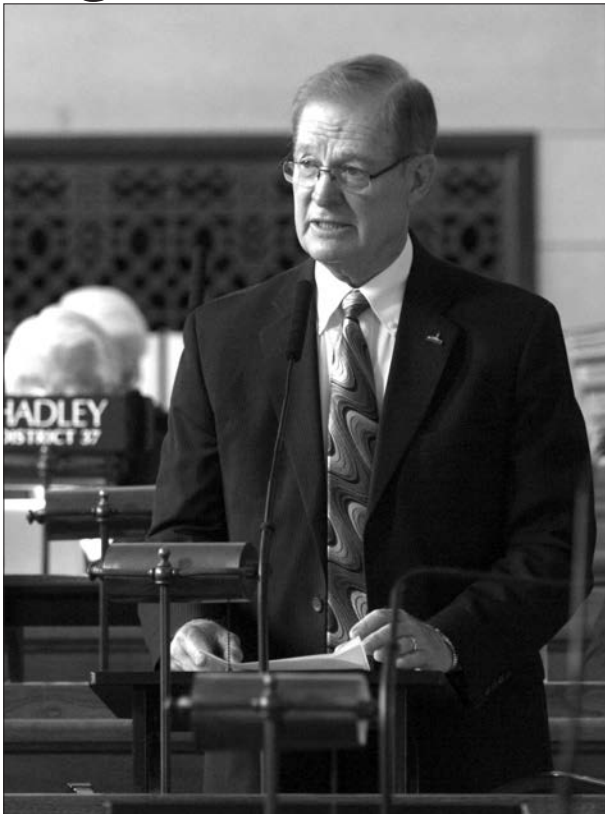


THE NEBRASKA LEGISLATURE'S  
WEEKLY NEWS PUBLICATION

Stories published daily at  
update.legislature.ne.gov

# UPDATE

## Voters could see third legislative term option



Sen. Tom Carlson explains the need for a third term.

Senators advanced a proposed constitutional change from general file Feb. 23 that would be placed on the November 2012 general election ballot to extend term limits for state senators.

LR358CA, introduced by Holdrege Sen. Tom Carlson, would allow voters to extend the state constitution's current limit of two consecutive four-year terms for state senators to three consecutive four-year terms.

limited senators' understanding of issues and stifled debate.

"We passed an entire [state] budget in less time than it took us to debate a bill on roadside trapping," he said. "I think it would improve floor debate, we would end up with better laws and the process would be improved with three terms."

Omaha Sen. Brenda Council introduced an amendment that would

Since term limits were enacted in 2000, Carlson said, there has been a large turnover of state senators. Term limits cause the loss of experience and expertise, he said, which allows lobbyists and the executive branch to have more influence on legislators.

"I found out very quickly that there is a very steep learning curve for serving in the Legislature," he said. "So the critical question is whether two or three terms would serve the state better."

Omaha Sen. Steve Lathrop spoke in support of the measure, saying term limits have

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## Health benefit exchange bills discussed

The Banking, Commerce and Insurance Committee heard testimony Feb. 21 on two bills that would establish a Nebraska health benefit exchange.

The federal Affordable Care Act requires establishment of an operational state health care exchange by Jan. 1, 2014. Without a plan in place, the federal Department of Health and Human Services would be authorized to develop and operate an exchange within the state.

LB835, sponsored by Omaha Sen. Jeremy Nordquist, would create a health benefit exchange within the state Department of Insurance (DOI) under the control and supervision of an 11-member independent governing board.

Board members would be appointed from a list of potential individuals submitted to the governor and would include:

- one small business representative;
- one health insurance agent representative;
- one health insurance carrier representative;
- two health care providers; and
- three health care consumer advocates, one from each congressional district.

The board also would include non-

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# Voters could see third legislative term option

(continued from front page)

repeal term limits altogether. In six other states, she said, term limits have been repealed by the legislature or by court action.

“We can have term limits at any time—all people have to do is vote out the incumbent if they believe that to be in their best interest,” Council said. “What we have done with term limits is dictated who a voter’s choice for a representative can or should be.”

Carlson spoke in opposition to the amendment, saying 78 percent of voters nationwide supported some form of term limits. In the 2000 election, Carlson said, voters had only two choices: no term limits for senators or two four-year terms.

“I think it is time to give voters another choice [for term limits] that they did not have in 2000,” he said.



Sen. Brenda Council introduced an amendment that would have eliminated term limits altogether. The amendment was not adopted.

Grand Island Sen. Mike Gloor also spoke in opposition to the amendment, saying that senators who serve too long can form entrenched relationships and lose touch with their districts.

“I think having a time limit does make sense and 12 years is a period of

time I am very comfortable with.”

Council’s amendment failed on a 3-42 vote.

Two technical amendments were introduced by Council—one failed on a 5-13 vote and one was later withdrawn.

Another amendment, introduced by Council, would allow members to serve three additional consecutive terms if they represent a new district. As a result of redistricting, Council said, some senators are no longer residing in the district in which they were elected.

“My concern is about the effect this has on the electorate being able to select the representative of their choice,” she said. The amendment failed 3-24 and LR358CA advanced from general file on a 30-12 vote. ■

## Economic forecasting board maintains revenue projections

The Nebraska Economic Forecasting Advisory Board voted to maintain the state’s revenue protections during its first meeting of the year Feb. 24.

The board provides an advisory forecast of general fund receipts used by the Legislature to craft the state’s budget.

During the October forecast, the board revised its outlook upward by \$51.9 million, setting revenue projections at \$3.6 billion for fiscal year 2011-12 and \$3.8 billion for FY2012-13.

The board voted not to revise the October projections.

The next meeting of the board will be October 26, 2012.



At right: Legislative Fiscal Office director Mike Calvert reports to the Economic Forecasting Board Feb. 24.

# Health benefit exchange bills discussed

(continued from front page)

voting ex officio members representing DOI and the directors of Medicaid and long-term care and children and family services. The board would be required to report to the governor and the Legislature by Dec. 1, 2012 regarding the planning, establishment and operation of the exchange.

Under the bill, establishment of the exchange would be funded by federal grants. Operational funding would be provided by transitioning the current funding mechanism for the Comprehensive Health Insurance Pool (CHIP) to a newly created Nebraska Health Benefit Exchange Fund.

The board would be required to make recommendations to the Legislature on how to proceed should the federal Affordable Care Act be judicially or legislatively deemed unlawful or invalid.

According to the introducer's statement of intent, the purpose of LB835 is to create a transparent health insurance marketplace for Nebraskans to purchase affordable, quality health care coverage regardless of employment status and to access federal tax credits, cost-sharing subsidies and Medicaid eligibility determinations.

LB838, sponsored by Sen. Rich Pahls of Boys Town, also would create a Nebraska health benefit exchange. The DOI director would be authorized to establish the exchange under the bill, which does not specify a governance structure for a state exchange.

Mary Ann Borgeson, representing the Nebraska Health Care Alliance,

testified in support of both bills, saying the state needs to meet the 2014 deadline.

Failing to establish an exchange would result in an insurance marketplace designed by the federal government, Borgeson said, which would mean giving up the ability to construct a system that meets the state's unique needs.

"We have the opportunity here in Nebraska to keep the exchange simple and cost-effective," she said. "There is no 'do nothing' option."

Amanda McKinney of the Women's Health Center of Beatrice testified in favor of LB835, saying oversight of an exchange would not fit well into any existing state agency.

"Governing the exchange with an independent board will ensure that it works in the interest of the people and not the health insurance industry," McKinney said.

Dave Holmquist of the American Cancer Society and the Cancer Action Network testified in favor of both bills. Nebraska should have an exchange in place, he said, rather than waiting until the U.S. Supreme Court rules on the constitutionality of the Affordable Care Act in the spring, which could necessitate a special session of the Legislature to comply with federal deadlines.

"Nebraska should be completely prepared to implement the law," Holmquist said.

DOI director Bruce Ramage testified in opposition to both bills, saying the development of an exchange before the Supreme Court acts would be "inappropriate." Federal law allows the option of creating an exchange by gubernatorial executive order, he said, adding that Gov. Dave

Heineman would issue such an order if the Affordable Care Act survives the pending court challenge.

"A special session would not be necessary," Ramage said. "Gov. Heineman has been clear. He would not allow Nebraska to make a decision ... by default."

Ramage also objected to LB835's governing board structure, which he said would be dominated by interest groups not subject to the control of any elected official.

"Not one board member [would] represent the interests of the state," he said.

Bruce Rieker of the Nebraska Hospital Association testified in opposition to LB838, saying the oversight structure of an exchange is important. Rieker added that creating an exchange by executive order would remove the Legislature's ability to have input in the process and diminish accountability and transparency.

Michaela Valentin of Blue Cross and Blue Shield of Nebraska testified in a neutral capacity. She said trends suggest that federal deadlines for establishing state exchanges will be extended, removing the necessity of enacting legislation this session.

The committee took no immediate action on the bill. ■



Sen. Rich Pahls

**COMMITTEE HEARING**

**Tuesday, February 28**  
**Agriculture**  
**Room 2102 - 1:00 p.m.**  
 Appointment: Marshall, William, III -  
 Nebraska State Fair Board ■

## Banking, Commerce & Insurance

### Insurance coverage of oral cancer drugs advanced

Senators gave first-round approval Feb. 24 to a bill that would require insurance coverage of oral cancer medications.

LB882, sponsored by Omaha Sen. Jeremy Nordquist, would require that a health policy, certificate, contract or plan provide coverage for a prescribed, orally administered anticancer medication that



Sen. Jeremy Nordquist

is used to kill or slow the growth of cancerous cells on a basis no less favorable than intravenously administered or injected cancer medications that are covered as medical benefits.

The bill also would prohibit an insurance provider from reclassifying an anticancer medication or increasing a coinsurance, copayment, deductible or other out-of-pocket expense to offset the cost of complying with the bill.

Many Nebraskans cannot obtain oral cancer treatment because it is not covered by their insurance plans, Nordquist said, even in cases where oral medication is the only treatment option.

“These situations aren’t hypothetical,” he said. “They are happening every day.”

Lincoln Sen. Tony Fulton supported the bill, saying one of his constituents found herself in the situation the bill was meant to address. The constituent’s son was diagnosed with cancer and the family discovered that their insurance policy covered only

intravenous chemotherapy treatment.

“In her situation, the oral [treatment option] was preferable,” Fulton said. “It gave her son a better chance to live, to beat his cancer.”

Sen. Abbie Cornett of Bellevue also supported the bill, saying oral chemotherapy treatment often has fewer side effects and potential complications than intravenous treatment.

“A lot of these oral chemotherapy drugs are cutting edge medication,” she said. “They may cost more, but they work better and they work quicker.”

Omaha Sen. Beau McCoy urged senators to consider the potential cost of implementing the bill. Seventy-six percent of employers in Nebraska are small businesses that may not be able to absorb additional insurance costs, he said.

“How can we look at LB882 and not look at the impact it will have on small business owners?” McCoy said.

Nordquist said 15 states have passed similar laws without a significant increase in premiums.

“We’re talking pennies per member, per month if anything at all,” he said.

The bill advanced to select file on a 30-4 vote.

## Education

### Senators advance requirement to attend school until age 18

A public school student would be required to attend school until age 18 under a bill advanced from general file Feb. 22.

LB996, introduced by Lexington Sen. John Wightman, would raise the age of compulsory attendance from 16 to 18 years



Sen. John Wightman

of age. A student who meets graduation requirements prior to reaching age 18 would be exempt from the requirement.

Currently, a student may terminate school enrollment with the notarized consent of a parent or guardian at age 16. Wightman said the original reasoning behind the current law no longer applies.

“The era where a high school dropout can earn a living wage is over,” Wightman said. “It is in the best interest of the child to stay in school.”

Scottsbluff Sen. John Harms supported the bill, saying that it is important that students remain in school and receive a diploma.

“This is an opportunity for us to say we have better expectations of students and to keep them in school,” Harms said.

Opponents of the bill argued that requiring the attendance of students who no longer want to be in school would create a distraction for others. Ellsworth Sen. LeRoy Loudon said requiring students to stay in school would not guarantee they would earn their diploma.

“You can make them attend school, but you can’t legislate ambition,” Loudon said.

Omaha Sen. Brenda Council said the language of the bill would not provide a way for parents, under certain circumstances, to legally withdraw their child from school.

Wightman agreed to work with Council on an amendment that would address those concerns before the next round of debate.

Senators voted to advance the bill to select file 29-17.

### Task force would evaluate Medicaid reimbursement in schools

Schools could see more federal



reimbursement for services provided under a bill discussed in an Education Committee hearing Feb. 21.

LB1068, introduced by York Sen. Greg Adams, would establish the Medicaid in the Public Schools Task Force. The task force would be responsible for studying the Medicaid reimbursement procedure to determine if state schools are eligible for additional funds. Adams said schools may not be taking full advantage of reimbursements for all eligible services under Medicaid.

"This bill facilitates schools being able to make requests for other services," Adams said. "If we're going to expand these services, let's do it right and include all the important players."

The task force would comprise representatives including:

- six members of the Education, Health and Human Services and Appropriations committees;
- two members of the state Department of Education special education department;
- two representatives of the state Department of Health and Human Services, including one who works specifically with Medicaid reimbursements; and
- multiple school board representatives.

John Spatz, representing the Nebraska Association of School Boards, testified in support of the bill, saying the task force is necessary to understand the complicated reimbursement process.

"We need to bring people to the table who can offer some input into how to do this properly," Spatz said.

No one testified in opposition to



Sen. Greg Adams

the bill and the committee took no immediate action.

## Government, Military & Veterans Affairs

### Bill would expand video and telephone conference public meetings

Senators gave first-round approval Feb. 21 to a bill that would add a community college board to the list of public entities that can hold public meetings by video and telephone conferencing.

Columbus Sen. Paul Schumacher, sponsor of LB735, said technology could enhance public access to entities that serve large geographic areas of the state.



Sen. Paul Schumacher

Schumacher said the bill was inspired by the experience of a community college board member who had difficulty attending a meeting in another city. "A flick of a switch would have allowed her to attend the meeting," he said. "[This bill] is a common sense response to real situations."

A Government, Military and Veterans Affairs Committee amendment, adopted 31-0, would add public power and public power irrigation districts to the list of entities allowed to hold public meetings by video and telephone conference.

Lincoln Sen. Bill Avery said the two entities also cover large geographic areas and would benefit from the ability to conduct some of their business via video or telephone conference.

Malcolm Sen. Ken Haar supported

the bill and the amendment, saying the state must address the challenge of finding practical ways for citizens to participate in the political process.

Sen. LeRoy Loudon of Ellsworth offered and later withdrew an amendment that would have prohibited placement of budget items on the agenda of a video or telephone conference meeting. He said lawmakers should be mindful of the potential for abuse of meetings not conducted in person.

Schumacher said additional rules apply to video and telephone conferencing meetings in order to safeguard the public interest and that abuses have not been a concern.

LB735 advanced to select file on a 34-0 vote.

## Health & Human Services

### Medicaid cost containment bill amended, advanced

Lawmakers amended and advanced a bill Feb. 24 designed to encourage the fiscal integrity of Nebraska's Medicaid program.

Introduced in 2011 by the Health and Human Services Committee, LB541 was advanced to final reading last session. Lawmakers voted to return the bill to select file Feb. 24 to consider an amendment.

The bill would require the state Department of Health and Human Services (DHHS) to contract with one or more recovery audit contractors for the following services:

- provider claim review and overpayment recovery;
- cost avoidance through identifying third-party liability;
- cost recovery of third-party liability through postpayment

reimbursement; and

- identification and recovery of claims that were the result of accident or neglect and payable to a casualty insurer.

An amendment, offered by Lincoln Sen. Kathy Campbell and adopted 39-0, would require DHHS to report to the Legislature by Dec. 1, 2012 on the status of all contracts authorized in the bill.

The amendment also would limit contingent fees to no more than 12.5 percent of amounts recovered. In addition, all amounts recovered and savings generated from the contracts would be returned to the medical assistance program.

Campbell said the amendment reflected concerns expressed by Lincoln Sen. Danielle Conrad during previous debate on the bill. "We feel that her suggestions are good ones and would make the bill stronger," Campbell said.

Following adoption of the amendment, senators re-advanced LB541 to final reading by voice vote.

**Bill would allow midwives to attend home births**

The Health and Human Services Committee heard testimony Feb. 22 on a bill that would remove the state's prohibition on a certified nurse midwife attending a home birth.

LB712, sponsored by Malcolm Sen. Ken Haar, would retain the requirement that a certified nurse midwife operate under the supervision of a licensed practitioner who would have to authorize a home birth.



Sen. Ken Haar

Haar said many women feel as though giving birth at a hospital is done at the convenience of doctors

and would like the opportunity to be attended by a midwife at home.

"There are only two states in the country that don't allow this - they are Alabama and Nebraska," he said. "I believe that we've criminalized something that should be the choice of a family."

Rachel Gilligan Howell of Nebraska Friends of Midwives testified in support of the bill. Current law does not prevent home birth, she said, but it does prevent midwives from making home births safer.

"One hundred babies were born at home last year in our state," Gilligan Howell said, "all without the assistance of a licensed care provider."

Karen Loll of Lincoln also testified in support of the bill, saying she chose to have her third child at home, unattended. Loll said she felt "like a prisoner" when her first two children were born at the hospital and that the process was uncomfortable.

"I didn't want my child born into a building filled with sick people," she said.

Certified nurse midwife Rebecca Wells also supported the bill, saying many women feel alienated by the experience of giving birth in a hospital and want a less intrusive, less expensive alternative.

"It's a matter of risks and benefits," Wells said. "For women who are low risk [and] who are proper candidates for home birth ... facility costs can be avoided."

Joann Schafer, director of the division of public health, testified in opposition to the bill. The state Department of Health and Human Services consistently has opposed allowing certified nurse midwives to attend home births based on available research, she said.

"The bottom line is that there has been no compelling evidence submitted to the department, or that we've found, that would change our position

on this bill," Schafer said.

The committee took no immediate action on LB712.

**Natural disaster housing assistance proposed**

A bill aimed at providing housing assistance to individuals displaced by a natural disaster was heard Feb. 23 in a hearing of the Health and Human Services Committee.

LB1110, introduced by Bancroft Sen. Lydia Brasch, would provide temporary and permanent housing assistance to individuals displaced by a natural disaster through creation of subaccounts of the Affordable Housing Trust Fund and Homeless Shelter Assistance Trust Fund.



Sen. Lydia Brasch

The bill would authorize initial transfers of \$500,000 from the Affordable Housing Trust Fund and \$300,000 from the Homeless Shelter Trust Fund into subaccounts. Beginning Jan. 1, 2013, 10 percent of all money remitted to each of the funds would be transferred to the subaccounts until a balance of \$2 million was reached in the affordable housing subaccount and \$500,000 in the homeless shelter subaccount.

Under the bill, the state Department of Economic Development would be authorized to use funds from the affordable housing subaccount to provide grants to counties, cities or villages for permanent housing assistance upon the governor's request for a federal disaster declaration.

Upon declaration of a state of emergency by the governor, the state Department of Health and Human Services would be authorized to provide grants from the homeless shelter

subaccount to counties, cities or villages for temporary housing assistance for up to three months.

Brasch said many families in her district struggled to find adequate housing after flooding last year damaged and destroyed homes.

"I believe Nebraska has a responsibility to be prepared, preemptive and responsive for housing needs for our citizens after a natural disaster," she said.

Danielle Hill, director of the Nebraska Housing Developers Association, testified against the bill, citing funding, process and policy concerns.

Hill said the Affordable Housing Trust Fund's current \$7 million balance is misleading because those funds already are committed to affordable housing projects. In addition, she said, the Homeless Shelter Trust Fund traditionally has been used to fund organizations and shelters, not to address individual housing needs.

Hill said creating an additional government program to provide natural disaster housing would be cumbersome and would detract from the policy goals of the existing trust funds.

"There are people who deal with homelessness every day," she said. "People live in substandard housing every day."

No one testified in support of the bill and the committee took no immediate action.

### Changes proposed to marriage and family therapist certification

The Health and Human Services Committee heard testimony Feb. 22 on a bill that would change Nebraska's supervision requirement for attaining certification as a marriage and family therapist.

As introduced, LB1148 would specify that the current 3,000 hours of supervised experience include:

- 1500 hours of direct client contact during the five years preceding application for certification;
- at least 100 hours of supervisor-supervisee contact hours with a qualified supervisor; and
- supervision provided at least one hour per week or two hours every two weeks.

This bill also would amend the definition of qualified supervisor.

Grand Island Sen. Mike Gloor, sponsor of the bill, said the measure is aimed at increasing the number of marriage and family therapists in Nebraska.



Sen. Mike Gloor

Anne Buettner of the Nebraska Association of Marriage and Family Therapy testified in support of the bill, saying there are only 10 qualified supervisors in the state under the current definition. She said standards could be relaxed without lowering the quality of care in Nebraska.

"State credentialing should not be about the best standards," Buettner said. "It should be about minimum standards."

She said bringing the standards more in line with other professionals regulated by the state's mental health practice board would encourage marriage and family therapy graduates to stay in Nebraska to practice.

No opposition testimony was given and the committee took no immediate action on the bill.

## Judiciary

### Bill would authorize fine deductions from cash bonds

The Judiciary Committee heard testimony Feb. 24 on a bill that would

authorize fines or costs to be deducted from a defendant's cash bond.

Under LB722, introduced by Lincoln Sen. Colby Coash, courts would be allowed to deduct from a convicted person's bond as an alternative to ordering a lump sum payment of court costs.



Sen. Colby Coash

Coash said the bill would provide a mechanism to withhold portions of a bond to recover court costs and would provide additional revenue for courts.

Kerry Eagan, chief administrative officer for the Lancaster County Board of Commissioners, testified in support of the bill, saying many defendants are able to post their bonds but fail to pay court costs. The county still is responsible for any incurred costs, Eagan said, so it would make sense to collect these funds at the time they are available.

Seven percent of Lancaster County's inmate population is serving time for unpaid fines, Eagan said, so the bill also would reduce the county's inmate population.

No opposing testimony was given and the committee took no immediate action on the bill.

### Bill would prohibit local protected classes

The Judiciary Committee heard testimony Feb. 22 on a bill that would prohibit counties, municipalities and political subdivisions from implementing ordinances that would create protected classes that are not defined in state statute.

LB912, introduced by Omaha Sen. Beau McCoy, would prohibit a



Sen. Beau McCoy

county, municipality or other political subdivision from requiring businesses, organizations and employers to implement nonuniform protected classifications in nondiscrimination laws, ordinances, resolutions, rules or policies.

Any local law, ordinance, resolution, rule or policy in violation of the bill adopted before its effective date would be null and void.

McCoy said the bill would ease the burden on business owners who otherwise would have to invest time and money to determine each community's ordinances on protected classes. Discrimination does not stop at a city or county border and should be addressed at a state or federal level, he said.

Byron Babione, legal counsel with the Alliance Defense Fund, testified in support of the bill, saying statewide policies create more uniformity. Companies would be able to do business more predictably because they would not be subjected to different provisions based on where they are located in the state, he said.

John Chatelain, member of the Statewide Property Owners Association, also testified in support of the bill. He said local ordinances are inconsistent and create a burden for property owners working in different areas of the state.

Opposition focused on the defense of a proposed ordinance in Omaha that would make it illegal for businesses to discriminate on the basis of sexual orientation or gender identity.

Ben Gray, member of the Omaha City Council, testified in opposition to the bill, saying a "one-size-fits-all approach" would not help the state address discrimination issues.

"Right now, [Omaha] has a class of citizens who are not being protected as they should be," Gray said. "[Omaha] would be harmed by this legislation

because it would send a signal that we are an unwelcoming environment and [the bill] would have the chilling effect of running businesses away."

Rhonda Uher, human rights and relations manager for the city of Omaha, also testified in opposition to the bill. Nebraska currently allows cities to adopt policies that are more comprehensive than those in state law and the bill would prevent that, Uher said. Omaha has been proactive in passing city ordinances that protect the equality of all of its residents, she said, and the city would like to continue to do so without restrictions on local control.

The committee took no immediate action on the bill.

### **Bill would speed up juvenile services**

The Judiciary Committee heard testimony Feb. 23 on a bill that would require the state Department of Health and Human Services (DHHS) to directly arrange for court-ordered treatment and services in a timely manner.

LB1153, introduced by Omaha Sen. Steve Lathrop, would require a service coordinator or provider to provide court-ordered treatment or services for juveniles or their families within five business days after the issuance of a court order.

Under the bill, if a coordinator fails to provide such services within five business days, the department must arrange for the juvenile to receive services within three business days. If the treatment or service is a matter of immediate and urgent necessity for the health, safety or welfare of a juvenile,

the department must immediately make arrangements for the treatment or service.

The department has been experiencing high staff turnover rates, Lathrop said, so there has been a lack of services being provided to juveniles and their families in a timely manner. Some of these services include transportation, clothing, medical exams and psychiatric assessments, he said.

"When these services are not provided in a timely manner it can be harmful to the children and can also contribute to significant delays in achieving permanency for them," Lathrop said.

Pat McDermott, a county court judge in the 5th Judicial District, testified in support of the bill, saying juvenile courts have little power to enforce court orders. This bill would make court orders more significant to service providers, McDermott said.

Linda Cox, data coordinator for the Nebraska Foster Care Review Board, also testified in support of the bill, and said that 23 percent of children are not receiving all of the services that they should be. These children enter the system with increased vulnerability due to domestic violence, mental health issues, lack of food and shelter and their families' drug and alcohol addictions, Cox said.

"It's the duty of HHS and the other key players in the child welfare system to reduce the impact of abuse whenever possible and to minimize the trauma whenever possible," she said. "This is accomplished by providing appropriate services to the family in a timely manner."

Monica Anderson, legal counsel for Nebraska Families Collaborative (NFC) in Omaha, testified in opposition to the bill, saying the timeline associated with the bill was unrealistic and problematic. NFC does not usu-



Sen. Steve Lathrop



ally receive court orders within the five-day turnaround period, she said, and the treatment required may not be immediately available.

“The bill’s requirements that court ordered treatment services be provided in five days is setting everyone up to fail,” Anderson said.

Scot Adams, interim director for children and family services for DHHS, also testified in opposition to the bill, saying it does not address many of the challenges that the department faces. In many instances, Adams said, lead contractors are unable to set up required treatments because they are not immediately available.

Nicole Goaley, a Douglas County attorney, testified in a neutral capacity. Service providers receive very little case information until they get together and collaborate, Goaley said. When collaboration occurs, she said, the cases are handled much more effectively.

The committee took no immediate action on the bill.

**Bill would require parents to report missing, deceased children**

The Judiciary Committee heard testimony Feb. 22 on a bill that would require parents or guardians to report deceased and missing children.

Under LB1169, introduced by Omaha Sen. Pete Pirsch, the death of a child who is 12 years or younger must be reported by the parent or legal guardian to authorities within 72 hours of acknowledgement of the child’s death.

The bill also would require a parent or legal guardian to file a report



Sen. Pete Pirsch

with authorities within 72 hours of acknowledging a missing child who is 12 years or younger. A person who fails to file such reports would be guilty of a Class IV felony.

Pirsch said the bill targets parents who harm children and cases in which children die due to foul play. The bill would apply to younger children who are not self-sufficient, he said.

“We are talking about heavily dependent kids who are very young and unable to care for themselves,” Pirsch said. “These are incidents where children are missing and it is clear there was foul play involved.”

No testimony was given and the committee took no immediate action on the bill.

**Revenue**

**Cities could see temporary sales tax relief**

Cities would have the option to delay refunding local option sales taxes to businesses seeking job credits under a bill advanced from general file Feb. 21.

Under LB209, introduced by Bellevue Sen. Abbie Cornett, cities could delay a job credits tax refund by one year. Cornett said the bill was designed to help with cash flow problems experienced by many communities.



Sen. Abbie Cornett

“These refunds can cause undue hardship and budgeting issues,” Cornett said.

Any deductions for refunds also would be delayed by one year. Cities would receive notice from the state Department of Revenue of the impending deduction and the month it is to be withdrawn.

Ogallala Sen. Ken Schilz supported the bill, saying it would offer flexibility to cities recovering from the economic downturn.

“This gives communities an opportunity to take a breath,” Schilz said.

A Revenue Committee amendment that establishes an installment repayment option was adopted 40-0. The option would apply only to cities whose job credits refunds exceed 25 percent of total sales tax receipts.

Senators voted to advance the bill to select file on a 40-0 vote.

**Proposed soft drink tax would fund childhood obesity education**

Soft drinks would no longer be designated as food – and thus would be subject to sales tax – under a bill discussed in a Revenue Committee hearing Feb. 22.

LB753, introduced by Lincoln Sen. Bill Avery, would dedicate the new revenue raised by his proposed sales tax on soft drinks to fund childhood obesity education programs. Avery said it is important to deter children from making unhealthful choices.



Sen. Bill Avery

“It’s our responsibility to set good policies to change the trajectory we see with childhood obesity,” he said. “If we don’t start somewhere, we’ll never tackle the issue.”

Under the bill, a soft drink is defined as a nonalcoholic beverage that contains natural or artificial sweeteners. Beverages that contain milk or milk products, soy, rice, or 100 percent vegetable or fruit juice would not be categorized as soft drinks.

LB753 would distribute 90 percent of the revenue to the state Department

of Education and 10 percent to the state Department of Health and Human Services. The first \$100,000 of the education funds would establish a statewide database to monitor student obesity and fitness. The remaining funds would be distributed to school districts for the assessment of student health, weight and fitness and to provide other evidence-based programs to target obesity and improve fitness.

Dr. Karla Lester, Lincoln-Lancaster County Board of Health president, testified in support of the bill. While she supported the proposed school-based efforts, she said children need to be educated on nutrition outside of school as well.

“Parents are the most important activists for their children’s health,” Lester said. “Change has to come everywhere a child goes.”

Steve Ford, representing the Nebraska Beverage Association, testified in opposition to the bill. He said simply taxing products would not make children healthier.

“We need to encourage a balanced diet and promote more physical activity,” Ford said. “Singling out one product for taxation will not solve a problem as complex as childhood obesity.”

Adi Pour, director of the Douglas County Health Department, testified in a neutral capacity. She said the bill is well intentioned but would not solve the problem.

The committee took no immediate action on the bill.

**Tax exemption for biochips advances**

Biochips used for genetic and protein analysis of livestock would be exempt from sales tax under a bill advanced from general file Feb. 23.

LB830, introduced by Kearney

Sen. Galen Hadley, would categorize the biochips as an agricultural input, which is not subject to state sales taxes. Hadley said current tax policy was written before biochip technology was widely used.



Sen. Galen Hadley

“Nebraska has consistently not taxed inputs into the agricultural process,” he said. “We need to change the tax policy to meet changing technological practices.”

Lincoln Sen. Bill Avery supported the bill, saying it is vital that the state encourage the growth of high-tech industries.

“This bill would help create and maintain businesses that employ highly educated individuals,” Avery said. “This is the kind of high-tech business we need to be promoting and encouraging in the state.”

Opponents of the bill said approving a new tax exemption is difficult without first knowing the state’s revenue forecast. Valentine Sen. Deb Fischer said priorities for exemptions must be acknowledged.

“There are a lot of wants out there,” Fischer said. “I’m willing to spend the money but it has to fit in the budget.”

Omaha Sen. Brenda Council said the process for approving tax exemptions is subjective.

“We’ve become selective in determining which businesses are worthy of staying here,” Council said. “We’re establishing tax policy on a piecemeal basis.”

Hadley said that while an exemption would result in a short-term loss in revenue, helping local businesses grow will pay off over time. For example, he said, one biochip business has an estimated \$41.5 million economic impact on the local economy.

“We have to grow our economy,” Hadley said. “We need to try to build and grow businesses that pay taxes.”

Senators voted to advance the bill to select file on a 36-0 vote.

**Incentives proposed for historic property restoration**

People wanting to restore historically significant properties would receive a 25 percent state income tax credit under a bill discussed in a Revenue Committee hearing Feb. 22.

LB888, introduced by Bellevue Sen. Abbie Cornett, would apply to properties that are



Sen. Abbie Cornett

federally or state listed or designated by local ordinance as historically significant. Cornett said she introduced the bill to spur economic development in both rural and urban communities.

“This bill would create jobs, encourage economic development and promote historic preservation,” Cornett said.

Restoration projects would have to be completed before a developer could apply for the tax credit.

David Levy, representing Baird Holm LLP, said the bill would help all communities, statewide.

“These statutes are important for economic development and job creation,” Levy said. “It will benefit large cities and small towns alike.”

Bob Puschendorf, Nebraska State Historical Society associate director, said encouraging the restoration of historical properties would increase property values in towns struggling to raise revenue.

“The rehabilitation of historical properties adds to the property tax rolls,” he said.

No one testified in opposition to the bill and the committee took no immediate action on it.

**State would assess rent-restricted housing**

A more consistent approach to assessing the value of rent-restricted housing was the focus of a bill discussed in a Revenue Committee hearing Feb. 23.

LB1075, introduced by Bellevue Sen. Abbie Cornett, would transfer all assessment of rent-restricted housing from county assessors to the state property tax administrator. Cornett said the issue has been a constant concern.

“This issues has been before the committee almost every year I’ve been here,” she said. “I think this deserves full discussion.”

Under the bill, rent-restricted housing is defined as any housing that is financed, at least in part, by low-income housing tax credits.

Proponents of the bill said property valuations can vary greatly in each county. Thomas Judds, representing Midwest Housing Equity Group, said

the fluctuation of valuations from county to county can be restrictive for some developers.

“This is the [greatest] threat to the continued investment in affordable housing in Nebraska,” Judds said. “This is a hindrance for all communities across the state.”

Larry Dix, executive director of the Nebraska Association of County Officials, testified in a neutral capacity. He said county officials want to do what makes the most sense for the state.

“If there is a belief that the administrator can value these more consistently, we don’t want to stand in the way,” Dix said.

No one testified in opposition to the bill and the committee took no immediate action.

**Data center tax incentive threshold lowered, advanced**

A bill that would provide tax incentives to companies looking to build large data centers was returned to select file Feb. 24.

Introduced by Bellevue Sen. Abbie Cornett, LB1118 originally would have

offered tax exemptions to a company investing at least \$300 million in qualified property for the purpose of building a data center and creating 30 or more new jobs.

Senators voted 38-1 to return the bill back to select file to consider an amendment that would lower the company’s required minimum investment from \$300 million to \$200 million.

“This amendment would allow the state to remain competitive without shutting the door on other potential projects,” Cornett said.

Businesses qualifying for the incentives would be eligible for an exemption of tangible personal property taxes. Exemptions for sales and use taxes, as well as real property taxes, also would be provided under the proposal.

A “callback” provision in the bill would authorize the state to reclaim property taxes, plus interest, if a company fails to meet established benchmarks.


The amendment was adopted on a 44-0 vote and senators voted to re-advance the bill from select file by a voice vote. ■

## SEARCH FOR BILLS

Learn more about bills considered by the Unicameral by logging on to [www.NebraskaLegislature.gov](http://www.NebraskaLegislature.gov).

The Legislature’s website offers a bill search on the upper-right portion of the home page. Entering a bill number will retrieve the bill’s text, fiscal note, statement of intent, transcripts and more.

You also can search current laws using the keyword search found below the bill search.



The screenshot shows the Nebraska Legislature website header with the text "NEBRASKA LEGISLATURE" and "The official site of the Nebraska Unicameral Legislature". Below the header, there is a navigation menu on the left with items like "Home", "About the Legislature", "Bills and Laws", "Calendar", "Committees", "Contact", "FAQs", "Glossary of terms", "Legislative Divisions", "News", "Reports", "Senators", "Session Information", "Transcripts", "For Agencies and Lobbyists", "For Citizens", and "For Journalists". The main content area features the text "The 102nd Legislature convened on Wednesday, January 5, 2011." and "Recent Legislative Information" with a list of links including "2011 Session Calendar", "2011 Senator List", "2011 Committee List", "Introduced Legislation - 2011", "A Legislator's Guide to Nebraska State Agencies - 2011", "LR542 Listing of Options", and "Financial outlook report of the Tax Advisory Committee - November, 2010". On the right side, there is a search interface with two sections: "Search Current Bills" which includes a dropdown menu for "LB" and a "Go" button, and "Search Laws" which includes a "Keywords" input field and a "Go" button. A red circle highlights the "Search Current Bills" section.

# PRIORITY BILLS

Priority bills generally are scheduled for debate ahead of other bills. Each senator may select one priority bill, and each committee may select two priority bills. The Speaker may select up to 25 priority bills per session.

## Senator priority bills

Priority	Bill	Introducer	One-line description
Adams	LB913	Adams	Change base limitation provisions and certain dates relating to the Tax Equity and Educational Opportunities Support Act
Ashford	LB357	Ashford	Authorize an increase in local option sales and use tax
Avery	LB1104	Adams	Change the Postsecondary Education Act
Bloomfield	LB907	Carlson	Change provisions relating to agricultural tractor permitting and a sales tax exemption
Brasch	LB830	Hadley	Provide a sales and use tax exemption for biochips
Campbell	LB820	HHS	Provide for a foster care demonstration project
Carlson	LR358ca	Carlson	Constitutional amendment to change legislative term limits to three terms
Christensen	LB653	Christensen	Provide for interbasin transfers during times of flooding as prescribed
Coash	LB959	Janssen	Provide immunity to employers for job references
Conrad	LB1079	Mello	Provide grants for educational bridge programs for low-income adults
Cook	LB1063	Cook	Adopt the Children's Health and Treatment Act
Cornett	LB1050	Cornett	Provide a sales and use tax incentive for procurement processing companies
Council	LB1128	Schumacher	Adopt the New Markets Job Growth Investment Act and provide tax credits
Dubas	LB825	Dubas	Establish local offices for access to public benefit programs
Fischer	LB745	Fischer	Provide requirements for imposition of municipal occupation taxes
Flood	LB1114	Flood	Change provisions relating to the Municipal Equalization Fund
Fulton	LB804	Lautenbaugh	Change provisions relating to justification for use of force
Gloor	LB834	Gloor	Change the Nebraska Regulation of Health Professions Act
Haar	LB947	Hadley	Change averaging adjustment and a certification date under the Tax Equity and Educational Opportunities Support Act
Hadley	LB1118	Cornett	Provide tax incentives for large data center projects
Hansen	LB799	Cornett	Change penalties for child abuse
Harms	LB842	Harms	Change the termination date relating to self-sufficiency activities under the Welfare Reform Act
Harr	LB902	Harr	Redefine a term relating to property tax exemptions and change provisions relating to a sales tax exemption for purchases by the state or a governmental unit
Heidemann	LB1061	Heidemann	Change provisions relating to valuation of agricultural land
Howard	LB993	Ashford	Change provisions relating to child abuse and neglect teams and child advocacy centers
Janssen	LB209	Cornett	Change a provision relating to proceeds of local option sales and use taxes
Karpisek	LB1067	Karpisek	Change restrictions on keno
Krist	LB998	Krist	Create the Foster Care Review Office and eliminate the Foster Care Review Board
Lambert	LB750	Cornett	Change provisions relating to comparable sales used for tax assessment
Langemeier	LB933	Ashford	Change provisions relating to truancy
Larson	LB806	Lautenbaugh	Authorize the State Racing Commission to regulate wagering on historic horseraces
Lathrop	LB1071	Cornett	Extend the deadline for acceptance of applications under the Convention Center Facility Financing Assistance Act
Lautenbaugh	LB720	Lautenbaugh	Change membership provisions and provide salaries for Class V school boards
Louden	LB1053	Louden	Create Nebraska Tourism Commission and transfer powers and duties from the Travel and Tourism Division of the Department of Economic Development
McCoy	LB970	Cornett	Terminate the inheritance tax and change income tax rates and calculation
McGill	LB599	Campbell	Provide coverage for certain children as prescribed pursuant to the Medical Assistance Act
Mello	LB983	Cornett	Change provisions relating to a research tax credit
Nelson	LB872	Hadley	Change provisions relating to apportionment of income between states
Nordquist	LB882	Nordquist	Require certain cancer treatment insurance coverage



# PRIORITY BILLS

## Senator priority bills (continued)

Priority	Bill	Introducer	One-line description
Pahls	LB962	Pahls	Change provisions relating to tax expenditure reporting and name the Tax Rate Review Committee
Pirsch	LB461	Pirsch	Adopt the Freedom of Conscience Act
Price	LB1080	Cornett	Provide a property tax exemption and a sales and use tax exemption relating to data centers
Schilz	LB239	Janssen	Require presentation of government-issued photographic identification to vote in elections
Schumacher	LB735	Schumacher	Permit governing bodies of community colleges and certain public power districts to hold meetings by videoconferencing or telephone conference
Seiler	LB996	Wightman	Change provisions relating to compulsory attendance
Smith	LB1161	Smith	Provide for study and evaluation of routes for proposed oil pipelines
Sullivan	LB845	Sullivan	Provide reclamation requirements under the Oil Pipeline Reclamation Act
Wallman	LB1090	Wallman	Provide for the awarding of grants and the distribution of information relating to the Summer Food Service Program by the State Department of Education
Wightman	LB1102	Wightman	Change inheritance tax rates and exemption amounts

## Speaker priority bills

Priority	Bill	Introducer	One-line description
Speaker Flood	LB14	Wightman	Change and eliminate fees received by registers of deeds and clerks
Speaker Flood	LB731	Mello	Adopt the Remanufacturing Pilot Project Act and provide an income tax credit
Speaker Flood	LB756	Avery	Provide public access to documents related to major oil pipelines
Speaker Flood	LB782	McCoy	Require that reports submitted to the Legislature be submitted electronically
Speaker Flood	LB793	Lautenbaugh	Limit frivolous civil actions filed by prisoners
Speaker Flood	LB810	Gloor	Prohibit insurance policy provisions relating to fees for dental services
Speaker Flood	LB817	Pirsch	Change duties of the Community Corrections Division of the Nebraska Commission on Law Enforcement and Criminal Justice
Speaker Flood	LB888	Cornett	Adopt the Historic Property Restoration and Reuse Act and authorize an income tax credit
Speaker Flood	LB908	Lautenbaugh	Change the disposition of indigent defense court fees
Speaker Flood	LB924	Mello	Change the Nebraska Redevelopment Act
Speaker Flood	LB928	Louden	Provide for mountain lion hunting permits
Speaker Flood	LB979	Lambert	Change licensure provisions under the Nebraska Pickle Card Lottery Act
Speaker Flood	LB990	Fulton	Change flag display provisions for schools and require recitation of the Pledge of Allegiance
Speaker Flood	LB995	Heidemann	Change provisions relating to county medical facilities and public hospitals
Speaker Flood	LB1020	Nordquist	Adopt the Nebraska Coordinated School Health Act
Speaker Flood	LB1033	Cornett	Provide tax incentives under the Nebraska Advantage Act for renewable energy projects
Speaker Flood	LB1039	Brasch	Change provisions relating to school bus safety requirements
Speaker Flood	LB1082	Karpisek	Name and change provisions of the Police Officers Retirement Act
Speaker Flood	LB1091	Fischer	Adopt the Prepaid Wireless Surcharge Act and eliminate certain charges on prepaid wireless service
Speaker Flood	LB1113	Flood	Adopt the Nebraska Uniform Power of Attorney Act
Speaker Flood	LB1115	Flood	Authorize construction and operation of natural gas pipeline facilities by jurisdictional utilities
Speaker Flood	LB1125	Christensen	Change provisions relating to natural resources district occupation tax
Speaker Flood	LB1132	McGill	Change the Community Development Law
Speaker Flood	LB1155	Lathrop	Change penalties relating to operating a motor vehicle while under orders not to operate a motor vehicle
Speaker Flood	LB1158	Krist	Provide requirements for medical assistance behavioral health managed care contracts

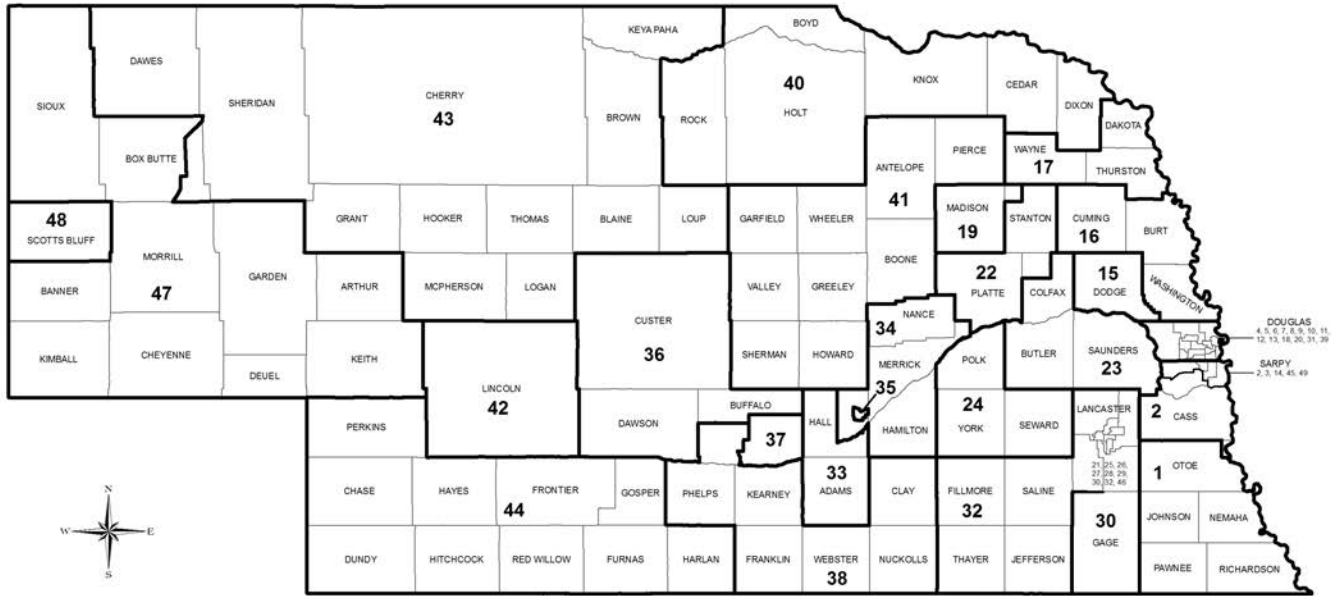
# PRIORITY BILLS

## Committee priority bills

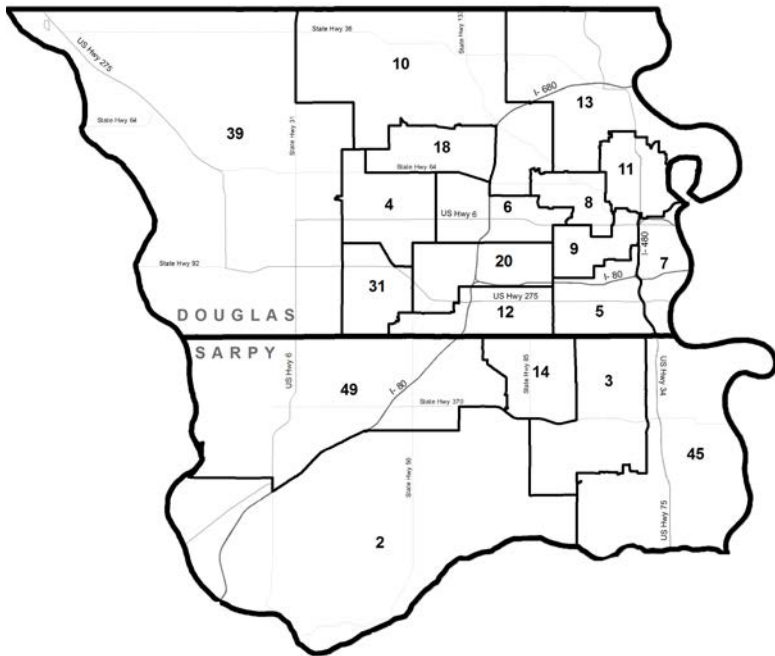
Priority	Bill	Introducer	One-line description
Agriculture	LB905	Carlson	Change the Nebraska Wheat Resources Act
Agriculture	LB1057	Carlson	Change the Nebraska Corn Resources Act
Banking, Commerce & Insurance	LB965	Pahls	Change provisions relating to the Nebraska Installment Sales Act, the Residential Mortgage Licensing Act, and the Nebraska Installment Loan Act
Banking, Commerce & Insurance	LB963	Pahls	Change provisions relating to banking and finance
Business & Labor	LB1058	Carlson	Change the Employment Security Law and the New Hire Reporting Act
Business & Labor	LB1151	Lathrop	Eliminate a sunset provision under the Nebraska Workers' Compensation Act relating to certain first responder injuries
Education	LB870	Adams	Provide for an accountability system to measure school performance under the Quality Education Accountability Act
Education	LB946	Adams	Adopt the Community College Aid Act
Exec. Board	LB711	Wightman	Change provisions relating to membership on the Executive Board of the Legislative Council
Exec. Board	LR373ca	Lautenbaugh	Constitutional amendment to change annual legislative salaries to thirty-two thousand dollars
General Affairs	LB824	Karpisek	Define "flavored malt beverage" under the Nebraska Liquor Control Act
General Affairs	LB1130	Coash	Provide for entertainment district licenses under the Nebraska Liquor Control Act
Government, Military & Veterans Affairs	LB858	Avery	Change requirements and exceptions for certain state contracts for services
Government, Military & Veterans Affairs	LB971	Harms	Merge the Department of Labor into the Department of Economic Development
Health & Human Services	LB821	Health & Human Services	Create the Nebraska Children's Commission and require legislation to create the Department of Children's Services
Health & Human Services	LB961	Health & Human Services	Change provisions relating to case management of child welfare services
Judiciary	LB972	Ashford	Transfer the youth rehabilitation and treatment centers from the Office of Juvenile Services to the Department of Correctional Services
Judiciary	LB1145	McGill	Change and provide provisions and penalties relating to human trafficking and pandering
Performance Audit	LB949	Performance Audit	Require reports and a strategic plan by the Division of Children and Family Services of the Department of Health and Human Services
Performance Audit	LB1160	Health & Human Services	Require Department of Health and Human Services to develop an information system and provide for reports and an evaluation
Natural Resources	LB950	Christensen	Change crediting provisions relating to reimbursement of certain assistance to natural resources districts as prescribed
Natural Resources	LB1043	Langemeier	Eliminate provisions relating to contracts or agreements for discounted rates involving public power districts
Retirement	LB867	Karpisek	Change employer contribution provisions under certain county retirement plans
Retirement	LB916	Retirement	Change provisions relating to retirement
Revenue	LB727	Cornett	Change various tax provisions
Revenue	LB1097	Pirsch	Exempt purchases of nonprofit mental health centers from sales and use tax
Transportation & Telecommunications	LB751	Fischer	Update state motor carrier laws with federal law, change provisions relating to enforcement of such laws, and change provisions relating to ignition interlocks
Transportation & Telecommunications	LB715	Fischer	Change regulation of boundaries for telecommunications services
Urban Affairs	LB863	Coash	Include film production under the Local Option Municipal Economic Development Act
Urban Affairs	LB1001	McGill	Create the Building Code Advisory Committee and change and eliminate state agency building code compliance requirements

# LEGISLATIVE DISTRICTS

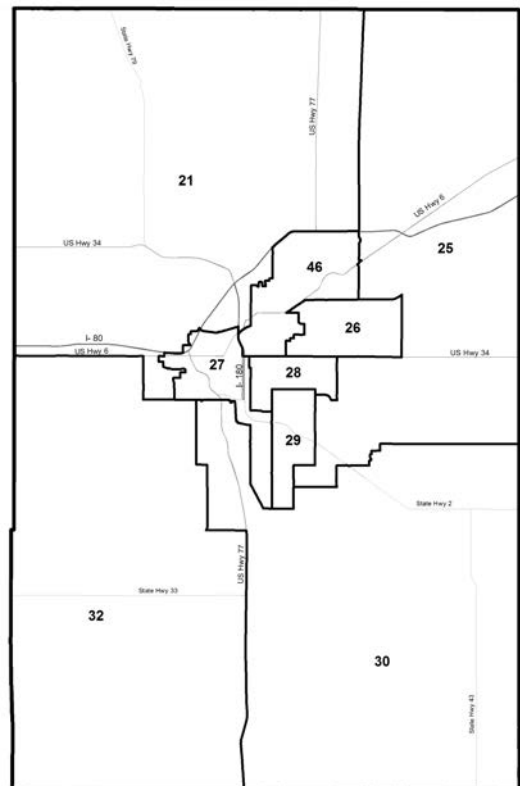
For larger versions of these and other district maps, visit the maps clearinghouse page on the Legislature's official website: [www.nebraskalegislature.gov/about/maps.php](http://www.nebraskalegislature.gov/about/maps.php)



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Clerk of the Legislature: Patrick J. O'Donnell

Editor: Heidi Uhing

Contributors: Nicole Behmer, Bess Ghormley,  
Kate Heltzel and Ami Johnson

Assistance provided by the Clerk of the Legislature's Office, the Legislative Technology Center, committee clerks, legal counsels, journal clerks, pages, transcribers, mail room and bill room staff and the State Print Shop.

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