

THE NEBRASKA LEGISLATURE'S
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UPDATE

Legislature adjourns three days early



Sens. Tom Hansen (left) and Bill Avery (right) with Gov. Dave Heineman after his address to the Legislature May 26.

The 102nd Legislature, first session, adjourned sine die May 26, 2011. Senators adjourned on the 87th day of the scheduled 90-day session.

“We knew this would be a challenging budget,” he said. “We knew we would have to make tough budget decisions

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Norfolk Sen. Mike Flood, Speaker of the Legislature, said a balanced budget was passed this session because of the committees’ hard work and compromises that were made.

Lawmakers began the session facing a projected budget shortfall of nearly \$1 billion.

The session ended with \$575 million worth of general fund savings and nearly \$300 million was set aside in the state’s cash reserve, Flood said.

“It is easy to dismiss the budget [shortfall] as a major issue because [the committees] did such a good job,” he added.

Gov. Dave Heineman thanked senators for making difficult budget decisions.

Congressional redistricting plan amended, approved

Senators amended and approved a bill this week that sets new boundaries for the state’s three congressional districts.

As amended on general file, LB704 placed all of Merrick County in Congressional District 3 to avoid dividing the county between districts. That change increased the overall population deviation in the Redistricting Committee’s proposal from zero to 0.06 percent.

Omaha Sen. Scott Lautenbaugh offered an amendment on select file May 23, adopted 36-10, which altered boundary lines slightly. The amendment moved a small portion of Gage County, which shifted from District 1 to District 3 under the committee proposal, back to District 1. The amendment also placed the entire cities of Papillion and La Vista in District 2.

Lautenbaugh said the change reflected concerns raised by opponents

during general file debate regarding population deviations and division of cities in Sarpy County under the committee’s proposal. He said the new map would lower the overall deviation back to zero and avoid dividing the cities of Bellevue, Papillion and La Vista.

“I think [this map] addresses the two main concerns that were voiced last week,” he said.

Omaha Sen. Bob Krist supported the amendment, saying it would result

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FINAL DAY PHOTOS



Clockwise from top-left: Senators recognized Sen. John Wightman, who was hospitalized during part of the session due to surgery; Sens. Tanya Cook (left) and Kathy Campbell; Sens. Steve Lathrop and Annette Dubas; Sen. Tom Carlson is interviewed by a reporter; Sens. Paul Schumacher (left) and Jim Smith; Sens. Tony Fulton (left) and Ken Schilz.

A CLOSER LOOK

Legislature adjourns three days early

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— and we did by working together.”

Flood also thanked senators and staff for their service to the Unicameral.

“We have a lot to be proud of and we have a lot to celebrate,” he said.

Lawmakers passed 272 bills this session. Of those bills, several sought to invest in and develop education and business initiatives.

One of those investments was included in LB377, a bill that appropriates \$25 million from the Nebraska Capital Construction Fund to the University of Nebraska to finance the renovation of the 4-H Building and construction of a Food, Fuel and Water Research Building. Both projects are part of Lincoln’s Nebraska Innovation Campus.

“This proposal will jump start and accelerate the development of Innovation Campus,” Heineman said.

LB345 established the Small Business Innovation Act. Under the bill, the state Department of Economic Development will administer a pilot program to assist up to 40 Nebraska-based growth businesses, at least one half of which will be located in counties with fewer than 50,000 inhabitants.

LB389 provides up to \$3 million in annual tax credits for investments made in a business with at least 51 percent of its work force and payroll in Nebraska and 25 or fewer employees primarily engaged in researching, developing or using products and services in the high-tech field.

Some of the more contentious bills this session, however, involved redistricting, labor dispute reform and roads funding.

The Legislature is responsible for setting new boundaries for the state’s congressional, legislative, judicial, Public Service Commission, University of Nebraska Board of Regents and Board of Education districts every 10 years after the decennial census.

LB704, the most contested of the redistricting measures, shifts a number of counties from Congressional District 1 to District 3 to account for population shifts from western to eastern Nebraska. District 3 now reaches from border to border across the northern and southern boundaries of the state.

The bill also shifts areas of eastern Sarpy County from District 2 to District 1, and western areas of the county from District 1 to District 2.

Opponents argued the changes would violate the redistricting principle of maintaining the core of existing districts and would dilute the voting strength of the minority voting populations.

Among proposals ranging from reform measures to abolishing the Commission on Industrial Relations (CIR) — the state’s arbiter of labor disputes between public sector employees and government employers — was a bill that brokered a compromise between private and public sector employers.

LB397 includes a formula that allows wages to be adjusted over a three-year period to bring them within a range of between 98 percent and 102 percent of the average of an array, or between 95 percent and 100 percent during periods of recession.

Flood said CIR reform was a major accomplishment of the Legislature because all affected



From left: Sens. Greg Adams, Tony Fulton, Scott Price, Lavon Heidemann and Beau McCoy say their farewells at the close of session.

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A CLOSER LOOK

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parties worked together to address their concerns.

“We did it better than anyone else in the nation because we found a pathway through a very difficult issue,” he said.

Finally, LB84 directs sales tax dollars to roads projects from fiscal year 2013-14 through FY2032-33.

Eighty-five percent of these funds will be deposited in a new State Highway Capital Improvement Fund. The remaining 15 percent of the new revenue will go to the Highway Allocation Fund.

Supporters said the state is slipping toward a crisis situation due to inadequate revenues derived from the state’s gas tax and the bill is needed to provide sufficient funding for roads projects and infrastructure.

After indefinitely postponing bills amended into other bills this session, the Nebraska Legislature adjourned sine die May 26. ■



From left: Sens. Kate Sullivan, Kathy Campbell and Annette Dubas visit during the last day of session.

Congressional redistricting plan amended, approved

(continued from front page)

in two congressional representatives who are “Offutt-smart” and could support the air force base should there be

future attempts to close it.

Lincoln Sen. Bill Avery opposed the amendment, saying it would unnecessarily dilute the voting strength of the minority voting population of District 2 by moving approximately 8,645 minority citizens to District 1.

“It is not legal to draw a map that dilutes the voting strength of any minority population,” he said.

Sen. Russ Kar-

pisah of Wilber offered an amendment that would have shifted Saline County from District 3 to District 1. He said the change would correct a wrong from the last round of redistricting in 2001.

“My point on this is to put Saline County back in the 1st Congressional District where I feel it should have been 10 years ago,” he said.

Karpisek’s amendment instead would have divided Colfax County between the 1st and 3rd congressional districts in order to achieve population equality among the districts.

“We’re going to have to see a county split one way or the other if we’re going to get to zero deviation,” he said.

(continued next page)



Sens. Russ Karpisek (left) and Bill Avery opposed the committee’s congressional district proposal.

A CLOSER LOOK

Congressional redistricting plan amended, approved

(continued from previous page)

Malcolm Sen. Ken Haar supported the Karpisek amendment, saying it would move far fewer Nebraskans to new congressional districts than the committee's proposal.

"Every time you separate someone from an elected official that they've gotten to know ... you're breaking part of the political process. I think it's important to displace as few people as possible from their current elected officials," he said.

The amendment failed 16-28. Karpisek offered a motion to reconsider the vote, saying the amendment had not been fully considered at the time that the initial vote was taken. The motion was defeated 16-31.

Omaha Sen. Heath Mello also offered an alternative map, which he said was the base map drawn by

the Legislature's nonpartisan office of legislative research. The map was similar to the committee proposal but kept most areas of Papillion, La Vista and Bellevue in Congressional District 2.

Mello said drawing district lines is the most partisan project undertaken by the officially nonpartisan Legislature, and should be done in a way that is not subject to the influence of the state's governor, congressional delegation or political parties.

Sen. Danielle Conrad of Lincoln supported Mello's amendment, saying those opposed to the committee's proposal had been left out of the process. A redistricting proposal should reflect the concerns of both sides of the political spectrum, she said.

"The state of Nebraska is turning its back on 40 years of redistricting history," Conrad said. "Why? The only answer is because of partisan advantage."

The Mello amendment failed on a 14-30 vote.

After five hours of discussion, Sen. Chris Langemeier of Schuyler offered a motion to invoke cloture and cease debate. The motion was adopted on a 33-15 vote and LB704 advanced from select file on a 36-10 vote.

Langemeier offered a motion May 24 to return LB704 to select file for consideration of an



Sen. Scott Lautenbaugh supported the committee's work on the maps.

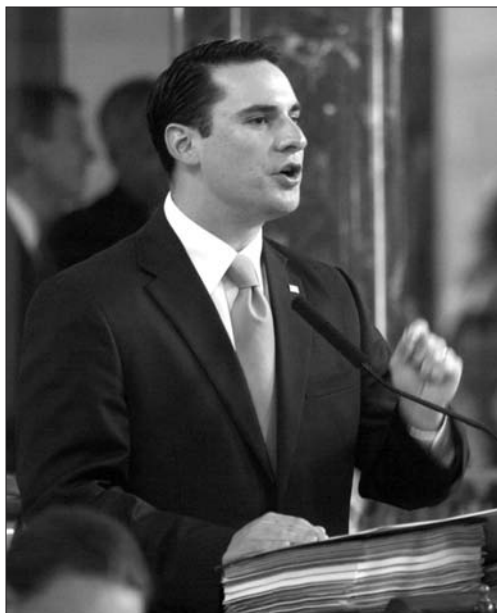
amendment.

The amendment returned the two small portions of Gage County back to District 3 and moved an area in Dixon County around the city of Emerson to the 1st District. Langemeier said the changes preserve the goal of zero deviation and have clearer boundary lines.

Sen. Norm Wallman of Cortland supported the amendment, saying the new map follows existing boundary lines along roads, rather than creating arbitrary divisions by "plucking parts out of Gage County."

Senators voted 40-1 to return the bill to select file and adopted the amendment 39-1.

Lawmakers then re-advanced LB704 to final reading by voice vote and gave the bill final approval May 26 by a vote of 35-11. The bill contains the emergency clause and takes effect immediately. ■



Sen. Heath Mello proposed an alternative to the map passed this session.

ISSUES UPFRONT

Agriculture

Veto sustained on healthful food financing program

The governor's veto of a bill that would have provided a financing program to improve access to healthful foods in underserved communities was sustained after a motion to override the veto failed May 25.

LB200, introduced by Omaha Sen. Brenda Council, would have directed the Rural Development Commission to create a financing program to increase access to fresh fruits, vegetables and other nutritional foods in low-income areas with limited access to healthful food retailers.



Sen. Brenda Council

Projects eligible for financing would have included new construction of grocery retail structures, grocery store renovation, expansion and infrastructure upgrades, establishment of farmers markets, community gardens, mobile markets and delivery projects that would have increased the capacity of food retailers to obtain fresh produce.

The bill would have been funded with annual transfers of \$150,000 from the general fund and a reduction of the maximum tax credits offered under the Community Development Assistance Act from \$350,000 to \$200,000.

LB200 was approved 30-16 during



its second vote on final reading May 18.

In his veto message, the governor said the bill would have duplicated assistance that currently is available through 19 federal programs that support the development of projects that address access to healthful foods.

Council offered a motion to override the governor's veto. LB200 was designed to leverage federal and private funds, she said, adding that many of the programs mentioned by the governor require nonfederal matches or address only the acquisition of healthful foods, not their availability.

"The existence of federal or other nonstate funds is not – nor should it every be – the standard by which this Legislature determines the need to appropriate funds," Council said.

Council's motion to override the veto failed on a 20-19 vote. Thirty votes were needed.

Business & Labor

Medical fees for workers' compensation revised

Senators passed a bill May 24 that changes medical fee schedules for workers' compensation.

LB152, introduced by Omaha Sen. Steve Lathrop, reimburses a hospital 160 percent of its Medicare rate for inpatient trauma care.

Under the bill, additional compensation is provided for the outlier trauma cases that require unusual expenses. The stop loss threshold for such cases is 1.25 times the basic reimbursement rate. If the billed charges are greater than the stop loss threshold amount, hospitals will be reimbursed the basic reimbursement rate plus an additional 65 percent of the amount above the stop loss threshold.

The bill passed on a 45-0 vote.

Labor commission reforms passed

Lawmakers gave final approval May 25 to a bill that makes changes to the Nebraska Commission on Industrial Relations (CIR), the state's arbiter of labor disputes between public sector employees and government employers.

Introduced by Omaha Sen. Steve Lathrop, LB397 includes a formula that allows wages to be adjusted over a



Sen. Steve Lathrop

ISSUES UPFRONT

three-year period to bring them within a range of between 98 percent and 102 percent of the average of an array, or between 95 percent and 100 percent during periods of recession.

A recession is defined as two consecutive quarters in which net state sales and use tax, individual income tax and corporate income tax receipts are less than the same quarters for the prior year.

The bill also:

- removes the rule of evidence requirement;
- provides a preference for geographic proximity;
- eliminates use of a special master in education labor disputes;
- authorizes appeals directly from the CIR to the Nebraska Supreme Court;
- incorporates health insurance and pension benefits into an hourly rate value;
- requires that wage information be adjusted to reflect Nebraska's cost of living;
- removes consideration of ability to pay from provisions governing schools;
- requires that three CIR commissioners be involved in cases regarding wage disputes;
- lowers the preferred array size from between seven and 13 to between seven and nine.
- specifies a 70 percent match of duties performed and time spent performing those duties;
- sets criteria for the size of comparable out-of-state cities and metropolitan statistical areas;
- removes provisions allowing for public and private wage comparisons, except for public

utilities; and

- requires a public vote on the last, best offer of either a union or public employer before a dispute may be taken to the CIR. LB397 passed on a 48-0 vote.

General Affairs

Attempt to override horse racing veto fails

Senators declined May 25 to override the governor's veto of a bill that would have clarified State Racing Commission members' terms of office and attempted to assist Lincoln's horse racing industry.

Introduced by Wilber Sen. Russ Karpisek to harmonize the terms of two new State Racing Commission members, LB256 included provisions of LB299, also introduced by Karpisek.



Sen. Russ Karpisek

The bill would have allowed a racetrack licensee to contract with another licensee to conduct all but one day of live race meetings on its behalf, and allowed a racetrack licensee in a county with a city of the primary class to contract with another licensee to conduct all live race meetings on its behalf.

Lincoln is the state's only primary class city.

LB256 was given final approval May 18 on a vote of 26-17, one vote more than the minimum needed for passage. It subsequently was vetoed by Gov. Dave Heineman.

In his veto message, the governor said the bill was an attempt to circumvent a constitutional requirement that racetrack licensees host live horse racing in order to conduct parimutuel wagering. He added that the bill also is an expansion of gambling beyond what Nebraska voters have authorized.

Karpisek disagreed that the bill may be unconstitutional, saying any new facility built in Lincoln still would have to be licensed by the State Racing Commission to conduct simulcast racing. He said the measure was not an attempt to circumvent the constitution, but rather to allow Lincoln's horse racing industry time to build a new track that would have live racing.

"They want to run live horse races in Lancaster County as soon as possible," he said.

Sen. Jeremy Nordquist of Omaha supported the override motion, saying lawmakers should help the horse racing industry. The Legislature made the decision to move the state fair to Grand Island to make way for Innovation Campus, he said, which is the reason the current Lincoln racing facility must close.

"We need to help untie the hand that we tied behind their back," Nordquist said. "This industry needs the second biggest market in the state."

Sen. Beau McCoy of Omaha opposed the override motion. McCoy said Karpisek's commitment to the horse racing industry was admirable, but that the state should not take on the financial burden of defending an unconstitutional law.

The override motion failed on a 21-23 vote.

ISSUES UPFRONT

Judiciary

Community correction changes pass

Senators passed a bill May 26 related to community corrections.

Omaha Sen. Brad Ashford introduced LB390, a bill containing new jail standards and community corrections provisions. A Judiciary Committee amendment replaced the bill's provisions and, among other changes:



Sen. Brad Ashford

- provides new duties to the executive director of the Nebraska Commission on Law Enforcement and Criminal Justice to establish a community corrections division, appoint and remove the director of the training center and appoint and remove the director of the Office of Violence Prevention;
- provides a new duty that the probation administrator collaborate with the new Community Corrections Division and the Office of Parole Administration in developing rules governing the participation of parolees in community corrections programs operated by probation;
- limits the ability of the Police Standards Advisory Council to delegate powers and duties to the director of the Nebraska Law Enforcement Training Center and to supervise the director;
- provides that nationally certified correctional facilities are

not subject to the supervision of the Jail Standards Board;

- removes the duty to review, analyze, produce and update a report of all homicide cases in the state; and
- clarifies the structure and operation of the Community Trust.

The committee amendment was adopted 27-0 on May 23. Technical amendments were adopted on general and select file and the bill passed May 26 on a 47-0 vote.

Remotely administered chemical abortions banned

Senators passed a bill May 23 that prohibits chemical abortions from being administered from remote satellite locations.

LB521, introduced by Sen. Tony Fulton of Lincoln, makes it a Class IV felony for a physician to knowingly or recklessly use or prescribe any instrument, device, medicine, drug or other substance to perform, induce or attempt an abortion without being physically present in the same room as the patient.



Sen. Tony Fulton

The bill passed on a 38-9 vote.

DUI-related provisions revised

Senators passed a bill May 24 that revises provisions related to driving under the influence (DUI).

LB667, introduced by Norfolk Sen. Mike Flood, will:

- create a new offense of motor vehicle homicide of an unborn child;

- make motor vehicle homicide and DUI-serious bodily injury separate crimes from DUI;



Sen. Mike Flood

- increase the 12-year look-back limitation to 15 years in the DUI enhancement statutes;
- create penalties regarding boating while under the influence;
- create the enhanced punishment of a Class III-A felony and a minimum of 30 days imprisonment for procuring when it proximately causes serious bodily injury or death;
- revise the administrative license revocation (ALR) process and make ignition interlock devices a condition of bond;
- make ignition interlock devices mandatory for first and second DUI offenses; and
- create penalties for tampering with an ignition interlock device if it is required under ALR.

Under the bill, a person who is driving under an ignition interlock permit and has no prior DUI convictions can operate a vehicle only for purposes of employment, education, substance abuse treatment, parole or probation supervision, health care for themselves or their dependents, court-ordered community service obligations and ignition interlock servicing.

The bill passed on a 46-0 vote.

Court provisions revised

Senators passed a bill May 23 that revises state and county court provisions.

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LB669, introduced by Norfolk Sen. Mike Flood, will:

- expand the state Supreme Court's options for funding sources to compensate court interpreters;
- provide for clerks and staff of the district and country courts to assist one another on court services;
- create a new position of Judicial Hearing Officer and allow the court to appoint officers as needed;
- provide courts greater scheduling flexibility;
- clarify the authority for delivery of service by a commercial courier;
- provide various deadlines for filing a jury demand in civil cases depending on the role of the litigant doing the filing;
- eliminate the requirement that divisions of a county court be located outside the county seat and that certain cases be filed with the county court clerk in the county seat;
- authorize a court to order that a juvenile be placed directly with the state Department of Health and Human Services to obtain a pre-adjudication evaluation;
- clarify the responsibilities of the county and the state for covering costs incurred during a juvenile's detention period prior to adjudication;
- allow the electronic filing of complaints and information in criminal cases;
- require that agreements between the district courts and county clerks be signed and stipulated to by the state court administrator, the county board and the clerk of the district court after

obtaining input from the clerk of the county court, a district court judge, a county court judge and the county attorney; and

- allow for a divorce decree to be entered without a hearing if both parties have certified that they have made every reasonable effort to reconcile.

The bill passed on a 47-0 vote and takes effect immediately.

Parental consent for minors' abortions approved

A minor must obtain parental consent before having an abortion under a bill passed by the Legislature May 26.

LB690, introduced by Sen. Lydia Brasch of Bancroft, requires notarized written consent from a minor's parent or guardian before the minor can have an abortion, except in cases of medical emergency. The bill replaces the previous requirement that the parent or guardian be notified of the procedure by registered or certified mail with return receipt requested.

Under the bill as amended, the consent requirement can be waived if a judge finds, by clear and convincing evidence, that a minor is both sufficiently mature and well informed to decide whether to have the abortion. The abortion may still be performed if a court finds by clear and convincing evidence that an abortion is in the best interest of the pregnant minor even in the absence of parental consent. If the pregnant woman declares that she is a victim of abuse by either of her

parents, the consent of a grandparent would suffice.

An unauthorized person providing consent would be guilty of a Class III misdemeanor.

During select file debate May 23, Lincoln Sen. Danielle Conrad, an opponent of the bill, filed a motion to recommit the bill to the Judiciary Committee. She said the bill had technical problems that should be worked on further, specifically naming privacy concerns with regard to the notary.

Brasch said the notary requirement would ensure that a parent or guardian is involved in the process, adding that it is working in the other states that require it.

"Consent has been tried in 24 other states," Brasch said. "We are not navigating into uncharted legislation."

Conrad later withdrew her motion.

Omaha Sen. Tanya Cook brought an amendment to shorten the time allowed for a court to rule on whether or not the minor could have the procedure. It proposed narrowing the seven-day time frame to 48 hours. Cook said the bill otherwise would delay a procedure that must be performed within 20 weeks' gestation and could require a rushed decision to meet the deadline.

"This [bill] is another way to prolong the decision-making process beyond the legal deadline for legal abortion in Nebraska," she said.

The amendment failed on an 8-30 vote.

Omaha Sen. Burke Harr said he supported the idea of parental consent but thought the process should be simplified.

"We need to do this in a careful, conscientious way," he said, adding



Sen. Lydia Brasch

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that the bill's potential to violate a minor's privacy was of concern. "If we fix this it would be a good bill-it would be a great bill."

Brasch said the requirement that the consent form be signed by a notary should not be problematic.

"There are 34,000 notaries in the state, so they're easy to find and I trust their confidentiality," she said.

Harr later brought an amendment that he said would address the issue. Adopted 41-0, the amendment added a requirement that notaries keep information about the abortion consent form confidential. Notaries disclosing such information would be subject to losing their license.

A technical amendment from Brasch was adopted and LB690 advanced from select file 35-4 on May 23.

The bill passed on final reading May 26 on a 41-6 vote.

Natural Resources

Land restoration requirement for interstate oil pipelines passes

Pipeline companies are responsible for restoring land disturbed during the construction or operation of an interstate oil pipeline under a bill passed by the Legislature May 26.

Restoration costs covered in LB629, introduced by Cedar Rapids Sen. Kate Sullivan, include those incurred to rehabilitate real and personal property, natural resources, wildlife



Sen. Kate Sullivan

and vegetation.

The bill also permits local governments and state agencies to pursue compensation from a pipeline company to pay for maintenance and repair of roads, bridges or other infrastructure affected by pipeline construction and operation.

Lawmakers approved LB629 on a 47-0 vote.

Redistricting

Education, PSC redistricting bills approved

Senators gave final approval to three redistricting bills May 25 that draw new district boundaries for the Public Service Commission, University of Nebraska Board of Regents and the state Board of Education.

District boundaries must be redrawn every 10 years to reflect population changes throughout the state.

LB700, introduced by the Redistricting Committee, redraws boundary lines for the five districts of the Public Service Commission.

According to the 2010 census, the ideal population for each district is 365,268. Changes include moving Antelope, Greeley, Howard, Knox and Wheeler counties from District 5 to District 4 and moving Burt, Cuming, Dodge and Thurston counties from District 3 to District 4.

LB701 and LB702, also introduced by the committee, redraw boundary lines for the eight districts of the University of Nebraska Board of Regents and the state Board of Education. Maps for the two entities are identical.

According to the 2010 census, the ideal population for each district is

228,293. Changes to both maps include moving Knox and Pierce counties from District 6 to District 3 and Custer County from District 6 to District 7. In addition, Butler County moves from District 3 to District 5 and Washington County from District 2 to District 3.

The three bills were approved on 47-0 votes.

Legislative redistricting proposal passes

Senators gave final approval May 26 to a bill that sets new boundaries for the state's 49 single-member legislative districts.

LB703, introduced by the Redistricting Committee, makes numerous boundary changes across the state to account for population shifts. Changes include making Scotts Bluff County a single district and moving District 49 from northwestern Nebraska to Sarpy County.

Among other changes, the bill also shifts Dawes, Sheridan and Grant counties from District 49 to District 43. Boyd and Rock counties move from District 43 to District 40, Custer County moves from District 43 to District 36 and Gosper County moves from District 38 to District 44.

LB703 passed on a vote of 37-9 and takes effect immediately.

Revenue

Lawmakers pass NRD property tax extension and SID bond provision

Select natural resources districts will have more time to levy a special

ISSUES UPFRONT

property tax under a bill passed by the Legislature May 25.

LB400, amended to contain provisions introduced by Holdrege Sen. Tom Carlson, extends to fiscal year 2017-18 the sunset date for a property tax offered to NRDs in overappropriated or fully appropriated basins. The 3-cent per \$100 of taxable value property tax is used for costs of administering and implementing ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act that exceed the amount budgeted for such activities in FY2005-06.

The bill also changes state statute governing property tax levies and exceptions, specifically a subsection addressing bonds secured by a property tax levy. The bill replaces bonded indebtedness with a definition of bonds that includes any bonds, notes, interim certificates, evidences of bond ownership, bond anticipation notes, warrants or other evidence of indebtedness.

Lawmakers passed LB400 on a 47-1 vote.

Cigarette regulations pass

Regulations intended to keep the state in compliance with an agreement with tobacco manufacturers were approved May 23.

LB590, introduced by Grand Island Sen. Mike Gloor, changes laws regulating tobacco



Sen. Tom Carlson

licenses, tobacco sales, cigarette taxes, the state directory of cigarettes, escrow deposits under the Master Settlement Agreement and reporting requirements.

The Master Settlement Agreement was entered into on Nov. 23, 1998, between the state and tobacco product manufacturers. Tobacco manufacturers who are not party to the agreement are called nonparticipating manufacturers.

Among other provisions, enforcement measures in the bill include:

- requiring nonparticipating manufacturers to post bond and certify they have posted such bond;
- holding importers liable for escrow deposits of nonparticipating manufacturers;
- requiring nonparticipating manufacturers to make escrow payments on a quarterly basis;
- increasing the frequency of stamping agent reports and holding agents liable for nonparticipating manufacturers escrow payments if their products are stamped;
- revoking stamping agent licenses for inadequate reporting, outstanding escrow deposits or sales of unstamped cigarettes;
- requiring cigarette manufacturers and importers to report all sales into Nebraska within 15 days;
- removing manufacturers from the state directory that fail to submit required reports; and
- revoking stamp agent licenses and removing manufacturers from the state directory for violations of similar laws in other states.



Sen. Mike Gloor

The bill authorizes the state to negotiate a compact with Native American tribes regarding tobacco products. Agreements must include provisions to require that tribal taxes are imposed equally on all cigarettes and other tobacco products. Agreements also must require that all cigarette packages bear the state stamp or a tribal stamp and prohibit the sale of cigarettes not included in the state directory unless the cigarettes include a tribal stamp and the tribe makes escrow deposits.

Senators voted 48-0 to pass LB590.

Revenue identification contracts approved

The state Department of Revenue is authorized to contract with businesses to identify uncollected revenue under a bill passed by the Legislature May 23.

LB642, introduced by Bellevue Sen. Abbie Cornett, allows the department to use revenues identified by such businesses for fees associated with revenue identification services. Ten percent of revenues collected as a result of the revenue identification contracts will be deposited in the Department of Revenue Enforcement Fund for purposes of identifying nonfilers, underreporters, nonpayers and improper or fraudulent payments.

Lawmakers approved LB642 on a 37-4 vote. ■



Sen. Abbie Cornett

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