

Budget vetoes overridden

Lawmakers voted April 1 to override the majority of the governor's line-item vetoes of the state budget package.

The four bills comprising the nearly \$8 billion mid-biennium budget adjustment package were passed last week and sent to Gov. Dave Heineman. The governor vetoed approximately \$65 million in general, federal and cash funds from three of the bills.

Heineman vetoed nearly 60 line items from 32 program sections of LB905, the mainline budget bill, including:

- \$11.7 million in Nebraska capital construction funds for the first year of the State Capitol heating, ventilation and air conditioning system renovation project;
- \$10 million in general funds to the Job Training Cash Fund;
- \$7.4 million in general funds to the state Supreme Court for a juvenile services project contingency program;
- \$7.4 million in cash reserve funds to the Nebraska Game and Parks Commission for state park deferred maintenance;
- \$2.6 million in general funds for developmental disability provider rate adjustments; and
- \$1.5 million in general funds for a state ward permanency pilot project.

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Nondiscrimination policy debate begins



Sen. Danielle Conrad said the majority of Nebraskans support providing equal rights regardless of sexual orientation or gender identity.

Debate began April 3 on a bill that would extend Nebraska's workplace nondiscrimination laws to include gay and transgender employees.

LB485, introduced by Lincoln Sen. Danielle Conrad, would prohibit employers, employment agencies and labor organizations from discriminating against an individual on the basis of sexual orientation. The bill would apply to employers with 15 or more employees, employers with state contracts, the state of Nebraska, governmental agencies and political subdivisions.

Current law prohibits discrimination based on race, color, religion, sex,

disability, marital status or national origin.

A pending Judiciary Committee amendment would add and define the terms "gender identity" and "sexual orientation" to the proposed bill. Gender identity would be defined as the actual or perceived appearance, expression, identity or behavior of an individual, whether or not that appearance, expression, identity or behavior is different from the individual's assigned sex at birth. Sexual orientation would be defined as actual or perceived homosexuality, heterosexuality or bisexuality.

The amendment also would broaden the religious exemptions in the bill

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Nondiscrimination policy debate begins

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to include religious organizations such as schools, colleges, universities or other educational institutions.

Conrad said she brought the bill to give lesbian, gay, bisexual and transgender citizens (LGBT) equal rights in the workplace. No one in Nebraska should be fired for who they are or who they love, she said.

"They [LGBT citizens] deserve the same rights we all presently enjoy in the workplace," Conrad said. "This legislation is not about special rights for anyone; it is about equal rights for everyone."

Omaha Sen. Brad Ashford spoke in support of the bill and pending committee amendment, calling it a necessary

step towards fighting intolerance and discrimination.

"This state is a great state, but we've got to show it," Ashford said. "We must vote for this bill and we must continue on the road ... towards a place where intolerance is wiped off the face of the Earth—at least in Nebraska."

Omaha Sen. Beau McCoy spoke in opposition to the bill, saying it is a threat to the religious freedom of small business owners in Nebraska.

"LB485 demands Nebraskans choose between two really, really difficult poison pills," he said. "Comply and desert your faith—or resist and lose your job or small business."

Papillion Sen. Jim Smith also opposed the bill, saying that employment-related lawsuits pose significant risks to small businesses. Statistics show, he said, that defense costs for employment-based claims average \$100,000 per case.

"I believe this bill is one

“ LB485 demands Nebraskans choose between two really, really difficult poison pills. Comply and desert your faith—or resist and lose your job or small business.”

-- Sen. Beau McCoy

additional burden to our employers and job creators in our state, particularly to small businesses," Smith said.

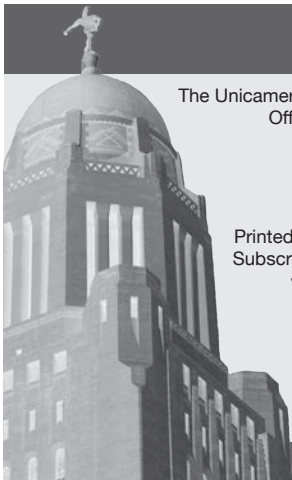
Omaha Sen. Jeremy Nordquist disagreed, saying the bill would benefit Nebraska's economy because people look for communities that are diverse, inclusive and welcoming. Workplace discrimination causes new graduates to leave the state, he said.

"If we don't remove barriers like this, we are going to struggle to keep a young, vibrant, educated, professional workforce to fill those jobs," Nordquist said.

The Legislature adjourned for the week before taking action on the 24 pending amendments. ■

“ We must vote for this bill and we must continue on the road ... towards a place where intolerance is wiped off the face of the Earth—at least in Nebraska.”

-- Sen. Brad Ashford



UNICAMERAL UPDATE

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Majority of budget vetoes overridden

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Among other vetoes were the following transfers authorized in LB906: \$12.5 million to a fund to replace a vehicle title and registration system and \$1.1 million of a \$21 million transfer to the Water Sustainability Fund.

Appropriations Committee chairperson Sen. Heath Mello of Omaha filed the motion to override and said the committee chose to attempt to overcome vetoes in all but nine sections of LB905. The budget package that the Legislature sent to the governor addressed a broad range of priorities, he said, including funding behavioral health programs and addressing deferred maintenance needs at state parks and the State Capitol building.

“The committee feels [the budget] represents important priorities of the committee and the Legislature as a whole,” Mello said.



Appropriations Committee chairperson Sen. Heath Mello said senators should stick by their budget proposal and reject the governor’s changes.

Omaha Sen. Beau McCoy offered an amendment to remove from the override motion funding for courtyard fountains for the State Capitol, saying the project could wait until Nebraskans have received meaningful property tax relief.

“However beautiful they may be to have in our courtyards, I think it’s a mistake to spend \$2.5 million out of our cash reserve for these fountains,” McCoy said.

Sen. John Nelson of Omaha opposed the amendment. He said striking a one-time appropriation from the cash reserve to fund the fountains would not help with property tax relief, adding that the fountain cost would equal approximately \$2.86 for every person who filed an individual tax return in the state.

“We can afford to do it at this time,” Nelson said.

The McCoy amendment failed on a vote of 10-25.

McCoy offered a second amendment that would have removed from the veto override motion \$11.7 million in funding for the first phase of upgrading the Capitol’s heating and cooling system. He said more study should be done before starting on the multi-year project.

“We’re talking about



Sen. John Nelson said now is the time to complete the Capitol’s original design with courtyard fountains.

embarking on at least ... a \$77 million project without waiting for a full analysis of the potential ramifications of this,” he said.

Mello opposed the amendment, saying the project has been extensively studied over several years and should begin as soon as possible given the risk of system failure in the historic building.

“There was more analysis done on this than arguably anything else that’s been done in the Capitol,” he said.

The amendment failed 8-33.

McCoy withdrew a third amendment that would have removed from the override motion the \$7.4 million in general funds for the Nebraska Supreme Court’s juvenile services project.

Mello’s designated motion to override the governor’s vetoes in LB905 was adopted on a 37-11 vote. Senators then voted 39-9 to override the vetoes of LB906 and LB130. ■

AGRICULTURE

Changes to livestock brand inspection procedures adopted

A bill that creates brand inspection service areas was passed by lawmakers March 31.

LB768, introduced by Ogallala Sen. Ken Schilz, revises the fee calculation for feedlots and dairies by basing the calculation on capacity only upon an initial application. The bill also uses annual average inventory for calculating the fee for subsequent renewals to reflect current practices.



Sen. Ken Schilz

The bill incorporates provisions of LB846, a bill originally introduced by Hyannis Sen. Al Davis. It creates a brand inspection service area to include any Nebraska county, or portion thereof, immediately adjacent to the mandatory brand inspection area.

The measure also requires that the amount of federal beef checkoff collected under the Federal Beef Promotion and Research Order be enumerated on a bill of sale.

Senators passed the bill on a 49-0 vote.

BANKING, COMMERCE & INSURANCE

Property appraiser changes approved

Lawmakers gave final approval April 3 to a bill that updates the Nebraska Real Property Appraiser Act.

LB717, introduced by Grand Is-

land Sen. Mike Gloor at the request of the Real Property Appraiser Board, brings Nebraska law into compliance with new federal real property appraiser qualification criteria that will become effective Jan. 1, 2015.



Sen. Mike Gloor

Updates in the bill primarily affect qualifications for each level of appraiser credential under the Appraiser Qualifications Board. The provisions also affect reciprocal credentialing and continuing education.

In addition, the bill:

- establishes a fee of no more than \$100 for a criminal history record check;
- establishes a random fingerprint-based national criminal history record check audit program; and
- specifies additional acts and omissions that are considered grounds for disciplinary action or denial of an application by the Real Property Appraiser Board.

LB717 passed 47-0.

Government bond lien bill advanced

Lawmakers gave first-round approval April 2 to a bill that would create a statutory lien and grant a security interest in bond-pledged revenue sources of an issuing governmental unit.

Under LB788, introduced by Columbus Sen. Paul Schumacher, a lien would be valid, binding and prior against all parties having claims against a governmental



Sen. Paul Schumacher

unit in a bankruptcy filing.

Schumacher offered and later withdrew an amendment that would have prohibited a city of the metropolitan or primary class from filing a petition for bankruptcy.

Schumacher said the bill would clarify that bondholders would have priority in the unlikely event of the insolvency of a public entity in the state. Bankruptcies in cities like Detroit have raised concerns about what would happen if a Nebraska city were unable meet its financial obligations, he said.

"We should tell the people [that] we sell bonds to exactly where they stand," Schumacher said. Grand Island Sen. Mike Gloor supported the bill, saying it would encourage continued investment by providing consistency across the state regarding who has priority in a bankruptcy situation. Those who loan money to public entities expect to see a return on their investment, he said.

"This is important to these small bankers because of the uncertainty that is out there," Gloor said.

Lexington Sen. John Wightman agreed, saying cities likely would face higher interest rates and encounter difficulty borrowing needed funds without LB788.

"We'll see some increase in bond rates very soon if this bill does not pass," he said.

Lincoln Sen. Bill Avery opposed the bill. He said investors know that municipal bonds carry some risk as an investment tool and will continue to issue them, adding that municipal bankruptcies are not a problem in Nebraska.

"Our bond ratings remain strong without this law," Avery said. "It is totally unnecessary and I don't think it serves the public interest."

The bill advanced to select file on a 25-16 vote.

BUSINESS & LABOR

Enterprise zones reactivated

Senators gave final approval April 3 to a bill that reactivates and modernizes an economic development program in Nebraska.

LB800, introduced by Omaha Sen. Heath Mello, reauthorizes and updates the Enterprise Zone Act.

Under the bill, the state Department of Economic Development will designate five areas as enterprise zones, with no more than one zone in a city of the metropolitan class and no more than one zone in a city of the primary class.

An enterprise zone will be required to meet two of the following criteria:

- the area's population had decreased by 10 percent;
- the average unemployment is at least 200 percent of the state average; or
- the average poverty rate exceeds 20 percent for the total federal census tract.

Projects located within a designated enterprise zone will be given preference for various business incentive and grant programs. Enterprise zone designations will last for 10 years and projects within the zones will receive preference for funding from the Job Training Cash Fund, Business Innovation Act and Affordable Housing Trust Fund.

LB800 passed on a 49-0 vote.

Minimum wage increase rejected

Lawmakers rejected a measure March 31 that would have increased Nebraska's minimum wage for certain

workers.

As introduced by Omaha Sen. Jeremy Nordquist, LB943 would have increased the minimum wage for all workers incrementally from \$7.25 per hour to \$9.00 by 2017.



Sen. Jeremy Nordquist

Nordquist said Nebraska ranks 13th in the nation for the highest percentage of workers earning the minimum wage in spite of the state's low unemployment rate. If the minimum wage were indexed for inflation, he said, it currently would be \$10.75.

"The purpose of this bill is to make sure hard work pays in Nebraska," he said.

Omaha Sen. Burke Harr supported the bill, saying it would impact families working to better their children's lives. He said one-third of minimum wage workers in Nebraska are raising a child and cannot make ends meet. As a result, he said, low-wage workers must rely on public assistance.

"If you want to get people off of reliance on government, raise the minimum wage," Harr said.

A Business and Labor Committee amendment would have added provisions of LB947, originally introduced by Omaha Sen. Steve Lathrop. The amendment would increase the tip earner minimum wage from \$2.13 to \$3.00 in 2014. In each year thereafter, the wage would increase the lesser of 95 cents or the amount necessary to equal 70 percent of the regular minimum wage.



Sen. Steve Lathrop

"Neither the federal nor state government has increased the tip earner minimum wage rate since 1991,"

Lathrop said.

The committee amendment failed on a 24-11 vote, one vote short of the number needed for adoption.

An amendment to the committee amendment, offered by Nordquist, would have exempted businesses with annual gross sales of less than \$500,000. Nordquist said the amendment would add to existing exemptions to the state minimum wage law and was offered as a concession to senators concerned about the impact on small businesses of raising the minimum wage. The amendment failed on a 21-16 vote.

Columbus Sen. Paul Schumacher then offered an amendment that would have exempted businesses with gross income in excess of \$10 million dollars and would have applied the minimum wage increase only to individuals at a qualifying business with at least 24 consecutive months of employment.

Schumacher said the amendment would result in the bill applying to very few businesses in Nebraska and was an attempt to see if lawmakers were genuinely interested in balancing the interests of small business with the needs of the working poor.

"We've got a job to try and reconcile those particular things," he said. "What we're doing here is to try and do a small modicum of justice."

The amendment failed on a 24-8 vote and the vote to advance LB943 to select file failed 20-20.

Firefighter and workers' comp measures advanced

Nebraska would join a multistate group committed to fight forest fires under a bill amended and advanced from general file March 31.

Introduced by Omaha Sen. Tanya Cook, LB961 initially was drafted to give workers injured due to willful negligence of their employers the

ability to seek damages outside of the Nebraska Workers' Compensation Act.

A Business and Labor Committee amendment, adopted 30-0, replaced the original bill with the provisions of three other bills.

LB820, introduced by Hyannis Sen. Al Davis, would authorize the governor to make Nebraska a member of the Great Plains Interstate Fire Compact. The compact currently includes South Dakota, North Dakota, Colorado and Wyoming and allows members to share in prevention, pre-suppression, management and control of fires.

LB895, introduced by Norfolk Sen. Jim Scheer, would ensure that the wage used to calculate workers' compensation indemnity benefits for volunteer fire or emergency service personnel is 1.5 times the maximum state average weekly wage or wages from his or her regular employer, whichever is higher. The bill would provide that volunteer firefighters would not lose their volunteer status if they are paid a nominal fee.

LB951, introduced by Omaha Sen. Scott Lautenbaugh, would clarify that a lump sum settlement that is not required to be submitted for approval by the state Workers' Compensation Court shall be final and conclusive unless procured by fraud. The measure also would require that amounts to be paid by an employer to an employee



Sen. Tanya Cook



Sen. Al Davis



Sen. Jim Scheer

pursuant to a release be paid within 30 days of filing the release with the court, with a 50 percent penalty to be added if not made within the 30-day period. Finally, the bill would require the court to enter an order dismissing the action with prejudice upon the employer making payment as required in a release.

Scheer said that current workers' compensation rates for volunteer firefighters are not fair and make it difficult for smaller rural communities to find qualified people to serve. The provisions of LB895 would make those firefighting jobs more attractive, he said.

After approving a technical amendment offered by Omaha Sen. Steve Lathrop on a 30-0 vote, senators advanced the bill 30-0.

EDUCATION

Priority school designation adopted

Senators passed a bill April 3 that provides special assistance to the state's three lowest performing schools.

Under LB438, introduced by York Sen. Greg Adams, an intervention team appointed by the State Board of Education will assist the school district and school staff in diagnosing issues and designing and implementing strategies to address them. A school will retain the priority designation until the State Board of Education determines it is no longer necessary.

The intervention team – in conjunction with school district staff – is required to develop a progress plan to include specific action by the school



Sen. Greg Adams

and district to remove the priority designation. Any priority school will be required to comply with the progress plan for the school district to maintain accreditation.

The State Board of Education annually will review progress plans and suggest any modifications. If a school is designated as a priority school for five consecutive years, the board is required to reevaluate the progress plan.

The bill also authorizes the state board to implement an alternative administrative structure if a school consistently fails to meet the guidelines set forth in its progress plan.

Senators passed the bill on a 48-0 vote.

EXECUTIVE BOARD

Redistricting commission proposal advanced

Redistricting in Nebraska would be the responsibility of an independent commission under a bill advanced from general file April 2.

Currently, the Legislature is responsible for drawing new governmental boundaries every 10 years after the decennial census for districts pertaining to the U.S. House of Representatives, the Legislature, Public Service Commission, University of Nebraska Board of Regents and the State Board of Education.

LB976, as introduced by Wilber Sen. Russ Karpisek, would create an Independent Redistricting Advisory Commission. Two commission members of different party affiliation would be chosen by each congressional legislative caucus and subject to approval by the full Legislature.



Sen. Russ Karpisek

The six-member commission would submit proposed redistricting maps to the Legislature for approval.

“The purpose of LB976 is to take the necessary first step to removing partisanship from the redistricting process,” Karpisek said.

He said he had worked with opponents since the bill first was discussed on general file March 20, adding that he continued to be willing to make adjustments. He offered an amendment, adopted 26-8, which made several changes to the commission membership and process.

Under the amendment, membership would be restricted to Nebraska citizens who are registered to vote and have not changed political party affiliation for at least two years. Registered lobbyists, public or political officeholders and their relatives would be prohibited from serving on the commission.

The amendment also removed a two-year prohibition on commission members participating in political campaigns or running for or holding an office within the commission’s redistricting authority.

“My goal here is to get to the end, to get to having the commission,” Karpisek said. “My fight is not how we get there.”

Gretna Sen. John Murante raised several technical concerns regarding the bill. He offered and later withdrew a motion to recommit LB976 to the Executive Board.

“This bill, in my view, contains technical deficiencies that I don’t know how we fix without rewriting it from top to bottom,” Murante said.

Sen. Heath Mello of Omaha supported the bill and Karpisek’s amendment, saying the opposition appeared to be politically rather than substantively motivated. An independent commission has worked well in

Iowa, he said, and would improve the redistricting process in Nebraska.

“I haven’t heard an argument against this bill besides: We just don’t like it,” Mello said.

Senators voted 25-12 to advance LB976 to select file.

GENERAL AFFAIRS

Alcohol, e-cigarette changes approved

Lawmakers passed a bill April 3 that makes various laws regarding the sale of liquor and e-cigarettes.

LB863, introduced by Wilber Sen. Russ Karpisek, removes a petition and voting procedure requirement in the Liquor Control Act for allowing the sale of hard liquor by the drink in Nebraska.

Included in the bill are provisions of LB861, also introduced by Karpisek, which adds vapor products to the list of tobacco-based items that are illegal to sell to minors younger than 18. In Nebraska, a vapor product is defined as any noncombustible tobacco-derived product containing nicotine that employs a mechanical heating element, battery or circuit.

Vapor product use by a minor will be a Class V misdemeanor. Selling a vapor product to a minor will be a Class III misdemeanor, which is the current penalty applied for selling other tobacco products to a minor.

The bill also prohibits the sale of vapor products through a self-service display. Tobacco and vapor product specialty businesses that do not permit minors on the premises unless accompanied by a parent or legal guardian are exempt from the restriction.

Also included in the bill are provisions from the following:

- LB888, originally introduced by Gretna Sen. John Murante,

which allows a local governing body to approve off-sale alcohol purchases until 2 a.m. by a two-thirds vote;

- LB1052, introduced by Karpisek, which allows any licensed retailer engaged in the sale of distilled spirits to issue tasting cards to customers; and
- LB855, originally introduced by Cortland Sen. Norm Wallman, which requires a cemetery association that takes control of a cemetery from a county to mow it at least once a year and to make a good faith effort to map the cemetery.

The bill passed on a 48-0 vote.

Replayed horse racing measure stalls

Senators declined to pass a measure April 3 intended to pave the way for wagering on replayed horse races in Nebraska. The proposal is a carry-over measure that was introduced and advanced from general file last session.

LR41CA, introduced by Omaha Sen. Scott Lautenbaugh, would place a proposed constitutional amendment on the November 2014 general election ballot regarding historic horse racing.



Sen. Scott Lautenbaugh

If approved by voters, the amendment would allow wagering on the results of live, replayed or delayed horse races at licensed racetracks where live racing occurs by a pari-mutuel method.

If voters approved the measure, proceeds from historic horse racing would be allocated as follows:

- 49 percent for elementary and secondary education;
- 49 percent to reduce property taxes; and

- 2 percent to the Compulsive Gamblers Assistance Fund.

Senators voted 28-19 on the measure, two votes short of the number needed to approve a proposed constitutional amendment. A Lautenbaugh motion to reconsider that vote is pending.

GOVERNMENT, MILITARY & VETERANS AFFAIRS

Same-day voting, registration changes advanced

People wanting to register to vote and cast an early ballot on the same day would face new requirements under a bill advanced from general file March 31.

LB565, as originally introduced by Omaha Sen. John Nelson, would have prohibited a person from registering to vote and casting an early ballot on the same day. Nelson said the bill would close a loophole in the state's early voting procedures.



Sen. John Nelson

"When a person registers to vote and then casts an early ballot ... the ballot goes into the box immediately," he said. "It cannot be removed, even if the election commissioner finds an error on the registration form. We need to close this loophole and [this bill] provides a necessary solution."

A Nelson amendment to a proposed committee amendment, adopted 32-1, removed most of the voter identification requirements for registrants wishing to cast an early ballot on the same day.

Under the amendment, an early ballot cast would be placed in an envelope with the voter's name and

address and kept securely for counting. It would not be counted if an acknowledgement of registration sent to the registrant is returned undeliverable within 10 days of mailing. If the acknowledgement is not returned after 10 days, the ballot would be counted.

The deadline for registering to vote and voting on the same day would be the same as the deadline for voter registration.

Columbus Sen. Paul Schumacher raised a concern about voters' privacy under the bill.

"When you do not vote in person at the polls, it is not secret. Anyone who is opening it can see it," he said. "Even if the election commissioners are perfectly well behaved when they open that envelope, there are no consequences to it not being secret."

Wilber Sen. Russ Karpisek introduced an amendment that would incorporate provisions of his LB188. Under the amendment, the gubernatorial appointments of election commissioners in Douglas, Sarpy and Lancaster counties would require legislative confirmation.



Sen. Russ Karpisek

Karpisek said there is no reason for the governor to appoint county officials.

"Ninety other counties either elect a commissioner or [the commissioner is] appointed by the county board," he said. "If they are going to be appointed by the governor, then this body should be able to approve or deny them."

The amendment failed on a 21-18 vote.

The amended committee amendment was adopted 32-0 and senators advanced the bill to select file on a 26-5 vote.

Sesquicentennial commission created

Senators gave final approval March 31 to a bill that establishes a planning commission for the 150th anniversary of Nebraska statehood.

Under LB744, introduced by Lincoln Sen. Bill Avery, the governor will appoint 17 members to the Nebraska Sesquicentennial Commission. The commission will work with state agencies, boards and commissions to develop programs to celebrate the state's anniversary in 2017.



Sen. Bill Avery

No more than eight members may be affiliated with the same political party and all regions and major interests in the state will be represented. The commission will be housed within the Nebraska State Historical Society for administrative and budgetary purposes and will terminate June 30, 2018.

LB744 passed on a vote of 44-3 and takes effect immediately.

Change to state service relocation process stalls

A bill that would require legislative approval for the relocation of state services or agencies costing more than \$15 million failed to advance from general file March 31.

Under LB935, introduced by Grand Island Sen. Mike Gloor, the Legislature would have the authority to approve or deny a major relocation from one community to another. Gloor said he was seeking to fix what he sees as a flawed



Sen. Mike Gloor

process that was used in the decision to relocate the Grand Island Veterans'

Home to Kearney.

“There needs to be a greater degree of transparency and openness when we move state services around the state,” he said. “[The current process] leaves a hole in the economy of one community while bolstering the economy of another.”

A request for relocation would be submitted to the Legislature’s Executive Board and must include:

- a description of the proposed relocation;
- justification for the relocation;
- a review of the long-term costs;
- measurable goals for improving the quality of the service;
- an assessment of the feasibility of alternatives within the state agency to moving the service;
- any known or foreseeable legal, environmental or other issues related to the proposed move; and
- a description of economic development efforts to use any facility abandoned by the move.

The approval process would not apply to the University of Nebraska, the Nebraska state colleges, the courts, the Legislature or any officer or state agency established by the state constitution.

Fullerton Sen. Annette Dubas supported the bill, saying the current process creates an adversarial approach to moving state services.

“Our communities regularly compete against each other when recruiting new businesses. If they don’t attract them, they didn’t lose because they never had it,” she said. “In [the move of the Grand Island Veterans’ Home], a community lost. [The current process] undermines the ability of people to come together and work cooperatively within a region.”

A Government, Military and Veterans Affairs Committee amendment,

adopted 30-3, removed a provision in the original bill that would have applied retroactively to any move initiated after Jan. 1, 2013.

Hoskins Sen. Dave Bloomfield filed a motion to bracket the bill until April 17, 2014. He said there is too much emotion in the current debate to make an objective decision.

“If we want to discuss this, let’s come back and do it next year when the emotion is removed,” he said. “There is a system in place that works. We don’t want to do anything to jeopardize a new home for our veterans.”

The bracket motion failed on an 18-12 vote.

LB935 failed to advance on a 13-17 vote.

Changes to election provisions adopted

Senators passed a bill April 3 that makes several changes to the state’s current election statute.

LB1048, introduced by Gretna Sen. John Murante, requires political parties to file a copy of the party’s plan for selecting national convention delegates with the secretary of state by Dec. 1 of the year prior to a presidential election.



Sen. John Murante

Under the bill, the delegate selection plan requires that at least 80 percent of the delegates commit to choosing a presidential candidate based on the results of the caucus or primary election.

It also requires that the delegates are awarded to the winner of the caucus or primary election, or awarded proportionally based on the number of votes received by each candidate receiving at least 15 percent of the votes.

The delegate selection plan will

specify whether delegates are committed to a presidential candidate based on the results of a combination of a caucus system and a statewide primary election.

The secretary of state will deliver a copy of the official election calendar to the state party headquarters of each party within 10 days of publication of the calendar.

Senators passed the bill on a 49-0 vote.



Aging task force established

A bill that creates a statewide task force on aging and seeks federal grant funds was given final approval March 31.

Under LB690, introduced by Lincoln Sen. Kate Bolz, creates the Aging Nebraskans Task Force to facilitate implementation of the statewide strategic plan for addressing the needs of Nebraska’s aging population.



Sen. Kate Bolz

The task force will include stakeholders as well as representatives of the three branches of state government and will report its recommendations to the Legislature by Dec. 15, 2014. The task force will terminate June 30, 2016, unless extended by the Legislature.

The bill also requires the state Department of Health and Human Services by Sept. 1, 2014, to apply for a federal grant to fund the development of a comprehensive and coordinated system of home and community based long-term care services.

LB690 passed on a 32-11 vote.

JUDICIARY



Emergency act changes advanced

A bill to limit the governor’s authority during a state of emergency advanced from general file April 1.

LB390, introduced by Imperial Sen. Mark Christensen, would amend the Emergency Management Act by removing the governor’s power to limit or suspend the sale, dispensing or transportation of firearms.



Sen. Mark Christensen

As introduced, the bill would have prohibited the state or anyone acting on behalf of the state or a political subdivision from:

- prohibiting or restricting the lawful possession, use, transfer or transportation of a firearm or ammunition;
- seizing or confiscating a lawfully possessed firearm or ammunition unless the firearm is seized to defend oneself or another, during the arrest of a person or as evidence in a crime; and
- requiring that firearms be registered during an emergency unless registration was required before the emergency declaration.

A Judiciary Committee amendment, adopted 30-0, narrowed the scope of the bill and would remove only the governor’s authority to suspend or limit the sale, dispensing or transportation of firearms during a state of emergency.

Christensen said that in the unlikely event of an emergency in which law enforcement could not adequately

protect people, Nebraska citizens should be able to access firearms.

“During a declared state of emergency it is more likely—not less likely—that a law-abiding Nebraska resident may need to use a firearm to protect themselves, their family or property from potential mobs, looting and other types of violent civil unrest,” Christensen said.

An amendment to the committee amendment by Hastings Sen. Les Seiler was adopted 37-0. It added provisions of his LB694, which would allow firearms on school campuses for use in historical reenactments, hunter education programs or as part of an honor guard.



Sen. Les Seiler

Senators also approved an amendment brought by Hyannis Sen. Al Davis on a 36-0 vote. It added provisions of his LB772, which would allow the adjutant general to spend up to \$25,000 per event on aerial fire suppression or hazardous material response without a state of emergency proclamation issued by the governor.



Sen. Al Davis

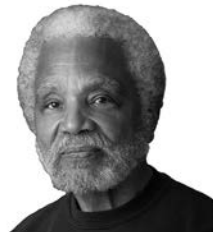
Senators advanced the amended bill on a 39-0 vote.

Penalty increased for animal neglect

Senators passed a bill April 3 increasing the penalty for individuals convicted of neglecting animals.

LB674, introduced by Omaha Sen. Ernie Chambers, enables judges to impose the same animal ownership restrictions for cruel neglect of animals as can be imposed for the cruel mistreatment of animals.

Currently, cruel mistreatment of an animal is a Class I misdemeanor, punishable by up to one year imprisonment, a \$1,000 fine or both. The court has the option to order that a person not own, possess or reside with an animal for up to five years.



Sen. Ernie Chambers

Under the bill, cruel neglect of an animal also is a Class I misdemeanor, with the offender subject to the same animal ownership restrictions.

Senators passed the bill on a 48-0 vote.

Guardianship, adoption clarifications passed

Senators passed a bill April 3 that changes several statutes relating to children.

LB908, introduced by Lincoln Sen. Colby Coash, primarily:



Sen. Colby Coash

- permits juvenile courts to appoint guardians for abused or abandoned children;
- defines “abandonment” as a parent’s act of intentionally withholding from a child without just cause or excuse: presence, care, love, protection, maintenance and the opportunity to display affection;
- clarifies that guardianships and guardianship funding assistance can be extended when a child reaches 19 years old;
- allows a biological father to file an objection to an adoption and seek custody of a child at any time during a pregnancy and up to five days after receiving noti-

- enables young adults to request guardianship past age 19 and requires that guardianship assistance funding be used specifically for their benefit.

Senators passed the bill on a 49-0 vote.

Ignition interlock, upskirting, human trafficking changes passed

Senators passed a bill April 3 that reduces penalties for violating ignition interlock device restrictions. It was amended to also address human trafficking, “upskirting” and funerals.

Introduced by Wilber Sen. Russ Karpisek, LB998 lowers the penalty for using a vehicle not equipped with an ignition interlock device for individuals restricted to driving only vehicles with the device. Ignition interlock devices prevent a vehicle from starting if the driver has a blood-alcohol level of .03 or higher. The bill reduces the penalty from a Class IV felony to a Class I misdemeanor.



Sen. Russ Karpisek

The bill also includes provisions of LB1034, which prohibit a person from knowingly photographing, filming, recording or broadcasting images of another person’s intimate areas without that person’s consent, regardless of whether the person is in a public or private place.

Currently, Nebraska statute prohibits photography only in places where people have a reasonable expectation of privacy, such as restrooms and locker rooms.

An initial violation of the law is a Class I misdemeanor punishable by a \$1,000 fine and up to one year of incarceration. A subsequent violation

is a Class IV felony, punishable by a \$10,000 fine and up to five years of incarceration. Sharing images or video made in violation of the law is a Class III felony, punishable by up to 50 years imprisonment.

Additionally, if an offender is at least 19 years old and the victim is younger than 18, the offender is required to register as a sex offender.

The measure also includes provisions of LB933, which update statute that prohibits human trafficking. Prohibited actions include debt bondage, threats of deportation, controlling or threatening to control access to controlled substances and exploitation of disabilities.

Finally, the bill incorporates provisions of LB441, which update the Nebraska Probate Code by clarifying who may be authorized to organize a funeral.

Senators passed the bill on a 49-0 vote.



Veto of mountain lion hunting repeal sustained

Senators declined to override a gubernatorial veto April 2 of a bill that would have prohibited the hunting of mountain lions.

Senators originally passed LB671, introduced by Omaha Sen. Ernie Chambers, March 24 on a 28-13 vote. The bill would have repealed the law passed in 2012 that authorized the state Game and Parks Commission to hold a mountain lion hunting season.

Chambers said harming a predator at the top of the food chain like the mountain lion can disrupt an entire ecosystem.

“[The Game and Parks Commission] is not managing these animals,” he said.

“Allowing a year-long hunting season outside of [the Pine Ridge Reservation] is exterminating these animals.”

In his March 28 veto letter, Gov. Dave Heineman said prohibiting wildlife management under LB671 could be deemed unconstitutional.

Heineman said the bill could be challenged as infringing upon Article XV, Section 25 of the Nebraska Constitution, which establishes that “hunting, fishing and harvesting of wildlife shall be a preferred means of managing and controlling wildlife.”

Lincoln Sen. Bill Avery supported the override motion, saying that the mountain lion population is just beginning to recover from near extinction.

“Hunting of such a small population is rejected by nearly all the scientists who study wildlife and big game,” he said. “We’re not talking about management here. If it were about management, we would not be killing animals of such a small number.”

Bellevue Sen. Tommy Garrett opposed the motion. He said Nebraska Game and Parks should be allowed to carry out their prescribed duties.

“We have a game and parks commission for a reason,” he said. “They’re the experts and we should let them do their jobs. If they’re not doing their job, we can hold them accountable.”

Senators voted 24-21 on the motion to override, six votes short of the number required.

Chambers filed a motion to reconsider the vote, adopted 30-17, but the bill failed to advance on a 28-21 vote April 3.

Public power policy development bill bracketed

Senators gave unanimous consent April 1 to bracket a bill that would require the Nebraska Power Review Board to broaden its public purpose evaluation.

Under LB965, introduced by Malcolm Sen. Ken Haar, the review board would be required to consider additional costs and benefits to consumers in addition to cost, feasibility, convenience and necessity. Haar said Nebraska's electricity rates are on the rise while national rates are decreasing.



Sen. Ken Haar

"[This bill] changes the intent of public power to include prudent consideration of all costs and benefits ... for the common good of all Nebraskans," he said. "It's our obligation to have oversight on this. It will allow us to look at all the costs and benefits, including economic benefits and jobs for the entire state."

A Natural Resources Committee amendment would remove language that would have required the board to consider health and environmental factors such as the impact of climate change when reviewing applications.

Haar offered an amendment to the committee amendment, which would have removed references to the Nebraska Power Review Board from the bill, while retaining the intent language.

Papillion Sen. Jim Smith opposed the bill, calling it a mandate that would hurt working families.

"Of the 8,000 megawatts generated in the state, 30 percent is already carbon-free," he said. "If we go down this path, it's going to force faster implementation of renewables at a cost to Nebraskans."

The amendment failed to be adopted on a 20-19 vote.

Haar filed a motion to reconsider the vote on his amendment, but ultimately requested that the bill be bracketed until April 17.

Senators obliged with no objection, ending debate on LB965 for the session.

Nebraska Natural Resources Commission restructuring advances

Senators gave first-round approval to a bill April 2 that would restructure the Nebraska Natural Resources Commission to create a greater emphasis on water sustainability.

LB1098, as originally introduced by Holdrege Sen. Tom Carlson, would have increased the commission's membership from 16 to 27 by adding 11 governor-appointed members. Currently, three members are appointed by the governor and 13 are elected to represent river basins across the state.



Sen. Tom Carlson

Carlson said the Legislature must work to protect the state's water resources.

"We have the most plentiful source of fresh water in the United States," he said. "We must become water-sustainable in Nebraska to protect our people and protect our future as a state."

A Natural Resources Committee amendment, adopted 31-1, replaced the bill. The amended bill would add 14 members to the commission, appointed by the governor, each representing the following interests:

- agribusiness;
- agriculture;
- ground water irrigators;
- irrigation districts;
- manufacturing;
- metropolitan utilities districts;
- municipal water users;
- outdoor recreation users;
- public power districts;
- irrigation districts;
- range livestock owners;
- surface water irrigators; and
- wildlife conservation.

The amendment also would require that the Water Sustainability Fund be used to contribute to multiple water supply management goals, fund municipal sewer infrastructure projects, increase water productivity, enhance water quality and comply with interstate compacts or other agreements.

Funds would be distributed equitably throughout the state with no more than 10 percent dedicated annually to sewer infrastructure projects.

Under an amendment introduced by Omaha Sen. Steve Lathrop, basins including three or more natural resources districts operating under an integrated management plan would be required to develop a basin-wide plan for any areas with hydrologically connected water supplies.

Lathrop said local control is important, but that it is important for the Legislature to continually examine water policy.

"It's difficult to establish statewide policy, given the differences between the basins," he said. "We have a duty to oversee the policy as it relates to water just as we do education and roads."

After extended debate, Carlson and Lathrop agreed that the bill required more work that could be done before the next round of debate. The amendment to the committee amendment was withdrawn, along with several amendments from other senators.

Senators advanced the bill to select file on a 34-0 vote.



Omnibus retirement bill approved

Senators gave final approval April 3 to the Nebraska Retirement Systems

Committee omnibus bill.

Under LB759, introduced by Omaha Sen. Heath Mello, any political subdivision that offers a defined benefit retirement plan is required to file a report with the committee if plan contributions do not equal the actuarial requirement for funding or the funded ratio of the plan is less than 80 percent.



Sen. Heath Mello

The report will include an analysis of the conditions and recommendations for corrective actions.

The bill includes provisions of four additional bills.

LB713, introduced by Grand Island Sen. Mike Gloor, increases from \$1 million to \$6 million the maximum amount of time deposit open accounts made available to banks, capital stock financial institutions and qualifying mutual financial institutions willing to meet the rate and other requirements of the Nebraska Capital Expansion Act.



Sen. Mike Gloor

LB918, introduced by Omaha Sen. Jeremy Nordquist, removes a limitation on investment options for participants in the county and state employees defined contribution plans.

LB929, also introduced by Gloor, amends the city of the first class police and firefighter retirement acts to define the term sex-neutral basis.

LB977, introduced by Lincoln Sen. Danielle Conrad, adds a city of the primary class and public power districts to the list of exempt entities that can offer in-



Sen. Danielle Conrad

vestment in a fund as long as it is a prudent investment. Currently, only a city of the metropolitan class, a metropolitan utilities district and a county in which a city of the metropolitan class is located are exempt.

The bill passed 47-0.

Changes to school retirement plans advanced

Lawmakers advanced a bill March 31 that would make changes to the state's school retirement plans.

LB1042, introduced by Omaha Sen. Jeremy Nordquist, would change the cost for repurchase of relinquished creditable service



Sen. Jeremy Nordquist

in the School Employees Retirement Plan.

Nordquist said the Nebraska Public Employees Retirement System has calculated that the cost currently assessed is not adequately covering the cost of restoring the service credit. Service credits are relinquished when a member terminates employment and withdraws all accumulated contributions, he said. If the person again becomes a school employee, he or she has the option to buy back the relinquished service credits.

A Nebraska Retirement Systems Committee amendment, adopted 29-0, would provide an effective date for the cost changes to repurchase relinquished service credits. Current members who rejoined the school system prior to the effective date of the bill and file an application for repurchase of creditable service prior to July 1, 2016, would be charged the current lower cost for service credits.

All other members who rejoin the system after the effective date of the bill, and members who already have

rejoined the system but choose not to file an application prior to July 1, 2016, would be charged the actuarial cost to the retirement system to repurchase relinquished creditable service.

Nordquist offered an amendment to the committee amendment, adopted 26-0, which would require returning employees to complete repurchase of credits within five years. A member would pay to the retirement system an amount equal to the previously withdrawn contributions for the credible service to be restored, plus an amount equal to the actuarial assumed rate of return on such amount to the date of repayment—currently 8 percent.

The plan is damaged when returning employees wait until they are near retirement to repurchase their credits, Nordquist said, and his amendment would encourage them to do so sooner.

“We think that’s a fair way of doing it for people who decide to cash out and come back to the system,” he said.

Omaha Sen. Rick Kolowski supported the amendment, saying it is an equitable way to address a difficult situation.

“[I] think it’s a very fair and a very balanced approach,” he said.

The committee amendment also incorporated provisions of LB1041, introduced by Nordquist, which would change the length of service required for new employees of the School Employees Retirement Plan and the Class V (Omaha) School Employees Retirement Plan to be eligible to purchase additional service credit.

Beginning July 1, 2014, new employees of the two plans would not be eligible to purchase service credit – also known as “air time” – until they have acquired 10 years of creditable service. Employees hired before the deadline still would be eligible to purchase air time after acquiring five

years of creditable service.

Nordquist said the change is necessary because the school retirement plans receive significant general fund dollars from the state.

The bill also would make several technical changes to the Class V plan, including:

- inserting references to the Internal Revenue Code regarding the duties and responsibilities of the trustees who administer the plan;
- clarifying that school board or board of trustees members will not be personally liable for their actions related to retirement system duties except in cases of willful dishonesty, gross negligence or intentional violations of the law; and
- requiring annual presentation of a Class V school board's most recent actuarial valuation report to the committee at a public hearing, beginning March 1, 2015.

LB1042 advanced to select file on a 28-0 vote.

REVENUE

Adopted tax code adjustments include land donations, natural gas

Senators passed a bill March 31 that makes several technical changes to the state tax code regarding auto museums, sports arenas, bullion and postage.

Currently, only a municipal employee is authorized to access sales and use tax information of permit holders within city limits. LB867, introduced by Kearney Sen. Galen Hadley, broadens the law to include

any person certified by the municipality seeking the information. Confidentiality provisions already in statute still bind the certified person, who could include a financial or accounting contractor.

LB867 incorporates the provisions of several additional bills, including:

- LB159, originally introduced by Columbus Sen. Paul Schumacher, which exempts the sale, lease or rental of currency or bullion from sales and use taxes;
- LB783, originally introduced by Omaha Sen. Steve Lathrop, which changes the annual determination and certification of sales tax revenue under the Sports Arena Financing Act to a quarterly determination and certification;
- LB809, originally introduced by Lincoln Sen. Colby Coash, which exempts purchases made by historic automobile museums from sales and use taxes;
- LB829, also introduced by Schumacher, which exempts separately stated postage charges from sales and use taxes; and
- LB1043, originally introduced by Omaha Sen. John Nelson, which exempts from the documentary stamp tax charitable donations of land to nonprofits.

Provisions of LB150, originally introduced by Omaha Sen. Jeremy Nordquist, also are incorporated into the bill. Currently, the Metropolitan Utilities District (MUD) remits the equivalent of



Sen. Galen Hadley

2 percent of the annual gross revenue derived from all retail sales of water and gas sold by MUD to Omaha. The provision exempts from the calculation the retail sale of natural gas used as vehicular fuel and the energy used in the compression of natural gas for sale as vehicular fuel.

Senators passed the bill on a 49-0 vote.

Nebraska Advantage Act extensions approved

A bill that extends sunset dates for the Nebraska Advantage Act was passed by the Legislature April 3.

LB1067, introduced by Kearney Sen. Galen Hadley, extends the current application deadline for Tier 1 and Tier 3 projects under the Nebraska Advantage Act from Dec. 31, 2015 to Dec. 31, 2017. The deadline for Tier 6 projects under the act is extended from Jan. 1, 2016 to Jan. 1, 2018.

The bill also changes the year in which a business may first claim a tax credit under the Nebraska Advantage Research and Development Act from tax years beginning Dec. 31, 2015, to tax years beginning Dec. 31, 2017.

The state Department of Revenue's deadline to approve applications under the Nebraska Advantage Microenterprise Tax Credit Act is extended from Dec. 31, 2015 to Dec. 31, 2017.

Cities of the first, second and village classes will have one year before being required to remit sales tax revenue to the state for any exemptions claimed under the Nebraska Advantage Act and can remit them over the course of one year.

The state Department of Revenue will inform cities of pending sales tax debts only if the debt exceeds \$1,500.

Senators passed the bill on a 49-0 vote.



Sen. Jeremy Nordquist

Full homestead exemption for disabled veterans, spouses approved

Senators passed a bill March 31 that extends a homestead exemption to disabled veterans.

LB1087, introduced by Omaha Sen. Pete Pirsch, provides a 100 percent property tax exemption for a veteran with an honorable or general discharge who is drawing compensation for a 100 percent disability but is not eligible for the existing total homestead exemption.

The bill also provides a 100 percent exemption to the single widow or widower of any honorably or generally discharged veteran who died because of a service-related disability. The single widow or widower of a veteran killed while on active duty also is eligible for the exemption.

The bill decreases General Fund revenue by an estimated \$406,000 in fiscal year 2015-16 and \$416,000 in FY2016-17.

Senators passed the bill on a 48-0 vote. The exemption takes effect Jan. 1, 2015.



Sen. Pete Pirsch

TRANSPORTATION & TELECOMMUNICATIONS

Military Honor license plates advanced

Current and former military personnel could purchase specialty license plates under a bill advanced from general file April 2.

As introduced by Fremont Sen. Charlie Janssen, LB383 would have created the Armed Forces Pride license plate. To be eligible, applicants would furnish proof of active duty service, reservist status, veteran status or be a surviving spouse of a veteran.

The fee for alphanumeric plates would be \$5, which could be waived on one set of plates and would be credited to the Veteran Cemetery System Operation Fund. Personalized plates would cost \$45, with 75 percent credited to the cemetery fund and 25 percent credited to the state Department of Motor Vehicles Cash Fund.



Sen. Charlie Janssen

Lost, stolen or mutilated plates would be replaced upon request without charge and would be transferable.

A Transportation and Communications Committee amendment, adopted 41-0, changed the name to Military Honor license plates and reduced the price of the personalized plates to \$40. Individuals receiving Prisoner of War and Purple Heart plates would be exempted from the \$5 fee. Current and former service members receiving the special plates would be required to register with the state Department of Veteran Affairs.

An amendment to the committee amendment, brought by Janssen and adopted 38-0, changed the operative date to January 2016 and clarified that fees for the special plates would be in addition to standard motor vehicle registrations fees.

Janssen said he brought the bill to recognize Nebraska's 15,000 current and nearly 150,000 former members of the military for their service.

After approving a technical amendment offered by Fullerton Sen. Annette Dubas on a 39-0 vote, senators advanced the bill to select file 41-0. ■

LIVE VIDEO STREAMING OF THE UNICAMERAL

Nebraska Educational Telecommunications (NET) provides live video coverage of hearings and floor debate on the Legislature's website.

To watch, click on the "Live Video Streaming" link on www.NebraskaLegislature.gov. Then click on the room you would like to observe.

The screenshot shows the Nebraska Legislative website interface. At the top right, there are search boxes for "Search Current Bills" (with a dropdown for "LB"), "Search Past Legislation", and "Search Laws" (with a "Keywords" input field). Below these are links for "Browse Statutes by Chapter" and "Legislative Calendar" (showing "Friday, January 10, 2014"). On the left side, there is a navigation menu with links such as "Legislature, 2nd Session - Day 3*", "Agenda", "Adjournment", "Live Information", "Tax Modernization Committee report", "Session Calendar", "Senator List", "Recent Legislation", "Agendas", "Biennial Budget Report", "Classified Subject and Section Index", "Carryover Bills and Resolutions", "Study Listing", "Bill Listing", and "Fund Financial Status". A red circle highlights the "Live Video Streaming" link in the navigation menu, with an arrow pointing to it from the right.

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A nesting pair of Peregrine falcons make their home on the tower of the State Capitol. The female began laying eggs in April. A live videostream of the nesting box is available on the Nebraska Game and Parks' website: outdoornebraska.gov/wildlife/webcam/peregrine. Above image courtesy of the Nebraska Game and Parks Commission.