

Call spoofing bill advanced



Sens. Steve Halloran and Megan Hunt discuss her amendment to protect local companies acting in good faith.

A bill that would authorize investigations of telemarketers who knowingly manipulate caller ID information was advanced from general file April 16.

LB693, sponsored by Hastings Sen. Steve Halloran, is intended to target companies that use caller ID to make

it appear as though phone calls are from a trusted number—a process known as “spoofing.”

The telemarketing industry generated over \$23 billion in 2018 alone, Halloran said.

“As a citizen and businessman, I clearly recognize that this is an important industry to the economy,” he said. “I don’t intend to harm the industry, but rather help [them] and protect the good people of Nebraska.”

As introduced, LB693 would prohibit any person from selling or renting a phone number to an out-of-state entity unless the telephone number is publicly listed and could be verified by a telecommunications provider.

The bill would prohibit any person working in connection with a telecommunications service or internet-enabled voice service from causing a caller ID

service to knowingly provide misleading or inaccurate information with the intent to defraud, harm or wrongfully obtain anything of value.

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Program to license and regulate hemp industry advanced

Lawmakers gave first-round approval April 15 to a bill that would authorize and regulate the growing, processing and handling of hemp and hemp products in Nebraska.

Congress legalized the cultivation and sale of hemp with the 2018 Farm Bill by removing it from the federal Controlled Substances Act. States that wish to regulate hemp production first must submit a plan to the U.S. Department of Agriculture for approval.

Omaha Sen. Justin Wayne, sponsor

of LB657, said the bill would fulfill those requirements and give Nebraska farmers and manufacturers a foothold in what he said is projected to be a \$10 billion industry by 2025. Hemp, which Wayne stressed is not the same as marijuana, can be used to make fabrics, yarn, rope, paper, drywall, industrial oils and other products, he said.

“[Hemp production] is coming one



Sen. Justin Wayne

way or another,” Wayne said. “We can either be left behind or we can lead.”

An Agriculture Committee amendment, adopted 37-4, would replace the bill. It would require the state Department of Agriculture to establish, operate and administer a program to license and regulate those who cultivate, process, handle or broker hemp, defined as cannabis with no more than 0.3 percent delta-9 tetrahydrocannabinol (THC), the plant’s main

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Call spoofing bill advanced

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The provisions of LB693 would not apply to authorized law enforcement activity or a court order that authorizes caller ID manipulation. The Nebraska Public Service Commission would be authorized to impose administrative penalties on violators, not to exceed \$2,000.

Halloran introduced an amendment, adopted 42-0, which would authorize the state attorney general to investigate violations of the bill under the Consumer Protection Act. These violations would not give cause for private civil action.

Sen. Mike Hilgers of Lincoln supported the bill, but expressed concern that it could harm legitimate telemarketing businesses. He suggested that the Legislature take a "national perspective" when addressing telecommunications issues.

"We want to avoid a conflicting patchwork of laws [across the country] and potential conflicts with regulations at the federal level," Hilgers said. "This bill could become a model for other states, so we want to get it right."

Opposing the bill was Omaha Sen. Ernie Chambers, who said it would do nothing to stop telemarketing calls.

"You're shooting at a moving target and that target will move faster than you can load your gun and fire at it," he said.

Omaha Sen. Megan Hunt introduced an amendment that would exempt local telecommunications companies from the bill's provisions as long as they are acting in accordance with federal law. The amendment would hold harmless local companies, she said, and make sure they are not penalized for the actions of bad actors.

Hilgers opposed the Hunt amendment, saying that it could prevent the attorney general from properly investigating violations. He said he would work on drafting an amendment with the attorney general's office before select file debate.

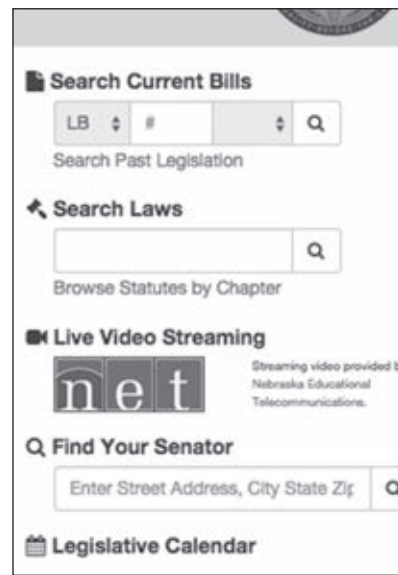
Following the 29-11 adoption of the Hunt amendment, senators advanced LB693 to select file on a 40-1 vote. ■

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Clerk of the Legislature: Patrick J. O'Donnell
Editor: Kate Heltzel; Writers: Kyle Harpster, Ami Johnson, Mike Malloy; Photographer: Bess Ghormley

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Program to license and regulate hemp industry advanced

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psychoactive compound.

Among other requirements, license holders would have to be at least 18; not have had a cultivator, processor-handler or broker license revoked in the five years preceding the application; and not have been convicted of a felony related to a controlled substance within the preceding 10 years.

License holders would consent to background checks; entry onto and inspection of all sites where hemp would be cultivated or processed; testing of hemp samples; destruction of hemp found to have THC concentration greater than that allowed by the act; and annual inspections by the department to verify that hemp is being grown in accordance with the law.

The bill would require the department's director to submit a state regulatory plan to the U.S. Secretary of Agriculture no later than Dec. 31, 2019.

The plan would describe practices to maintain information regarding land where hemp is cultivated, handled or processed; procedures governing the sampling and testing of hemp; procedures for destroying hemp plants or products that violate the act; procedures for implementing the act's enforcement provisions; and a procedure for conducting annual inspections of a random sample of hemp cultivators.

Prior to the state plan's approval, a person with a valid licensing agreement with the state Department of Agriculture could cultivate, handle or process hemp as part of the department's agricultural pilot program, which federal law authorized in 2014.

Finally, the bill would create a commission that periodically would report to the governor and the Legislature on policies and practices that would

result in the legal growth, management, marketing and use of the state's hemp industry. A fee on hemp seed and hemp fiber sold or delivered in Nebraska would fund the commission.

Sen. Tom Brandt of Plymouth supported LB657, saying hemp is a drought-resistant cash crop that fits into farmers' existing crop rotation. He said Kansas, Iowa, Missouri and Wyoming have legalized the growth and sale of hemp.

"We are lagging behind our neighboring states who are our competitors in this emerging market," Brandt said.

Peru Sen. Julie Slama also supported the bill, saying it would give farmers an alternative crop.

"Our Nebraska farmers will not live or die on the passage of this bill, but it provides them another option to diversify their crops," she said. "All you have to do is look at commodity prices for corn and soybeans right now to understand why that's important."

Sen. Dave Murman of Glenvil also supported the bill, saying it would help manufacturers that build special ma-

chinery needed to harvest hemp plants.

"I don't think it's going to be a panacea," he said, "but we have a chance to get in, probably not on the bottom floor, but at least near the bottom floor."

Kearney Sen. John Lowe opposed the bill. He said South Dakota Gov. Kristi Noem vetoed similar legislation last month on the grounds that it would have complicated law enforcement searches and provided a defense for those breaking the state's drug laws.

Lowe said he feared that authorizing the production and sale of hemp would put Nebraska on a path toward legalizing marijuana.

"We're opening a cavern, a cavern that we will not be able to crawl out of once this is passed," he said.

Sen. Steve Erdman of Bayard also opposed the bill. He, too, cited Noem's veto message, which claimed that legislation authorizing hemp production is part of a larger effort to legalize marijuana for recreational use.

Senators voted 37-4 to advance LB657 to select file. ■

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April 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	01	02 Day 51 106th Leg. 1st Session	03 Day 52 106th Leg. 1st Session 1 Hearing	04 Day 53 106th Leg. 1st Session	05 Day 54 106th Leg. 1st Session	06
07	08 Day 55	09 Day 56	10 Day 57	11 Day 58	12	13

MEET THE SENATOR

New senator brings experience to the Legislature

Andrew La Grone is a first-year senator but he's not new to the Capitol or issues of public policy.

The Gretna senator reviewed the state budget when he was a senior at Millard South High School. The Great Recession of 2008 led to numerous cuts in federal funding, leaving the Nebraska School Distributive Education Clubs of America, of which he was a member, without money.

La Grone and other DECA members lobbied state senators to restore funding, but the group was given a challenge—find something else to cut from the state budget. The process proved educational.

“I was taken aback by some of the things the state spent money on,” La Grone said. “These are taxpayer dollars. This is time spent away from their families. This is an opportunity to take their kid out to dinner that they no longer have because that money came into the state.”

La Grone, president of the Gretna Optimists, returned to the Legislature in 2015 after earning a law degree from the University of Nebraska. He worked for three years as legal counsel for the Government, Military and Veterans Affairs Committee chaired by then-Sen. John Murante.

“It was incredibly helpful to learn about the internal processes of the body but also to work for someone who had those same Nebraska values I had—ensuring we provide adequate funding for education, standing up for

pro-life values and providing for our military members,” La Grone said.

Murante encouraged La Grone to apply for the seat when he resigned after being elected state treasurer. La Grone was appointed to serve District 49 in December of 2018. In his first year, he has introduced bills to improve security at Offutt Air Force Base and help parents save for their children's college education.

While at UNL, La Grone served as chairman of the Nebraska Federation of College Republicans and attended the 2012 Republican National Convention.

“To see so many people come from all different parts of the country around the ideas of freedom, hard work and achievement, that was an amazing experience,” La Grone said. “America is an idea, right? We're a melting pot. We don't have a common heritage in that sense, but what we have is a heritage of ideas.” ■



Sen. Andrew La Grone is a freshman senator but a familiar face in the Capitol hallways.

BANKING, COMMERCE & INSURANCE



ATM fee changes approved

Lawmakers passed a bill April 18 that changes certain ATM fees.

LB603, introduced by Omaha Sen. Brett Lindstrom, removes a requirement that financial institutions must charge the same automatic teller fees to all other financial institutions.



Sen. Brett Lindstrom

The bill affects default interchange fees that are charged between institutions during an ATM transaction. It does not change a bank customer's ATM fees.

Senators approved the bill on a 49-0 vote.

EXECUTIVE BOARD

Additional budget reports required

Lawmakers gave final approval April 18 to a bill that requires the Legislature to analyze long-term fiscal sustainability by adding a new step to the budget process.

LB713, sponsored by Omaha Sen. Tony Vargas, requires the legislative fiscal analyst to create additional revenue and budget reports throughout the biennium.



Sen. Tony Vargas

The reports include a revenue vola-

tility report in even-numbered years, a budget stress test in odd-numbered years and a long-term budget for major programs every four years.

Senators voted 49-0 to pass LB713.

GENERAL AFFAIRS



Mechanical amusement regulation bill advances

The Nebraska Department of Revenue would determine in advance of distribution whether certain mechanical amusement devices are games of skill or chance under a bill advanced to select file Apr. 15.

LB538, introduced by Omaha Sen. Steve Lathrop, would add electronic video games of skill to the definition of a mechanical amusement device and require the department to determine if such devices are games of skill or chance.



Sen. Steve Lathrop

Under current law, games of chance other than the state lottery and certain charitable enterprises are illegal. A device would be considered a game of chance under LB538 if one of the following applies:

- a player's chances of winning are affected by the wins and losses of previous players;
- the game can be controlled by a source other than the person playing the game;
- the success of a player is determined by chance and cannot be altered by the player's actions;
- game features that are not visible, or known by the players, can affect the outcome; or
- a player's success is impacted

by skills no reasonable player could exercise.

The bill would require distributors of electronic video games to pay a \$500 application fee, submit a sample game to the Nebraska Department of Revenue, provide evidence that the device is a game of skill and provide an affidavit to the tax commissioner that no functional changes would be made to the device's hardware or software without the commissioner's approval after the license is granted.

Possession of an illegal device would be a Class II misdemeanor under the bill.

LB538 also would require game owners to pay an annual \$250 licensure fee per device. The bill would not apply to pickle cards, lotteries or bingo games.

Lathrop said he introduced the bill to provide a front-end process to determine if a device is a game of skill or chance. He added that there are an increasing number of electronic video games in Nebraska that claim to be games of skill but are not.

"The term 'touch-skill' is in many cases a misnomer," Lathrop said. "A large number of these games involve no skill at all. They are basically video slot machines."

Sen. Justin Wayne of Omaha spoke against the bill. He said LB538 could make a person guilty of a crime at the time they submit a device for approval. Wayne asked if gun owners would be comfortable sending a firearm to the government for inspection and possible confiscation.

"I'm self-incriminating just by going through the process," Wayne said. "Nowhere else in our statutes do we take away your right to not self-incriminate."

Albion Sen. Tom Briese supported the bill, saying that it would add clarity when determining which games are legal.

"It will help make this more of an

objective process,” Briese said.

Sen. Steve Erdman of Bayard said he was concerned about the bill’s ability to keep up with a distributor’s potential ability to alter a game’s computer programming.

“It’s like trying to catch the wind,” Erdman said. “These are very sophisticated machines, and I have a tough time understanding how we’re going to regulate those machines that can be changed in an instant.”

Sen. Joni Albrecht of Thurston said she would like to see the bill exclude credit cards as a method of payment for such games. Lathrop later said he would consider such an amendment prior to select file debate.

After approving amendments offered by Lathrop and the General Affairs Committee that made a series of clarifying and technical changes to the bill, lawmakers advanced LB538 on a 34-0 vote.



Eminent domain compromise advances

Landowners would have the ability to contest the use of eminent domain by renewable energy developers under a bill that advanced to select file April 17.

As introduced by Gordon Sen. Tom Brewer, LB155 would have prohibited a private entity from using eminent domain to provide access to build transmission lines or other infrastructure related to a privately developed wind energy project.



Sen. Tom Brewer

Currently, state law authorizes the use of eminent domain in those situations

because it is considered a public use.

Brewer introduced an amendment that would define the public use aspect of such exercise of eminent domain as a “rebuttable presumption”—meaning that it could be challenged in court by an impacted landowner.

“I would think all of us would, at the very least, want to have our day in court before a private company can take our land,” Brewer said. “The people get to have this status under the compromise.”

On Feb. 27, LB155 failed to advance on a 23-8 vote—two votes short of the number required.

The bill was given a priority designation by Elmwood Sen. Robert Clements, which allowed it to be placed on the agenda for further debate.

Sen. Patty Pansing Brooks of Lincoln said the proposed amendment “wasn’t perfect” but that it strengthened the bill and helped broker compromise between the two sides.

“The [new] language makes it stronger for landowners,” Pansing Brooks said.

Bennington Sen. Wendy DeBoer supported the amendments, saying the Legislature is not nimble enough to respond quickly to issues of eminent domain. That authority is better exercised by the courts, she said.

“Every piece of land is completely unique. It’s not like a coffee cup where typically you can substitute one for another,” DeBoer said. “Land is not substitutable so we must protect landowner interests, and we want to have a way also to be limber enough to accommodate public utilities and their use of eminent domain in those rare circumstances where it is important.”

Sen. John McCollister of Omaha initially opposed LB155 but felt the amendment did enough to bring the two sides together.

“We may not be singing ‘Kumbaya’, but we did come up with an acceptable

arrangement,” McCollister said.

Lawmakers voted 37-1 to adopt the Brewer amendment and 40-1 to advance the bill to select file.

Teleconferencing open meeting changes approved

Lawmakers passed a bill April 18 intended to use technology to create more efficient and transparent government public meetings.

LB212, introduced by the Government, Military and Veterans Affairs Committee, applies to risk management pools, organizations created under the Municipal Cooperative Financing Act and organizations created under the Interlocal Cooperation Act that sell electricity or natural gas at wholesale on a multi-state basis.

The bill allows those organizations to designate a nonvoting individual, not included as part of the quorum, to be present at a site where a public hearing is being held to keep the site open for members of the public who wish to attend the public hearing by telephone conference or videoconference.

The bill allows qualified entities to hold more than 50 percent of their meetings by telephone or videoconferencing as long as at least one meeting is not held in that manner. It also extends the allowed length of a telephone conference call from two hours to no more than five hours.

LB212 was amended to include provisions of two additional bills.

Provisions of LB191, introduced by Gretna Sen. Andrew La Grone, harmonize bond definitions and delete obsolete language regarding financial instruments approved and agreed to prior to July 1, 1999. The provisions



Sen. Andrew La Grone

limit to one year the period for which a governmental unit may exceed the allowable growth percentage if approved by voters at a meeting.

The provisions also change the publication requirement prior to a budget hearing from five calendar days to four and define such days to include the day of publication but not the day of the hearing.

Provisions from LB239, introduced by Adams Sen. Myron Dorn, amend the County Budget Act to mirror the four-day notice language in the Nebraska Budget Act.

LB212 passed on a vote of 49-0.



Sen. Myron Dorn

Tourism promotion bill passes

The Legislature passed a bill April 18 that allows the Nebraska Tourism Commission to sell promotional products.

LB637, introduced by Sen. John Stinner of Gering, authorizes the commission to develop and approve state marketing campaigns and develop and sell tourism products. Revenue generated by any sales will be credited to the commission's promotional cash fund.

LB637 passed on a 49-0 vote and takes effect immediately.



Sen. John Stinner



Timeline tightened for abuse complaint reviews

Lawmakers passed a bill April 18 that requires a timely response to

complaints at licensed children's residential facilities in Nebraska.

LB59, introduced by Sen. Machaela Cavanaugh of Omaha, mandates that the state Department of Health and Human Services respond within five days to all complaints of child abuse or neglect made at a facility licensed under the Children's Residential Facilities and Placing Licensure Act.

If a complaint leads to an investigation, the department would be required to issue a report within 60 days. The requirement could be extended to 90 days if DHHS files an interim report by the 60-day deadline.

Senators approved the bill on a 49-0 vote.

Medicaid buy-in program changes advanced

Lawmakers advanced a bill from general file April 15 that would make changes to a program meant to help individuals with disabilities maintain employment while retaining Medicaid coverage.

LB323, introduced by Bellevue Sen. Sue Crawford, would update eligibility standards for Nebraska's Medicaid Insurance for Workers with Disabilities program—commonly referred to as the Medicaid buy-in program—from federal Balanced Budget Act standards to more recent federal Ticket to Work and Work Incentives Improvement Act standards.

Crawford said the program applies to individuals with disabilities who, because



Sen. Machaela Cavanaugh

they receive Medicaid and are accessing health care, are able to work and earn income. The program allows them to pay a premium on a sliding scale in order to maintain Medicaid coverage, she said.

"This [bill] gives the state more flexibility in our ability to provide coverage for working individuals with disabilities and streamlines the eligibility process while retaining current income eligibility standards," Crawford said.

She said a similar change in Kansas resulted in a 41 percent drop in Medicaid expenditures over a four-year period.

As introduced, the bill would have removed asset limitations in the program. A Health and Human Services Committee amendment, adopted 37-0, would retain current asset limitations. It also would retain the 7.5 percent premium cap specified in the original bill.

Crawford said the changes outlined in the amendment should eliminate the bill's fiscal impact.

Omaha Sen. Sara Howard, chairperson of the committee, said the Medicaid buy-in program simply would be easier to administer under the amended bill.

"[The amendment] does not change the eligibility levels," Howard said. "To be eligible for the Medicaid buy-in program, the family income for a person with disabilities must still be below 250 percent of the federal poverty guidelines."

Following adoption of the committee amendment, lawmakers voted 40-0 to advance LB323 to select file.



Sen. Sue Crawford



Regulations approved for use of jailhouse informants

A bill that requires increased transparency in the use of jailhouse informants was passed by the Legisla-

ture April 18.

Under LB352, introduced by Lincoln Sen. Adam Morfeld, if a prosecutor intends to use the testimony of a jailhouse informant, he or she is required to provide certain information to the defense, including:



Sen. Adam Morfeld

- the informant’s known criminal history;
- any benefit requested, offered or provided to the informant in exchange for testimony;
- the specific statements the defendant allegedly made to the informant that will be used against the defendant;
- other cases in which the informant testified or intended to testify; and
- any case in which the informant recanted testimony against a defendant.

A prosecutor who offers any benefit or plea deal to a jailhouse informant first is required to notify any victim of a crime committed by the informant.

The bill passed on a 48-1 vote.

Best practices adopted for school resource officers

Lawmakers passed a bill April 18 that establishes statewide standards for school resource officers.

LB390, introduced by Lincoln Sen. Patty Pansing Brooks, requires the state Department of Education to develop a model memorandum of understanding to govern the use of school



Sen. Patty Pansing Brooks

resource officers or security guards,

beginning Jan. 1, 2021.

The MOU will include training requirements for all school resource officers or security guards employed by a district as well as at least one administrator. The training will include at least 20 hours focused on school-based law enforcement, student rights, understanding students with special needs and disabilities, conflict de-escalation techniques, ethics for school resource officers, teenage brain development, adolescent behavior, implicit bias training, diversity and cultural awareness, trauma-informed responses and violence prevention in school settings.

A school district is required to maintain records of each student referral for prosecution by a school resource officer, including the reason for each referral and federally identified demographic characteristics of each student.

A district also is required to identify when a parent or guardian will be notified if a student is questioned or interrogated, and under what circumstances a student will be advised of their constitutional rights. Each MOU will include a complaint process for students and parents to express concern about a school resource officer or his or her practices.

School districts have the option to develop individual MOUs, but they must be substantially similar to the one distributed by the department. Any district required to adopt an MOU, also is required to provide a copy to the department or publicly post it to the school district’s website.

The bill passed on a 48-0 vote.

Increased judicial tampering penalties advanced

Lawmakers gave first-round approval April 16 to a bill that would increase

penalties for witness and jury tampering.

LB496, sponsored by Omaha Sen. Justin Wayne, would make witness, informant or jury tampering a Class II felony when the underlying criminal charge is a Class II felony or higher. A Class II felony carries a penalty of one to 50 years in prison.



Sen. Justin Wayne

People can tamper with witnesses now and receive only two years of probation, Wayne said. If witnesses then refuse to testify, criminals could go free, he said, which incentivizes tampering.

“We need to send a message that we no longer are going to tolerate outside influence from criminals and those facing criminal sanctions in our communities,” Wayne said.

A Judiciary Committee amendment, adopted 39-0, would reduce the tampering penalty to a Class I misdemeanor when the underlying criminal proceeding alleges a Class II misdemeanor or lower. A Class I misdemeanor carries a penalty of up to one year in prison, a \$1,000 fine or both.

Omaha Sen. Steve Lathrop said the amended bill is a step in the right direction.

“It is important to preserve the sanctity of jury trials and the criminal justice system,” he said.

Senators advanced the bill to select file on a 38-0 vote.



County funds for motor vehicle sales tax collection advanced

A bill that would reinstate a commission counties receive in return for their collection of state motor vehicle tax was

advanced from general file April 16.

Bellevue Sen. Sue Crawford, sponsor of LB237, said county treasurers currently may withhold 2.5 percent of the first \$3,000 in state motor vehicle sales and use tax that they remit, which amounts to \$75 per month.



Sen. Sue Crawford

Under LB237, counties also could withhold 0.5 percent of all amounts in excess of \$3,000 remitted each month. Seventy-five percent would be deposited in the county general fund and 25 percent would be deposited in the county road fund.

Crawford said the Legislature eliminated the 0.5 percent commission on amounts over \$3,000 during a state budget crisis in the early 2000s. She said counties collect more than \$200 million in state motor vehicle sales tax each year and need the additional commission to cover the cost of collecting that tax.

According to the state Department of Revenue, LB237 would cut revenue to the state's Highway Allocation Fund, which in turn would decrease the amount of those funds distributed to cities and counties. However, the department estimates that counties would receive a net revenue increase of \$467,000 in fiscal year 2019-20 and \$1.2 million in FY2020-21 due to the additional commission.

A Revenue Committee amendment, adopted 36-0, would require county treasurers in counties with a population of 150,000 or more to remit \$1 of the collection fee for each of the first 5,000 motor vehicles, semi-trailers or trailers registered on or after Oct. 1, 2019, to the state treasurer, who would credit the amount to the department in order to defray the bill's implementation cost.

Crawford introduced an amendment, adopted 33-2, that would allow counties to withhold 0.5 percent of all amounts in excess of \$6,000 remitted each month rather than \$3,000. She said the change would ensure that no counties lose revenue under the proposal.

Sen. Megan Hunt of Omaha supported the bill. According to the Douglas County treasurer, she said, state motor vehicle tax collection is one of the most labor intensive services that his office is required to provide. Last year, Douglas County remitted more than \$60 million in motor vehicle tax revenue to the state, she said.

"The total amount that they get from the state to do the work of collecting all those taxes is only \$900," Hunt said.

Gering Sen. John Stinner said he was concerned about the proposal's effect on cities. Under Crawford's amendment, he said, counties either would receive additional revenue or be held harmless. Cities, however, would lose approximately \$400,000 in distributions from the Highway Allocation Fund, he said.

Stinner said he also felt conflicted about cutting revenue to the state's Highway Cash Fund, which is used to fund state highway construction projects.

Sen. Mike Groene of North Platte opposed LB237, saying the additional commission is unnecessary. Counties already receive enough property tax revenue to fund their operations, he said.

Thurston Sen. Joni Albrecht also opposed the bill. She introduced an amendment that would have directed 50 percent of the revenue from the proposed 0.5 percent commission to a county's road fund, rather than 25 percent. It failed on a vote of 21-6.

Senators voted 29-6 to advance LB237 to select file.

County sales tax to pay certain federal judgments authorized

A county may impose a sales tax to help pay a federal judgment against it under a bill passed by lawmakers April 18.

Introduced by Adams Sen. Myron Dorn, LB472 authorizes a county board to adopt a resolution to impose a sales and use tax of 0.5 percent on transactions within the county to pay a qualified judgment, which the bill defines as a judgment rendered against a county by a federal court for a violation of federal law.



Sen. Myron Dorn

Dorn has said the proposal is intended to help the residents of Gage County. In 2016, a federal judge awarded more than \$28 million in damages to the six men and women wrongfully convicted of the rape and homicide of a Beatrice woman in 1985. The individuals, commonly known as the "Beatrice Six," had sued Gage County in federal court after DNA evidence exonerated them.

The state tax commissioner will administer the tax and collect any sales and use tax imposed under LB472 in the same way that state sales and use tax is collected. The commissioner will remit the monthly proceeds to the county after deducting a 3 percent administrative fee.

The tax will end after the judgment is paid or after seven years, whichever is earlier, and it may be used only to pay judgments of more than \$25 million.

Counties currently may impose a sales and use tax to pay for public safety services and interlocal agreements. LB472 prohibits a county from imposing that tax if it imposes the one authorized by the bill.

The bill requires any county that imposes a sales and use tax in order to pay a qualified judgment to set its property tax levy at the 50-cent maximum for each year it imposes the sales and use tax. The county must use revenue from that levy to pay the judgment.

Senators voted 43-6 to pass LB472.

College savings incentives advanced

A bill that would provide a cash incentive for employers who contribute to an employee's state college savings plan advanced from general file April 16 after lawmakers amended it to include another college savings proposal.

As introduced by Omaha Sen. Brett Lindstrom, LB610 would have allowed Nebraska taxpayers to claim a nonrefundable income tax credit for a matching contribution to an employee's college savings account established under the Nebraska educational savings plan trust.

A Revenue Committee amendment, adopted 30-0, would replace the bill. It would create a cash fund administered by the state treasurer to provide incentive payments to employers that make matching contributions to employees' NEST accounts.

Lindstrom said the proposal is intended to help more Nebraska children attend college and to do so with less student debt. It also would be an additional benefit that companies could offer their employees, he said.

Beginning in 2022, an employer could apply to the state treasurer to receive the incentive payments. An employer whose application is approved would receive an incentive

payment equal to 25 percent of the matching contributions made during the preceding year, up to \$2,000 per employee per year.

The state treasurer could approve up to \$250,000 in incentive payments each year, but Lindstrom said states with similar programs spend only \$15,000 to \$40,000 per year.

"If we do get to the \$250,000 cap, it's probably a good thing because it means we have more kids going to college," he said.

Beginning in 2022, the state treasurer would determine the amount of incentive payments approved for the year and transfer that amount from the state general fund to the program's cash fund.

Sen. Anna Wishart of Lincoln introduced an amendment, adopted 29-0, that includes provisions of her LB547. Under the amendment, the state would match contributions to NEST accounts made on behalf of beneficiaries who meet certain income requirements.

Participants would be eligible for the program if the beneficiary for whom contributions are made is part of a family whose household income is not more than 250 percent of the federal poverty level. Wishart said that equates to an income of approximately \$67,000 for a family of four.

The state would match the participant's contribution if the beneficiary's household income is between 200 and 250 percent of the federal poverty level. The match would be equal to 200 percent of the participant's contribution if the beneficiary's household income is not more than 200 percent of the federal poverty level. Matches would be limited to \$1,000 per beneficiary per year.

Wishart said postsecondary education is more critical—and more expensive—than ever. She said the proposed

state match would encourage more low-income families to save for their children's college education and help attract young families to the state.

Beginning in 2022, the state treasurer would transfer from the state general fund to the program's cash fund the amount necessary to meet matching obligations for the preceding calendar year, minus any private contributions received during that year. The treasurer then would direct the money in the cash fund to the college savings plan program fund for deposit into the appropriate accounts.

The state treasurer could approve up to \$250,000 in matching scholarships each year.

Wishart said her intent is that no state general funds would be used for the program. State Treasurer John Murante has said the program can be funded using private donations and the treasurer's current cash funds, she said.

"I feel very comfortable with the fact that we will be able to manage this program without having any general fund impact," Wishart said.

Elkhorn Sen. Lou Ann Linehan supported the bill, saying research has found that having a college savings account leads to better educational outcomes for students.

"If there is a savings account to go to college, you think you have a future, and having a future gives you hope," she said. "This is a very important bill that can make a big difference to young people's lives across Nebraska."

Sen. Patty Pansing Brooks of Lincoln questioned how the programs would be funded given the state's fiscal constraints, including its obligation to help rebuild roads and bridges damaged by recent flooding.

Senators voted 31-0 to advance LB610 to select file.



Sen. Brett Lindstrom

TRANSPORTATION & TELECOMMUNICATIONS

Support the troops license plates advanced

Senators advanced a bill from general file April 15 that would create several new specialty license plates.

LB138, sponsored by Bellevue Sen. Carol Blood, would authorize the state Department of Motor Vehicles to create several specialty license plates including designs honoring people who have served in the armed forces in Iran, Afghanistan, the Persian Gulf War and the Vietnam War.



Sen. Carol Blood

It also would create a "Support Our Troops" plate available to those who have not served, but would like to show support for the armed forces.

"The ["Support Our Troops" license plate] is designed to not only show support for our troops, but also to generate revenue that will increase our efforts to recruit this highly skilled workforce to stay and work here in Nebraska upon retirement," Blood said.

A Transportation and Telecommunications Committee amendment, adopted 35-0, would add a fifth license plate design honoring those who have served in the Global War on Terror.

There would be a \$5 fee for any of the bill's specialty alphanumeric plates and a \$40 fee for a personalized message plate. The alphanumeric fee and \$30 of the personalized message fee would be dedicated to the Veterans Employment Program Fund. The remaining portion of the personalized message fee would be credited to the DMV cash fund.

The specialty plates would be available effective Jan. 1, 2021.

The committee amendment also incorporated provisions of LB696, originally introduced by Brainard Sen. Bruce Bostelman, which would substitute Army National Guard and Air National Guard license plates for the current National Guard Military Honor plates.



Sen. Bruce Bostelman

Provisions of LB697, introduced by Bostelman, also were incorporated under the committee amendment. These would eliminate application and renewal fees for Purple Heart, ex-POW, Pearl Harbor Survivor and Disabled American Veteran license plates effective Jan. 1, 2021.

Similarly, there would be no application fee for a Gold Star personalized message license plate, however a \$5 renewal fee still would apply. The license plate would be considered permanent as long as the vehicle to which it is attached remains registered by the applicant.

"A modest [fee revenue] gain ... should not outweigh the policy of recognizing and supporting these veterans and their families and one way to do this would be to allow these plates to be available to such individuals without a fee," Bostelman said.

The committee amendment also would have reduced the application fee for a "Support Our Troops" license plate from \$70 to \$40; however, Blood introduced an amendment to maintain the \$70 application fee outlined in her original bill. She said a higher fee for the plates was justified because the funds raised would go to support an important cause.

"We've seen that people are more than willing and are eager to purchase

plates for \$70 if they are for a cause that they support," Blood said.

Bennington Sen. Wendy DeBoer spoke in support of the Blood amendment. She initially voted for the fee decrease as a member of the committee, she said.

"The committee, I think, rightfully considered the state interest of wanting uniformity of license plates and license plate fees and that's why I voted for this uniformity in the first place," DeBoer said. "But Sen. Blood is raising money for veterans' causes and we should, even if for no other cause, make an exception for veterans. When we're weighing the balance of uniformity, I think the veterans should win every time."

Opposing the fee increase was Peru Sen. Julie Slama. She said she was concerned that the \$70 fee would be unaffordable to people wanting to show their support.

"Looking at this bill, it's evident to me that [veterans] and their families are more likely to buy them," Slama said. "I want to make sure our veterans and their families can afford to have these plates."

The Blood amendment was adopted 35-6.

Lincoln Sen. Patty Pansing Brooks introduced an amendment that would incorporate provisions of her LB626, which would direct the state Department of Veterans Affairs to create a job search website specifically for veterans.



Sen. Patty Pansing Brooks

The provisions of the Pansing Brooks amendment would be funded through revenue raised by sales of the "Support Our Troops" license plates. Pansing Brooks said she met with veterans who believe that neighboring states

are doing a better job of direct outreach to veterans and service members who might wish to stay in Nebraska.

“I believe that this [amendment] acts as a beacon to veterans and transitioning service members, welcoming them to Nebraska and acknowledging the fact that we want them here so that they can become vital members of our workforce,” she said.

La Vista Sen. John Arch expressed concern about using license plate revenue to fund an ongoing state program.

“My concern is that if we start something with special funding ... and for whatever reason enough plates are not sold, then suddenly we’re back to the general fund to maintain the website and keep the program going,” he said.

After adopting the Pansing Brooks amendment 31-0, senators voted 37-0 to advance the bill to select file.

Expanded high-speed broadband availability approved

Lawmakers passed a bill April 18 that makes it easier for customers to switch to a new telecommunications company.

LB268, sponsored by Henderson Sen. Curt Friesen, allows a customer who currently is not receiving high-speed broadband services to switch to a company in a different local exchange to receive such services.

The bill passed on a 48-0 vote.

Bill to require voter approval for wireless taxes stalls

After debate spanning two days, a bill that would require municipalities to seek voter approval before levying additional taxes on wireless services

stalled on general file April 17.

LB550, as introduced by Omaha Sen. Tony Vargas, would require a municipality to secure voter approval before imposing any local tax or fee on wireless services. Vargas said other Midwestern states provide the same services at a much lower cost to consumers.

“[The bill] provides greater transparency for voters who will better understand how much of those taxes they’re paying for, what the money funds and [would allow] each person to consider whether or not they support it,” he said.

The bill would have made additional changes to taxes and fees imposed on wireless services, including:

- lowering the enhanced wireless 911 surcharge from 70 cents to 35 cents;
- eliminating the prepaid wireless surcharge; and
- exempting wireless service from a surcharge used to fund the state’s telecommunications relay system.

Vargas introduced an amendment that would have replaced the bill and simply required municipalities to seek voter approval for any occupation tax on wireless services, including existing taxes. Any existing occupation tax would be suspended until approved by voters.

Vargas withdrew the amendment so that senators could consider an alternative approach.

Omaha Sen. Justin Wayne then introduced an amendment that would replace the bill. If adopted, it would require a municipality to seek voter approval only on new occupation taxes or increases in existing occupation taxes on wireless and prepaid wireless services.



Sen. Tony Vargas

Whether it is property, sales or occupation taxes, Wayne said, Nebraskans should have more of a say in the matter.

“At the end of the day, we have some of the highest taxes around,” he said. “For a simple majority vote at the local [government] level to increase taxes, I think is not proper.”

Opposing the bill was Sen. Matt Williams of Gothenburg. Allowing municipalities to levy taxes on wireless services helps level the funding playing field, he said.

“It seems much [fairer] to those community leaders to have a small occupation tax on cell phones because those community [members] who have moved there almost all carry cell phones,” Williams said. “Those people use the streets that the city pays for, they use the water, the sewer system and they certainly use the police protection that is offered. This is a way to have them contributing to that cost.”

Lincoln Sen. Adam Morfeld also opposed LB550. Lincoln would lose \$4 million of its \$178 million budget if the bill becomes law, he said, and that money most likely would be replaced with property tax revenue.

“We elect city councilors and elected representatives to represent our interests, make decisions, have public hearings and come to conclusions,” Morfeld said. “If we start having public votes on this occupation tax, why not have public votes on every single tax?”

The Legislature moved on to the next item on the agenda before voting on LB550 or any of the pending amendments. Per a practice implemented by Speaker Jim Scheer, the sponsor of a bill that is facing a potential filibuster must demonstrate sufficient support for a cloture motion before the measure will be scheduled for additional debate.



Sen. Curt Friesen

URBAN AFFAIRS

Preference for opportunity zones approved

Senators passed a bill April 18 designed to rejuvenate economically disadvantaged areas.

LB87, introduced by Omaha Sen. Justin Wayne, requires that the state Department of Economic Development provide a preference for grant applications at least partially located within an opportunity zone as designated by the federal Tax Cuts and Jobs Act.

Projects that meet the program requirements for the Affordable Housing Trust Fund, the Business Innovation Act, the Job Training Cash Fund and the Site and Building Development Fund and are located in an opportunity zone are given priority consideration for funding under the bill.

Lawmakers approved LB87 on a 49-0 vote.

Land bank expansion stalls

A bill that would allow municipalities throughout Nebraska to create or join land banks stalled on general file April 17.

LB424, as introduced by Grand Island Sen. Dan Quick, would allow any municipality in Nebraska to join an existing land bank—a tax-exempt political subdivision that acquires,



Sen. Justin Wayne

manages and develops vacant and tax-delinquent properties—under the Nebraska Municipal Land Bank Act. Currently, only municipalities in Douglas and Sarpy counties are eligible under state law to create land banks.

Under the bill, only a metropolitan class city could create a stand-alone land bank. Currently, Omaha is the state's only metropolitan class city.

The bill also would specify that a land bank is prohibited from levying property taxes.

An Urban Affairs Committee amendment would allow cities of the primary class to form their own land banks. Lincoln is currently the only primary class city in Nebraska.

Quick said land banks can address a lack of affordable housing and rehabilitate properties that private companies cannot, some which are unsafe eyesores with broken windows and sprawling weeds.

"The builders in my community see land banks not as competition, but as part of the process," Quick said. "These are properties that they do not want to acquire and are not on the tax rolls."

Sen. John Stinner of Gering supported the bill, which he said would address abandoned and dilapidated properties—a persistent issue in his district exacerbated by a downturn in farm incomes and recent flooding.

"Rural Nebraska needs [land banks] worse than Omaha," Stinner said. "Rural Nebraska [towns] need another tool to help make their community look the best that it can look."

Sen. Mike Hilgers of Lincoln said he opposed the bill because board members of a land bank could live outside the communities in which they exist and could benefit financially from projects under the land bank's purview.

"If you think it is important to ensure that the members who are

buying this property—developing property, working in the community in competition with the private sector—be accountable to citizens of that community, don't vote for this bill," Hilgers said. "There is very little accountability and [land banks] have a tremendous amount of power."

Also speaking in opposition was Kearney Sen. John Lowe. He said he was concerned that land banks would result in more property removed from the tax rolls.

"We're worried about our property taxes and yet we're trying to pass a bill where property is tax exempt," Lowe said.

Sen. Carol Blood of Bellevue spoke in support of the bill, saying that many of the objections to land banks were inaccurate.

"To say a land bank is not accountable is ridiculous," Blood said. "Land banks are policy-driven, they're transparent, all transactions are publicly accountable."

Sen. Matt Williams of Gothenburg said he'd been contacted by officials from the four largest towns in his district, and each expressed concern about blighted properties.

"And they have no solution to how to correct that situation," Williams said.

The Legislature moved on to the next item on the agenda without voting on LB424 or pending amendments. Per a practice implemented by Speaker Jim Scheer, the sponsor of a bill that is facing a potential filibuster must demonstrate sufficient support for a cloture motion before the measure will be scheduled for additional debate.

Ballot measure for TIF repayment extension approved

Voters will determine whether to extend the maximum length of time



Sen. Dan Quick

to repay tax-increment financing indebtedness in certain cases under a measure approved by lawmakers April 18.

LR14CA, introduced by Sen. Justin Wayne of Omaha, will place a proposed amendment to the Nebraska Constitution on the November 2020 general election ballot.



Sen. Justin Wayne

If approved, the amendment will authorize the Legislature to extend the maximum repayment period for TIF indebtedness from 15 to 20 years if, due to a high rate of unemployment combined with a high poverty rate as determined by law, more than half of the property in a project area is designated as extremely blighted.

State law defines an extremely blighted area as a census tract with an average unemployment rate that is at least 200 percent of the average state unemployment rate and an average poverty rate of more than 20 percent according to the most recent federal decennial census.

Lawmakers voted 43-2 to approve LR14CA. ■

COMMITTEE HEARING

Wednesday, April 24

Joint hearing:

Revenue

Nebraska Retirement Systems

Education

Room 1510 - 4:00 PM

AM1381 to LB289 (Linehan) Change provisions relating to county assessor inspections of real property for property tax purposes



Unicameral Youth Legislature registration open

High school students with an interest in law, government, leadership or public speaking are encouraged to register for the 2019 Unicameral Youth Legislature, which will convene June 9-12.

The Unicameral Youth Legislature is a four-day legislative simulation conducted at the State Capitol Building and coordinated by the Clerk's Office of the Nebraska Legislature. Student senators will sponsor bills, conduct committee hearings, debate legislation and discover the unique process of the nation's only unicameral.

Students will learn about the inner workings of the Legislature directly from senators and staff. Bills will be

based on legislation considered during the current legislative session.

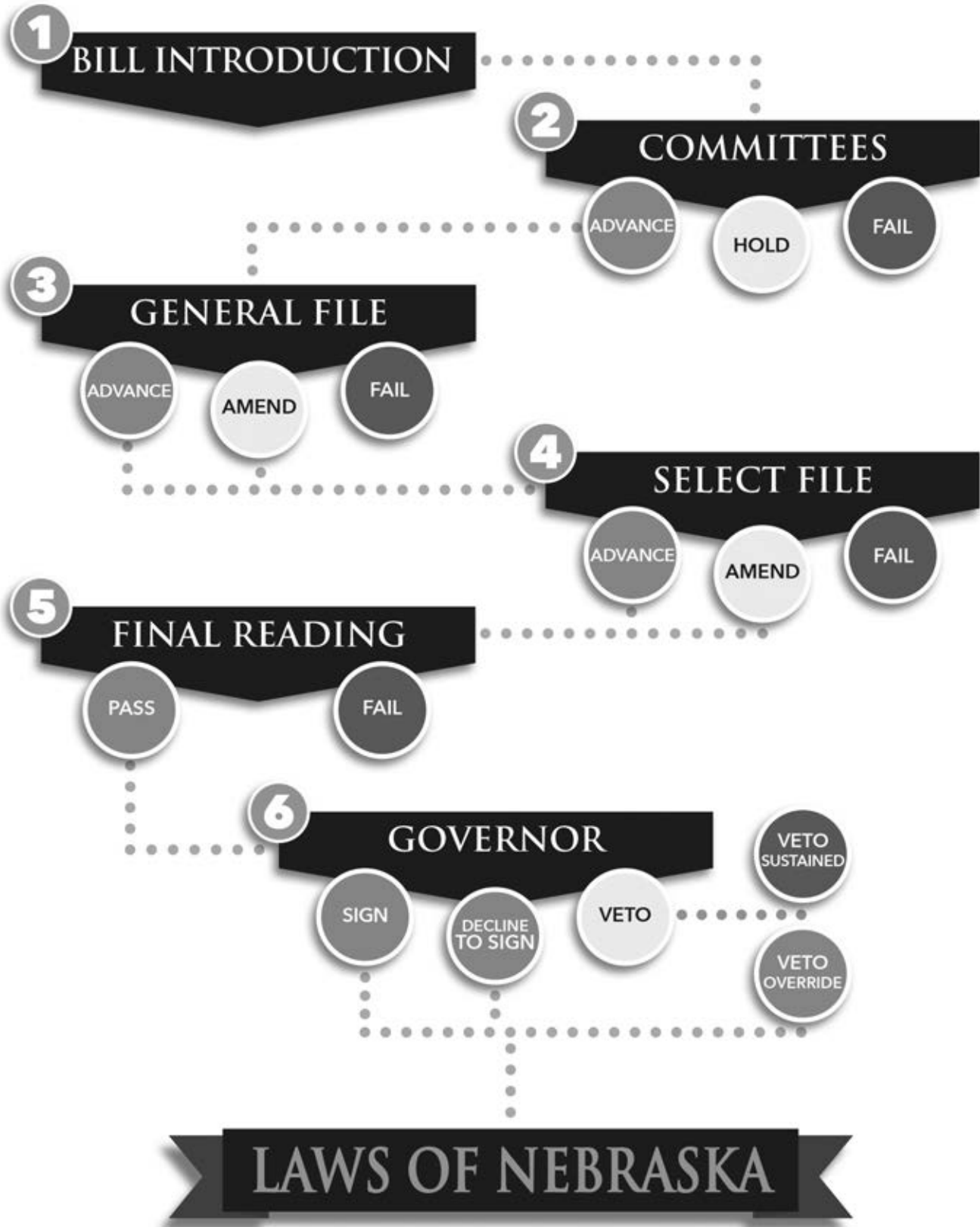
Registrants are encouraged to apply for a Speaker Greg Adams Civic Scholarship award, which covers the full cost of admission. Applicants must submit a short essay. Other \$100 scholarships also are available.

The University of Nebraska-Lincoln's Extension 4-H Youth Development Office coordinates housing and recreational activities for the camp as part of their Big Red Summer Camps program.

Registration forms can be obtained from the Legislature's Unicameral Youth Legislature page: www.NebraskaLegislature.gov/uyl.

The registration deadline is May 15.

HOW A BILL BECOMES LAW



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Former state senators were invited to the George W. Norris Legislative Chamber April 17 to be recognized by the Legislature.