

Budget package clears second round of debate



From left: Sens. Jim Scheer, Heath Mello, Kate Sullivan and Kate Bolz discuss education funding priorities in the state's budget package.

Lawmakers amended and advanced several bills comprising the state's \$8.6 billion budget package May 6. The state budget is structured on a two-year basis, with the budget enacted during legislative sessions held in odd-numbered years.

Among the amendments considered on select file were adjustments offered by the Appropriations Committee.

Chairperson Sen. Heath Mello of Omaha offered an amendment to LB657, the mainline budget bill, to increase the property tax credit by \$4 million each year of the biennium.

Mello said the state Economic Forecasting Advisory Board met while the budget package was being debated on general file and revised revenue projections upward over the next two years.

The \$12 million in additional revenue projected for the current fiscal year is directed to the cash reserve fund by law, he said, leaving approximately \$9.7 million in additional projected revenue for the next fiscal year.

Mello said the committee believed that amount should be directed to property tax relief.

"The Appropriations Committee felt this was a responsible and sustainable increase," he said, adding that it would bring the property tax fund total to \$408 million for the biennium.

The amendment was adopted 34-0.

Cedar Rapids Sen. Kate Sullivan offered an amendment that would have eliminated \$500,000 per year in general funds for the Master Teacher Program Act and increase aid for special education by the same amount.

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Senators allow introduction of wastewater bill

Senators voted to suspend the Legislature's rules May 7 to permit the introduction of a new bill.

Traditionally, new bills may be introduced only during the first 10 days of the legislative session. Omaha Sen. Ernie Chambers moved to suspend the rules to introduce a new bill that would address the oil and gas industry's disposal of wastewater in Nebraska.

Chambers said he wanted to acknowledge the outrage and anxiety created by a recent Nebraska Oil and Gas Conservation Commission decision to allow the disposal of wastewater from oil production into underground wells.

"The commission has shown a blatant and contemptuous disregard to the Legislature in general and our colleagues who have tried to approach them about this," he said. "I want some official action taken by the Legislature to serve as notice to the commission and the people who have shown concern about this matter that the Legislature is not ignoring them or the issue."

The language proposed under the new bill, LB664, would require any company that applies to dispose of wastewater in the state to provide a list of all chemicals present in the wastewater. If approved, the company then would be required to provide

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Budget package clears second round

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Sullivan said that while national certification for teachers is valuable, special education funding should be a higher priority use of state funds. Special education needs continue to grow, she said, while federal funding shrinks.

"[Special education] is one of the priorities that every single school district in this state has to deal with," Sullivan



Sen. Kate Sullivan stressed the importance of special education funding.

said. "For whatever reason, there are more and more children being identified for special education."

Norfolk Sen. Jim Scheer supported the amendment, saying the master teacher program is not "scalable." He said the program has been available since 2000 and only 113 teachers have completed it.

The proposed appropriation would fund 100 additional teachers each year, he said, resulting in approximately 1,000 of the state's 30,000 teachers being nationally certified by the next decade.

"What we're talking about is a very small group of teachers," Scheer said, adding that a direct increase in funding for special education would make a positive impact on

more students.

Lincoln Sen. Kate Bolz, who originally proposed the master teacher funding in her LB185, opposed the amendment. Funding the program would benefit all students through improved teacher effectiveness, she said, adding that the budget also contains an increase in special education funding.



Sen. Kate Bolz urged senators to retain master teacher funding.

"I stand against this amendment because I don't think it's an either/or conversation," Bolz said. "I think it's a both/and conversation."

The Sullivan amendment failed on a 20-16 vote and LB657 advanced to final reading by voice vote.

Additional amendments

A Mello amendment to LB661 also sparked debate. Among other provisions, the amendment would change criteria relating to the Oral Health Training and Services Fund.

The budget appropriates \$8 million to the Coordinating Commission for Postsecondary Education to develop,

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UNICAMERAL UPDATE

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award and administer a contract with a dental college to provide discounted oral health services and oral health workforce development.

The amendment would require a minimum 10-year contract for provision of discounted oral health services. In addition, dental students receiving education subsidies under the contract would be required to practice in a dental health profession shortage area for at least five years.

Omaha Sen. Beau McCoy supported the amendment, saying it would ensure that the contract is open to both of the state's dental colleges.

"I think that's an appropriate use of taxpayer dollars," he said.

Omaha Sen. Tanya Cook opposed the amendment, saying it failed to address significant concerns regarding Creighton University that were raised during general file debate. A well-funded private, ecumenical institution should not be eligible to receive state funds, she said.

"That point is not reflected in this amendment," Cook said.

Sen. Ernie Chambers of Omaha agreed.

"I am opposed to any money going to a private institution, and especially one that is sectarian," he said. "There should be a sharp line of demarcation—in fact a wall—between church and state."

The amendment was adopted 30-2 and LB661 advanced by voice vote.

Also adopted was an amendment offered by Mello to LB662, which would transfer \$7 million from the cash reserve to the Nebraska Capital Construction Fund. The funds would be directed toward the ongoing update of the heating, ventilation and air-conditioning (HVAC) system in the Capitol Building.

Mello said the state has the opportunity to invest in a geothermal plant to provide more efficient, independent and reliable energy to the Capitol. Window restoration and moving and rental costs to temporarily relocate offices during the HVAC project also will be necessary, he said.

"The returns on this investment will result in energy cost savings over the next 20 years," he said.

The amendment was adopted 30-1 and LB662 advanced by voice vote.

Mello also offered an amendment to LB656 to appropriate \$385,000 to the Nebraska Educational Telecommunication Commission. The funds would be used to replace a television antenna that fell from a tower in April, he said, restoring over-the-air television service to the panhandle region of the state.

Following adoption of the amendment 34-0, the bill advanced by voice vote.

Other provisions

Also advanced to final reading by voice vote were:

- LB658, which would fund the \$12,000 annual salaries of Nebraska's 49 state senators;
- LB659, which would fund salaries and benefits for constitutional officers;
- LB660, which would appropriate funds for capital construction and property acquisition; and
- LB663, which would increase Nebraska Supreme Court judges' salaries. ■

Senators allow introduction of wastewater bill

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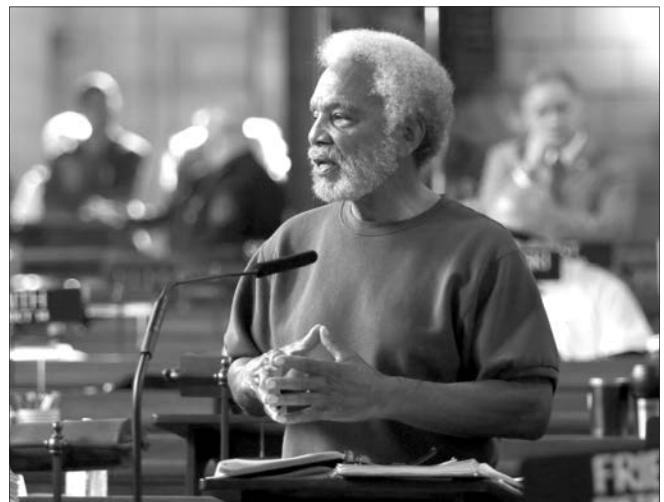
semiannual updates to the Legislature.

Chambers said the exact language of the bill was likely to change dramatically, but that it would have a public hearing before the Legislature's Natural Resources Committee during the interim to allow public input.

Gering Sen. John Stinner, who introduced LB572, also relating to wastewater disposal, supported the motion. He said that proprietary issues aside, it is reasonable for companies to disclose the chemical makeup of wastewater.

"It's been a contention by the commission that this produced water is nontoxic, but we need to have 100 percent assurances that the water they're putting into those wells is, in fact, nontoxic," he said.

Senators approved the motion on a 37-6 vote. ■



Sen. Ernie Chambers said allowing the introduction of the bill would show the public that the Legislature is listening to their concerns.

MEET THE SENATOR

Hansen learns the ropes

Sen. Matt Hansen is the Legislature’s youngest senator, having graduated from Lincoln Southwest High School in 2006. He continued on to the University of Nebraska—Lincoln, where he earned a bachelor’s degree in psychology and political science. Later as a law student there, he specialized in alternative dispute resolution—not knowing how quickly the skill would serve him as a state senator.

“If you had asked me even five years ago, I don’t know if I would have predicted this office,” he said.

Getting involved in his northeast Lincoln neighborhood of University Place, he saw how issues affected the people in his community. This inspired him to run for office.

After his election, he learned his status as the youngest senator in the body by tradition deems him the chairperson of the Legislature’s smallest committee—the Enrollment and Review Committee.

A committee of one, legislative rules indicate that the E&R chairperson is to: report bills which have been engrossed, correct the spelling of words and the erroneous division and hyphenation of words, capitalize or decapitalize words, convert masculine or feminine referents to neutral gender when appropriate and change numbers from words to figures or from figures to words in legislation.

Good thing Hansen likes details. As his tenure continues, he looks forward to applying his mediation experience to good use with his legislative colleagues.

“I’ve always been interested in problem solving,” he said. “I’m a details guy. I like getting down to the nitty gritty of an issue.”

Before his new role as a senator, that attention to detail drew Hansen to the theater. He takes special pleasure in working backstage for Lincoln Community Playhouse productions. He operated the light board for their 2013 run of “*Little Women*” and again for “*Miss Nelson is Missing*” this spring.

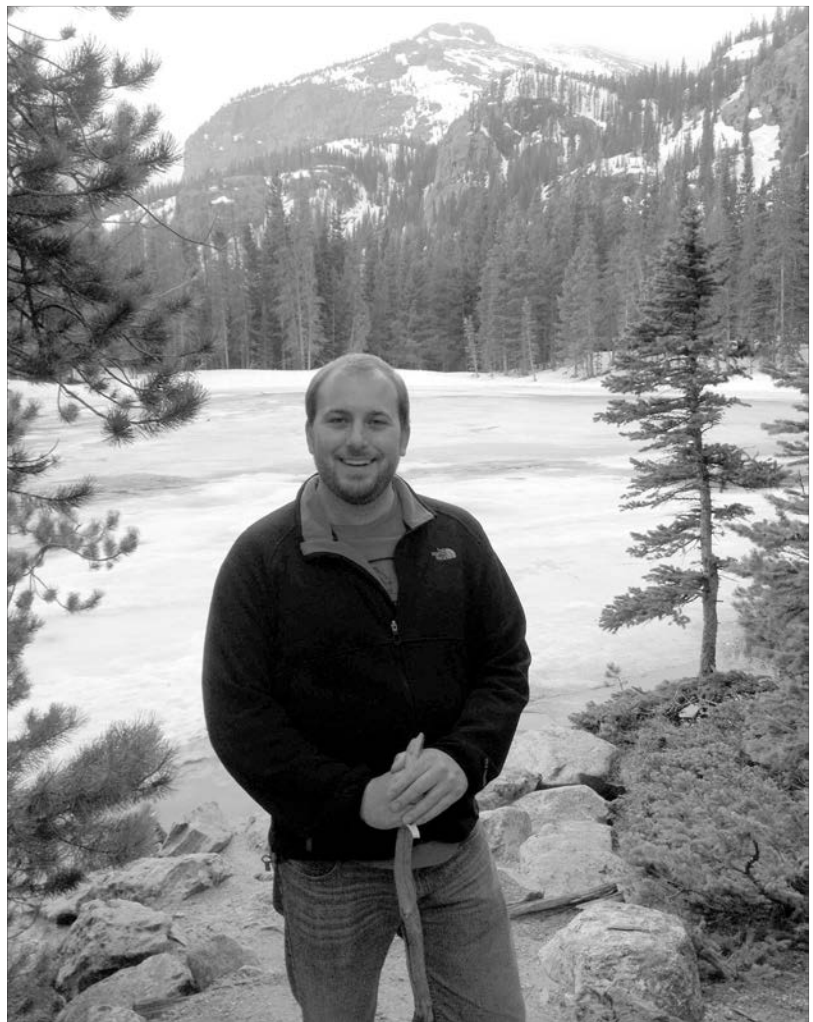
But don’t expect to see this soft-spoken

senator commanding center stage any time soon. He much prefers to work behind-the-scenes.

“I resent people who think the technical side of theater is for actors who didn’t get cast,” he said with a grin.

Like all new senators, Hansen is tasked with learning about a number of diverse issues in a very short time period. Luckily, he’s been able to lean on his colleagues.

“It’s a strange experience to go from candidate to full-blown senator overnight,” he said. “I really appreciated the orientation process and having the opportunity to soak up as much knowledge as possible from current and former senators.” ■



Sen. Hansen hiked in the Rocky Mountains last spring.

AGRICULTURE

Cattle brand inspection fee increased

Lawmakers passed a bill May 7 that permits an increase of the cattle brand inspection fee in Nebraska.

Under LB85, introduced by Hyannis Sen. Al Davis, the Nebraska Brand Committee could charge as much as \$1.10 per head for cattle brand inspections. 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.

Senators passed the bill on a 44-0 vote.

Livestock development grants advanced

A measure that would encourage livestock development in Nebraska advanced from general file May 4.

Introduced by Ogallala Sen. Ken Schilz, LB175 would authorize the state Department of Agriculture to award grants to counties designated as livestock friendly. Grants could be awarded for strategic planning and improvements to public infrastructure.



Sen. Ken Schilz

Grants for strategic planning projects would be limited to \$15,000 each. Grants for infrastructure proj-

ects would be limited to one half of the unobligated balance of the fund or \$200,000, whichever is less. The bill also would raise from \$30,000 to \$150,000 the tax credit cap allowed through the state's rural development program for applications filed after Jan. 1, 2016.

Schilz said the bill provides county officials with a framework to carefully control livestock development. He said the bill targets counties in Nebraska that are identified as livestock friendly because those areas already have completed state-required certification demonstrating a commitment to the livestock industry.

"Each county should be able to capitalize on its strengths," Schilz said. "LB175 is the thoughtful approach to moving forward with livestock development in the state."

An Agriculture Committee amendment, adopted 32-0, removed the Commercial Feed Administration Cash Fund as a revenue source for the grants and clarified definitions of livestock and livestock production to include dairy animals and commercial production of dairy products and eggs.

Wahoo Sen. Jerry Johnson, chairperson of the committee, said making dairy projects eligible for grants could encourage dairy farms to expand, which then could prompt more dairy processors to move to the state.

Hyannis Sen. Al Davis introduced an amendment to remove the requirement that only livestock friendly counties could be eligible for grants and expand eligible development projects to include value-added agriculture, local and regional food systems and certified organic food systems.

Davis said an agriculture development program should benefit the entire state, not just the 29 counties deemed livestock friendly.

Sen. Kate Sullivan of Cedar Rapids

agreed, saying the bill appeared to focus on developing larger livestock operations and more consideration should be given to niche agriculture markets.

"Let's have some larger diversity," Sullivan said. "What about the 58 other counties that are also concerned about rural development?"

Johnson opposed the amendment, saying the benefits of the grant program would make the livestock friendly certification more valuable and would encourage more counties to seek the designation.

Senators rejected the Davis amendment on a 7-14 vote. Davis then offered an amendment that included only the provision to expand program benefits for value-added agriculture, local and regional food systems and certified organic food systems. It failed on a 21-10 vote.

Senators then advanced LB175 to select file on a 37-0 vote.

APPROPRIATIONS

Business and tourism development bill approved

The Legislature passed a bill May 7 designed to stimulate business and tourism development in Nebraska.

LB449, introduced by Omaha Sen. Heath Mello, increases the maximum amount of microloan funds from \$1 million to \$2 million that could be awarded annually by the



Sen. Heath Mello

state Department of Economic Development. The department is required to increase from \$500,000 to \$1 mil-

lion the minimum amount it awards each year and increase from \$50,000 to \$100,000 individual microloan limits.

Other provisions of LB449 will increase from \$1 million to \$4 million the maximum amount the department may award annually through matching federal grant programs for:

- small business planning;
- agriculture enterprise development;
- companies or individuals wanting to market a product prototype or process;
- companies using Nebraska public or private colleges or university faculty and facilities for new product research and development; and
- companies or individuals seeking to create a product prototype developed in a Nebraska business, or public or private college or university, in which case the grant limit would be raised from \$50,000 to \$150,000 per project.

Additionally, the state Tourism Commission is required to expand the use of tourism promotion funds for marketing assistance grants to communities and organizations hosting events that have the potential to attract large numbers of out-of-state visitors.

The bill also authorizes the commission to appoint a special committee to research which sites should be designated as tourist attractions and use highway markers to identify them.

The commission is prohibited from purchasing markers until funding is secured through gifts or other sources. The state Department of Roads will locate, install and maintain the markers. The commission will reimburse expenses incurred by the department.

Lawmakers passed the bill with an emergency clause on a 48-0 vote.

BANKING, COMMERCE & INSURANCE



New insurance producer license approved

Senators gave final approval May 7 to a bill that authorizes a new insurance producer license in Nebraska.

LB458, introduced by Seward Sen. Mark Kolterman, authorizes the state director of insurance to issue a limited lines travel insurance producer license. The new license authorizes an individual or business entity to sell, solicit or negotiate travel insurance through a licensed insurer.



Sen. Mark Kolterman

A limited lines travel insurance producer and those registered under the producer's license are exempt from examination, prelicensing education and continuing education requirements for producers.

The bill passed 48-0.

BUSINESS & LABOR



Workers' compensation revisions advanced

A bill that would make changes relating to workers' compensation advanced from general file May 4.

Sponsored by Omaha Sen. Burke Harr, LB480 was replaced by a committee amendment on a 27-0 vote. Harr



Sen. Burke Harr

said Nebraska's workers' compensation policies were last updated in 1995. The amendment contained provisions of four other bills.

Provisions of LB158, introduced by Omaha Sen. John McCollister, would deny benefits if an employee knowingly and willfully made false statements regarding his or her physical or medical condition by acknowledging that he or she is able to perform the essential functions of a job based on the employer's job description.



Sen. John McCollister

Provisions of Omaha Sen. Jeremy Nordquist's LB363 would clarify that employees are not responsible for any finance charges or late penalty payments as a result of medical services rendered by a provider.



Sen. Jeremy Nordquist

LB133, introduced by Crete Sen. Laura Ebke, would revise the interest rate applicable to an award of workers' compensation benefits in which an attorney's fee is permitted. The provisions would change the rate from 14 percent to a rate calculation of 6 percentage points above the bond investment yield, as published by the U.S. Secretary of Treasury. The current judgment interest rate is 2.137 percent.



Sen. Laura Ebke

LB600, also by Ebke, would expand the authority to invest trust assets held in irrevocable workers' compensation trusts to allow for investments in the

same manner as corporate trustees holding retirement or pension funds for governmental employees. If the assets fall below the acceptable amount required by the compensation court, the trustor would have to deposit additional assets to continue to satisfy the minimum security amounts required. The provisions would prohibit a trustee from investing assets into stocks, bonds or other obligations of the trustor.

Senators advanced the bill from general file on a 30-0 vote.

EDUCATION

Reallocation of school lottery funds approved

Lottery fund dollars dedicated to education will be reallocated under a bill passed by the Legislature May 7.

LB519, introduced by Cedar Rapids Sen. Kate Sullivan, directs funds to establish competitive innovation grant programs.



Sen. Kate Sullivan

The state Board of Education will establish a competitive innovation grant program with funding from the Nebraska Education Improvement Fund, created by LB519. An appropriation of \$3 million will be transferred from the Education Innovation Fund to the Education Improvement Fund for fiscal year 2016-17.

Money in the Education Improvement Fund is allocated as follows:

- 1 percent to the state Department of Education for the Expanded Learning Opportunity Grant Program Act;
- 17 percent to the state Board

of Education for competitive innovation grants;

- 9 percent to the Community College Gap Assistance Program;
- 3 percent to the Learning Innovation Grant Program;
- 8 percent to the Excellence in Teaching Cash Fund; and
- 62 percent to the Nebraska Opportunity Grant Fund.

Grantees can be a school district, an educational service unit (ESU) or a combination of entities that includes at least one school district or ESU. The board will award grants to applicants that are deemed innovative and to have a strong chance of success.

The state Board of Education can designate an innovation project as a best practice. That program then will be included as a best practice allowance under the Tax Equity and Educational Support Opportunities Act, beginning with school year 2021-22.

The bill also provides for the Coordinating Commission for Postsecondary Education to establish a similar competitive innovation grant program. Grantees can be a public postsecondary education institution or a combination of entities that include at least one participating public postsecondary education institution.

Provisions of LB527, also introduced by Sullivan, are included in the bill. These change the terms for loan forgiveness under the Enhancing Excellence in Teaching Program, decreasing the annual amount forgiven from \$3,000 to \$1,500. Those qualifying for accelerated loan forgiveness will see a decrease from \$6,000 to \$1,500 the first year and to \$3,000 in subsequent years.

LB519 also incorporates provisions of several other bills, including:

- LB380, introduced by Lincoln Sen. Adam Morfeld, which will

direct the Education Committee to study the affordability of postsecondary education and explore strategies to address the high cost of education;



Sen. Adam Morfeld

- LB379, introduced by Lincoln Sen. Kate Bolz, which will provide after school and out-of-school programming, funded through school-community partnership grants; and
- LB36, also introduced by Bolz, which will provide funding to community colleges to award gap assistance to students in eligible non-credit accumulating programs.



Sen. Kate Bolz

The bill passed on a 48-0 vote.

Lawmakers advance omnibus education bill

A bill that would make technical changes to existing education statutes was advanced from general file May 4.

Cedar Rapids Sen. Kate Sullivan introduced LB525, the Education Committee's annual "clean-up" bill.

The bill would clarify that any homeless student must be admitted without charge to the district in which the student is currently located or the school where the student was last enrolled.

It also would allow an early childhood professional to report his or her educational degrees or professional credentials, relevant training and work experience to the Nebraska Early Childhood Professional Record System.

An Education Committee amendment, adopted 32-0, added to the bill provisions of LB524, also introduced by Sullivan, regarding the Community Eligibility Provision (CEP). CEP is a federal program that allows school districts in which at least 40 percent of students are defined as poverty students to offer free meals to all students without collecting applications from households.

To encourage participation in the program, the amended bill would redefine low-income and poverty students under the Tax Equity and Educational Opportunities Support Act (TEEOSA) to include students that receive free meals under CEP.

Provisions of several additional bills also were incorporated under the committee amendment, including:

- LB526, introduced by Sullivan, which would clarify that an individual holding a permit issued by the Commission of Education would be included under the definition of individuals certified to teach, administer or provide special services;
- LB239, introduced by Malcolm Sen. Ken Haar, which would reallocate funds generated by solar and wind energy agreements on school lands to assist schools in implementing an effective educator evaluation model;
- LB572, introduced by Hyannis Sen. Al Davis, which would require the state security director to



Sen. Ken Haar



Sen. Al Davis

recommend curricular and extracurricular material designed to prevent cyber-bullying; and

- LB410, introduced by Sullivan, which would expand eligibility for the Access College Early Scholarship Program Act to include students participating in a career academy or career path of study.

Omaha Sen. Tanya Cook introduced an amendment, which incorporated provisions of her LB509.



Sen. Tanya Cook

Currently, school districts that spend less than 50 percent of their poverty allowance in a given year are disqualified from receiving the allowance in the ensuing year under TEEOSA. The amendment would eliminate the disqualification and instead impose a 5 percent reduction in the allowance upon failure to meet requirements.

Cook said school districts are unfairly expected to predict the future under the current plan.

“Current law threatens schools with penalties if needs, expenditures or plans change,” she said. “This would help to address generational poverty while maintaining institutional accountability in our school funding.”

Senators adopted the Cook amendment on a 37-0 vote.

Sen. Rick Kolowski of Omaha also introduced an amendment, adopted 25-18, which incorporated modified provisions of his LB343 regarding career-readiness programs.



Sen. Rick Kolowski

Schools could apply for reimburse-

ment of implementation costs associated with providing college- and career-readiness programs under the amendment. Beginning July 2016, funding would be available for each student who successfully completes a designated program of excellence, dual-enrollment course or career-readiness program.

Applications for reimbursement would be on a first come, first served basis and be limited to \$2 million for fiscal year 2016-17. After one year, the program would need to be reauthorized to continue.

Kolowski said that providing funding outside of the TEEOSA formula would help all school districts, not just schools receiving equalization aid.

“I’m confident that this innovative way for funding rigor in our schools will warrant future funding,” he said.

Following the adoption of a technical amendment, senators advanced LB525 to select file on a 27-15 vote.

GOVERNMENT, MILITARY & VETERANS AFFAIRS

Joint public agency bonding powers changed

Lawmakers passed a bill May 7 that changes the bonding power of a joint public agency (JPA).

LB132, introduced by Crete Sen. Laura Ebke, requires a JPA to follow the bond issuance procedures required by law for the participating public agency from which the JPA derived taxation powers.



Sen. Laura Ebke

Under the bill, a JPA may issue refunding bonds that are payable from

the same security and tax levy authority as bonds being refunded without holding an election if the issuance of the refunding bonds does not allow additional principal and does not allow extension of the final maturity date of the indebtedness.

LB132 also specifies election procedures that will be required prior to a JPA issuing a general obligation bond paid by a property tax and clarifies the electorate that will vote on a bond issue if the participating public agencies have overlapping jurisdiction of a geographic area.

The bill passed 47-1.

Irrigation district election changes adopted

Lawmakers approved a bill May 7 that clarifies requirements for irrigation district elections.

Among other provisions, LB561, sponsored by Gering Sen. John Stinner, allows an irrigation district of less than 15,000 acres to eliminate subdistricts and hold at-large elections.



Sen. John Stinner

The bill specifies that in the case of land owned or leased by a corporation, trust or other legal entity, the entity will identify an elector-designee in writing not less than 30 days prior to an irrigation district election.

LB561 provides a process for determining who is entitled to vote if two or more persons claim conflicting rights to vote on the same acreage. The bill also allows irrigation districts, at their discretion, to conduct elections by mail.

The bill passed 48-0.

Election law changes amended, advanced

A bill that makes a number of technical changes to the state's election laws was amended and advanced from select file May 5.

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

Columbus Sen. Paul Schumacher offered an amendment during select file debate containing provisions of his LB121, which would require a secret-ballot envelope in which to place mail-in ballots.



Sen. Paul Schumacher

Under the amendment, a secret-ballot envelope means a ballot sleeve open only on one end or an envelope that:

- is provided to the voter by the election commissioner or county clerk;
- bears no characteristics that would identify the voter;
- could be used by a registered voter to insert his or her voted ballot before placing it in the return envelope to return the ballot to the election commissioner or county clerk; and
- has a notch, cutout, window or other design that permits examination of the ballot for the presence of the authorized signature without requiring removal of the ballot or revelation of any votes marked on the ballot.

Schumacher said Nebraska consistently has increased the number

of elections that use mail-in ballots in an effort to save money. In many counties, he said, mail-in ballots are the only option available to voters.

Under the current system, he said, a ballot is placed in a return envelope that includes the voter's name and address—thus it is not a secret ballot.

"This is important because LB575 expands again the number of elections and the types of elections in which a secret ballot is not available to voters," Schumacher said.

Murante opposed the amendment, saying it was part of a bill that the Government, Military and Veterans Affairs Committee chose not advance to general file.

"That's not to say that the problem Sen. Schumacher has addressed doesn't have some merit—it does," Murante said. "But this is not the proper way to go about solving it."

Lincoln Sen. Kathy Campbell said lawmakers should work with county election officials over the interim to find an equitable, affordable solution.

"I don't think that the counties are going to object to the policy [proposal] that Sen. Schumacher is making," she said.

The amendment failed on a vote of 10-30.

Murante offered an amendment that would require election commissioners in counties with a population more than 100,000 to wait 30 days after leaving office before running for or holding elective office.

The amendment also would specify that poll workers could allocate their pay only to nonprofit entities and correct an oversight to allow the state Department of Motor Vehicles to furnish commercial driver's license information to the secretary of state's office for election law purposes.

The Murante amendment was adopted 28-0.

LB575 also 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 a six-month restriction on an election commissioner being a candidate for or holding elective office after leaving office;
- 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.

As amended on general file, the bill contains 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 bill also contains 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 Smith of Papillion, which would permit election by mail for special elections involving candidates.



Sen. Joni Craighead



Sen. Jim Smith

LB575 advanced to final reading by voice vote.



Changes to dental sedation approved

Lawmakers gave final approval May 7 to a bill that changes the permitting process for dentists to administer sedation.

LB80, introduced by Grand Island Sen. Mike Gloor, replaces the current permitting process for general anesthesia with separate permits for minimal, moderate and deep sedation. The bill also updates education and train-



Sen. Mike Gloor

ing requirements for dentists and correlates incident reporting with the new definitions.

Under the bill, a dentist licensed in Nebraska is allowed to administer inhalation analgesia in the practice of dentistry without a permit.

The bill passed 47-0 and takes effect July 1, 2016.

Behavioral health pilot program extended

The termination date for a children’s behavioral health screening and referral program was extended May 7.

In 2013, the Legislature created the Behavioral Health Screening and Referral Pilot Program at the University of Nebraska Medical Center to develop ways to address unmet children’s behavioral health needs that could be replicated statewide.

LB240, introduced by Lincoln Sen. Matt Hansen, extends the program’s termination date to Sept. 6, 2017.

The bill passed 36-9.



Sen. Matt Hansen

Issuance of credentials based on military service approved

Military education, training or service will result in issuance of health profession credentials under a bill passed May 7.

Under LB264, sponsored by Lincoln Sen. Adam Morfeld, the skills and experience acquired through military service will be recognized for the 34 health professions that the state’s Uniform Credentialing Act



Sen. Adam Morfeld

oversees, beginning Dec. 15, 2015.

Upon presentation of satisfactory evidence that education, training or service completed by an applicant while a member of the armed forces or National Guard of any state is substantially similar to that required for a credential, the state Department of Health and Human Services will accept the education, training or service toward the minimum standard for the credential.

The bill passed 48-0.

JUDICIARY



Medicaid reimbursement bill approved

A bill intended to close a loophole that allows individuals to shield assets from reimbursement for Medicaid-related services was amended and advanced from select file May 4 and given final approval May 7.

LB72, sponsored by Columbus Sen. Paul Schumacher, prohibits 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.



Sen. Paul Schumacher

The state Department of Health and Human Services (DHHS) may waive the restrictions within 60 days if there are no claims for Medicaid reimbursement or insufficient assets to satisfy the claims.

Schumacher offered an amendment on select file, adopted 31-1, that allows certain trustees to distribute

assets from a trust prior to receiving a waiver from DHHS if the trustee signs a recital under oath that no claims for medical assistance exist.

The bill also requires that if a petition is filed to determine inheritance tax, notice of the hearing will 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.

LB72 passed on a 40-8 vote.

NATURAL RESOURCES

Limited liability for agritourism advanced

Senators advanced a bill May 7 that is intended to remove obstacles for landowners wishing to host farm tours and events.

Under LB329, introduced by Ogallala Sen. Ken Schilz, any owner who allows visitors on their land to participate in agritourism activities would not be liable for injury or death of a visitor resulting from inherent risk. Visitors must be warned of potential dangers by a sign or in a contract by any owner that charges a fee for visitors to participate.



Sen. Ken Schilz

Agritourism activities can include hunting; horseback riding; camping; birding; farm, ranch and vineyard tours; harvest-your-own activities; fishing; boating and other water sports.

Schilz said a lack of clarity on landowners' liability for accidents prevents many from going into agritourism.

"There is an increased demand for agritourism activities and we should find a way to increase access to these

businesses," he said. "Offering more access would provide more value—not only to landowners but to the local communities that would see business increase."

A Schilz amendment, adopted 34-0, replaced a pending Natural Resources Committee amendment and became the bill. It would define inherent risk as any condition, danger or hazard that is an integral part of land or water used for agritourism, including:

- surface and subsurface conditions and natural conditions of land, vegetation and waters;
- the behavior of wild or domestic animals;
- the ordinary dangers of structures or equipment ordinarily used in farming or ranching when such structures or equipment are used for farming or ranching purposes; and
- the potential of a participant to act in a negligent way that may contribute to injury of the participant or others.

Sen. Kate Bolz of Lincoln expressed concern about potential dangers faced by visitors who may be unfamiliar with standard operating procedures on farms or ranches.

"Most families attending such activities would assume that it would be safe for their kids. We need to figure out how to meet that expectation and ensure that their kids would be protected to the greatest degree possible," she said.

The amendment further clarified that inherent risk would not include any act or omission of information that occurred while a person was under the influence of alcohol or illegal drugs, or any other illegal activity or action.

Liability would not be limited for any owner who knows of potential

dangers and takes no action to correct those issues. Owners would be liable for any actions that constitute intentional or willful gross negligence.

Additionally, any owner who fails to properly train or supervise employees actively engaged in agritourism activities would be held liable under LB329.

Hyannis Sen. Al Davis supported the bill, saying that the high cost of insurance keeps many people out of the agritourism industry.

“We’re trying to make this an affordable option for folks to start a business [with LB329], but maintain the protections for the people who may be injured if a landowner did not warn or inform them of the proper procedures,” he said.

Senators advanced the bill to select file on a 33-1 vote.

NEBRASKA RETIREMENT SYSTEMS

Judges’ retirement plan revisions advance

Senators gave first-round approval May 4 to a bill that would change the retirement plan for Nebraska judges.

Introduced by Omaha Sen. Jeremy Nordquist, LB468 would create a new tier of reduced benefits for judges who become members of the judges’ retirement plan on and after July 1, 2015. The bill would require that the final retirement benefit be calculated using an average of the five highest years of salary and that the contribution rate for judges in this tier not decrease



Sen. Jeremy Nordquist

after 20 years. New judges would be required to contribute 10 percent of their annual salaries to the retirement plan.

The bill would redirect certain court fees from the state’s General Fund to the judges’ retirement plan. It also would assess a new \$6 fee to each participant in adult and traffic pre-trial diversion programs and direct the funds to the retirement fund.

Nordquist said that raising and redirecting court fees would give the judges’ retirement plan a long term funding source that could not be jeopardized by future budget complications that could affect general fund appropriations.

Omaha Sen. Ernie Chambers said the judicial branch of government should be funded by taxes, not by the individuals who depend on judges’ impartial and unbiased decisions. He filed a motion to indefinitely postpone the bill.

“This tinkering with fees and court costs always is political, pure and simple,” Chambers said.

Sen. Heath Mello of Omaha opposed the motion, saying that court fees have been funding the retirement fund since 1955.

“This is not new policy,” Mello said.

The motion to indefinitely postpone LB468 failed on a 0-32 vote.

Sen. Paul Schumacher of Columbus introduced an amendment that would prohibit the use of fees assessed for enrollment in a pretrial diversion program to fund the judges’ retirement fund. After Nordquist said he would work with Schumacher on an amendment to bring on select file, Schumacher withdrew the amendment.

Senators then advanced the bill to select file on a 37-1 vote.

REVENUE

Personal property tax exemption advanced

Lawmakers gave first-round approval to a bill May 4 that would provide a tax exemption on the first \$10,000 of personal property.

LB259, as introduced by Grand Island Sen. Mike Gloor, would have exempted the first \$25,000 of personal property for each personal property tax return filed with a county assessor. Gloor said that the genesis of the



Sen. Mike Gloor

exemption came from the Legislature’s 2013 Tax Modernization Committee.

“We’re one of a few states that still taxes agricultural personal property,” he said. “This is a modest attempt at property tax relief and will provide some degree of help to small businesses and farmers.”

A Revenue Committee amendment, adopted 27-1, reduced the exemption to the first \$15,000 of personal property. It also prohibited the inclusion of tangible personal property valued at less than \$1,000 from any exemption filed.

Gloor introduced an amendment to the committee amendment, adopted 27-0, that further reduced the exemption to the first \$10,000 of personal property. As amended, the average exemption would be \$162.

Columbus Sen. Paul Schumacher supported the bill, saying that incremental changes in the right direction are better than taking no action at all.

“There isn’t a great deal of flexibility in the system for tax relief

unless there is some associated cut in spending on the other side of the equation,” he said. “This is not an earth-shattering tax relief package, but it is a tax break that extends to all businesses and disproportionately helps small businesses.”

Following the adoption of a technical amendment, senators advanced the bill to select file on a 29-0 vote.

Fraternal benefit society exemption adopted

Lawmakers passed a bill May 7 that provides tax relief to fraternal benefit societies.

LB414, introduced by Omaha Sen. Burke Harr, exempts all fraternal benefit societies from property taxes.



Sen. Burke Harr

State statute defines a fraternal benefit society as any incorporated, not-for-profit society, order or supreme lodge without capital stock that is conducted solely for the benefit of its members and their beneficiaries.

The bill passed on a 33-13 vote.

Cloture attempt on wind energy tax credit fails

After four hours of debate, an attempt to force a vote on a bill that would have increased the state’s production tax credit for renewable electric generation facilities failed May 5.

Currently, renewable generation facilities can apply for a tax credit of .05 cent per kilowatt-hour. LB423, introduced by Omaha Sen. Jeremy Nordquist, would in-



Sen. Jeremy Nordquist

crease the available credit. A sliding scale would be used to determine the credit, beginning 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.

Nordquist said the bill would incentivize renewable energy producers to invest in the state.

“If we don’t incentivize these projects, they won’t come here,” he said. “There is no longer a federal tax credit in place so states have to compete and other states do incentivize these projects.”

The bill 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.

It also would assign 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. The tax credit would have a sunset date of Dec. 31, 2021.

Nordquist introduced an amendment, adopted 31-0, which further reduced the proposed tax credit from the bill’s original amount of 1.5 cents to .75 cents per kilowatt-hour generated. It also would limit a facility’s tax credits to \$1 million, taken over two years.

The amendment would further limit the total of the state’s new tax credits to \$75 million each year.

Omaha Sen. John McCollister supported the amendment, saying that it made the bill better.

“The fiscal impact is still more than what I would have wanted, but this is a good compromise,” he said.

An amendment introduced by Nordquist to authorize the Legislative Performance Audit Committee to regularly audit the renewable energy

tax credit program proposed by LB423 was pending when he offered a motion to invoke cloture, or cease debate and take an immediate vote on the bill.

The motion failed 30-12. Thirty-three votes were needed.

A failed cloture motion prevents further debate on the bill for the day. LB423 is unlikely to be scheduled for further debate this session.

Incremental fuel tax increase of 1.5 cents vetoed

Lawmakers passed a bill May 7 that would increase the fixed fuel tax by 1.5 cents annually for four years. It was vetoed later that day by Gov. Pete Ricketts.

Currently, the fixed fuel tax appropriated to the state Department of Roads is 7.5 cents on each gallon of gasoline, while cities and counties are allocated 2.8 cents.

LB610, introduced by Papillion Sen. Jim Smith, would increase the tax allocated to the department by one-half cent per gallon annually for four years and to cities and counties by one-cent.



Sen. Jim Smith

In his veto letter to the Legislature, Ricketts said that LB610 would increase the state’s gas tax by 23 percent, giving Nebraska the 16th highest gas tax rate in the country and surpassing the national average.

He recommended that the state look for more creative and innovative ways to address roads funding issues.

“Last week, I appointed a new director [to the state Department of Roads],” Ricketts wrote. “I intentionally selected a forward-thinking leader who will take a fresh approach to our state’s road construction needs. This

is an area that is vital to our continued economic growth. I cannot, however, support raising taxes as the first solution to this issue.”

The increase to cities and counties would total \$4.2 million in fiscal year 2015-16, \$16.9 million in FY2016-17, \$29.6 million in FY2017-18 and \$42.3 million in FY2018-19.

The proposed change to the fixed fuel tax would increase revenue to the department by \$2.1 million in FY2015-16, \$8.5 million in FY2016-17, \$14.8 million in FY2017-18 and \$21.2 million in FY2018-19.

Senators passed the bill on a 26-15 vote. Thirty votes are needed to override a veto.



Withdrawal from rail compact approved

A bill that withdraws Nebraska’s membership from the Midwest Interstate Passenger Rail Compact was approved May 7.

LB317, sponsored by Papillion Sen. Bill Kintner, authorizes the state’s withdrawal from the compact and takes effect July 1, 2018.

The bill passed on a 39-6 vote.

Ride-sharing regulations advanced

Senators gave second-round approval May 5 to a bill that would authorize the state to regulate ride-sharing companies.

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



Sen. Heath Mello

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.

Mello introduced an amendment on select file that would increase from

\$20,000 to \$25,000 the annual TNC registration fee and increase from \$500,000 to \$1 million the minimum primary liability insurance coverage a TNC must maintain for death, personal injury and property damage.

The amendment also would expand the definition of personal vehicles used by TNC drivers to include those that a driver owns, leases or is authorized to use. It excludes from the definition of prearranged ride a shared expense carpool or vanpool arrangement.

Additionally, the amendment would require that a driver provide the TNC with a signed confirmation that a vehicle lienholder had been notified prior to a vehicle being used for a TNC.

Mello said the amendment represents a compromise by TNCs, the Public Service Commission and banking and insurance industries.

After adopting the amendment 34-0, senators advanced the bill to final reading by voice vote. ■

LIVE COVERAGE OF THE LEGISLATURE OFFERED FOR SMARTPHONES

The Nebraska Capitol Live app allows users of both Android and Apple products to stream all coverage of the Unicameral from bill introduction to final reading.

Provided by the State of Nebraska and Nebraska Educational Telecommunications (NET), the app is free and available from the Apple app store, iTunes and the Google Play store. It also provides live coverage of other state entities, including the Nebraska Supreme Court and the governor’s hearing room.

Additionally, NET Television continues to provide coverage from the Legislature via live broadcasts on NET2 World and its website at netNebraska.org.



COMMITTEE HEARINGS

*Current hearing schedules are always available at: nebraskalegislature.gov/calendar

Tuesday, May 12

Health & Human Services
Room 2102 - 12:00 p.m.

Appointment: Michael D. Bailey - Board of Emergency Medical Services
Appointments: Hynes, Michelle Marie
 Hynes, Sheree L. Keely - Foster Care Advisory Committee
Appointment: Jeremy Fitzpatrick - Commission for the Deaf and Hard of Hearing

Wednesday, May 13

General Affairs
Room 1510 - 12:00 p.m.

Appointments: Bruce D. Bailey, Janice Wiebusch - Neb. Liquor Control Commission
Appointment: Matthew Anselmo - Neb. Commission on Problem Gambling
Appointments: Timothy Hart, Jon Hinrichs, Pamela Price - Neb. Arts Council
Appointment: Ourada, Tom - State Electrical Board

Thursday, May 14

General Affairs
Room 1510 - 12:00 p.m.

Appointments: Terry L. Scoville, Paul Leckband
Appointment: James S. Brummer - State Electrical Board
Appointment: Janelle Beveridge - State Racing Commission

Judiciary
Room 1113 - 12:00 p.m.

Appointments: Teresa L. Bittinger, Virgil J. Patlan Sr. - Board of Parole

Natural Resources
Room 1525 - 8:30 a.m.

Appointments: Jim Hellbusch, Robert F. Krohn - Neb. Environmental Trust Board

Monday, May 18

Business & Labor
Room 2102 - 12:00 p.m.

Appointment: Blake, William G. - Commission of Industrial Relations

Nebraska Retirement Systems
Room 1525 - 8:30 a.m.

Appointments: Denis Blank, Dennis W. Leonard, Kelli Ackerman, J. Russell Derr - Public Employees Retirement Board

Transportation & Telecommunications
Room 1113 - 9:00 a.m.

Appointment: Ricky Pearson - Motor Vehicle Industry Licensing Board
Appointment: Lisa Kramer - Board of Public Roads Classifications and Standards ■

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.

The registration deadline is May 15.

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