

## Liquor laws amended, advanced

A bill that would make numerous changes to the state Liquor Control Act advanced from general file April 21.

O'Neill Sen. Tyson Larson, sponsor of LB330, said the bill would make necessary updates to the act and assist the state's Liquor Control Commission (LCC) in its regulatory capacity.



Sen. Tyson Larson

Debate focused on a provision of the bill that would include powder as one of the forms of alcoholic liquor that the LCC has jurisdiction over. Larson said powdered alcohol recently was approved at the federal level and should be defined in state law so that the LCC can consider how best to regulate it in Nebraska.

Seward Sen. Mark Kolterman offered an amendment that would prohibit the possession or sale of alcohol in powdered form in Nebraska. The amendment would provide an exception for research hospitals and other facilities and includes a Class I misdemeanor penalty for the sale of powdered alcohol.

Kolterman said alcohol in powdered form poses a particular danger for children because it would be easier to procure and transport into school events than traditional alcohol.

"I see powdered alcohol as a real challenge to our state," he said.

Sen. Lydia Brasch of Bancroft  
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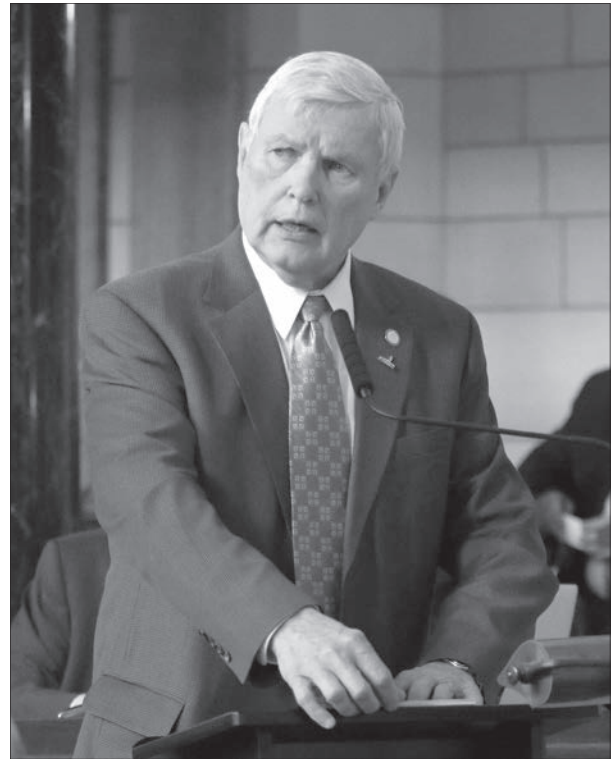
## Commercial pet breeder rules advanced

Senators gave first-round approval April 21 to a bill that would change the Commercial Dog and Cat Operator Inspection Act.

LB360, introduced by Wahoo Sen. Jerry Johnson, would list the following as examples of "significant threat" to the health or safety of dogs or cats:

- not providing shelter or protection from extreme weather;
- refusing to seek treatment for acute injuries involving potentially life-threatening, hemorrhaging or medical emergencies;
- not providing food or water resulting in starvation or severe dehydration;
- egregious abuse resulting in trauma from beating, torturing, mutilating or burning; or
- failing to maintain sanitation standards that result in animals walking, lying or standing in feces.

"Some people say we're not going far enough, some say we're going too far," he said. "What we're attempting to do with this bill is to come to a middle road in order to provide the due process



Sen. Jerry Johnson said LB360 would help weed out the "bad actors" without punishing good breeders.

in the judicial system, if necessary, to handle the situation at hand."

The bill also would establish an annual fee beyond the initial license fee, on a graduated schedule starting at \$150 for facilities with up to 10 dogs or cats and up to \$2,000 for facilities housing 500 or more animals.

An Agriculture Committee amendment, adopted 28-0, incorporated provisions of LB389, originally introduced by Heartwell Sen. John Kuehn. These would establish a re-inspection fee of \$150, plus mileage charges necessary to complete the re-inspection.

Hoskins Sen. Dave Bloomfield said  
**(continued page 2)**

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# Liquor laws amended, advanced

(continued from front page)

he was concerned that LB360 could represent the beginning of overregulation for livestock producers.

“If the regulations in this bill were imposed on a feedlot, the feedlot could not operate,” he said. “Let’s be careful as we move forward that we don’t open a door that we never intended to.”

Senators voted 26-0 to incorporate provisions of LB359, also introduced by Johnson, which would increase a fee remitted to the Commercial Dog and Cat Operator Inspection Program Cash Fund from \$1 to \$1.25 per licensed animal.

Provisions of LB377, originally introduced by Seward Sen. Mark Kolterman, also were incorporated on a 26-0 vote. The bill would establish a judicial process for owners whose animals have been impounded in cases of alleged neglect or abuse.

The amended bill advanced to select file on a 29-0 vote. ■

(continued from front page)

supported the amendment, saying powdered alcohol raises significant health and safety concerns and that the Legislature should study the issue rather than handing it over to a state agency. She said only 13 states permit powdered alcohol and that Nebraska should proceed with caution.

Omaha Sen. Ernie Chambers also supported the amendment, saying senators would be abdicating their duty as policy makers by leaving all decisions regarding powdered alcohol to the LCC.

“We’re talking about policy,” he said. “This is something that currently is not legal [and] a policy decision has to be made—that should not be left to a commission.”

Larson opposed the amendment, saying the LCC would study powdered alcohol and make recommendations on whether and how it should be sold in the state. An outright ban on the substance would be both “short-sighted” and “heavy-handed” on the part of the Legislature, he said, and would leave the state without a regulatory framework for dealing with powdered

alcohol.

“To take that step of banning something, we start getting into the remnants of Prohibition,” Larson said.

The Kolterman amendment was adopted on a 27-8 vote.

Other provisions of the bill would make a number of changes to the state’s liquor control laws, including:

- defining hard cider as beer instead of wine;
- allowing liquor licensees 30 days for a late renewal;
- authorizing the LCC to dispose of confiscated alcohol; and
- applying laws relating to beer kegs to all kegs containing alcoholic liquor.

The bill would limit a trigger in the law requiring a public hearing if an establishment located within 150 feet of a church applies for a liquor license. Under the bill, a hearing would be required only upon receipt of a written request by the church.

LB330 also would state legislative intent to appropriate \$102,000 for personnel expenses to the LCC and remove a prohibition on issuing liquor

## UNICAMERAL UPDATE

The Unicameral Update is a free, weekly newsletter published during the legislative session. It is produced by the Clerk of the Legislature’s Office through the Unicameral Information Office. For print subscriptions, call 402-471-2788 or email [uio@leg.ne.gov](mailto:uio@leg.ne.gov). Visit us online at [Update.Legislature.ne.gov](http://Update.Legislature.ne.gov) and follow us on [Twitter.com/UnicamUpdate](https://twitter.com/UnicamUpdate).

Clerk of the Legislature: Patrick J. O’Donnell

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THE NEBRASKA LEGISLATURE’S OFFICIAL NEWS SOURCE SINCE 1977

licenses within 150 feet of a home for the aged.

A General Affairs Committee amendment, adopted 27-1, eliminated a provision that would have repealed the state's mandatory closing time statute. Larson said the provision simply proved to be too controversial.

The committee amendment also incorporated provisions of two bills originally introduced by Ogallala Sen. Ken Schilz.

Provisions of LB486 would allow for the sale of draught beer to patrons of an establishment holding a Class C liquor license.

The limited bottling endorsement would allow the holder to fill a container, commonly referred to as a growler, with up to 32 ounces for consumption off the licensed premises. These containers would be sealed, sanitary and display the endorsement holder's trade name or logo. The application fee would be \$300.

Provisions of LB204 would provide tax credits to beer manufacturers who utilize local crops.

The tax credits would be nonrefundable and require at least 10 percent of local beer-related crops, which would generate a credit equal to that percentage for the first 20,000 barrels sold by the manufacturer.

The tax credit would be based on the percentage of local beer-related crops as follows:

- 10 to 39 percent would result in a 15 percent tax credit;
- 40 to 69 percent would result a 25 percent tax credit; and
- 70 percent or more would result in a 35 percent tax credit.

Larson offered an amendment to the committee amendment, adopted 25-1, which limited the crops that would qualify for the tax credit to barley and hops.

He said some large national manufacturers use Nebraska corn and wheat in their beer and including them in the bill's tax credit provisions would not be fiscally prudent for the state.

A second Larson amendment, adopted 28-1, clarified the bill's provisions defining hard cider as beer instead of wine.

Under the amendment, a farm winery could manufacture and sell hard cider on its licensed premises but could not distribute the hard cider it manufactures except by sale to a wholesaler licensed under the Nebraska Liquor Control Act.

Larson said craft beer manufacturers cannot distribute their products under current Nebraska law.

"When we change hard cider from a wine to a beer it needs



Sens. Tyson Larson and Kate Bolz discuss the potential impact of powdered alcohol on the state.

to be treated like every other product that it is like," he said.

Omaha Sen. Jeremy Nordquist brought an amendment based on provisions of his LB460 that would require licensure of pedal pubs, which are defined as multi-passenger human powered vehicles.

The amendment would require that:

- a licensee's liquor license be prominently displayed on the pedal pub;
- alcohol be consumed in opaque plastic containers that prominently display the licensee's trade name or logo;
- alcohol be consumed only on or in the pedal pub and open containers could not leave the pedal pub;
- the licensee may allow passengers to bring their own alcohol; and
- the licensee would be responsible for any litter coming from the pedal pub.

Nordquist said there have been no negative incidents since pedal pubs have been in operation in Omaha and Lincoln and that clear regulation would ensure that they continue to be responsible entertainment providers.

Larson supported the amendment, saying the provisions would assist law enforcement in tracing the origin of any problems regarding littering, minor consumption or over-serving.

The amendment was adopted 27-1 and LB330 advanced to select file on a 32-3 vote. ■

# MEET THE SENATOR

## Williams makes Capitol investment

Sen. Matt Williams has been actively involved in local and state business communities since taking on the family bank in Gothenburg in 1973. Maybe a little too involved if you ask his wife, Susan. After his appointment as chairman of the American Bankers Association in 2012, Susan gently suggested that Matt pare down his list of more than 20 board memberships.

He says he was especially sad to leave his position as a board member for the TeamMates mentoring program, but “my wife made me do it,” he said, with a laugh.

Despite his previous experience in

public service, making the transition from private citizen to state senator comes with its challenges. Williams, who says long workdays are nothing new, admits that it can be overwhelming to process the volume of new information presented to him.

“I’d been around the Legislature a lot over the years, so I feel like I had a pretty good understanding of how the place operates,” he says. “What has surprised me, though, is just how full my schedule is every single day. I’ve always worked long hours, but I have found that it can be difficult to set aside time to just sit and process all of the information in a respectful

and thoughtful manner.”

Free time is certainly at a premium now, but the senator has no problem finding time for his family, which includes son Robert, daughter-in-law Meredith, daughter Julie and son-in-law Luke. He beams when talking about his favorite role of all.

“I have five grandchildren: Ainsley, Maddox, Jax, Joelle and Reid,” he says. “I absolutely adore being a grandpa.”

Despite his early move into the family banking business after law school, Williams never lost interest in his passion for the law. The lawyer said he is energized by the challenges he faces as a new member of the Judiciary

Committee.

When debating other issues before the Legislature, Williams has been pleased to find far more commonalities between rural and urban senators than some might expect. Conflict may exist on some issues, he said, but all understand the importance of the state’s most profitable industry.

“I’ve been very pleased to find that senators from all areas of state understand the importance of agriculture to the state,” he said. “We need to continue to look for ways to help agricultural producers so they can be competitive.” ■



Sen. Williams, an avid volunteer, helps build a home in Dallas for Habitat for Humanity.

## AGRICULTURE



### Cattle brand inspection fee increase advanced

The cattle brand inspection fee in Nebraska could be increased under a bill amended and advanced April 20.

Introduced by Hyannis Sen. Al Davis, LB85 originally would have permitted the Nebraska Brand Committee to charge as much as \$1.25 per head for cattle brand inspections. The bill was amended to cap the new fee at \$1.10. Currently, the fee is capped at 75 cents per head.



Sen. Al Davis

The brand committee inspects cattle and investigates missing and stolen cattle in Nebraska. The organization is funded solely through the collection of fees for those services.

Davis said a combination of declining cattle sales and rising inspection costs have decreased the committee's cash reserve. Fees must be increased, he said, to ensure that the committee can update its data collection technology and raise salaries to retain employees.

"The branding committee must be funded adequately to do its job," Davis said.

An amendment brought by Sen. Dave Bloomfield of Hoskins, adopted 29-1, would place a \$1.10 per head limit on the inspection fee.

Bloomfield said the 66 percent increase originally proposed in the bill was too large, and that he and Davis had reached a compromise that would limit the committee to a maximum 46 percent fee increase.

Sen. Matt Williams of Gothenburg

opposed the bill. He said some of the state's largest cattle feedlots are located in his district and would be hit hard by an inspection fee increase. Because one of the operations in his district pays \$100,000 for inspections that take only a few days to complete, he said, alternatives to the current inspection pricing process should be considered.

"I would contend that there needs to be more thought and more study put into this," Williams said.

Heartwell Sen. John Kuehn supported the bill, saying the branding committee deserves to be funded because it performs a critical function when confirming animal ownership.

"Hot iron branding is the keystone of identifying animals for the livestock industry in Nebraska," Kuehn said.

Senators advanced the bill from general file on a 28-2 vote.

## BANKING, COMMERCE & INSURANCE



### Municipal bond lien bill advances

A bill that would create a statutory lien on government bonds in order to ensure bondholder priority in bankruptcy proceedings advanced from general file April 23.

Columbus Sen. Paul Schumacher, sponsor of LB67, said the bankruptcy of Detroit and other cities in recent years has cast doubt on whether those who purchase bonds would be first in line in the unlikely event of a Nebraska municipal bankruptcy. While it is reasonable to assume that bondhold-



Sen. Paul Schumacher

ers would receive priority for payment in a bankruptcy proceeding, he said, current law does not ensure it.

"This is an issue that is unresolved and unless we resolve it, it is going to haunt future Legislatures," he said.

LB67 would create a statutory lien and grant a security interest on ad valorem taxes and bond-pledged revenue sources of the issuing governmental unit with respect to general obligation bonds. The lien would be valid, binding and prior against all parties having claims against the governmental unit in a bankruptcy filing.

Gothenburg Sen. Matt Williams supported the bill, saying the current uncertainty in bankruptcy priority could limit financing options for smaller municipalities or increase the cost of issuing bonds.

"All across our state, communities depend upon being able to issue municipal bonds to finance all kinds of projects," Williams said.

Sen. Sue Crawford of Bellevue opposed the bill. In spite of serious economic challenges in recent years, she said, no municipality in Nebraska has come close to filing for bankruptcy.

In addition, Crawford said, allowing a bankruptcy judge to decide who is first in line could discourage a city from filing bankruptcy and encourage all parties involved to resolve their differences.

"The fact that we have uncertainty in our current structure is valuable," Crawford said.

Omaha Sen. Jeremy Nordquist offered an amendment, adopted 30-0, that would remove retirement accounts, pension funds and any other vested post-employment benefit whenever payable from the list of security interests created by governmental units that are covered by the bill.

Those who purchase bonds know that there is risk involved, Nordquist said, and bondholders should not be

placed in line ahead of pensioners to whom a city owes a promise. Exempting pension plan assets and future unfunded liabilities would be a more equitable way to provide the certainty sought by the bill, he said.

“Public servants ... should be entitled to a level of protection,” Nordquist said.

Lincoln Sen. Adam Morfeld opposed LB67 but supported the Nordquist amendment. He said the change would not give pensioners priority over bondholders in the event of a municipal bankruptcy, but simply would exempt pensions from the law.

Morfeld said pensioners’ assets cannot be separated from the city that they worked for, unlike holders of municipal bonds who choose their investments and the risks. Pensioners often depend solely on their defined benefit payment, he said, while investors likely have other assets.

“Most bondholders and people that invest in bonds have very diversified interests,” he said.

Nordquist said senators are working on an additional amendment to be offered on select file that would ensure that municipalities would continue providing governmental services, including paying employees, during a bankruptcy proceeding.

The bill advanced to select file on a 30-0 vote.

## EDUCATION

### College and career readiness funding stalls

School districts would have received funding for implementing college and career readiness programs under a bill that failed to advance from general file April 20.

LB343, introduced by Omaha Sen. Rick Kolowski, would have enabled school districts to apply for reimbursement beginning July 2016 for each student who successfully completes a designated program of excellence, dual-enrollment course or career readiness program.



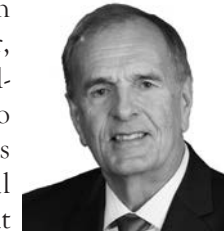
Sen. Rick Kolowski

Kolowski said the proposal is unique because the funding would be dependent upon students’ success.

“Unlike nearly every federal and state program, this plan is not about body count—it’s about mind count,” he said. “This is an educational game changer for Nebraska.”

An Education Committee amendment, adopted 25-6, stated legislative intent to appropriate \$2 million for the program in fiscal year 2016-17, \$5 million in FY2017-18, \$7 million in FY2018-19 and \$10 million in FY 2019-2020.

The amendment also incorporated provisions of LB402, originally introduced by Lincoln Sen. Roy Baker, which would allocate funding to school districts and educational service units that provide qualified distance education courses through the ESU Coordinating Council.



Sen. Roy Baker

Each district and ESU would receive one distance education unit for each qualified course provided. The total amount of available funding would be divided by the number of qualified courses to determine a value per unit, not to exceed \$1,000 each. Funding then would be distributed based on a district or ESU’s distance education units.

Omaha Sen. Tanya Cook supported the amendment, saying it

would provide students with career experience and marketability.

“This is an important direction in which to go in light of the growing concerns over the increasing costs of colleges and graduating with tens of thousands of dollars in debt,” she said. “Students can walk right out of the doors of their high schools and into gainful employment and insurance benefits.”

Sen. Kate Sullivan of Cedar Rapids supported the concepts contained within the amended bill, but ultimately opposed it. She said that the funding should come through the Tax Equity and Educational Support Opportunities Act (TEEOSA).

“Our students need to be prepared for college or be able to step into careers when they graduate, but by and large we’re seeing school districts already doing this across the state,” she said. “By running it through TEEOSA, we could more accurately track what school districts are spending to [achieve] these things that schools think are important.”

The bill failed to advance to select file on a 24-11 vote. It is unlikely to be debated again this session.

## EXECUTIVE BOARD

### Plan to sell Norfolk’s former regional center approved

The site of a former regional center would come under new ownership under a bill passed by the Legislature April 23.

LB56, introduced by Norfolk Sen. Jim Scheer, gives Northeast Community College first right of refusal to purchase land that housed Norfolk’s former



Sen. Jim Scheer

regional center. The cost will be set at the property's appraised value.

The bill passed on a 47-0 vote.

## GOVERNMENT, MILITARY & VETERANS AFFAIRS



### Election law changes advance

A bill that makes a number of technical changes to the state's election laws advanced from general file April 23.

Gretna Sen. John Murante, sponsor of LB575, said the bill is a "clean up" effort on behalf of the secretary of state, election commissioners and county clerks across Nebraska.



Sen. John Murante

"It is the compilation of a lot of hard work from a lot of people," he said.

As introduced, LB575 would:

- clarify that vacancies for all offices must be filled within 45 days;
- replace "a majority" with "one-half or more" for vacancies that trigger special election;
- replace 10 days prior to election with "second Friday" as the deadline for write-in affidavits;
- allow early voting requests to be submitted via e-mail;
- require voter history to be completed within 30 days rather than 60 days after an election;
- remove outdated language regarding county commissioners;
- close the potential for fusion candidates;
- remove primary election information from early voter return envelopes; and

- add language allowing the Nebraska secretary of state to designate a meeting location within the Capitol building for state canvassing board meetings.

Murante explained that a fusion candidate, which exist in some states, is a candidate for political office that holds the nomination for more than one political party. He said LB575 would clarify that fusion candidates are not permissible in Nebraska.

A Government, Military and Veterans Affairs Committee amendment, adopted 32-0, would make several additional technical changes.

The amendment added provisions of LB578, introduced by Murante, which would:

- allow poll workers to choose not to be paid or to allocate their pay to an organization contracted to recruit poll works;
- allow election officials and members of law enforcement to make copies of a voter's registration form for list maintenance and law enforcement purposes;
- allow for the removal of certain information on an early ballot application; and
- raise the minimum rate that a political subdivision can be charged for an election from \$50 to \$100.

The amendment also added provisions of two additional bills:

- LB514, originally introduced by Omaha Sen. Joni Craighead, which would add an option for voters who wish to register to vote and vote early on the same day; and
- LB319, introduced by Sen. Jim



Sen. Joni Craighead

Smith of Papillion, which would permit election by mail for special elections involving candidates.



Sen. Jim Smith

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

## HEALTH & HUMAN SERVICES



### Aid to dependent children changes approved

A bill intended to remove the "cliff effect" in the state's Aid to Dependent Children (ADC) program passed April 23.

LB89, introduced by Lincoln Sen. Kathy Campbell, increases the maximum ADC benefit each year through 2019, after which it will be set at 70 percent of the standard need. The bill also changes the amount of gross earned income that is disregarded for ADC applicants, increasing it to 50 percent once eligibility is established.



Sen. Kathy Campbell

The bill also includes provisions of LB335, originally introduced by Omaha Sen. Heath Mello, establishing a task force to study intergenerational poverty in Nebraska.



Sen. Heath Mello

The task force will include the chairpersons of the Health and Human Services and Appropriations

committees as well as three at-large members appointed by the Executive Board of the Legislative Council.

Nonvoting members will include representatives from the state departments of Labor, Health and Human Services and Education as well as a variety of community stakeholders and policy experts.

The task force will analyze the ADC, Supplemental Nutrition Assistance, child care assistance and Employment First programs with a focus on helping children escape the cycle of poverty. A preliminary report will be presented to the Legislature and the governor by Dec. 15, 2015, and a final report—including a long-range strategic plan—by Dec. 15, 2016.

The bill passed on a 30-15 vote.

## JUDICIARY



### Responsibilities of appointed guardians passed

Legislators passed a bill April 23 that specifies the duties of a guardian appointed to represent juveniles in court.

LB15, introduced by Omaha Sen. Bob Krist, requires a guardian ad litem to follow guidelines established by the Nebraska Supreme Court. Responsibilities include consulting with the assigned juvenile in person unless other methods are approved, attending all hearings, limiting their own caseloads and submitting itemized billing statements. The bill also permits guardians ad litem to be compensated on a per-case or multi-case contract basis.



Sen. Bob Krist

The bill also requires the Supreme Court to codify the guidelines into court rules by July 1, 2015, and requires a guardian to:

- consult with the assigned juvenile within two weeks of placement;
- conduct consultations every three months;
- use telephonic or other electronic means for consultations when exceptional circumstances prohibit in-person meetings;
- submit written reports at dispositional, review or permanency planning hearings; and
- submit itemized statements for multi-case contracts.

Senators passed the bill with an emergency clause on a 47-0 vote.

### Medicaid reimbursement bill advanced

A bill intended to close a loophole that allows individuals to shield assets from reimbursement for Medicaid-related services advanced from general file April 20.

Columbus Sen. Paul Schumacher, sponsor of LB72, said individuals often attempt to transfer assets to heirs in



Sen. Paul Schumacher

order to place them outside the reach of the state's Medicaid reimbursement mechanisms upon their death.

Schumacher said federal law provides for a five-year "look back" to determine whether Medicaid should be reimbursed for assets that were given away, but if an individual waits longer than five years to claim Medicaid benefits, the state has no recourse.

"It's basically a 'have your cake and eat it too'—your heirs get your estate and the taxpayers get the bill,"

Schumacher said.

LB72 would prohibit a trustee of a revocable trust that has become irrevocable due to the death of the trustor from transferring trust property to a beneficiary prior to satisfaction of all claims for Medicaid reimbursement. The state Department of Health and Human Services (DHHS) could waive the restrictions if there are no claims for Medicaid reimbursement or insufficient assets to satisfy the claims.

The bill also would require that if a petition were filed to determine inheritance tax, notice of the hearing would be sent to DHHS if the decedent was 55 or older or resided in a medical institution that potentially would subject them to debt for Medicaid services.

Schumacher asked senators during debate on April 15 to defeat a Judiciary Committee amendment that would have created a lien on behalf of the state when interest in real estate was transferred for less than full consideration or through a deed of trust. He said there was concern that the lien mechanism could cast too wide a net.

"It [would have] caught some dolphins with the sharks," he said, adding that more study on how to close the current loophole needs to be done during the interim.

The amendment was defeated on a 1-30 vote. Schumacher then offered an amendment that instead would require that DHHS respond within 60 days to a trustee's request for waiver.

Sen. Merv Riepe of Ralston supported the bill, saying Medicaid expenditures are a "looming crisis" for the state. Americans are not saving enough to cover their long-term care costs, he said.

"The average savings account is [approximately] \$25,000 ... and, at today's nursing home rates, that will get you about four months," Riepe said.

Following adoption of the Schum-



acher amendment on a 30-0 vote, senators advanced the bill to select file 31-0.

**Evidence testing measure passed**

Incarcerated individuals can request that a court reconsider evidence used in their trials under a bill passed April 23.

Introduced by Sen. Patty Pansing Brooks of Lincoln, LB245 allows a person in custody to request DNA testing of previously tested material if current technology could provide more accurate or probative results.



Sen. Patty Pansing Brooks

Previously, material could be retested only if a court determined that such forensic testing did not exist at the time of the trial.

The bill permits the filing of motions for new trials whenever new non-DNA evidence is discovered and allows courts to dismiss a motion for a new trial without a hearing based on the effectiveness of the evidence. The measure also allows courts to prohibit the filing of a motion for a new trial more than five years after a verdict unless the new evidence is determined to be substantial enough to have possibly caused a different verdict.

Senators passed the bill on a 42-4 vote.

**Senators advance human trafficking prevention**

A measure that would enhance human trafficking prevention efforts was amended and advanced April 22.

Introduced by Norfolk Sen. Jim Scheer, LB294 would:

- increase penalties for solicitation of prostitution, pandering and keeping a house of prostitution;
- permit search warrants and subpoenas to be issued for entities located outside of Nebraska;
- define offenders’ property that would be subject to forfeiture; and
- require that all forfeited assets be deposited in a victim assistance fund.



Sen. Jim Scheer

Scheer said the bill is designed to diminish the profitability and increase the risk of prosecution for those who treat prostitution as a business in Nebraska. By increasing penalties and giving victims opportunities for restitution, Scheer said, the bill would send a message that human trafficking enterprises are not welcome in the state.

“Human trafficking is a market-driven criminal enterprise that treats our most vulnerable [citizens] as human commodities,” Scheer said. “It feeds upon those who are the least able to protect themselves.”

A Judiciary Committee amendment, adopted 36-0, removed several original provisions of the bill including those:

- designating a minimum restitution of \$150,000;
- allowing juvenile courts to maintain jurisdiction over juvenile victims; and
- permitting law enforcement officers to take temporary custody of a juvenile prostitution suspect without a warrant.

The amendment also would require the Foster Care Review Office to collect information on child trafficking victims.

Bancroft Sen. Lydia Brasch spoke in support of the bill, calling human trafficking a “modern slavery,” that fosters gang activity, forced abortion and sexually transmitted disease. The bill would serve as a significant step in the state’s efforts to make its citizens aware that human trafficking exists in Nebraska, she said.

An amendment to the committee amendment, introduced by Lincoln Sen. Adam Morfeld, was adopted 35-0. It would permit human trafficking as a defense to prosecution for prostitution and would require that proceeds from forfeited and liquidated property be remitted to the state treasurer rather than the Human Trafficking Victim Assistance Fund.

Lawmakers advanced the bill from general file on a 34-0 vote.

**Procedures for juvenile offenders passed**

Lawmakers passed a bill April 23 relating to the treatment of juveniles charged with certain crimes.

Under LB482, introduced by Omaha Sen. Bob Krist, juveniles charged with running away or being uncontrollable or truant could not be fingerprinted or placed in a juvenile detention facility or out-of-home care unless certain factors exist. County attorneys must make reasonable efforts to refer juveniles and family to community-based resources.

The measure prohibits juveniles from being restrained during court proceedings, unless certain conditions exist, and outlines the conditions necessary for restraints to be used on a juvenile appearing in court. These include situations in which a juvenile presents a substantial risk of flight from the courtroom or has a history of disruptive courtroom behavior that has placed others in potentially harm-

ful positions.

Senators passed the bill on a 44-2 vote.

### Updates to native children placements advanced

Native foster children would have more culturally appropriate placement opportunities under a bill amended and advanced April 23.

Introduced by Lincoln Sen. Colby Coash, LB566 would change provisions of the federal Indian Child Welfare Act (ICWA) to clarify the responsibilities of Nebraska child welfare providers. The bill would ensure that Native American tribes have a voice in judicial hearings involving native children.



Sen. Colby Coash

Coash said Nebraska's Native American children are overrepresented in the state's child welfare system, accounting for more than 5 percent of those available for adoption. The bill would ensure that when native children are removed from their homes, a greater effort would be made to place them with relatives or in families with tribal connections, he said.

"This bill would help keep children out of foster care and [keep them] with their culture," Coash said. "It promotes the best interests of children and the unique needs of Indian children."

A Judiciary Committee amendment, adopted 29-0, would expand the definition of an expert witness in a child custody proceeding to include qualified members of tribes other than the child's. The amendment also would remove a provision requiring that frequent time spent in the child's home or the home of relatives

be considered part of the active effort to reunify a family.

Omaha Sen. Bob Krist supported the amended bill, saying it would provide clear guidelines on how to remove children from potentially unsafe environments.

"This is essential to the success of our children's welfare," Krist said.

Senators advanced the bill from general file on a 28-0 vote.

## NATURAL RESOURCES

### Pollutant permits adopted

Municipalities will be required to obtain a permit to discharge pollutants under a bill passed by the Legislature April 23.

LB413, introduced by Omaha Sen. Heath Mello, authorizes the state Department of Environmental Quality to issue permits to any political subdivision seeking to discharge pollutants from a point source into any body of water in the state.



Sen. Heath Mello

The political subdivision can request an evaluation to determine how best to meet federal requirements in a sustainable way. The department will evaluate several factors, including:

- the capability of the political subdivision to raise and secure necessary funding;
- affordability to ratepayers;
- growth potential of the political subdivision;
- efficacy of existing infrastructure for projected needs;
- overall costs and environmental benefits;
- environmental improvements

made by the political subdivision; and

- other relevant economic and social concerns or environmental conditions.

The department will have flexibility in deciding which criteria to use in evaluating individual permits.

The bill passed on a 45-0 vote.

### State energy plan assessment advanced

Senators gave first-round approval April 20 to a bill that would allow the state to develop an independent energy plan.

LB469, introduced by Papillion Sen. Jim Smith, would direct the State Energy Office to assess any state energy plan before



Sen. Jim Smith

submitting the plan to the federal Environmental Protection Agency (EPA) for review. Smith said that the EPA has proposed a "one-size-fits-all" plan to reduce carbon emissions that is unworkable in a coal state like Nebraska.

"This assessment will provide us information that will be valuable as we move forward in developing a comprehensive energy plan for the state," he said. "It is not intended to hamper the state Department of Environmental Quality's ability to comply with federal mandates, but to provide the Legislature and public with information and transparency."

Smith said that citizens have a right to know how the EPA's proposal would impact the state and to look for alternatives.

Under the bill, the energy office would prepare a report analyzing the proposed state energy plan's effects on employment within the state and the electric power sector, including the

potential impact on:

- the type and amount of electric generating capacity that is likely to retire or switch to another fuel;
- the stranded investment in electric generating capacity;
- the amount of investment necessary to offset the retirement of electric generating capacity;
- the potential risks to electric reliability; and
- the amount by which retail electricity prices are forecast to increase or decrease.

A Natural Resources Committee amendment, adopted 41-0, incorporated provisions of LB583, originally introduced by Ogallala Sen. Ken Schilz.

The amendment specified the areas of analysis for a state energy plan, which would be developed by the State Energy Office. The plan would focus on strategies to develop a cost-competitive energy supply, access to affordable energy, sustainable economic growth and job creation.

Schilz said that a plan created at the local level would help ensure Nebraska's adaptability to changing circumstances.

"A state energy plan developed under the guidance of the State Energy Office and with the cooperation of public power entities will help to set a vision to guide policy for state and local governments," he said.

Omaha Sen. Brett Lindstrom supported the bill, saying it would provide the state with needed flexibility.

"We need to be able to create a plan that shows we're doing what we can to meet carbon emission standards, but to also show the EPA that we are unique [as a public power state] and cannot conform to a one-size-fits-all plan," he said.

The bill advanced to select file on a 39-0 vote.

## REVENUE

### Wind energy tax credit advanced

Lawmakers gave first-round approval April 22 to a bill that would increase the state's production tax credit for renewable electric generation facilities.

Currently, renewable generation facilities can apply for a tax credit of .05 cent per kilowatt-hour. LB423, introduced by Omaha Sen. Jeremy Nordquist, would increase the available credit. Nordquist said the bill would incentivize renewable energy producers to invest in the state.



Sen. Jeremy Nordquist

"There is no doubt that utilities across the country are moving their portfolios toward renewable energy," he said. "This [tax credit] is necessary to help us compete with so much transition happening right now in the utilities industry."

The current tax credit would be increased to 1.5 cent per kilowatt-hour of electricity generated by an eligible facility. The bill also would add a second method of calculating the tax credit: a one-time credit equal to 30 percent of the total cost of construction of an eligible facility, not to exceed \$2 million.

The method used to calculate the credit would be decided by the producer earning the credit.

A Revenue Committee amendment, adopted 29-2, eliminated the proposed 1.5 cent per kilowatt-hour credit and instead would establish a sliding scale credit. The scale would begin at 1 cent per kilowatt-hour during the first two years of operation and

reduce by .01 cent every two years until the 10-year tax credit expiration.

The amendment retained the 30 percent tax credit calculation method. It also reduced from seven years to five the time period a tax credit could be carried forward.

Hyannis Sen. Al Davis supported the bill. He said that it represents an investment in Nebraska.

"Economic development in rural Nebraska needs to be done and it needs to be done now. This is one tool that will benefit [the state] in a significant way," Davis said.

Renewable energy producers with a nameplate capacity of 20 megawatts or less could transfer or sell tax credits to any person or entity. Columbus Sen. Paul Schumacher introduced an amendment to this provision that would have placed a 3-percent limit on the amount of commission a producer could earn on the sale of tax credits.

Schumacher said that the provision could result in the sale or transfer of production tax credits to non-producers, so it should be limited.

The amendment failed on a 13-25 vote.

Sen. Jim Smith of Papillion opposed the bill, saying it is not the economic boon to the state that people are hoping for.

"I think we're seeking to compete with other states that receive federal tax credits," he said. "I don't think we're able to do that effectively. Any amount of money we ask our taxpayers to throw at this is not going to make us competitive."

Omaha Sen. John McCollister ultimately opposed LB423, but did bring an amendment to strengthen accountability provisions in the bill.

"If we are going to pass this bill, we ought to at least understand what we've gotten ourselves into," he said.

The McCollister amendment,

adopted 31-0, placed a sunset date of Dec. 31, 2021 on the increased tax credit. It also assigned annual reporting duties to the state Department of Revenue on the number of facilities receiving the credits and the amount of credits earned and claimed.

Senators advanced the bill to select file on a 25-3 vote.

## TRANSPORTATION & TELECOMMUNICATIONS

### Withdrawal from rail compact membership advanced

A bill that would withdraw Nebraska's membership in the Midwest Interstate Passenger Rail Compact advanced from general file April 23.

Papillion Sen. Bill Kintner, sponsor of LB317, said Nebraska's dues outweigh any benefits the state gains from membership in the compact. Nebraska has paid \$197,650 in membership dues over 14 years, he said.



Sen. Bill Kintner

Kintner said Nebraska could coordinate with neighboring states on rail issues without being part of a compact. In addition, he said, the state does not have the population density required to sustain passenger rail service.

"Passenger rail is going to happen based on economic factors and concentration of people, not because taxpayers advocate for it," he said.

Lincoln Sen. Colby Coash supported the bill, saying the Legislature has been debating Nebraska's continued membership in the compact for years. He said the time has come for the state to extricate itself.

"At the end of the day, nobody has

come to me and shown me the value of remaining in this compact," Coash said.

Omaha Sen. Jeremy Nordquist opposed the bill, saying future generations will pay the price for current lawmakers' refusal to invest in passenger rail. Billions in federal grant funds are available to states to invest in passenger rail, he said.

"And we are just turning our backs [and] saying that we don't even want to be part of that discussion," Nordquist said.

A Transportation and Telecommunications Committee amendment, adopted 37-0, added an emergency clause and an effective date of July 1, 2015. An amendment offered by Omaha Sen. Brett Lindstrom would move the effective date to July 1, 2018.

Omaha Sen. Burke Harr supported the Lindstrom amendment. The \$30,000 in dues required to stay in the compact for three additional years should be seen as an investment rather than a liability, he said. Nebraska should fully participate in the compact and assess the state's position regarding the future of regional passenger rail service, he said.

"I think it's important that we do have a seat at the table. It's important that we're there and that we're a part of it," Harr said.

Sen. Dave Bloomfield of Hoskins opposed extending the sunset date. He said the state could find another use for the dues and should remove itself from an organization that has provided no benefit to taxpayers.

Senators voted 31-4 to adopt the Lindstrom amendment and 37-0 to advance the bill to select file.

### Ride-sharing regulations advanced

The state would regulate ride-sharing companies such as Lyft and Uber

under a bill amended and advanced April 21.

Introduced by Omaha Sen. Heath Mello, LB629 would designate a transportation network company (TNC) as a new class of transportation service provider. A TNC would fall under the jurisdiction of the Public Service Commission and be defined by the bill as a corporation, partnership or other entity that uses an online application or digital network to connect riders to drivers for transportation service.

The bill would establish regulations for a TNC regarding stages of operation, permits, insurance, driver background checks, vehicle inspections, fee collection and complaint investigation. TNC drivers in Nebraska would be required to have a valid driver's license, proof of registration, proof of automobile liability insurance and be at least 21 years old.

Additionally, the bill would require a TNC to pay an annual fee of \$20,000 or up to \$80 per vehicle registered with the company.

Mello said ride sharing companies are a new and rapidly growing enterprise that does not fit within Nebraska's current regulatory framework. Regulations such as criminal background checks for TNC drivers are necessary, he said, to protect the public adequately in an industry that has evolved into a major economic development tool.

"Transportation network companies have permanently changed the transportation industry," Mello said.

A Transportation and Telecommunications Committee amendment, adopted 34-3, made several changes including:

- prohibiting drivers from par-



Sen. Heath Mello

ticipating as a TNC driver for more than 12 hours in a 24-hour period;

- requiring TNC drivers to maintain comprehensive and collision physical damage insurance if required through a contractual obligation;
- requiring TNCs to file rates for compensation, including any use of dynamic pricing, with the commission and post on an online application when dynamic pricing is in effect;
- requiring TNCs to post a fare estimator on an online application;
- requiring the commission to inspect TNC records at least once each quarter; and
- prohibiting TNCs from transporting any person under contract with the state Department of Health and Human Services without authorization from the commission.

Lincoln Sen. Adam Morfeld supported the bill and committee amendment, saying ride-sharing options fill gaps in public service where taxi companies fall short. Even with recent expansion of cab service in Lincoln, he said, customers still experience long waits for rides.

“We need to ensure that there are as many public transportation options in Nebraska as possible,” Morfeld said.

An amendment to the committee amendment, introduced by Omaha Sen. Brett Lindstrom, would:

- require TNCs to determine whether a lien exists on a personal vehicle used by a driver seeking employment by the TNC;
- require the state Department of Motor Vehicles to provide, upon request by a TNC, vehicle lien information;

- expand the definition of personal vehicles used by TNC drivers to include owned, leased and those the driver is authorized to use; and
- exclude from the definition of prearranged ride a shared expense carpool, vanpool or transportation provided using a taxi, limousine or other for-hire vehicles.

Lenders should be notified if vehicles they hold liens on are used for commercial purposes so they can confirm that the vehicles are adequately insured, Lindstrom said.

Sen. Tyson Larson of O’Neill supported the bill but opposed the Lindstrom amendment, saying overregulation imposed by the Legislature could discourage businesses from locating in Nebraska. Cities with established ride-sharing services have experienced substantial decreases in arrests and fatal accidents resulting from intoxicated drivers, he said, and lawmakers should encourage businesses that make Nebraska safer.

“If we want to promote responsibility, we have to have companies like this,” Larson said. “I view Uber and Lyft as public safety [advocates].”

Syracuse Sen. Dan Watermeier supported the amendment and the bill, saying all entities associated with driver insurance and vehicle ownership should be aware when a driver joins a TNC so adequate insurance policies are employed.

“So many [bad] things can happen in an innocent way,” Watermeier said. “Too many people are going to get hurt if we’re not careful.”

Columbus Sen. Paul Schumacher opposed the bill, saying that new, internet-created entities like ride-sharing companies do not yet have substantial levels of noncompliance to warrant regulation by the Legislature.

As written, he said, the bill still poses too many obstacles for a new industry to establish itself in the state.

“Where has there been proof that this class of company ... needs regulation?” he said. “Let’s let free enterprise have a shot.”

After Mello said he would work with Lindstrom on an amendment to bring on select file, Lindstrom withdrew his amendment. Senators advanced the bill from general file on a 39-1 vote.

### Rights for disabled pedestrians passed

Senators passed a bill April 23 concerning the rights of disabled pedestrians.

Introduced by Bellevue Sen. Tommy Garrett, LB641 permits a person operating a manual or motorized wheelchair on a sidewalk,



Sen. Tommy Garrett

in a crosswalk or across a roadway the same rights as other pedestrians.

Senators passed the bill on a 45-0 vote.

## URBAN AFFAIRS

### Borrowing authority for municipalities approved

Cities and towns in Nebraska have the express authority to borrow funds to purchase property or construct improvements under a bill given final approval April 23.

LB152, introduced by the Urban Affairs Committee, allows municipalities to borrow from state- or federally-chartered banks, savings banks, building and loan associations and savings

and loan associations.

The bill authorizes direct borrowing by resolution as well as ordinance and municipalities may use direct borrowing to refinance loans at a lower rate. Funds may be borrowed for any purpose for which a municipality is authorized by law to purchase property or fund improvements.

The ability of municipalities to borrow directly from financial institutions is limited to cases in which financing the purchase of property or construction of improvements would be impractical, could not be completed within the time restraints facing the municipality or would generate taxpayer savings over traditional bond financing.

The bill also includes public notice requirements for direct borrowing from a financial institution and caps the total amount of indebtedness from direct borrowing to 10 percent

of the municipal budget for a city or 20 percent of the municipal budget for a village.

LB152 passed 46-0.

### Expanded SID authority passed

A bill that expands the authority of sanitary and improvement districts (SIDs) was passed by the Legislature April 23.

When a property developer buys land for a housing development, an SID is created to install streets, sewers and power, as well as buy land for public parks. The SID is vested with taxing authority to finance these services.

LB324, introduced by Omaha Sen. John McCollister, authorizes SIDs to con-



Sen. John McCollister

tract for solid waste collection services. Any solid waste collection contract entered into by an SID will be cancelled upon the district's annexation by a city or village.

The bill includes provisions of two other bills.

Originally introduced by Norfolk Sen. Jim Scheer, provisions of LB197 provide additional powers to an SID when it is too close to a municipality to incorporate, yet too far away from a municipality to be annexed. These have to be approved by the city council or village board within whose zoning jurisdiction the SID is located.

Provisions of LB420, originally introduced by Bellevue Sen. Sue Crawford, require a person purchasing a home located in an SID to acknowledge in writing their understanding that the property is located within an SID.

The bill passed on a 44-3 vote. ■

## UNICAMERAL YOUTH LEGISLATURE



High school students with an interest in law, government, leadership or public speaking are encouraged to register for the 2015 Unicameral Youth Legislature, which will convene June 7-10.

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 are also 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](http://www.NebraskaLegislature.gov/uyl).

The registration deadline is May 15.

# COMMITTEE HEARINGS

\*Current hearing schedules are always available at: [nebraskalegislature.gov/calendar](http://nebraskalegislature.gov/calendar)

## Wednesday, April 29

### Government, Military & Veterans Affairs Room 1510 - 12:00 p.m.

*Appointment:* Diamond, Byron L. - Dept. of Administrative Services

*Appointment:* Rice, Bradley - Nebraska State Patrol

## Thursday, April 30

### Health & Human Services Room 1510 - 12:00 p.m.

*Appointment:* Phillips, Courtney - Dept. of Health and Human Services

*Appointment:* Lynch, Calder - Division of Medicaid and Long Term Care-Dept. of Health and Human Services

## Friday, May 1

### Executive Board Room 1113 - 8:00 a.m.

LR201 (Sullivan) Create the School Finance Modernization Committee as a special legislative committee

## Tuesday, May 5

### Health & Human Services Room 1510 - 12:00 p.m.

*Appointment:* Turk, Frank R. - Commission for the Deaf and Hard of Hearing

*Appointment:* Hogue, John - Commission for the Deaf and Hard of Hearing

*Appointment:* Teetor, Travis James - State Board of Health

*Appointment:* Fleming, Shane - State Board of Health

*Appointment:* Hopp, Russell - State Board of Health

*Appointment:* Borchert, Kevin - State Board of Health

*Appointment:* Vander Broek, Douglas - State Board of Health

*Appointment:* Low, Kevin C. - State Board of Health

## UNICAMERAL UPDATE ONLINE

While the Unicameral Update print edition is mailed out weekly, the web version of the publication, located at [update.legislature.ne.gov](http://update.legislature.ne.gov), is updated continually throughout the legislative day.

The site provides links to get the Update's RSS and Twitter feeds. Readers may search Update stories by bill number, senator's name or keyword using the search box provided in the top-right corner.

The screenshot shows the website interface for the Unicameral Update. At the top, there is a navigation bar with links for HOME, ABOUT, PHOTOS, and TEACHER'S GUIDE, along with a search box. The main header features the title "UNICAMERAL UPDATE" and the tagline "The Nebraska Legislature's official news source since 1977". Below the header is a menu with categories: Committees, Sections, Senator Features, Session Review 2014, Slideshows/Videos, and Announcement. The "RECENT HEADLINES" section lists four articles:

- State funding of probation administration proposed**: Published January 29, 2015, in Government Military and Veterans Affairs. The article discusses the facility and administration costs of state probation offices and a bill introduced by North Platte Sen. Mike Groene.
- Carbon monoxide safety considered**: Published January 29, 2015, in Health and Human Services. The article discusses carbon monoxide detectors in residences and legislation introduced by Omaha Sen. Sara Howard.
- Expansion of family planning services considered**: Published January 29, 2015, in Health and Human Services. The article discusses eligibility for state-funded family planning services.
- Bill would change joint public agency bonding powers**: Published January 29, 2015, in Government Military and Veterans Affairs.

There are also small images accompanying the articles, including a photo of a man in a suit and a photo of a woman.

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P.O. Box 94604  
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03-23-05

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Students from Lincoln's McPhee Elementary tied green ribbons around ash trees on Capitol grounds in honor of Earth Day, April 22. The ribbons raise awareness of the emerald ash borer, a destructive insect species which poses a threat to Nebraska's ash trees in the coming years.