BUSINESS CONTINUES TO GROW AND CONTINUES TO NEED SOME FUNDING, IS THERE OTHER TYPES OF STATE FUNDING, REAP PROGRAMS, SBA PROGRAMS THAT THEY'VE ENTERED INTO, GRANTS, ALL KINDS OF DIFFERENT TYPES OF EITHER BORROWING PROGRAMS OR INVESTMENT PROGRAMS THAT GO ALONG WITH THAT AS THE STARTUP CONTINUES TO GROW? [LB156]

SENATOR CRAWFORD: SO IS THAT, IN PART, TO HELP US SEE IF THE ANGEL INVESTMENT LEVERAGES THESE OTHER INVESTMENTS? IS THAT A SENSE... [LB156]

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SENATOR STINNER: THAT'S EXACTLY IT. YES. [LB156]

SENATOR CRAWFORD: ALL RIGHT. THANK YOU, I APPRECIATE THAT. [LB156]

SPEAKER HADLEY: IS THERE ANYONE ELSE WHO WISHES TO SPEAK? SEEING NONE, SENATOR STINNER, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB156]

SENATOR STINNER: I'LL JUST PASS. [LB156]

SPEAKER HADLEY: SENATOR STINNER WAIVES. THE QUESTION IS THE ADOPTION OF AM1060. ALL THOSE IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED, NAY. RECORD, MR. CLERK. [LB156]

CLERK: 25 AYES, 0 NAYS, MR. PRESIDENT, ON ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB156]

SPEAKER HADLEY: WE'LL NOW RETURN TO THE COMMITTEE AMENDMENT. SEEING NONE, SENATOR GLOOR, YOU CAN CLOSE. [LB156]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. I JUST HOPE ENOUGH PEOPLE RETURN TO THEIR SEATS SO THAT WE CAN GET 25 VOTES. THANK YOU. [LB156]

SPEAKER HADLEY: THE QUESTION IS THE COMMITTEE AMENDMENT AS AMENDED, AM645. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. [LB156]

CLERK: 25 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB156]

SPEAKER HADLEY: IS THERE ANYONE WHO WISHES TO SPEAK ON LB156 AS AMENDED? SEEING NONE, SENATOR STINNER, YOU'RE RECOGNIZED TO CLOSE. SENATOR STINNER WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF LB156 TO E&R INITIAL. ALL THOSE IN FAVOR VOTE AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. [LB156]

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CLERK: 25 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB156. [LB156]

SPEAKER HADLEY: LB156 ADVANCES. MR. CLERK, THE NEXT ITEM ON THE GENERAL... [LB156]

CLERK: MR. PRESIDENT, LB414 IS A BILL BY SENATOR BURKE HARR. (READ TITLE.) INTRODUCED ON JANUARY 16; AT THAT TIME REFERRED TO THE REVENUE COMMITTEE. THE BILL WAS ADVANCED TO GENERAL FILE. I HAVE NO AMENDMENTS PENDING AT THIS TIME, MR. PRESIDENT. [LB414]

SPEAKER HADLEY: SENATOR HARR, YOU'RE RECOGNIZED TO OPEN ON LB414. [LB414]

SENATOR HARR: THANK YOU, MR. SPEAKER, MEMBERS OF THE BODY. LB414 WOULD SIMPLY AMEND STATE LAW SO THAT FRATERNAL BENEFIT SOCIETIES WOULD CLEARLY BE EXEMPT FROM PROPERTY TAX IN NEBRASKA. CURRENTLY. A DISPARITY EXISTS BETWEEN THE COUNTIES THROUGHOUT THE STATE REGARDING THE TAX TREATMENT OF PROPERTY OWNED BY THESE CHARITABLE ORGANIZATIONS. EVEN WITHIN COUNTIES, THERE ARE DIFFERENCES IN HOW PROPERTY OF SIMILARLY SITUATED ORGANIZATIONS ARE TAXED...IS TAXED. THE PRIMARY FRATERNAL BENEFIT SITE THAT WOULD BENEFIT FROM THIS CHANGE WOULD BE WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY. WOODMEN'S POSITION HAS BEEN THEY ARE A CHARITABLE ORGANIZATION. THEY SHOULD BE EXEMPT FROM PAYING PROPERTY TAXES, MUCH LIKE OTHER CHARITABLE ORGANIZATIONS. WOODMEN IS AN IMPORTANT ORGANIZATION IN OMAHA AND SIMPLY HAS A DESIRE TO BE TREATED FAIRLY UNDER THE LAW. THERE ARE 31 OTHER FRATERNAL BENEFIT SOCIETIES THAT WOULD ALSO BE IMPACTED OR BENEFITED BY LB414. IN ORDER TO ADDRESS THIS INCONSISTENCY, LB414 WOULD AMEND NEBRASKA STATE STATUTE 77-202 TO ADD "FRATERNAL BENEFIT SOCIETIES" TO THE DESCRIPTION OF CHARITABLE ORGANIZATIONS THAT ARE EXEMPT FROM PROPERTY TAXES. THIS WOULD MAKE THE STATE LAW CONSISTENT WITH EXISTING STATE AND FEDERAL LAW DESIGNATING FRATERNAL BENEFIT ORDER SOCIETIES AS CHARITABLE ORGANIZATIONS. LB414 WOULD ALSO AMEND NEBRASKA STATE STATUTE 44-1095 TO CLARIFY, LIKE OTHER CHARITABLE ORGANIZATIONS, THE PROPERTY OF SUCH ASSOCIATIONS ARE EXEMPT FROM STATE, COUNTY, DISTRICT, MUNICIPAL, AND SCHOOL TAXES. THESE TWO CHANGES WOULD NOT ONLY END THE DISPARITY THAT EXISTS BETWEEN COUNTIES THROUGHOUT THE STATE REGARDING THE TAX

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TREATMENT OF PROPERTY OWNED BY CHARITABLE ORGANIZATIONS, BUT WOULD ALSO MAKE STATE LAW CONSISTENT WITH FEDERAL LAW. WITH THAT, I WOULD ASK FOR YOUR SUPPORT ON LB414. [LB414]

SPEAKER HADLEY: IS THERE ANYONE THAT WISHES TO SPEAK? SENATOR SCHEER, YOU'RE RECOGNIZED. [LB414]

SENATOR SCHEER: I'M ASSUMING YOU DIDN'T WANT THIS TO GO THAT QUICKLY, SENATOR HARR, SO I THOUGHT I WOULD JUST JUMP AT THE CHANCE TO CONTINUE THE CONVERSATION. I DO RISE IN SUPPORT OF LB414. I KNOW THERE HAS BEEN SOME CONCERN IN REFERENCE TO PROVIDING SOME PROPERTY TAX RELIEF TO DIFFERENT NONPROFIT ORGANIZATIONS AND, IN PARTICULAR, WOODMEN OF THE WORLD. BUT, YOU KNOW, I GUESS I'M SORT OF A REALIST. WE CAN IGNORE THE REQUEST. I GUESS WORST-CASE SCENARIOS WE IGNORE THEM, AND ATLANTA OR DES MOINES OR SOMEBODY ELSE TALKS THEM INTO MOVING THERE. THEY HAVE 550, 600 JOBS. SO THEY MOVE. THEY'VE GOT A BUILDING DOWNTOWN OMAHA. SO INSTEAD OF VALUING 70 PERCENT OF IT AT FULL VALUE, AND 30 PERCENT WHICH THEY USE AS A NONPROFIT, WHICH WOULD BE EXEMPT, YOU'RE GOING TO HAVE A BUILDING THAT'S GOING TO COME ON THE MARKET THAT'S GOING TO BE MOSTLY EMPTY. AND, AT BEST, PROBABLY WILL GET 60, 55, 65 PERCENT OF THE VALUE WHEN SOMEONE BUYS IT, BECAUSE IT WILL BE HALF EMPTY. THE ONLY THING IS, NOW IT'S GOING TO BE VALUED AT 60, 65 PERCENT. NEBRASKA WILL BE WITHOUT THE 550 JOBS. AND WE COULD SAY, WELL, THAT MIGHT BE A NET. ONE PROBLEM: ONCE THAT BUILDING BECOMES VALUED AT 60 TO 65 PERCENT OF THE VALUE, THEN EVERYBODY ELSE WITHIN THE SURROUNDING AREA OF LIKE PROPERTIES CAN SIMPLY JUST APPEAL TO THEIR COUNTY APPRAISER AND SAY, LOOK, OUR BUILDING IS ALMOST IDENTICAL TO THAT, MAYBE NOT 30-SOME STORIES HIGH, MAYBE ONLY 13 STORIES HIGH, BUT WE'RE IN THE SAME MARKETPLACE. WE DEMAND REVALUATION ON OURS BECAUSE IT'S COMMENSURATE WITH THEIRS. SO NOW YOU HAVE A HUGE IMPACT ON TEEOSA BECAUSE ALL THOSE BUILDINGS IN THAT AREA THEN WOULD BE REVALUATED, BRINGING IN LESS DOLLARS, WHICH WOULD MAKE IT MORE COSTLY FOR THE STATE ON A TEEOSA BASIS. NO ONE LIKES TO GIVE ANYTHING AWAY. BUT REALISTICALLY, THIS HAS BEEN...THIS ENTITY HAS BEEN IN OMAHA FOR HUNDRED OF YEARS, A HUNDRED YEARS PROBABLY, HAVEN'T ASKED MUCH. IF SOMEBODY...WE'RE TRYING TO RECRUIT. ACTIVELY RECRUIT AND INCREASE OUR INSURANCE BUSINESS. IF AN INSURANCE BUSINESS CAME TO ONE OF THE ECONOMIC DEVELOPMENT PEOPLE IN THE STATE AND SAID, GEE, WE WOULD LIKE TO COME TO NEBRASKA, WE'RE GOING TO BRING 600 JOBS, WE'RE GOING TO BUILD A 30-STORY BUILDING, WHAT

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HAVE YOU GOT TO OFFER? BELIEVE ME, I THINK WE WOULD BE OFFERING MAYBE MORE THAN THE 30 PERCENT OF THE VALUATION. IS IT A HOLDUP OR IS IT JUST SIMPLY THAT'S THE SIGN OF THE TIMES? WE'VE GOT TO BE COMPETITIVE, NOT ONLY TO ATTRACT BUSINESS BUT TO MAINTAIN BUSINESS. IN THIS CASE, I GUESS I WOULD RATHER NOT FIND OUT WHO'S GOING TO BLINK FIRST. I WOULD RATHER KEEP A HIGH-QUALITY, COMMUNITY-ORIENTED BUSINESS IN OMAHA, KEEP THE 550, 600 JOBS THAT THEY CURRENTLY HAVE AND GOOD CHANCE OF EXPANSION, AND KEEP THE VALUES IN DOWNTOWN OMAHA AT A HIGHER LEVEL THAN THE LOWER LEVEL. I THINK IT'S A GOOD BILL. I THINK IT SOLVES A PROBLEM. IT SECURES A VALUED ASSET WITHIN THE STATE AND WITHIN THE COMMUNITY. I WHOLEHEARTEDLY SUPPORT LB414. THANK YOU, MR. SPEAKER. [LB414]

SPEAKER HADLEY: SENATOR FRIESEN, YOU ARE RECOGNIZED. [LB414]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. I'M JUST CURIOUS, I GUESS, AS TO WHY WE NEED A BILL TO CLARIFY THIS. WOULD SENATOR HARR YIELD TO A QUESTION? [LB414]

SENATOR HARR: YES. [LB414]

SENATOR FRIESEN: SO WE'VE HAD, I THINK IN YORK COUNTY, WE'VE HAD SOME QUESTIONS ON DIFFERENT PROPERTIES THAT WERE EXEMPT OR NONEXEMPT, AND IN THE END THE COURTS ALWAYS DECIDED WHICH WAY IT WAS AND THAT'S THE WAY IT ENDED UP BEING. SO WHAT...HAS THIS EVER BEEN LITIGATED IN COURT? OR IS IT A QUESTION OF A GRAY AREA? OR ARE WE...WHAT ARE WE ACTUALLY DOING HERE? [LB414]

SENATOR HARR: IT IS CURRENTLY IN LITIGATION RIGHT NOW. [LB414]

SENATOR FRIESEN: SO WOULD IT BE WISE OF US TO STAND BACK AND SEE, ONCE, WHAT LITIGATION BRINGS? [LB414]

SENATOR HARR: WELL, THAT'S DEFINITELY AN OPTION. BUT, YOU KNOW, HAVING READ THE LAW, I PERSONALLY THINK THAT THE LAW IS CLEAR. AND THE ISSUE IS THAT THESE FRATERNAL BENEFIT ORGANIZATIONS PROBABLY DO NEED TO PAY TAXES, AS THE LAW IS CURRENTLY WRITTEN, BUT THAT'S NOT HOW IT'S BEING ENFORCED ACROSS THE STATE. THERE IS AN ARTICLE IN THE OMAHA

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WORLD-HERALD THAT STATED CERTAIN TYPES OF THESE ORGANIZATIONS, IN SOME COUNTIES, ARE TAX EXEMPT; IN OTHER COUNTIES THEY AREN'T. IN SOME COUNTIES, PARTS OF THE BUILDINGS ARE, PARTS OF THE BUILDINGS ARE NOT. AND EVEN WITHIN ONE COUNTY, FOR A WHILE, SOME FRATERNAL BENEFIT ORDERS WERE TAXED AND SOME WERE NOT. SO WHAT WE'RE TRYING TO DO IS JUST CREATE SOME CLARITY AND CONSISTENCY ON THIS ISSUE. [LB414]

SENATOR FRIESEN: WHAT ARE THE NAMES OF THE OTHER ORGANIZATIONS THAT WOULD BE AFFECTED BY THIS? [LB414]

SENATOR HARR: WELL, THERE ARE 31 OF THEM. PROBABLY THE SECOND-LARGEST ONE WOULD BE THE KNIGHTS OF COLUMBUS. AND THEN AFTER THAT, I COULD LOOK THEM UP AND GET THEM FOR YOU. [LB414]

SENATOR FRIESEN: OKAY. RIGHT NOW, I DON'T KNOW HOW I FEEL ABOUT THE BILL. IT JUST SEEMS A LITTLE STRANGE THAT WE HAVE TO CLARIFY SOMETHING THAT IS IN COURT THAT COULD BE CLARIFIED SHORTLY BY THE LEGAL SYSTEM. SO THAT'S ALL. THANK YOU, MR. PRESIDENT. [LB414]

SPEAKER HADLEY: SENATOR DAVIS, YOU'RE RECOGNIZED. [LB414]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT, COLLEAGUES. IF YOU LOOK AT THE COMMITTEE STATEMENT, YOU'LL KNOW THAT I DID NOT VOTE THAT DAY. I WAS PRESENT, NOT VOTING. BUT I THOUGHT ABOUT THIS QUITE A BIT SINCE THEN. AND THE MORE I THINK ABOUT IT, THE MORE I THINK--WHAT IN THE WORLD IS THE LEGISLATURE DOING? WE'RE TRYING TO INTERFERE WITH WHAT THE COUNTY DECIDES. AND WE'RE SO AFRAID THAT THIS COMPANY IS GOING TO LEAVE THE STATE THAT WE'RE JUST GOING TO SAY--WHATEVER YOU WANT IS JUST FINE. AND THAT'S JUST NOT THE WAY THIS LEGISLATURE SHOULD DO BUSINESS. LET'S LOOK AT THE REAL FACTS. IF WE'VE GOT OTHER COUNTIES DOING THINGS DIFFERENTLY, THEN LET'S FIX THE PROBLEM. BUT LET'S JUST NOT WILLY-NILLY JUMP DOWN THE RAT HOLE AND SAY WE'RE GOING TO EXEMPT THEM BECAUSE WE'RE SCARED TO DEATH THAT THEY'RE GOING TO LEAVE. SO, YOU KNOW, WE'VE TALKED A LOT ABOUT PROPERTY TAXES IN HERE IN THE LAST FEW HOURS. AND THIS IS A PROPERTY TAX ISSUE. AND SENATOR SCHEER CAN, YOU KNOW, PAINT A GLOOM-AND-DOOM PICTURE ABOUT DOWNTOWN OMAHA COLLAPSING IF WOODMEN OF THE WORLD LEAVES, BUT I DON'T THINK THAT'S GOING TO HAPPEN BECAUSE I THINK OMAHA IS DOING QUITE WELL FOR ITSELF. I THINK SOMEBODY WOULD STEP IN AND BUY THAT

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BUILDING AND RENOVATE IT, FIX IT TO MODERN STANDARDS, AND IT WOULDN'T HURT THE VALUATION AT ALL. SO IF I HAVE A FARM OUT IN SIOUX COUNTY, NEBRASKA, IF I CAME TO YOU AND SAID--BY GOSH, I'M LEAVING BECAUSE I DON'T LIKE THE WAY YOU DO BUSINESS. EVERYBODY IN HERE WOULD LAUGH ME OUT OF THE ROOM. BUT BECAUSE THIS IS IN OMAHA AND THIS IS A BIG BUSINESS, WE'RE SCARED TO DEATH IN THAT THEY'RE GOING TO REALLY WALK. THE BUILDING IS HERE JUST LIKE THE FARM. THE FARM IS GOING TO STAY IN NEBRASKA IF THAT FARMER LEAVES; THE BUILDING IS GOING TO STAY IN NEBRASKA. BUT THIS IS REALLY NONE OF OUR BUSINESS. DOUGLAS IS A DOUGLAS COUNTY ISSUE. AND IF THERE IS A STATE PROBLEM WITH 31 OTHER ENTITIES, THEN LET'S FIX THAT PROBLEM AND MAKE SURE THEY PAY THEIR FAIR TAXES JUST LIKE WOODMEN OF THE WORLD IS PAYING THEIRS. THANK YOU, MR. PRESIDENT. [LB414]

SPEAKER HADLEY: THOSE IN THE QUEUE ARE: SENATORS BRASCH, BLOOMFIELD, GROENE, AND OTHERS. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB414]

SENATOR BRASCH: THANK YOU, MR. SPEAKER; AND THANK YOU, COLLEAGUES. I DO STAND IN SUPPORT OF THIS BILL. ONCE AGAIN, YOU NEED TO LOOK CLEARLY AT THE SITUATION AND HAVE AN UNDERSTANDING FOR WHAT IS AT STAKE HERE. INITIALLY WHEN IT CAME TO COMMITTEE, I HAD JUST RECEIVED AN E-MAIL FROM ONE OF THE EDITORS OF ONE OF THE NEWSPAPERS IN MY DISTRICT CHALLENGING THE NEED FOR THIS PROPERTY TAX, SAYING THAT THIS WAS A BILLION, WITH A "B", DOLLAR BUSINESS, THAT THEY WERE IN THE INSURANCE BUSINESS. THAT IS THE AMOUNT OF CHARITABLE GIVING PROPORTIONATE TO THE DOLLARS TAKEN IN? AT THAT POINT, I RECEIVED A VERY GOOD E-MAIL FROM JOHN CEDERBERG SHOWING...MADE A (INAUDIBLE) TO THIS EDITOR THE WAY AN INSURANCE COMPANY OF THIS NATURE WORKS. THEY HAVE GIVEN MILLIONS OF DOLLARS TO CHARITY. HOWEVER, WHEN IT COMES TO LIFE INSURANCE, THEY HAVE TO FINANCIALLY BE ABLE TO PAY THE INDIVIDUALS, BE THE PAYEE, AND THOSE DOLLARS HAVE TO BE THERE. AGAIN, IT'S PROPERTY TAX, AND TAXES MATTER. DEFINITELY, EVEN HOW INSIGNIFICANT AN AMOUNT YOU CAN GIVE SOMEONE, IT MATTERS, BECAUSE IT ADDS UP AT THE END OF THE DAY. AND IT IS CORRECT THAT OTHER STATES ARE WANTING TO TAKE THE COMPANIES, OUR BUSINESSES. I'VE BEEN TOLD MANY TIMES BY CARGILL, FOR EXAMPLE, RIGHT THERE IN BLAIR, THAT IN IOWA, JUST RIGHT OVER THE RIVER, THAT THEIR GOVERNOR IS VERY EASY AND IS WILLING TO MOVE BUSINESSES OVER, EXPANSION TO TAKE PLACE OVER THERE, VERY ATTRACTIVE TAX RELIEF, JUST AT THE SIGNATURE. IT DOESN'T NEED TO RUN THROUGH THEIR LEGISLATURE, IS WHAT I WAS LED TO BELIEVE. SO IN AN EFFORT TO

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UNDERSTAND THAT THIS TAX RELIEF, THIS PROPERTY TAX RELIEF, IS IMPORTANT TO THIS BUSINESS IN NEBRASKA, I ALSO UNDERSTAND THAT ALL BUSINESS, NO MATTER WHAT SIZE, AGRIBUSINESS, AND THAT AS THE TAX COMMITTEE, MODERNIZATION COMMITTEE, HAD DETERMINED THAT TAX RELIEF WAS IMPORTANT, WHETHER IT'S INCOME TAX, SALES TAX, PERSONAL PROPERTY TAX, CORPORATE TAX, THAT NEBRASKA MUST REDUCE TAXES. SO IN AN EFFORT TO KEEP THIS BUSINESS HERE, I DID VOTE IN FAVOR OF IT. AND I BELIEVE THAT IT IS A GOOD BILL. AT THE SAME TIME, LET'S NOT LEAVE OTHER TAX RELIEF ON THE TABLE. AND AS WE MOVE FORWARD, ALSO SUPPORT TAX RELIEF WHEN IT COMES TO AG LAND VALUE. THANK YOU, MR. SPEAKER; AND THANK YOU, COLLEAGUES. [LB414]

SPEAKER HADLEY: SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB414]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. COLLEAGUES, THIS WOULD BE AN EASY BILL FOR ME TO STAND UP AND DEMAGOGUE AGAINST, BECAUSE IT IS A PROPERTY TAX ISSUE. WE HAVE STRUGGLED HERE TRYING TO GET A LITTLE PROPERTY TAX RELIEF FOR AGRICULTURE FOR A NUMBER OF YEARS. WE CAN'T SEEM TO GET THERE, BUT I'M NOT GOING TO DEMAGOGUE THIS BILL. I'M GOING TO SUPPORT IT. IT IS A BOTTOM-LINE ISSUE. THE INSURANCE BUSINESS IS FORTUNATE THAT IT COULD CONCEIVABLY PICK UP AND LEAVE THE STATE OF NEBRASKA. THE FARM INDUSTRY DOESN'T HAVE THAT OPTION. THEREFORE, WE ABUSE THEM A LITTLE BIT. BUT WHAT I AM SEEING, AND IT'S AN OPTION THEY DO HAVE, IS THAT THEY SLIP ACROSS THE STATE LINE, IF THEY'RE ANYWHERE NEAR THE BORDER, AND BUY A SMALL PIECE OF PROPERTY AND BASE THEIR OPERATION OUT OF THERE. THEY MOVE THEIR MACHINERY TAX BILL TO ANOTHER STATE. THEY MOVE THEIR LICENSE FEES FOR THEIR VEHICLES TO ANOTHER STATE BECAUSE WE TAX THEM TOO HIGH. THERE IS MONEY ESCAPING US BECAUSE, TO THE DEGREE THEY CAN, PEOPLE WHO HAVE GROWN UP IN NEBRASKA, WHO LOVE NEBRASKA, IN ORDER TO STAY IN BUSINESS ARE CHANGING THEIR ADDRESS TO IOWA, SOUTH DAKOTA, COLORADO. THEY CONTINUE TO RUN THE OPERATION, BUT THEIR BASE IS SOMEWHERE ELSE. AGAIN, I WILL BE SUPPORTING LB414. IT'S PROPERTY TAX RELIEF. IT GOES TO THE BOTTOM LINE OF A BUSINESS. AND AS SENATOR BRASCH SAID, PROPERTY TAX RELIEF WOULD ALSO GO TO THE BOTTOM LINE OF EVERY FARM OWNER AND EVERY BUSINESS OWNER IN THE STATE OF NEBRASKA. THANK YOU, MR. PRESIDENT. [LB414]

SPEAKER HADLEY: SENATOR GROENE, YOU'RE RECOGNIZED. [LB414]

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SENATOR GROENE: THANK YOU, MR. PRESIDENT. THIS IS WHY I CAME HERE--TAX AND SPENDING; CAUSE AND EFFECT, FOLKS. WE GIVE...THIS FISCAL NOTE MENTIONS \$309,000 THAT THE CITY OF OMAHA WILL LOSE. I'M ASSUMING THAT'S PROPERTY TAXES. A GOOD AVERAGE IS THAT CITY TAXES ARE ABOUT 25 PERCENT. SO YOU'RE PROBABLY TALKING \$1.2 MILLION, \$1.3 MILLION IN TOTAL PROPERTY TAXES. HALF OF THAT, NORMALLY, IS SCHOOLS; SO WE'RE TALKING \$600,000 THAT WENT TO THE OMAHA PUBLIC SCHOOLS THAT WILL BE MADE UP IN STATE AID TO EDUCATION. IT'S PRETTY MUCH A ONE-TO-ONE RATIO. IT DOES AFFECT THE STATE. OMAHA PUBLIC SCHOOLS WILL GET ANOTHER \$600,000, AROUND THAT, STATE AID TO EDUCATION. SO IT DOES AFFECT OUR BUDGET. THERE IS A FISCAL NOTE, A BACKDOOR ONE. OMAHA PUBLIC SCHOOLS ARE READY, I'M INTERESTED IN TAX INCREMENT FINANCING ALREADY HAS 8 PERCENT, \$8 OUT OF EVERY \$100 OF THE VALUATION OFF THE BOOKS THROUGH TAX INCREMENT FINANCING. THAT'S ALSO MADE UP BY TEEOSA, STATE AID TO EDUCATION, OUR SALES TAX AND INCOME TAXES. YOU KEEP CHIPPING AWAY AT IT. JUST KEEP CHIPPING AWAY AT IT. I HAVE NO IDEA WHAT FRATERNAL ORGANIZATIONS...I'M A MEMBER OF THE EAGLES. I DON'T KNOW IF WE PAY TAXES ON OUR BUILDING BACK THERE IN NORTH PLATTE. ARE THEY GOING TO COME TO THE COUNTY AND SAY WE DON'T NEED TO PAY TAXES NOW? IS EVERY ELKS CLUB, EVERY EAGLES CLUB, EVERY CLUB THAT'S OUT THERE THAT CALLS THEMSELVES A FRATERNAL ORGANIZATION, ARE THEY GOING TO COME NOW AND SAY WE DON'T NEED TO PAY...WHAT IS THE REAL EFFECT ON PROPERTY TAX STATEWIDE HERE? WE DON'T KNOW. I UNDERSTAND THAT YOU COULD ACTUALLY LOSE 500 JOBS. BUT IF 60 PERCENT OF THIS BUILDING IS ALREADY RENTED OUT, AND THEY WILL PAY PROPERTY TAXES ON THAT PORTION, I'M ASSUMING THE OTHER 40 PERCENT WILL BE RENTED OUT TOO. BUT DOES BLUE CROSS BLUE SHIELD PAY PROPERTY TAX ON THEIR...THEY'RE KIND OF A FRATERNAL ORGANIZATION, NOT REALLY A CORPORATION OWNED BY THE MEMBERS. ARE THEY GOING TO COME AND SAY WE DON'T NEED TO PAY PROPERTY TAXES BECAUSE A COMPETITOR OF OURS DOESN'T? WE'RE A BIG STATE WITH INSURANCE. BECAUSE OF OUR INSURANCE LAWS, WE HAVE A LOT OF HEADQUARTERS HERE. WHO'S NEXT? WE GAVE A COMPETITOR AN ADVANTAGE. I ALWAYS TRY TO LOOK AT THE THREE MOVES DOWN ON THE CHESS GAME ON CAUSE AND EFFECT. THIS CAME UP IN A HURRY, WE'RE VOTING ON IT IN A HURRY, AND I AGREE WITH SENATOR DAVIS--IT'S A LOCAL ISSUE. AND SENATOR FRIESEN SAID IT'S IN THE COURTS YET. I UNDERSTAND WHERE SENATOR HARR IS COMING FROM. THAT'S A BIG HIT ON JOBS, IF...IF THIS GOOD BUSINESS CITIZEN ACTUALLY DOES CUT AND RUN. WHERE DO WE STOP? IT'S THE SAME OLD THING. WHERE DO WE STOP? WHO COMES NEXT? WHO'S SITTING BACK THERE WAITING BECAUSE THIS IS GOING TO HAPPEN, WHILE THEY'RE

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WAITING IN LINE? IT WORKED FOR WOODMEN, WHY WON'T IT WORK FOR ME? AND I WILL TELL YOU THIS, I NEVER BLAME A BUSINESS COMING FORWARD AND TRYING TO CUT THEIR BOTTOM LINE. THAT'S THE NAME OF THE GAME--IT'S BOTTOM LINE TO A BUSINESS. NEVER BLAME THEM WHEN THEY COME FOR TIF OR WHEN THEY COME FOR THESE. I DO BLAME THE POLITICIANS WITH WEAK BACKBONES WHO SAY, YES, I'LL GIVE IT TO YOU. THAT'S WHERE THE PROBLEM LIES. IT'S NOT WITH THE BUSINESS. MORE POWER TO WOODMEN FOR ATTEMPTING THIS. IF THEY CAN GET IT, THAT CEO DESERVES A RAISE. BUT ANYWAY, WHERE DO WE STOP ON THESE ISSUES LIKE THIS? SO THANK YOU, MR. PRESIDENT. [LB414]

SPEAKER HADLEY: SENATOR RIEPE, YOU'RE RECOGNIZED. WAIVES. SENATOR GLOOR, YOU'RE RECOGNIZED. [LB414]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. I STAND IN OPPOSITION TO LB414. I WAS CHAIR, SOME OF YOU WILL KNOW, THE LAST TWO YEARS OF THE BANKING, COMMERCE AND INSURANCE COMMITTEE, AND SENATOR SCHEER MAKES SOME GOOD ARGUMENTS. THE SCENARIO HE PAINTS IS CERTAINLY A PLAUSIBLE ONE. I DON'T THINK IT'S LIKELY, BUT IT'S A PLAUSIBLE ONE. WE DEPEND ON THE INSURANCE INDUSTRY IN THIS STATE FOR A LOT OF JOBS. AND WE, IN FACT, ADMIRE THE FACT THAT WE, AS A STATE, HAVE WHAT'S CONSIDERED TO BE A CONDUCIVE ENVIRONMENT FOR INSURANCE COMPANIES TO LOCATE THEIR HEADOUARTERS HERE. NONETHELESS, WHEN I WAS PRESENTED WITH DECISION ABOUT LB414, IF YOU LOOK AT THE COMMITTEE STATEMENT, YOU'LL SEE THAT I WAS ONE OF TWO PEOPLE WHO DID NOT VOTE TO ADVANCE LB414. SO MUCH FOR COMMITTEE CHAIRS BEING THE GREAT AND POWERFUL OZ, AS PEOPLE SOMETIMES POINT OUT. AND THAT'S FINE. IF THE COMMITTEE WANTED TO MOVE FORWARD, I WAS CERTAINLY WILLING TO PUT IT UP FOR A VOTE AND ABIDE BY THE VOTE AS IT MOVED FORWARD. THE ISSUE TO ME IS--SO WHAT'S THE LOCAL COMMUNITY...WHAT'S OUR LARGEST METROPOLITAN COMMUNITY IN THE STATE DOING TO KEEP THIS BUSINESS IN PLACE? TAKE OUT EVERYTHING ELSE AROUND IT THAT RELATES TO THIS BILL, AND THAT QUESTION, TO ME, IS THE ONE THAT IS BEHIND MY VOTE. TWO YEARS AGO, WE WENT TO THE COMMUNITIES OF GRAND ISLAND, KEARNEY, NORTH PLATTE, AND HASTINGS AND SAID, WE'VE GOT A VETERANS HOME. WE'RE GOING TO BUILD A NEW ONE. WOULD YOU LIKE TO BID FOR IT? THIS IS A BOOK OF STATE BUSINESS; THIS ISN'T EVEN A PRIVATE ENTERPRISE. AND WE TOOK A BOOK OF STATE BUSINESS AND REQUIRED THOSE COMMUNITIES TO COME UP WITH MONEY OUT OF THEIR OWN FUND-RAISING COFFERS, OWN TAX STRUCTURES TO UNDERWRITE A NEW VETERANS HOME. AND NOW WE'RE

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TALKING ABOUT A FREESTANDING BUSINESS THAT'S TALKING ABOUT LEAVING OMAHA. WHAT'S OMAHA DOING TO KEEP THAT BUSINESS THERE? IF WE'RE GOING TO REQUIRE BOOKS OF STATE BUSINESS TO BE "BIDDED" FOR, FOR PEOPLE IN LOCAL COMMUNITIES TO PUT UP MONEY FOR BOOKS OF STATE BUSINESS, I THINK WE OUGHT TO BE ASKING THE SAME QUESTION AND HAVE THE SAME EXPECTATION THAT--YOU WANT TO KEEP WOODMEN? YOU PAY FOR KEEPING WOODMEN IN THE COMMUNITY. IT'S NOT SOMETHING THE TAXPAYERS SHOULD...WITH THE VETERANS HOME, AND TRUST ME, IF THIS WAS A SOUR-GRAPES ISSUE, (LAUGH) YOU WOULD GET A LOT MORE VINEGAR OUT OF ME. I'M JUST POINTING OUT THE OBVIOUS FACT AS WE HAVE AN EXPECTATION IN THIS STATE THAT EXTENDS TO BOOKS OF STATE BUSINESS THAT YOU'VE GOT TO COME UP WITH SOME MONEY TO HELP RECRUIT OR RETAIN BUSINESSES WITHIN YOUR COMMUNITY. AND THAT'S HOW IT FALLS FOR ME. THERE'S CERTAINLY AN ENTERTAINMENT VALUE IN THIS DISCUSSION ON THIS BILL IF NOTHING ELSE. YOU KNOW, THERE'S AN OLD SAYING THAT IF YOU WANT TO TURN A HOG INTO A RACEHORSE. THE BEST YOU CAN HOPE FOR IS A FAST PIG. AND WE'RE HAVING AN INTERESTING DISCUSSION TODAY ABOUT PROPERTY TAXES AND PROPERTY TAX RELIEF. AND IT'S FUN TO HEAR PEOPLE SAY, WELL, THIS IS...I'M NOT...WE NEED MORE PROPERTY TAX RELIEF...WE GIVE OUT TOO MUCH PROPERTY TAX RELIEF; WHATEVER THE ARGUMENT MAY BE, WHO ARE PROBABLY GOING TO BE IN SUPPORT OF LB414. IT'S STILL A FAST PIG. IT'S STILL A FAST PIG IN MY EYES. SO I WILL NOT BE IN SUPPORT OF LB414, ALTHOUGH I UNDERSTAND ITS IMPORTANCE TO THE ECONOMIC VITALITY OF THE OMAHA METROPOLITAN AREA. [LB414]

SPEAKER HADLEY: ONE MINUTE. [LB414]

SENATOR GLOOR: BUT THEN THEY NEED TO DO SOMETHING ABOUT THAT, JUST AS MANY OF OUR RURAL COMMUNITIES AND OUTSTATE COMMUNITIES HAVE HAD TO DO SOMETHING ON THEIR OWN TO ATTRACT AND MAINTAIN BUSINESSES IN THEIR COMMUNITIES. THANK YOU, MR. PRESIDENT. [LB414]

SPEAKER HADLEY: SENATOR SCHEER, YOU'RE RECOGNIZED. [LB414]

SENATOR SCHEER: THANK YOU, MR. SPEAKER. I WANTED TO CLARIFY A COUPLE OF THINGS THAT SENATOR DAVIS HAD MADE THE COMMENT THAT IF HE CHOSE TO SELL A PIECE OF GROUND OR SOMEBODY SOLD A PIECE OF GROUND IN THE COUNTY, PEOPLE WOULD LAUGH AT HIM AND IT WOULDN'T MAKE ANY DIFFERENCE. WELL, THE FACT OF THE MATTER IS, THAT'S NOT TRUE. IF YOU

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HAVE LARGE PROPERTY OWNERS, WHICH WE HAVE SEVERAL IN THE STATE OF NEBRASKA, PROBABLY THE MOST WELL KNOWN WOULD BE TED TURNER. IF TED TURNER DECIDED THAT IT WAS NOT A CONDUCIVE PLACE IN NEBRASKA FOR HIM TO DO BUSINESS ANYMORE, AND IF HE CHOSE TO SELL HIS GROUND AND WAS NOT CONCERNED ON TRYING TO GET TOP MARKET VALUE, JUST SIMPLY SAID--I WANT THIS GROUND TO BE GONE IN 60 DAYS, PUT IT ON THE MARKET, AND HE DIDN'T CARE WHAT IT BROUGHT, HE JUST WANTED TO DIVEST HIMSELF OF IT. WITHOUT OUESTION, THAT WOULD HAVE A HUGE EFFECT ON EACH ONE OF THOSE COUNTIES THAT HIS GROUND SAT IN. IT WOULD HAVE A HUGE EFFECT ON THE STATE OF NEBRASKA, BECAUSE WE'RE LOOKING AT TRYING TO DEVELOP SOME TYPE OF PROPERTY TAX RELIEF. WELL, THAT WOULD BE IT. BECAUSE IN THOSE COUNTIES, WHERE IF SOMEBODY SOLD THEIR GROUND FOR ABOUT HALF THE VALUE THAT WE HAVE IT ASSESSED AT, ALL OF A SUDDEN EVERYTHING ELSE FROM CLOSE PROXIMITY BECOMES THAT VALUE AS WELL, BECAUSE THAT BECOMES THE MARKET VALUE. IT IS NOT A FAR STRETCH TO SAY THAT IF A BUILDING LOSES A THIRD OR HALF OF ITS OCCUPANCY IN DOWNTOWN OMAHA THAT THE NEW OWNER WOULD NOT REQUEST AND CERTAINLY GET A REDUCTION IN THE VALUATION OF THAT PROPERTY, BECAUSE OF WHATEVER HE PAID FOR IT BECOMES MARKET VALUE. IT'S NOT ROCKET SCIENCE. IT'S NOT REPLACEMENT COST, IT'S MARKET VALUE. THE MARKET IS GENERATED BY WHAT YOU BUY AND WHAT YOU SELL SOMETHING FOR. NOW WE CAN PLAY CHICKEN; BUT IF WE WANT NEBRASKA TO GROW AND PROSPER AND DEVELOP MORE JOBS, WE'RE GOING TO HAVE TO DO SOMETHING, NOT ONLY FOR PROPERTY TAXES IN THE METROPOLITAN AREAS, BUT THE RURAL AREAS. AND WE'RE ALSO GOING TO HAVE TO DO SOMETHING TO MAKE SURE THAT WE MAINTAIN CURRENT BUSINESS AND HELP THEM GROW, AS WELL AS TRYING TO RECRUIT AND ATTRACT NEW BUSINESSES TO THE STATE OF NEBRASKA. PART OF THE PROBLEM THAT WE CONTINUE TO HEAR IS NEBRASKA IS A HIGH-TAX STATE. INDEED IT MIGHT BE. BUT IT'S HIGH BECAUSE WE DON'T HAVE A LOT OF PEOPLE. THE WAY TO CHANGE THE AMOUNT ON A PER-CAPITA BASIS IS QUITE SIMPLE--YOU GET MORE PEOPLE. IF YOU'VE GOT A LARGER NUMBER TO DIVIDE THE DOLLARS INTO, YOU COME UP WITH LESS PER PERSON. YOU HAVE TO ATTRACT PEOPLE: YOU HAVE TO MAINTAIN PEOPLE. THAT'S PART OF WHAT THIS BILL IS ABOUT. IT'S ENCOURAGING PEOPLE TO STAY. IT'S TRYING TO BE AS FAIR AS YOU CAN WITH A LOCAL INDUSTRY THAT'S BEEN THERE FOR OVER A HUNDRED YEARS. THEY DIDN'T ASK FOR LB775 MONEY. THEY DIDN'T ASK FOR TIF MONEY. THEY DIDN'T GET ANY OF THAT. BUT THEY FOUND OUT THAT THEY PROBABLY, LEGITIMATELY COULD HAVE ASKED FOR A TAX REDUCTION IN THIS METHOD. AND SO THAT'S WHAT THEY'RE DOING. THIS ISN'T SUPPOSED TO BE SOMETHING THAT OMAHA TAKES CARE OF. WE DEVELOP THE TAX POLICIES. OMAHA DOESN'T

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DEVELOP THE TAX POLICIES FOR THE STATE, THIS BODY DOES. NOW SENATOR GROENE GOES, WELL, YOU KNOW, THEN WHAT DO WE...WE WOULDN'T...WHY WOULD WE EVEN BE HERE? THAT'S WHY WE ARE HERE: BECAUSE THIS LEGISLATIVE BODY DETERMINES WHAT THE TAX POLICY SHOULD BE, AND WE VOTE ON IT. AND IF IT PASSES, THAT'S THE NEW POLICY. DOESN'T MAKE ANY DIFFERENCE WHAT IT WAS YESTERDAY OR LAST YEAR OR 50 YEARS AGO. IT'S WHATEVER WE VOTE ON TODAY BECOMES THE LAW TOMORROW. [LB414]

SPEAKER HADLEY: ONE MINUTE. [LB414]

SENATOR SCHEER: THIS IS SOMETHING THAT WILL HELP THE ECONOMY OF NOT ONLY OMAHA BUT NEBRASKA. IT WILL ENCOURAGE GROWTH IN NEBRASKA, NOT ONLY BY INSURANCE COMPANIES, BUT ALSO OTHER BUSINESSES LOOKING TO SEE HOW THEIR CURRENT BUSINESSES ARE TREATED. BECAUSE, YOU KNOW, ONCE YOU SIGN ON THE LINE AND YOU MOVE A COMPANY TO THAT STATE, YOU'RE NOW PART OF THAT. AND YOU'RE GOING TO WATCH TO SEE HOW THEY TREAT THE PEOPLE THAT ARE ALREADY THERE, NOT JUST WHAT THEY DO TO GET YOU THERE, WHAT YOU DO TO KEEP PEOPLE THERE. THIS IS WHERE TODAY'S PROMISE COMES INTO PLACE. THANK YOU, MR. SPEAKER. [LB414]

SPEAKER HADLEY: MR. CLERK.

CLERK: MR. PRESIDENT, ENROLLMENT AND REVIEW REPORTS LB15, LB245, AND LB324 AS CORRECTLY ENGROSSED. I HAVE A SERIES OF NAME ADDS TO LB323: SENATORS KRIST, GARRETT, LINDSTROM, AND CAMPBELL. [LB15 LB245 LB324 LB323]

AND, MR. PRESIDENT, A PRIORITY MOTION. SENATOR MORFELD WOULD MOVE TO ADJOURN THE BODY UNTIL WEDNESDAY, APRIL 8, AT 9:00 A.M.

SPEAKER HADLEY: YOU'VE HEARD THE MOTION TO ADJOURN. ALL IN FAVOR SIGNIFY BY SAYING AYE. OPPOSED, NAY. WE ARE ADJOURNED UNTIL TOMORROW MORNING AT 9:00.