

Property tax offset for streamflow projects debated

Lawmakers debated a bill Jan. 24 and 25 that is meant to reduce the impact of streamflow augmentation projects on county tax rolls.

As introduced by Sen. Dan Hughes of Venango, LB758 would require state natural resources districts and interlocal entities that buy private land for the development of a streamflow augmentation project to work with the county in which the project is located to reduce the project's impact on the local property tax base.

A pending Natural Resources Committee amendment would replace the bill and instead would authorize NRDs and interlocal entities to make voluntary payments in lieu of taxes to the county. The amount of the payments would not exceed the property taxes that would have been paid if the land were subject to taxation.



Sen. Dan Hughes said his proposal would allow streamflow augmentation projects to make payments in lieu of property taxes to affected counties.

Hughes said the amendment would address the loss of property tax revenue to counties under the Rock Creek Augmentation Project and the Nebraska Cooperative Republican Platte

Enhancement project. Both projects help the state meet streamflow requirements under the 2003 Republican River Compact, which allocates the use of surface water between Colo-

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Income tax credit proposed on property taxes paid to schools

The Revenue Committee heard testimony Jan. 25 on a bill that would provide Nebraskans with income tax credits against the amount of property taxes they pay to schools.

Introduced by Bayard Sen. Steve Erdman, LB829 would provide a refundable state income tax credit equal to 50 percent of the property taxes paid to school districts during the taxable year beginning in 2019.



Sen. Steve Erdman

Providing for public education is one of the Legislature's responsibilities outlined in the Nebraska Constitution, Erdman said, but the state currently is not paying its fair share. He said Nebraska relies too heavily on property taxes to fund its public schools at a time when property taxes are rising faster than incomes.

"The state cannot continue cutting funding for education knowing that property tax payers will have to pick up

the slack," Erdman said.

He said a petition drive is working to place a proposal similar to LB829 on the November 2018 general election ballot in case the Legislature fails to pass it.

The state Department of Revenue estimates that LB829 as introduced would reduce state tax revenue by approximately \$263 million in fiscal year 2018-19 and a further \$637 million in FY2019-20. That figure would rise to approximately \$720 million in FY2024-25.

The department also provided an estimate of the bill's impact if the Legislature were to eliminate the bill's requirement that property taxes be paid in the same year that they are levied. In that case, the department estimates a loss of approximately \$233 million in FY2018-19 and a further \$800 million in FY2019-20. That would increase to \$1.35 billion by FY2024-25.

Erdman said he has not suggested ways to pay for the proposal because that would be the Legislature's job if

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Income tax credit proposed on property taxes paid to schools

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either LB829 or the ballot initiative succeed.

“I don’t believe it’s my job to come here and explain to you or to share with people what I think the fix is,” he said. “My job is to describe to you that property tax is a problem, it’s out of line and we need to fix it.”

Doug Kagan of Omaha testified in support of the bill on behalf of Nebraska Taxpayers for Freedom. He said LB829 would provide tax relief for rural and urban property owners alike.

“Elderly citizens could comfortably remain in their homes,” Kagan said. “Rural landowners would not have to sell off land and inheritances to pay off the tax load.”

Kagan said the Legislature could offset the proposal’s cost by cutting the state budget, eliminating state agencies, repealing tax exemptions, privatizing government functions and decreasing the number of state employees.

Robert Johnston of Clearwater testified in support of the bill on behalf of the Nebraska Agricultural Leaders Working Group. Johnston said the group—comprising members of several agricultural organizations, including the Nebraska Cattlemen Association, the Nebraska Farm Bureau and the Nebraska Corn Growers Association—is looking for a proposal that would provide \$600 million to \$1 billion in property tax relief as soon as possible.

“Battling over property taxes for another year without results is unacceptable,” he said.

Jeff Metz, a farmer and rancher from Morrill County, also testified in support of the bill. He said property taxes in Nebraska are much too high and are especially burdensome on agricultural landowners. His property tax bill increased

600 percent in the last 10 years, he said.

Metz, who also serves as chairman of the Morrill County Board of Commissioners, said he would support an increase in the state sales tax to offset the credit proposed by LB829.

“We need to broaden the base of who’s paying for education,” he said. “Seventy-four percent of my property tax check goes to education—more people need to pay the bill.”

Jim Greisch, speaking on behalf of the Omaha and Lincoln chambers of commerce, testified in opposition to the bill. He said the chambers agree that property taxes, like all taxes in Nebraska, are too high. However, LB829 is the “worst possible answer” because it would not solve what he said is the root problem: excessive spending by local governments.

Greisch said the bill instead would lead to cuts to government services or a massive shift of the tax burden to state income and sales taxes.

“This is absolutely the wrong time to do this when our No. 1 priority should be growing our state,” he said.

Ann Hunter-Pirtle, executive director of Stand for Schools, also testified in opposition to LB829. She agreed with the bill’s supporters that Nebraska relies too heavily on property taxes to fund K-12 education and said the state should direct more aid to public schools.

“We understand the goal of this bill is to force a crisis and encourage the state to take action,” she said, “but blowing a billion-dollar hole in the state’s budget with no plan to pay for it is a dangerous game that would devastate not only public schools but many other state services as well.”

The committee took no immediate action on the bill. ■

UNICAMERAL UPDATE

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rado, Kansas and Nebraska.

“N-CORPE and Rock Creek were conceived and are being paid for locally to solve the state of Nebraska’s problem,” Hughes said.

N-CORPE, an interlocal agency created in 2012 by four of the state’s NRDs, bought 19,500 acres in Lincoln County that it retired from irrigation so it could pump groundwater into the Republican and Platte rivers to help the state meet streamflow requirements under the compact. The Rock Creek Augmentation Project acquired approximately 5,200 acres in Dundy County for the same purpose, Hughes said. An occupation tax on irrigators within the four NRDs funds the project.

Lincoln and Dundy counties both lost property tax revenue after those projects converted irrigated land to grassland, which has a much lower tax valuation. Hughes said N-CORPE and Rock Creek have paid property taxes assessed by the counties but that they have done so in protest because it was not clear if a public entity should pay property taxes on that land serves a public purpose.

In July 2017, the state Tax Equalization and Review Commission ruled that N-CORPE was exempt from paying property taxes for that reason. Lincoln and Dundy counties appealed that ruling to the state’s higher courts, Hughes said.

He said the amendment, by allowing N-CORPE to make payments voluntarily, avoids that prohibition while helping to offset lost property tax revenue to the counties.

Hughes said the N-CORPE and Rock Creek projects are critical to ensuring the state’s compliance with the Republican River Compact and

the Platte River Recovery Implementation Program.

“We are in a positive place now with Kansas and the compact because of flexibility and certainty that N-CORPE and Rock Creek provide.”

The amendment also would require joint entities or NRDs to provide public notice of their intention to proceed with a water augmentation project and to hold a public hearing. They also would be required to publish an annual report on a project’s finances and activities, including the amount of water pumped.

Sen. Mike Groene of North Platte said N-CORPE took 7 percent of Lincoln County’s irrigated acres out of production and converted it to grassland. The county would have received approximately \$730,000 in property tax revenue last year had the land still been irrigated, he said. It generated only \$196,000 in property tax revenue as grassland.

Groene said he supports the amendment because it would not require local governments and school districts to refund the taxes N-CORPE paid in protest for the past several years if the courts uphold TERC’s decision.

However, he said, his LB1123 would be a better solution to the problem by allowing N-CORPE to sell the land to private owners while retaining the water for use in the augmentation project. This would return the land to the county’s property tax rolls and allow private owners to use it for dryland farming, improving its tax valuation.

“It’s a bad answer to a worse situation,” Groene said of the amendment.

Sen. Curt Friesen of Henderson also supported the amendment. He said allowing N-CORPE to make pay-

ments to the county in lieu of property taxes would hold school districts and other local entities harmless, which was the project’s original intent.

Friesen said he would have stopped the formation of the N-CORPE project if he could have, but he says the project has served a beneficial purpose by allowing the state to meet its obligations under the compact with Kansas while allowing for some irrigation within the Republican River Basin.

“I see a beneficial purpose for it at this time,” he said, “but I would hope that, longer range, that project could go away.”

Omaha Sen. Burke Harr opposed the amendment, saying that it would allow N-CORPE to make payments less than the amount it otherwise would have to pay in property taxes. Harr said the NRDs are asking the Legislature to solve a problem when the state’s higher courts have not yet ruled on the issue.

“I’m not sure why we’re coming to save their tail from a question they raised that still hasn’t been answered,” he said.

Sen. Ernie Chambers of Omaha also opposed the amendment and the bill. He filed a floor amendment to the committee amendment in an effort to extend debate.

After three hours of debate spanning two days, the Legislature moved to another item on the agenda. Per a practice implemented last year by Speaker Jim Scheer of Norfolk, the sponsor of a bill that is facing a potential filibuster must demonstrate sufficient support for a cloture motion before the measure will be scheduled for additional debate. ■

AGRICULTURE

Repeal of black-tailed prairie dog management law fails

A bill that would repeal a law authorizing counties to adopt coordinated programs to manage black-tailed prairie dogs failed to advance from general file Jan. 23.

As introduced by Omaha Sen. Ernie Chambers, LB449 would repeal the Black-Tailed Prairie Dog Management Act and would remove the state Department of Agriculture director's authority to contract with the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture to control black-tailed prairie dogs.



Sen. Ernie Chambers

Lawmakers voted 35-0 to adopt an Agriculture Committee amendment that would repeal the act but leave in place the department's authority to work with the USDA to control black-tailed prairie dogs, in addition to other nuisance animals.

Chambers said the law was unnecessary because Nebraska counties and cities already had the ability to work with APHIS to control prairie dogs. They would retain that authority under LB449 as amended, he added. Chambers said Sheridan County is the only county that has adopted a resolution to manage prairie dogs under the act, but it instead chose to work with APHIS to settle a dispute about an unmanaged prairie dog colony.

The law requires a landowner to effectively manage prairie dog colonies on his or her property to prevent them from expanding to adjacent property if

the owner objects. If a landowner does not provide evidence that a colony is being managed within 60 days of a county board's notice, the county may enter the property to manage the prairie dogs. The landowner would be responsible for any expenses, and unpaid assessments would become a lien on the property. Landowners who do not comply also could receive a maximum fine of \$1,500. The law allows a county to file a foreclosure suit to recover the debt.

Chambers said a landowner could find himself in foreclosure based on an unsubstantiated complaint from a vindictive neighbor.

"That is crazy, and it happens nowhere else in any law," he said. "A civil matter becomes a criminal matter without any court involvement anywhere along the way."

Sen. Bob Krist of Omaha supported the bill, saying that it would not prevent landowners from controlling prairie dogs on their property. He said having both the counties and a federal agency involved in prairie dog management is a duplication of effort. While only one county has passed a resolution to create a prairie dog management plan, Krist said, more than 40 counties have worked with APHIS to achieve the same result.

"It's a ridiculous law that needs to be changed," he said.

O'Neill Sen. Tyson Larson filed a motion to indefinitely postpone the bill, saying that he could not support LB449 as amended. The motion failed on a 14-21 vote.

Sen. Dan Hughes of Venango also opposed LB449, saying that prairie dogs are resilient pests that destroy crops and build colonies that can span hundreds of acres. He said the law allows landowners to seek county intervention when a neighbor is not willing to control prairie dogs on his

or her land, rather than wait for assistance from a federal agency.

"I think I have a better opportunity to get faster results going through the county than trying to go through the federal government," Hughes said.

Also in opposition was Sen. Curt Friesen of Henderson, who compared the act to nuisance laws in residential areas. If a neighbor keeps junked cars on his lawn, Friesen said, the city can take action to remove them. Prairie dogs, which can cause serious damage to the land, have a similar negative effect on property values, he added.

"I don't think it's used a lot, but [the law] gives counties a tool that they can use to help control prairie dogs in their area," Friesen said.

The bill's advancement failed on a 21-17 vote. Twenty-five votes were needed.

In-home cottage food sales considered

The Agriculture Committee heard testimony Jan. 23 on a bill would authorize Nebraskans to sell food already authorized for sale at farmers' markets to customers from their homes.

Current law allows for the sale of foods such as baked goods, fruits, vegetables and herbs directly to a consumer at a farmers' market if the consumer is informed by a sign at the sale location that the food was prepared in a kitchen that was not subject to regulation and inspection. LB764, introduced by Bellevue Sen. Sue Crawford, would expand that provision to direct consumer sales.

Crawford said LB764 would make it easier for Nebraska cottage food producers to earn an income without compromising public



Sen. Sue Crawford

safety. State Department of Health and Human Services data show no outbreaks of foodborne illnesses related to farmers' markets, she said, and it would seem logical that consumers should be allowed to buy the same foods made under the same conditions directly from the producer.

"This legislation simply makes cottage food available throughout the year and provides access to local foods in communities that do not have farmers' markets," Crawford said.

The bill would limit an operation's use of the internet to advertising and taking orders, and the goods could not be shipped by mail or a courier service. An operation would be limited to \$25,000 in gross annual sales.

Nicole Fox, director of government relations for the Platte Institute, testified in support of the bill, saying that it would boost state economic growth. Allowing producers to make cottage foods in their homes rather than in a commercial kitchen would reduce startup costs for small food businesses, she said.

"With the increased focus on supporting and growing local economies," Fox said, "cottage food laws need to be broad enough to allow producers to make their operations viable local businesses."

John Hansen, president of the Nebraska Farmers Union, also testified in support of the bill, saying that it would help farmers who are looking for ways to supplement their income after several years of low commodity prices.

"We have a growing number of entrepreneurs who are trying to augment their incomes with this kind of in-home business," he said. "And it seems to me that this is a way where we can provide guidance and oversight and yet we can reduce some of the regulatory barriers."

Also testifying in support of the bill was Skylar Falter, a beginning farmer. Falter said that excess food, such as second-rate vegetables that do not sell at a farmers' market, often goes to waste. LB764 would help to eliminate that waste and provide healthier food to communities. Many beginning farmers lack the capital to build commercial kitchen space, she added.

"I think this really allows farmers and other individuals in rural communities—and urban—to diversify income streams without taking a huge risk," Falter said.

Testifying in opposition to the bill was Kathy Siefken, executive director of the Nebraska Grocery Industry Association. When a consumer buys food at a farmers' market, Siefken said, she has a clearer understanding of the risk of eating that food than she would if she were to purchase it directly from the producer outside that setting.

Additionally, she said, LB764 would not require producers to receive any food safety training or to follow cottage food guidelines from the Association of Food and Drug Officials.

"Bottom line: This bill compromises food safety," Siefken said.

The committee took no immediate action on the bill.

APPROPRIATIONS

Budget reductions proposed

Mid-biennium adjustments to the state's budget package were considered by the Appropriations Committee Jan. 22. The state budget is structured on a two-year basis, with the budget passed in odd-numbered years and adjustments made during legislative sessions held in even-numbered years.

Three bills, introduced by Speaker

Jim Scheer of Norfolk at the request of Gov. Pete Ricketts, comprise the governor's mid-biennium budget recommendations:



Sen. Jim Scheer

- LB944 would change, eliminate and reduce state appropriations;
- LB945 would transfer funds and change transfer provisions; and
- LB946 would change provisions relating to the state's Cash Reserve Fund.

Presented to the committee by State Budget Administrator Gerry Oligmueller, the bills would make cost-saving adjustments in the current fiscal year ending June 30, 2018, as well as the next fiscal year. Oligmueller said the adjustments are required to address a \$173 million budget gap resulting from a downward revision in forecasted tax receipts.

He said that a balanced budget for the biennium would be achieved in part through the governor's recommendation of an overall reduction of \$48 million in general fund appropriations in LB944. The bill would eliminate \$1.1 million in fiscal year 2017-18 reappropriations and includes a 2 percent across-the-board reduction in certain state agency appropriations in FY2017-18 and 4 percent in FY2018-19.

In addition, he said, LB944 and LB945 together propose additional transfers or changes to existing transfers to the General Fund that would increase revenue by \$16.7 million. LB946 would transfer \$108 million from the Cash Reserve Fund to the General Fund.

The result, Oligmueller said, would be a cash reserve balance of \$273.9 million at the end of the current biennium.

“As always, we look forward to working with you as you consider mid-biennium budget adjustments during this 2018 session of the Legislature,” he said.

Meg Mikolajczyk, associate general counsel for Planned Parenthood of the Heartland, testified in opposition to a provision in LB944 that she said “seeks to completely restructure and likely dismantle Nebraska’s Title X program.”

Title X funds are used to subsidize Pap smears—including follow-up treatments and procedures for abnormal results—as well as the diagnosis and treatment of sexually transmitted disease, cancer screenings and family planning services.

Mikolajczyk said Title X is a substantive policy issue that operates outside the budget process and should be handled by a committee with proper subject matter jurisdiction, likely the Judiciary Committee.

“I’m not here today to testify on the merits of this proposed policy change,” Mikolajczyk said. “Rather, my testimony is focused on process. I encourage this committee to find another way—absent the budget bills—to determine whether or not this Title X proposal is an appropriate policy endeavor and worthy of becoming law.”

Gering Sen. John Stinner, chairperson of the committee, said that a separate hearing on the Title X provision will be held Feb. 5.

“I do appreciate your comments relative to the germaneness ... is it germane to this committee? That’s an interesting discussion,” Stinner said.

Also testifying in opposition to LB944 was Jane Polson, president of Keep Nebraska Beautiful. She said a proposed \$900,000 transfer from the Waste Reduction and Recycling Incentive Fees Collection Fund to the General Fund would jeopardize

important programs across the state.

She said many community organizations dedicated to reducing litter and waste and promoting recycling would have great difficulty continuing operation without a guaranteed source of funding.

“My fear is that these long-standing organizations will simply close their doors,” Polson said.

No proponent testimony was offered on the budget proposal and the committee took no immediate action on the bills.



Educational grant program fails to advance

A bill that would provide grant funding to community colleges developing education and training programs for adult learners failed to advance from general file Jan. 22.

LB515, introduced by Lincoln Sen. Kate Bolz, would provide grants for up to three years to eligible community college programs. The Coordinating Commission for Postsecondary Education would provide oversight of the grant program.



Sen. Kate Bolz

To be eligible, a program must demonstrate an integrated approach to helping adult learners learn the skills needed to join the workforce or adapt to new career paths.

Seventy percent of the state’s projected jobs will require a secondary education by 2020, Bolz said, but only 44 percent of Nebraskans have an associate’s degree or higher.

The bill is modeled on best prac-

tices from a Washington program, which has led to significant wage increases and acceptance into credit-earning programs for people who have completed the program, she said.

“This is a great opportunity to follow a model that’s shown success,” Bolz said. “It matches one of the state’s greatest needs with individuals who need to get ahead.”

Sen. Lou Ann Linehan of Elkhorn agreed that many in the state’s workforce would benefit from additional education, but she said that LB515 is addressing only the symptom and not the problem. She said between 25 and 70 percent of high school graduates require remedial education in math.

“I understand the importance of these programs, but I don’t think we should look to community colleges or grant programs to do the remedial education our high schools should already be doing,” Linehan said.

Bellevue Sen. Sue Crawford disagreed, supporting the bill as just one piece in the educational puzzle.

“We all want to make sure our students are graduating with the skills they need to succeed, but we’re also targeting students who did not complete their high school education,” she said. “We need to make sure we’re working on education on all fronts.”

Brainard Sen. Bruce Bostelman also opposed the measure. If community colleges cannot provide remedial education within their current framework, he said, perhaps it is time to re-evaluate where taxpayer dollars are spent.

“We’re giving more money to community colleges who are taking a lot of property taxes from the communities,” Bostelman said. “Why is it that they can’t do this when they’re constantly requesting more money and raising bond issues?”

Following the 32-0 adoption of

a Business and Labor Committee amendment to clarify that grants would be distributed only when such funds are appropriated by the Legislature, senators voted 21-12 on its advancement. This was four votes short of the number needed.

The bill remains on general file.

Bill proposes drug tests for certain unemployment recipients

A failed drug test could mean a loss of unemployment benefits under a bill discussed by the Business and Labor Committee Jan. 22.

Currently, a person may receive reduced unemployment benefits or be disqualified completely for failing to apply for or accept available and suitable work.

Under LB712, introduced by Thurston Sen. Joni Albrecht, an individual who fails a pre-employment drug screening would be treated the same as someone who fails to accept work.



Sen. Joni Albrecht

The bill also would authorize the state commissioner of labor to require drug testing for individuals who seek unemployment benefits after being terminated for unlawful use of a controlled substance at their most recent job.

If the individual seeking benefits fails such a test, he or she would lose benefits for at least one week. The applicant would be eligible to take a new drug test after the initial probationary period. A successful test result could lead to restoration of benefits.

Albrecht said the bill would ensure a safer work environment and instill a sense of personal responsibility in the state’s workforce. Having enough

people who can reliably pass drug tests is a major concern for Nebraska employers, she said.

“This will only make our unemployment system better and bolster our state’s workforce and ensure they are ready to work,” she said.

Commissioner of Labor John Albin spoke in support of LB712, saying a person using drugs is choosing to remove himself from the job market.

“The primary purpose of the [unemployment benefits] program is to provide benefits to individuals who are unemployed through no fault of their own,” he said. “People who have failed a drug test are there because of their own bad choices.”

Employers invest a significant amount of time and money into new employees, said Lincoln Independent Business Association representative Abby Stenek. She also supported the bill, saying it would alleviate the burden that employees who use illicit drugs place on business owners.

“Employees with a history of drug use may have lower levels of productivity, higher rates of workplace accidents and miss more work,” Stenek said. “If employees have a history of using drugs, it is reasonable to expect such employees will repeat the same mistakes.”

Speaking in opposition to the measure, Nebraska AFL-CIO representative Steve Howard said it does not take into account the many workers suffering from opioid addiction.

“I don’t understand that there’s any hard data that there would be any downward trend of drug use because of these kinds of efforts,” he said. “We won’t solve the drug problems in Nebraska with legislation like this.”

Edison McDonald, executive director of the Arc of Nebraska, similarly opposed LB712. He said revoking benefits for a person already struggling

with drug addiction could trigger additional problems. Instead, lawmakers should follow the lead of other states like West Virginia that have focused more on rehabilitation, he said.

“We should open substance abuse treatment to applicants that do test positive so that they can continue receiving benefits like they do in West Virginia,” said McDonald. “Even one week or two without benefits can cause tremendous issues in people’s lives.”

The committee took no immediate action on the bill.

Bill would discourage employee misclassification

The Business and Labor Committee heard testimony Jan. 22 on a bill that would impose a penalty on employers who misclassify employees as independent contractors.

LB784, introduced by Omaha Sen. Tony Vargas, would prohibit contractors or employers who have unpaid fines for violating the Employee Classification Act from entering into a contract with the state or any political subdivision until the fines are paid.



Sen. Tony Vargas

Vargas said the practice of misclassifying employees allows employers to avoid paying unemployment taxes and providing workers’ compensation insurance. This creates an unfair disadvantage for businesses that correctly classify employees when bidding for jobs against those skirting the law, he said.

“It is incredibly important to take this next step in enforcing the Employee Classification Act,” Vargas said. “We need to make sure all businesses are bidding on a level playing field where employees are being paid and

classified fairly.”

Matt Scott, representing the North Central States Regional Council of Carpenters, spoke in support of LB784. He said a lack of enforcement has led to exploitation of workers who receive no workers’ compensation coverage and are not eligible for unemployment benefits.

“We need more enforcement to stop these contractors who owe fines and use this illegal and immoral business practice from bidding on state and local projects,” Scott said.

Lack of enforcement has led many out-of-state companies to underbid Nebraska companies, said Nebraska AFL-CIO representative Steve Howard. He said he supports the bill because it would incentivize contractors to operate within the law.

“We want our members to work for employers that can bid competitively and have an even-level playing field,” Howard said.

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

EDUCATION

Superintendent pay limit discussed

The Education Committee heard testimony Jan. 22 on a bill that would limit public school superintendent compensation packages to a multiple of base teacher salary.

LB851, introduced by Elkhorn Sen. Lou Ann Linehan, would limit salary and benefits packages for superintendents and educational service



Sen. Lou Ann Linehan

unit administrators to five times the amount a beginning teacher would make in a given district or ESU.

Linehan said the bill would reduce the imbalance between teacher and superintendent pay. She cited a 2016 School Superintendents Association study, which found that the ratio of superintendent pay to teacher pay exceeded 1 to 5 during the 2016-17 school year. Nebraska teacher compensation falls near the national median, the study found, but superintendent compensation is higher.

Linehan said beginning teachers in Nebraska typically earn less than \$40,000 a year, and their take-home pay is much lower after retirement contributions, taxes, insurance premiums, union dues and student loan payments.

“I find it highly problematic that we would pay beginning teachers just above the poverty level while paying other school officials—even the most senior officials—wages that outstrip almost all other public employees.”

Lacey Merica, vice president of the Omaha Public Schools Board of Education, testified in opposition to the bill, saying that elected school board members are in the best position to decide appropriate superintendent compensation. The current OPS superintendent salary is approximately \$295,000, compared to a starting teacher salary of \$41,000, Merica said, which means OPS would have to cut superintendent pay to meet the 5 to 1 ratio proposed in LB851.

“It is vitally important to the children of OPS and every other district in our state to have the best people in place to lead their district,” she said. “If OPS cannot offer a competitive compensation package, the best will go to one of the other 48 states that do not have these limits.”

Also testifying in opposition to the

bill was Boone Huffman, a Chadron Public Schools Board of Education member. Huffman said the ratio of superintendent pay to beginning teacher pay in his district is closer to 1 to 4, meaning LB851 would have no immediate effect if passed. If the school board wanted to offer a higher salary to attract a new candidate, however, LB851 could prevent that.

“I don’t want to be handcuffed by a bill such as this,” Huffman said.

Boone said he also is concerned that the 5 to 1 ratio could act as a floor instead of a ceiling—that new superintendent candidates might demand a compensation package of five times base teacher salary as a matter of course.

No one testified in favor of the bill, and the committee took no immediate action on it.

EXECUTIVE BOARD

New requirements for legislative appointments proposed

A bill that would place additional constraints on who may be appointed to fill a vacant seat in the Nebraska Legislature was considered by the Executive Board Jan. 25.

Currently, the governor is tasked with appointing an individual to serve when a vacancy occurs in the Legislature. LB777, introduced by Omaha Sen. Sara Howard, would require that the individual chosen be selected from a pool of applicants. To be considered eligible for such an appointment, an individual would be required to file an application with the governor’s office



Sen. Sara Howard

within 30 days of the vacancy.

Howard said the state currently gives the governor an “enormous” amount of discretion and privacy when appointing an individual to serve in the Legislature. Inviting more public scrutiny through a formal application process would give Nebraskans more opportunity to weigh in, she said.

Thirty-nine senators have vacated their office before completing their term since 1987, she said. Detailed applicant information is available for 28 of those vacancies, she said, and the only source of information regarding those applicants is press articles.

“Our state prides itself on having a fair, transparent and efficient state government,” Howard said. “I would ask that we extend that pride through the creation of a transparent process for our legislative appointments for vacancies.”

Ricky Fulton, who applied for the District 6 seat vacated last year through the resignation of Joni Craighead, testified in support of the bill. It was reported that the governor received roughly a dozen applications for the seat by the deadline given, he said, yet an individual was chosen who did not apply by the deadline.

Fulton said he asked for an explanation.

“I was informed ... that there really are no guidelines for picking a senator in the absence of one who has left,” he said.

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

Bill requests more tax incentive data for audits

A bill intended to improve oversight of the state’s tax incentive programs by strengthening reporting requirements was considered Jan. 24 by the Executive Board.

LB935, introduced by the Legislative Performance Audit Committee, would make an array of information regarding the programs available and accessible to the Legislative Audit Office.

The Legislative Audit Office is required to conduct performance audits that review state agency programs in order to evaluate the agency’s success in effectively implementing legislative intent.

Heartwell Sen. John Kuehn, chairperson of the committee, said the office has been required, since 2015, to conduct performance audits of the state’s eight tax incentive programs. The recommendations outlined in LB935 are the result of the three tax incentive performance audits that have been conducted thus far, he said.

“One of the requirements for the audits is that the Audit Office recommend statutory or other changes that would make it easier to evaluate tax incentive programs into the future, including changes to data collection, reporting, sharing of information and clarification of goals,” Kuehn said.

Under the bill, the state departments of Revenue and Economic Development would be required to share with each other the names, addresses and identification numbers of companies participating in tax incentive programs.

The state Department of Revenue also would be required to retain relevant tax incentive program information for the duration of each program and for five years after the last participating company ends its participation.

Administrative records and data required under the bill would include:

- tax returns and audits;
- contract agreements;
- administrative databases and spreadsheets; and
- correspondence between taxpayers and the department

relating to participation in a tax incentive program.

Additional requirements would include information pertinent to a specific incentive program, such as employment numbers and annualized wages according to the reporting requirements of the program.

Kuehn said the changes would allow the Legislature to determine whether companies are receiving incentives from more than one program, result in better program evaluation and generally provide more meaningful information to the Legislature. He noted that \$842 million in total tax credits have been earned to date through the state’s incentive programs.

“This is not a requirement that is placed upon all companies that have to now require reporting all of this information,” he said. “This is a requirement that we would be placing [on] companies that have voluntarily enrolled in a state program to receive monetary benefits.”

Renee Fry, testifying on behalf of the OpenSky Policy Institute, supported the bill. While tax incentives are an important economic development tool, she said, research finds that tax incentives do not pay for themselves.

For example, Fry said, jobs that pay at least \$26,146 annually qualify for incentives under the Nebraska Advantage Program even though a family of three—the average family size in Nebraska—supported by that wage would be eligible for low-income state benefits such as food assistance.

“If we plan on incentivizing businesses, we need to make sure that taxpayers are receiving a good return on their investment,” Fry said.

Chad Denton, testifying on behalf of the Nebraska Chamber of Commerce and the Omaha and Lincoln chambers, opposed the bill. Current requirements for participation in the state’s tax incentives programs are ex-

tensive, he said, and the governor has recognized the need to reduce regulatory burdens on businesses.

“We are very concerned about further regulation when there is already a significant amount of detail provided by the participants,” Denton said. “This seems like more regulatory requirements on top of what we already have.”

The committee took no immediate action on LB935.

HEALTH & HUMAN SERVICES

Elimination of developmental disability entitlement proposed

An entitlement that prioritized services for high school graduates with developmental disabilities would be permanently eliminated by a bill heard Jan. 25 by the Health and Human Services Committee.

The entitlement was halted for fiscal year 2017-18 and FY2018-19 during the 2017 legislative session in order to bring Nebraska into compliance with federal law. The entitlement prioritized services for graduates or those reaching age 21, which violates a home and community-based services waiver federal requirement that the state first serve individuals with the highest priority status.

LB793, introduced by Ralston Sen. Merv Riepe, would permanently eliminate the entitlement, which otherwise would resume in FY2020. Services under the entitlement could not be paid with waiver funds, Riepe said, so the state would have to forego federal matching funds for those services if the



Sen. Merv Riepe

entitlement were allowed to resume.

“As chairman of the Health and Human Services Committee, I want to see that the state is providing services to as many individuals as possible with the funding we have available,” Riepe said. “Is continuing to fund the high school entitlement with 100 percent general funds a fiscally responsible way to use taxpayers’ dollars when the state could maximize the dollars to support more individuals with developmental disabilities, through the waiver, with federal and state funds?”

In current law, without the entitlement, individuals transitioning from the state’s educational system upon reaching age 21—who require services to maintain skills and pursue economic self-sufficiency—are considered level-four priority under the waiver’s five levels of prioritization for services.

Courtney Miller, director of the state Division of Developmental Disabilities of the Health and Human Services Department, testified in support of the bill. She said that allowing the entitlement to resume would result in state law prioritizing the needs of graduates above individuals currently considered level-one priority—those who are in immediate crisis due to health and safety concerns.

“[This bill] will ensure that we align our funding priorities to meet the needs of individuals eligible for developmental disability services,” she said. “The department is committed to prioritization based upon the severity of the participants’ need and other qualifying circumstances.”

Phil Gray, a parent testifying on behalf of Persons for Appropriate Special Services, spoke in opposition to LB793. No one wants to interfere with services for young people in crisis, he said, but the transition from high school is a very difficult time for families of developmentally disabled individuals.

Suspension of the entitlement hasn’t been in place long enough to determine the impact, he said, and senators should study the results before permanently eliminating it.

“This bill eliminates the one shred of stability in the life of a family with a handicapped son or daughter—that when they come out of school, there are some services going to be available to them,” Gray said.

Alan Zavodny, chief executive officer of NorthStar Services, agreed. Also testifying in opposition to the bill, he said the entitlement was put in place in the mid-1990s because policymakers realized the cost of not supporting graduates.

“We know that these young people lose vital skills if there are disruptions in supports,” Zavodny said. “I can’t imagine that it won’t cost more [in the long-term] because people are going to need a higher level of supports if there is that disruption in services, because skills will be lost.”

The committee took no immediate action on LB793.

Participation in EMS compact proposed

Nebraska would join an interstate compact on EMS licensing under a bill considered by the Health and Human Services Committee Jan. 24.

Under LB894, sponsored by Bellevue Sen. Sue Crawford, Nebraska would join the Emergency Medical Service Personnel Licensure Interstate Compact, known as REPLICA. Crawford said that joining the compact would eliminate red tape and allow licensed and qualified EMS personnel to provide care across state lines under authorized circumstances without having to acquire additional licensure.

Authorized circumstances under the bill would include day-to-day responses, interfacility transfers, mass

casualty incidents and large scale planned events such as concerts or sporting events. Crawford said REPLICA has been passed in 12 states, including our border states of Colorado, Kansas and Wyoming, and 10 states have legislation pending.

“Under LB894, EMS personnel will function under their home state protocols but are required to practice under a medical director’s supervision, bringing both accountability to the process and safety to their practice,” she said. “In addition, REPLICA validates our commitment to veterans and their spouses by creating an expedited pathway to licensure in member states.”

REPLICA allows licensed emergency medical personnel to practice in compact member states if the home state:

- complies with the rules of the commission;
- currently requires use of the National Registry of Emergency Medical Technicians examination as a condition of issuing initial licenses at the EMT and paramedic levels;
- has a mechanism in place for receiving and investigating complaints about individuals;
- notifies the commission of any adverse action or significant investigatory information regarding an individual; and
- no later than five years after activation of the compact, requires an FBI criminal background check of all applicants for initial licensure, including fingerprints or other biometric data checks.

The cost of background checks would be borne by the individual applicant.

Sue Prentiss, a national advocate for REPLICA, testified in support of the bill. EMS personnel across the nation and in Nebraska want to enter the compact to ease the burden of car-

rying out their duties when they cross state lines, she said. Nebraska would retain full control over its EMS laws and rules under the bill, she said.

“REPLICA promotes the highest level of public protection for patients and EMS personnel,” Prentiss said.

Dave Huey, testifying on behalf of the Nebraska Emergency Medical Services Association, also supported the bill. The number of EMS professionals in Nebraska has been dwindling, he said, dropping from approximately 8,500 four years ago to about 6,200 currently. Eliminating the cost of maintaining multiple licenses could help stem that decline, he said.

“The trend is not increasing, it’s decreasing,” Huey said. “So, as much help as we can get to help take care of our citizens, that’s the goal.”

Also supporting the measure was Ann Fiala, speaking on behalf of the Nebraska Board of Emergency Medical Services. The board researched and vetted the compact, she said, and is in unanimous support of joining, adding that there are no fees to the state for adoption or administration of REPLICA.

“It will improve patient care and safety nationwide by promoting and providing a far more efficient process, and thus a considerably higher level of care through the use of a national, coordinated database,” Fiala said.

No opposition testimony was offered and the committee took no immediate action on LB894.



Senators consider bill to limit child depositions

Children questioned as witnesses in criminal court cases would be

given additional consideration under a bill discussed by lawmakers Jan. 23 and 25.

Under LB589, introduced by Bellevue Sen. Sue Crawford, no deposition of a child would be granted if a video-recorded forensic interview already has been conducted by an accredited child advocacy center, unless the deposition would aid in the disclosure of evidence vital to a defendant’s case.



Sen. Sue Crawford

Crawford said the bill is the next step in the process to protect victims of sexual abuse, trafficking and molestation, while also preserving the due process rights of the accused.

“A child is more susceptible to traumatic revictimization, especially if a deposition is conducted several months after the forensic interview,” she said. “It is critical we take action to prevent the revictimization of vulnerable children.”

The judge granting the deposition would be required to implement any protective measures to shield the child from harm or distress, harassment or intimidation. Such measures could include designating a specific time and location for the deposition to take place, limiting the scope of the deposition, providing a victim advocate or guardian ad litem, physically excluding the defendant from the deposition or any other reasonable protection for the child.

Children in many cases do not have the same legal representation as adults, said Lincoln Sen. Mike Hilgers in support of the measure. He said the bill would not eliminate a defendant’s right to depose an accuser, but it would make it reasonably more difficult.

“This says we’re not going to take away a defendant’s right to depositions, but we are going to increase the burden,” Hilgers said. “We want to make sure this is narrowly tailored to protect the rights of the child while not unreasonably taking away the rights of the defendant.”

Bellevue Sen. Carol Blood also spoke in support of the bill, saying that child victims must be protected from mental harm in addition to physical harm.

“It is our job as adults to empower and protect the children of Nebraska,” she said. “If we can prevent them from reliving the experience of exploitation and abuse, that is a just purpose.”

The protections set out under LB589 would apply to all minors involved in a case, including witnesses, said Columbus Sen. Paul Schumacher. He agreed with the concept behind the bill, but said the language was too broad and could unfairly limit a prosecutor’s ability to question underage witnesses.

“I would think the law we have now is adequate to protect everyone’s best interests,” Schumacher said. “This bill probably goes too far in limiting the ability to ferret out the truth in those cases where the truth isn’t always obvious.”

Omaha Sen. Justin Wayne agreed, adding that without the right to depose an underage victim, he would lose the leverage to talk some of his clients into taking a plea deal.

“The reason people plea or settle is because often times their attorney will walk them through what a witness might say and they feel they can’t win,” he said. “I wouldn’t have that available to me under this bill unless I go through another burden.”

Several amendments were pending when the Legislature adjourned for the day.

Emancipation process proposed for minors

Members of the Judiciary Committee heard testimony Jan. 24 on a bill that would allow certain minors to seek legal independence.

LB714, introduced by Omaha Sen. Sara Howard, would allow minors at least 16 years old to seek emancipation from their parents or guardians. Howard noted that the current age of majority in Nebraska is 19, but many teens move away from home and gain independence at 18.



Sen. Sara Howard

There are many reasons a minor might seek emancipation, she said, but ultimately it is about ensuring the rights of mature, independent teenagers.

“It is so important that a minor have a clear path to emancipation,” she said. “Many kids who seek it are teens that have been on their own for a while, support themselves financially and aren’t able to make legal decisions for themselves.”

After a motion to grant emancipation is filed and the individual’s parents or guardians have been notified, a judge would determine if the minor possesses the maturity and knowledge to sufficiently manage his or her affairs and finances.

If emancipation is granted, the minor legally would be allowed to incur debt, sign contracts, acquire property, file litigation, consent to medical services, enroll in any school or college and establish his or her own residence.

Emancipation status would not affect a minor’s status in any juvenile court proceedings.

Any person may file a motion to void an emancipation decision if the minor

would become indigent or unable to financially support themselves or if the emancipation were obtained through fraud, misrepresentation or the withholding of relevant information.

Faith Walker of Omaha testified in favor of LB714. She said she left an abusive home at 18 and secured a home and financial security independent of her parents. After an incident when her parents physically blocked her from leaving her work, the police were called and forced her to return home with them, Walker said.

Ultimately, Faith was able to file a civil suit to gain her independence, but would have benefitted from a way to seek emancipation, she said.

“I was able to get away the next day but I will always remember begging the police officer for help for my safety and being told to go with my parents,” Walker said. “They told me I was ineligible for a protection order against my parents because I was a minor.”

The bill would protect older, mature teens who may be susceptible to loopholes in current state law, said Juliet Summers of Voices for Children in Nebraska. She said the lack of legal options for minors can make it difficult for an 18-year-old trying to escape a difficult home life.

“All youth deserve the opportunity to grow into strong and independent adults,” she said. “This would help truly independent teenagers to avoid that loophole year between 18 and 19.”

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

Civil liability proposed for foster care misrepresentation

The state Department of Health and Human Services could be held liable in certain civil proceedings under a bill discussed by the Judiciary

Committee Jan. 25.

Currently, a state agency and its employees have legal immunity from civil claims arising out of misrepresentation or deceit. LB729, introduced by Omaha Sen. Justin Wayne, would remove that immunity, which could make those parties liable in civil court proceedings.



Sen. Justin Wayne

Wayne said he introduced the bill in response to allegations of child sexual abuse within the state's foster care system. He said one family had begun the adoption process of their foster child, who then sexually assaulted another of their children.

The parents were not provided with pertinent information about their foster child's history, Wayne said, but the agency and caseworker faced no consequences.

"Those parents specifically asked their caseworker if there was a history of sexual assault or abuse and the caseworker intentionally didn't say 'yes,'" he said. "Maybe that family could have taken different precautions and not left that child with their other children."

Wayne offered an amendment that would remove such immunity from the state Department of Health and Human Services, specifically in cases involving the agency's failure to warn, notify or inform foster or adoptive parents of a state ward's history as a victim or perpetrator of sexual abuse.

He further suggested that the committee consider broadening his amendment to include any misrepresentation or deceit by the agency or its employees.

Christi White of Centreville, VA testified in support of the measure. She said she and her husband adopted a child through the Nebraska foster care system, but were never given

full documentation on his medical history, which included a reactive attachment disorder diagnosis.

The child no longer lives in their home because he must receive intensive, inpatient treatment, White said.

"We were not the right fit for our son and he was not the right fit for us," she said. "Instead he would have been placed with a family who could best care for him and our children would not have had their lives upended."

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

Stronger consumer protections proposed

Members of the Judiciary Committee heard testimony Jan. 25 on a bill that would ensure free credit monitoring to consumers following a data security breach.

LB757, introduced by Lincoln Sen. Adam Morfeld, would prohibit a credit-monitoring agency from charging fees to place, temporarily lift or remove a security freeze following a data breach similar to the one experienced by Equifax in 2017.



Sen. Adam Morfeld

A security freeze places a hold on a person's credit history, preventing identity thieves from opening new credit accounts using stolen information.

Morfeld said that 145 million Americans had their sensitive personal information compromised during the breach, including roughly 700,000 Nebraskans.

"I find it disturbing and completely illogical that a company could lose personal and financial data and then turn around and profit off of citizens trying to protect themselves from that

loss of data," he said.

Any individual or commercial entity conducting business in Nebraska that owns, licenses or maintains data including personal information would be required to implement reasonable security measures to safeguard that information. A third-party service provider that receives personal information from an individual or commercial entity also would be required to implement such security measures.

The bill would authorize the state attorney general to prosecute a violation of the bill's security provisions as a violation of the Consumer Protection Act.

Meghan Stoppel, director of the Attorney General's Consumer Protection Bureau, spoke in support of the bill. She said some companies have marketed and charged fees for products similar to a security freeze, but that do not completely prevent third parties from viewing someone's personal credit information.

In the case of a data breach, Stoppel said, security freezes should be free because sensitive personal information is compromised.

"Consumers shouldn't have to pay for a security freeze just because a credit-monitoring company is calling it something different," she said.

Representing the Nebraska Retail Federation, Jim Otto agreed that credit freezes should be available in the event of data breaches, but opposed specific language in the bill that would prohibit fees on a "substantially similar type of security product."

"The phrase is too broad and could eliminate many other products," he said. "A blanket prohibition would not allow for consumer choice and could prohibit existing services many Nebraskans choose to protect their information."

The committee took no immediate action on the bill.

Ban proposed for rifle “bump stocks”

A modification designed to increase a semiautomatic rifle’s firing power would be banned by a bill heard by the Judiciary Committee Jan. 25.

LB780, introduced by Lincoln Sen. Patty Pansing Brooks, would prohibit the manufacture, sale, import and possession of multiburst trigger activators, commonly referred to as bump stocks. Such devices are designed to be attached to semiautomatic rifles to increase its rate of fire.



Sen. Patty Pansing Brooks

Pansing Brooks said she decided to sponsor the bill after the Oct. 1, 2017, mass shooting in Las Vegas. The alleged shooter used a bump stock, she said, and subsequently killed 58 people and injured 851.

Gun owners who support banning bump stocks describe the accessory as an unnecessary “toy” that has no use for self-defense or hunting, Pansing Brooks said.

“LB780 suggests that controlling the rapidness of fire will produce fewer bullets in short succession and therefore give the targets of a mass shooting the chance to survive or escape,” she said. “This bill is about making good decisions as legislators to keep our communities safe.”

A person found in violation of the bill’s provisions would be guilty of a Class IV felony, punishable by up to two years in prison and 12 years of post-release supervision, a fine of \$10,000, or both.

Pansing Brooks offered an amendment that would remove a provision included in the introduced bill that also would ban silencers on weapons.

Ron Todd-Meyer, representing Ne-

braska for Peace, spoke in support of the measure. He said the U.S. has more mass shootings than any other country that is not currently a war zone.

“The use of all tools that create assault-style weapons should be limited to military and law enforcement,” Todd-Meyer said. “The mass slaughter caused by these weapons has no place in a civilized society.”

Nebraska Firearms Owners Association representative Rod Moeller opposed the bill. He said it is a misconception that bump stocks increase a semiautomatic gun’s rate of fire. Most gun magazines hold only between 20 and 40 rounds, Moeller said.

“Once you’ve fired the rounds in the magazine, you would have to replace it. You probably won’t be able to fire off 700 rounds in a minute, even if you can briefly fire at that rate,” he said. “The sustained rate would be consistently less because you’d have to change magazines.”

The language contained within LB780 is too vague and may negatively impact lawful gun owners, said National Rifle Association representative Brian Gosch in opposition to the bill.

“It is normal to modify a trigger for competition shooting purposes,” he said. “Modifications are also sometimes used to help people with disabilities participate in shooting activities.”

Shane Kepler of Lincoln also spoke in opposition, echoing concerns that the bill’s language is too broad and could impact competitive shooters who regularly modify gun triggers. Banning bump stocks would do nothing to prevent gun violence, he said.

“Anyone with an average skill set can fire a firearm to cause destruction,” Kepler said. “Anyone who wants to cause harm is going to find a way.”

The committee took no immediate action on the bill.

Restrictions proposed for juvenile confinement

Room confinement could be used for juveniles only under limited circumstances under a bill discussed by the Judiciary Committee Jan. 24.

LB870, introduced by Lincoln Sen. Patty Pansing Brooks, would prohibit correctional facilities from placing juveniles in room confinement as a result of disciplinary sanctions, staff shortages or retaliation by staff members.

Pansing Brooks said Nebraska facilities reported 2,383 incidents of juvenile confinement during fiscal year 2016-17. In terms of mental and emotional vulnerability, juveniles are at particular risk of long-term adverse reactions to confinement, she said.

“We must always act in the best interests of the child,” Pansing Brooks said. “Putting a child in isolation for extended periods of time because it’s the way we’ve always done it is simply unacceptable.”

The bill specifies that room confinement could be used only after all other less-restrictive alternatives have been exhausted and the juvenile poses a serious and immediate security threat to themselves or others. The length of confinement would be restricted to the minimum amount of time needed to resolve any such threat while not harming the mental or physical health of the juvenile.

Any room used for confinement purposes must be clean and free of anything that could be used for self-harm. It also must have adequate lighting, heating and cooling, ventilation, drinking water, toilet facilities, hygiene supplies and approved reading materials.

Confined individuals would continue to have regular access to medical and mental health treatment, meals, contact with parents and legal guard-

ians, legal assistance and educational programming.

The bill would require release of the offender to the facility's general population after no more than three hours when posing a safety risk to others or 30 minutes when posing a safety risk to themselves.

If a significant and immediate safety threat exists after the time limits have expired, the juvenile could be transferred to a mental health or medical facility. He or she also could be released to the general population under the guidance of specialized programming.

Notice of an offender's placement in room confinement to his or her attorney would be required within one business day. A transfer to a mental health or medical facility would require that notice be given to the juvenile's parent or guardian and attorney within 24 hours.

Juliet Summers, representing Voices for Children in Nebraska, spoke in support of the measure. She said room confinement can lead to increased rates of anxiety disorders and suicide in young people.

"Research shows that as harmful as confinement can be for adults, the psychological effects are magnified for juveniles," she said. "We need to ensure our youth don't come out of our government-run facilities worse than when they came in."

Research links involuntary placement in room confinement to higher rates of criminal recidivism, said Nebraska Youth Advocates Director Christine Henningsen. She said LB894, passed by the Legislature in 2016, was a good first step in limiting the use of room confinement for juveniles, but that more must be done.

"The [juvenile] facilities have been on notice since 2016 that we need to reduce the use of seclusion of children," Henningsen said. "This simply

codifies best practices at facilities to work to reduce room confinement and restrictive processes."

Dylan Murphy of Omaha also spoke in support of the bill. As a young person, Murphy said he was repeatedly placed in solitary room confinement and continues to suffer from emotional issues as a result.

"Being abandoned in a locked room over and over again led to feelings of fear and being unwanted in my brain," he said. "Solitary taught me that I was an inconvenience, unworthy of help and that when I was around, I was a bother to people."

Douglas County Youth Center Superintendent Brad Alexander opposed LB870. He said that less than 10 percent of the residents in his center are violent and require placement in restrictive housing. Only a small minority of youth placed in confinement have another incident requiring further restrictions, Alexander said.

"We hold residents accountable for their actions and they learn a life lesson that will serve them well going forward," he said. "Many residents that have achieved the highest level of our behavior management system were at one time in restricted housing."

Laura Bugay, a mental health practitioner at the Youth Rehabilitation and Treatment Center in Kearney, also spoke in opposition to the bill. She agreed that confinement should be used only when necessary, but that imposing time limits restricts her ability to effectively help young offenders.

"Many kids in the juvenile justice system have experienced severe trauma and respond to things differently," Bugay said. "Some of our kids just cannot settle down within three hours. We have to reprogram their maladaptive stress responses and that takes time."

The committee took no immediate action on the bill.

Tighter controls on opiate prescriptions considered

The Judiciary Committee heard testimony Jan. 26 on two bills that seek to tighten restrictions on dispensing opiates in Nebraska.

LB931, sponsored by Omaha Sen. Sara Howard, would limit opiate prescriptions for a patient younger than 19 to no more than a seven-day supply. Under the bill, a medical practitioner would be required to discuss the risks associated with opiates with the patient's parent or guardian. Exceptions to the seven-day limitation could be made for chronic pain, cancer diagnosis or palliative care.



Sen. Sara Howard

Howard said her sister Carrie, who developed an addiction to prescription pain medication and died of an overdose in 2009, was her inspiration for bringing legislation to combat the opioid problem in Nebraska. Recent successes, she said, include implementation of the state's prescription drug monitoring program, which was the first of its kind in the country.

"In the past three years, Nebraska has taken great strides in the fight against opioid addiction," Howard said. "I think that LB931 is an important step in a long process in this state in combating opioid addiction."

Dr. Andrew MacFadyen, testifying on behalf of Children's Hospital and Medical Center, supported the bill. Calling opioids a "double-edged sword," he said that the medical center has seen an increase in the number of young people who have attempted suicide using the drug.

"[The bill] would actually limit the amount of opioids available to be abused ... reinforce to providers that

opioids can be dangerous and encourage providers to move toward pain relief alternatives that are less risky by breaking them out of their current prescribing habit,” MacFadyen said.

Kim Robak also spoke in support, testifying on behalf of the Nebraska Dental Association. She did suggest, however, that the bill should have an expiration date. She said that guidelines for opioid use were much different when the drugs first became available and they likely will change again in the future.

“Five years from now, or seven years from now, a seven-day prescription may be wrong,” Robak said. “It may be two days or one day ... and we want to make sure that we can look at this [a few years from now] and make sure that it is doing what we want and that it’s not causing some harm that we didn’t intend.”

John Massey of the Nebraska Medical Association testified in opposition to the bill, saying the state should give a recent pain guidance document developed by the state Department of Health and Human Services time to alter clinician behavior before legislating solutions.

Limiting opioid use and abuse is an important goal, he said, and the best way to do so is through evidence-based practices that focus on root causes. One fear, he said, is that clinicians will see the seven-day maximum and prescribe accordingly, when they should focus on the smallest dose possible for the shortest period of time possible.

“I’m afraid this bill isn’t going to accomplish what we want it to—or it might actually accomplish the opposite of what we’re trying to do,” Masse said.

LB933, sponsored by Omaha Sen. Brett Lindstrom, would require medical practitioners to notify patients—or a parent or guardian of



Sen. Brett Lindstrom

a patient under 18—of the risk of addiction and overdose when prescribing opiates and other Schedule II prescription medications. The notification would be required prior to the initial prescription and again before issuing a third prescription.

Lindstrom said his family has had first-hand experience with opioid addiction, which started with prescription medication for back pain and escalated to drug shopping. Opioids can be extremely addictive even when taken as intended, he said, and the U.S. has seen a 200 percent increase in drug overdose deaths over the past 15 years.

“It is no secret that prescription drug abuse, specifically with opioids, is a national crisis,” Lindstrom said.

Under the bill, a practitioner would be required to discuss the risks of addiction and overdose, including:

- reasons why the prescription is necessary and alternatives that may be available;
- controlled substances and opiates are highly addictive even when taken as prescribed;
- there is a risk of developing a physical or psychological dependence on opiates or controlled substances; and
- taking more controlled substances or opiates than prescribed, or mixing sedatives, benzodiazepines or alcohol with controlled substances or opiates, can result in fatal respiratory depression.

A notation in the patient’s medical record of the discussion would be required.

Gregory Lauby testified in support of the bill, saying he was given an opioid following surgery and was told only that he should not drive while taking it. Possibly the most important measure that could be taken to help the current crisis is to better educate patients, he said.

“I think it would go a long way if physicians or nurses or someone at least alerts the person who is receiving the medication about what dangers it can pose and cautions them to follow the prescription procedures that are set out,” Lauby said.

John Massey, again testifying on behalf of the Nebraska Medical Association, opposed LB933, saying it would intrude upon the doctor/patient relationship. He said he “can’t imagine” that any physician is not already having the conversation outlined in the bill with their patients when prescribing opioids.

The committee took no immediate action on the bills.

Decreased penalties proposed for minor drug possession

Possession of certain controlled substances would incur less severe penalties under a bill heard by the Judiciary Committee Jan. 26.

LB971, introduced by Omaha Sen. Justin Wayne, would classify as a Class I misdemeanor the possession of up to one gram of a controlled substance or fewer than 10 pills or tablets weighing no more than 80 milligrams each. The same offense currently is classified as a Class IV felony.



Sen. Justin Wayne

A Class I misdemeanor carries a penalty of no more than one year imprisonment, a \$1,000 fine or both.

Wayne said the bill would treat people with small amounts of controlled substances less harshly and eliminate some strain on the county courts.

“This will mean smaller bonds, shorter sentences and saving the counties money,” he said.

Possession of more than one gram but fewer than 10 grams, or more than

10 pills or tablets weighing less than 10 grams, would be a Class IV felony. A person found guilty of a Class IV felony would face up to two years imprisonment with 12 years of post-release supervision, a \$10,000 fine, or both.

Felony charges tend to follow people for the rest of their lives, said John Hascall, representing the office of the Sarpy County public defender. Nearly 70 percent of the cases dealt with by his office would fall under the bill's provisions, he said.

"When you're charged with a felony, it's like a scarlet letter that follows you everywhere," Hascall said. "This allows for a second chance to be charged only with a misdemeanor."

Opposing the bill was Omaha Deputy Police Chief Greg Gonzalez. He said there were four overdose deaths in Omaha over the weekend, each caused by less than one gram of a controlled substance.

"We have an opioid problem in the Midwest," Gonzalez said. "The toxicity levels of drugs now pose a real problem in our community today."

Corey O'Brien, representing the office of the attorney general, also opposed the bill, saying senators should consider not treating all controlled substances the same when assigning penalties.

The committee took no immediate action on the bill.



Income tax bracket for high earners considered

The Revenue Committee heard testimony Jan. 26 on a bill that would add a fifth individual income tax bracket for Nebraskans earning at least \$2.5 million annually.

Introduced by Omaha Sen. Justin

Wayne, LB728 would create a new bracket with a rate of 7.84 percent for individuals earning at least \$2.5 million and at least \$5 million if married filing jointly.

The current top individual income bracket, with a rate of 6.84 percent, includes those with incomes of at least \$58,000 if married filing jointly and at least \$29,000 if filing as an individual.

The state Department of Revenue estimates the bill would increase state income tax revenue by approximately \$4.8 million in fiscal year 2018-19 and a further \$11.7 million in FY2019-20.

Wayne said he introduced the bill because he thinks it is unfair that Nebraskans earning \$29,000 a year are taxed at the same rate as those with much higher incomes. He said LB728 would increase state tax revenue at a time when the state is facing deficits—without hurting job creation.

"I don't believe that a marginal 1 percent tax increase on those making \$2.5 million or more a year would have any effect on our economy," he said.

Renee Fry, executive director of the OpenSky Policy Institute, testified in support of the bill. She said Nebraska's wealthiest individuals pay a much lower effective tax rate than the 6.84 percent top marginal rate. A 2017 tax burden study published by the state Department of Revenue found that the top 10 percent of Nebraska taxpayers pay an effective rate of 4.86 percent, Fry said.

Very few people move because of tax rates, Fry added, and millionaires in particular rarely respond to tax increases by moving.

"We do not believe LB728 would harm the state's economy," she said, "but rather it would give us an opportunity to invest additional tax revenue that could go toward productive economic investments in our workforce

like education and job training."

Testifying in opposition to the bill was Joseph Young, executive vice president at the Nebraska Chamber of Commerce and Industry. He said Nebraska already has the second highest marginal income tax rate among neighboring states, and 90 percent of the state's businesses pay income taxes at the individual rate.

"It's not as if we're not paying enough taxes right now," he said. "We believe that actually reducing taxes would spark the economy and would be a better policy position."

Nicole Fox, director of government relations for the Platte Institute, also testified in opposition to the bill, saying that only California, New York and Washington, D.C. have implemented a "millionaires' tax" like that proposed in LB728. Since the early 1990s, she said, more than \$3.5 billion in adjusted gross income has left Nebraska, much of it for Texas, Florida, Arizona and other states that have lower income tax rates or none at all.

"If Nebraska increases its top marginal income tax rate, we will see even more money and residents flee for lower tax states," Fox said. "When high income earners flee to lower tax states, this puts more pressure on the middle class to pay for even more of state government."

The committee took no immediate action on the bill.

Indexing of Social Security tax exemption thresholds considered

Income thresholds the state uses to determine whether Social Security benefits are exempt from taxation would be indexed for inflation under a bill heard by the Revenue Committee Jan. 24.

Under current law, federal adjusted

gross income for state tax purposes is reduced by the amount received as Social Security benefits if AGI is \$58,000 or less for those married filing jointly or \$43,000 or less if filing as an individual.

LB738, introduced by Omaha Sen. Brett Lindstrom, would index those exemption thresholds for inflation in the same way as the state's income tax brackets.

As a financial advisor, Lindstrom said, he works with many retirees whose biggest concern is the purchasing power of their limited income. By not adjusting the income thresholds, he said, the state is allowing inflation to erode that purchasing power.

"If we don't adjust this on an annual basis, eventually the purchasing power of that dollar doesn't go as far," he said.

The state Department of Revenue estimates that the bill would decrease state revenue by \$346,000 in fiscal year 2018-19. That would increase to \$3.9 million by FY2021-22.

David Holmquist, president of AARP Nebraska, testified in support of the bill. Holmquist said Nebraska has more than 330,000 Social Security beneficiaries. Approximately 18 percent rely on Social Security for 90 percent or more of their income, he said, and 47 percent rely on it for at least half of their income.

"Annually adjusting Nebraska's taxation of Social Security benefits for inflation is an important way to protect the purchasing power of lower- and middle-income retirees," Holmquist said.

James Cavanaugh, an Omaha attorney specializing in Social Security disability law, also testified in support



Sen. Brett Lindstrom

of the bill. The state drives retirees away by taxing Social Security benefits, he said. LB738 would reduce state tax revenue, Cavanaugh said, but any loss would be offset if the measure encourages more retirees to stay and keep paying state income, sales and property taxes.

"It's better financially to be retired in one of these other states that recognize that it's not wise to—at the very least—tax Social Security benefits," he said.

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

Tax advantages proposed for elementary tuition savings

Contributions to Nebraska's educational savings plan could be used to pay tuition at private and parochial elementary and secondary schools under a bill heard Jan. 26 by the Revenue Committee.

The Nebraska Education Savings Trust Plan provides tax-advantaged 529 accounts, which are meant to encourage saving for college costs. Contributions grow tax-deferred, and withdrawals are exempt from state and federal taxes as long as they are used for qualified higher education expenses such as tuition, books, supplies and room and board. Up to \$10,000 in contributions can be deducted from state income taxes.

LB804, introduced by Bancroft Sen. Lydia Brasch, would add tuition to public, private and parochial elementary or secondary schools to the list of qualified expenses beginning in 2020.

Brasch said expanding the allow-

able expenses under Nebraska's 529 plan would allow more low- and middle-income families to save for tuition at private and parochial schools.

"LB804 allows everyday Nebraskans the opportunity to save their own money for their children's education and to spend their money at the school that they are most comfortable with and aligns with their family's beliefs," she said.

The state Department of Revenue estimates the bill would reduce state revenue by approximately \$2.8 million in fiscal year 2018-19. That would rise to \$6.8 million in FY2021-22.

Nebraska State Treasurer Don Stenberg testified in support of the bill. He said the state's 529 plan has accumulated approximately \$4.8 billion in more than 254,000 accounts—79,000 of them owned by Nebraska residents.

In December, Congress extended federal 529 benefits to include K-12 parochial and private education expenses, Stenberg told the committee. LB804 would ensure that Nebraska account holders could receive federal benefits on withdrawals for those expenses in addition to those used for higher education, he said.

Tom Venzor, executive director of the Nebraska Catholic Conference, also testified in support. Families currently are penalized by choosing to send their children to parochial or private school because they have to pay taxes to support public schools in addition to tuition, he said.

Venzor said LB804 would encourage more middle-class families to save for their children's education and that even small financial incentives can make a difference when deciding whether to attend public or parochial school.

"LB804 recognizes the need for state government to support parents



Sen. Lydia Brasch

in their responsibility to direct the education of their child as they see fit,” Venzor said.

John Bonaiuto, speaking on behalf of the Nebraska Association of School Boards, testified in opposition to the bill. He said the expanded use of 529 plans would reduce state revenue, possibly forcing cuts in state aid to public schools.

“This drains resources, which are already under attack under the various property tax reform proposals and the general spending cuts and the efforts to reduce tax revenues,” Bonaiuto said.

Regina Werum, a social science teacher from Lincoln, also testified in opposition to the bill, saying that LB804 is an effort to bolster private school expansion at the expense of the state’s public schools. The bill would benefit only those households that can afford to save money in 529 accounts, she said, and it would not require that the contributions be used only for accredited schools.

“What I see here makes the fiscal conservative in me shudder,” Werum said. “And it makes the social justice-driven Jesuit in me shudder, too.”

Also testifying in opposition was Ann Hunter-Pirtle, executive director of Stand for Schools, which believes the proposal’s cost could be much higher than estimated. The state Department of Revenue assumed a 50 percent participation rate in 529 plans by FY2021-22, Hunter-Pirtle said, but if it is closer to 100 percent, LB804 could reduce state revenue by closer to \$12 million that year.

“If you’re a family already paying private school tuition, why wouldn’t you open a 529 account under this bill?” she said.

The committee took no immediate action on the bill.

TRANSPORTATION & TELECOMMUNICATIONS

Proposal to remove abandoned vehicles advanced

A bill expediting the removal of abandoned vehicles was advanced by lawmakers Jan. 22.

Under LB275, introduced by Venango Sen. Dan Hughes, a private property owner could have an abandoned vehicle removed from his or her property if the vehicle has been left for at least seven days.



Sen. Dan Hughes

Hughes said owners of apartment complexes must regularly deal with vehicles that are left behind after tenants move out. The bill would allow these owners to remedy such a situation, he said.

“Property owners ask to remove a vehicle only to be told by law enforcement that they can only remove the vehicle if it was left on public property,” he said.

The property owner could contact law enforcement, who then would contact a towing company to have the vehicle removed.

Under a Transportation and Telecommunications Committee amendment, adopted 31-0, the private towing company would be responsible for notifying local law enforcement of a removal within 24 hours, if initiated by a private property owner. The bill originally placed the responsibility upon the property owner.

Norfolk Sen. Jim Scheer supported the bill, saying he had difficulty removing an abandoned vehicle from a lot he owns. He said property owners spend

significant time and money to remove abandoned vehicles under current law.

Following the adoption of a technical amendment, senators advanced the bill to select file on a 31-0 vote.

Bridge weight limit signage change advanced

A bill requiring that the weight limitations of county bridges be posted only in certain situations advanced Jan. 22.

Currently, each bridge maintained by a county must post a sign indicating its carrying capacity. Under LB310, introduced by Henderson Sen. Curt Friesen, a sign would be required on a bridge only if its carrying capacity is less than the limit prescribed in state statute.



Sen. Curt Friesen

A person who drives an overweight vehicle over a bridge or culvert could not recover damages from the county for any resulting injury or accident.

“This would address concerns brought to us about when weight limit signs should be posted on county bridges,” Friesen said.

A Friesen amendment, adopted 36-0, would limit the bill to culverts wider than 60 inches. He said larger culverts are more susceptible to damage under the weight of an overweight vehicle.

Columbus Sen. Paul Schumacher raised a concern about the bill’s liability provisions. He said the language was too vague and could exempt the county from paying damages for other accidents and injuries not related to an overweight vehicle. Schumacher and Friesen agreed to work on an amendment to address this concern before select file debate.

Senators then advanced the bill to select file on a 33-0 vote.

Bill would make texting while driving a primary offense

Texting while driving would be considered a more serious offense under a bill heard by the Transportation and Telecommunications Committee Jan. 23.

LB671, introduced by Omaha Sen. Bob Krist, would change the offense of operating a handheld wireless device from a secondary to a primary offense, meaning a driver could be stopped by law enforcement for using a phone while driving.



Sen. Bob Krist

“This bill would create safer driving conditions in our state and hold young, distracted drivers more accountable,” he said.

A law enforcement officer, firefighter, ambulance driver or an emergency medical technician performing in his or her official capacity would be exempt from the prohibition on wireless devices. Similarly, a person operating a motor vehicle in an emergency would be exempt.

LB671 also would change from a secondary to a primary offense an existing law requiring that children under the age of 18 be properly restrained in a moving vehicle.

Violations of a provisional operator permit that currently are considered secondary offenses also would be enforced as primary offenses under the bill. These include driving between midnight and 6 a.m. unless returning from a job or school-sponsored activity and having more than one minor passenger in the vehicle when driving without a licensed adult driver.

The risk of experiencing an accident is increased by 23 times if the driver is texting, said Eric Koeppe, president of the National Safety Council of Ne-

braska. Of the states that have statutes prohibiting texting while driving, he said, Nebraska is one of only four states that enforces it as a secondary offense.

“This is necessary for all drivers, but it’s extremely necessary for our young people so that they start out with good habits,” Koeppe said. “A big part of that is enforcement of the law.”

Representing the Nebraska Criminal Defense Attorneys Association, Spike Eickholt spoke in opposition to the bill.

He said a person may keep a phone within reach while driving but never use it. However, if an officer suspects the driver of having used the device, it would be difficult for the driver to prove otherwise.

“Most people don’t stow their cell phone in a locked glove compartment or the trunk of their car,” he said. “If you’re stopped by law enforcement and they think you were using your phone and can see it sitting on your console, you won’t have any argument in court.”

The committee took no immediate action on the bill.

Extension of rail compact membership discussed

An agreement to advocate for better passenger rail service throughout the Midwest would continue under a bill heard by the Transportation and Telecommunications Committee Jan. 23.

Nebraska is a founding member of the Midwest Interstate Passenger Rail Compact, which promotes, coordinates and supports improvements to passenger rail service among its nine member states. The Legislature passed LB317 in 2015 to end Nebraska’s membership on June 30, 2018, due to concerns over the cost of membership.

LB769, introduced by Grand Island Sen. Dan Quick, would allow the state’s membership in the Compact

to continue indefinitely. Quick said prospective employers looking to locate in Nebraska are concerned with the availability of public transportation.



Sen. Dan Quick

Remaining a member would provide valuable information, knowledge and motivation to advocate for greater passenger rail service, he said, which in turn would spur greater economic development.

“We are always looking at ways to grow our economy and increase the number of jobs in our state,” Quick said. “This is another way to bring people from out of state to Nebraska.”

The bill also would establish a cash fund to pay for the biennial \$15,000 membership dues. The fund could accept gifts, grants or bequests from public or private sources to cover the cost of membership.

Beth McCluskey of Illinois, chairperson of the MIPRC, spoke in support of the proposal. She said that even with limited service currently available in Nebraska, the economic impact of Amtrak’s investments in the state has grown exponentially in the last 10 years.

“Nebraskans and visitors to the state are increasingly using passenger rails,” McCluskey said. “Through the compact, our Midwestern states are better able to stand together and advocate for advancements to passenger rail service.”

Also supporting the bill was Matthew Roque, president of ProRail Nebraska. Membership in the compact allows Nebraska to collaborate with states that have similar passenger rail needs, he said.

“If we don’t [renew] our membership, we will be left sitting on the outside looking in,” Roque said. “We cannot discount the importance of having a seat at the table and being a

part of the discussions.”

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

URBAN AFFAIRS

Bill would include early childhood in city comprehensive plans

Nebraska cities would be required to add an early childhood component to their comprehensive plans under a bill heard Jan. 23 by the Urban Affairs Committee. The bill would apply to cities of the metropolitan, primary, first and second class. It would not apply to villages.

Lincoln Sen. Matt Hansen, sponsor of LB880, said state law already requires cities to develop and release comprehensive plans. Other required elements of those plans include land use, transportation, community facilities, energy and annexation.

Hansen said the requirement would assist cities with labor force needs and would promote children’s healthy development by focusing resources on wise investments.

“The collection and analysis of this information provides greater transparency to the public—including new businesses that may wish to relocate to the area, knowing that they can attract and retain new, young talent who will raise their families in thriving communities,” Hansen said.

The bill would require the addition of an early childhood requirement before Jan. 1, 2022, which would include three elements:

- promotion of early childhood

health and education measures that benefit the community;

- an assessment of the supply of quality licensed early childhood education programs for children younger than six; and
- an evaluation of the availability and utilization of licensed child care capacity and quality for children younger than six.

Sarah Ann Kotchin of the Holland Children’s Movement testified in support of the bill, saying cities could use existing resources and data to fulfill the measure’s requirements. Calling the proposal the “next logical step” in strengthening Nebraska cities, she said early childhood is central to success.

“Educators and business leaders alike know it is smarter and more cost effective to get products or services right at the beginning than to fix problems later,” Kotchin said. “And this requires thoughtful planning like that proposed [in the bill].”

Tracy Gordon of the Nebraska Association for the Education of Young Children also supported the bill, saying that quality early childhood care and education fulfills two goals: keeping kids safe while their parents work and preparing them for success in school and in life.

The conventional view of economic development typically focuses on things like company headquarters, office towers, entertainment centers and sports arenas, Gordon said, but early childhood education should be at the top of that list.

“As policy makers you are tasked with identifying and understanding the investments that yield the highest public returns for Nebraskans, and here the literature is clear,” Gordon said. “Investments in early childhood education yield extraordinary public returns.”

Lynn Rex, testifying on behalf of the League of Nebraska Municipali-

ties, took a neutral position on the bill. Cities in Nebraska understand and appreciate the significance of early childhood education, she said, but many feel ill-equipped to assess the quality of such programs as required by the bill.

Rex said that if the entities that have conducted such analysis—such as the state departments of Health and Human Services or Education—were required to provide that data to cities, they likely would support the measure.

“What we’re hearing from our cities is that this is something they don’t feel like they are in a position to do,” she said.

No one testified in opposition to LB880 and the committee took no immediate action on it.

Expansion of community grant program considered

Grant limitations under the state’s Civic and Community Center Financing Act would be expanded under a bill considered by the Urban Affairs Committee Jan. 23.

LB940, introduced by Henderson Sen. Curt Friesen, would clarify that property receiving a grant under the CCCF Act must be owned by the municipality and cannot be sold within five years of receiving a grant.

The CCCF fund is supported by a turn-back of 30 percent of new state sales tax generated by arenas constructed under the Convention Center Facility Financing Assistance Act and the Sports Arena Facility Financing Assistance Act and retailers near the arenas. Grants from the fund are awarded to communities based on a project’s readiness, financial support and likelihood of attracting new activ-



Sen. Matt Hansen



Sen. Curt Friesen

ity to Nebraska.

Friesen said that expanding access to the fund would assist smaller communities that otherwise would not be able to afford significant community projects.

“Without these types of grants and help, it would be a difficult task,” he said.

Under the bill, the minimum facility-related grant amount would increase from \$10,000 to \$15,000. In addition, LB940 would increase the amount of funds that a municipality could request for facility-related grants as follows:

- from \$1.5 million to \$2.25 million for primary class cities,
- from \$750,000 to \$1.13 million for cities with a population of 40,000 to 100,000;
- from \$500,000 to \$750,000 for cities with a population of 20,000 to 40,000;
- from \$400,000 to \$600,000 for cities with a population of 10,000 to 20,000; and
- from \$250,000 to \$375,000 for cities with a population of less than 10,000.

The bill also would expand engineering and technical assistance grants under the CCCF. The grant limit would be increased from a range of \$2,000 to \$10,000 to between \$3,000 and \$15,000. Current law provides that grant limits may increase if the fund is at least \$2.5 million and not below \$1 million. LB940 would increase this range from at least \$3.75 million and not below \$1.5 million.

The amount of funds that a municipality could request for engineering and technical assistance grants would increase as follows:

- From \$2.25 million to \$3.37 million for primary class cities;
- From \$1.12 million to \$1.68 million for cities with a population of 40,000 to 100,000;
- From \$750,000 to \$1.12 million for cities with a population of 20,000 to 40,000;
- From \$600,000 to \$900,000 for cities with a population of 10,000 to 20,000; and
- From \$375,000 to \$562,000 for cities with a population of less than 10,000.

The period that a municipality must wait between grants awards would be reduced from five to two years. The bill also would specify that the state Department of Economic Development give priority to applications from municipalities that have not received grant funds within the last 10 years.

The bill also would expand the list of eligible CCCF properties to include parks and historic districts.

Lynn Rex, speaking on behalf of the League of Nebraska Municipalities, supported the bill. The CCCF has funded an extensive number of community projects in smaller Nebraska municipalities since 2004, she said. Those projects are expensive, she said, and LB940 would enhance an important development tool.

“This has been just an extremely valuable program for municipalities across the state of Nebraska, especially since the Legislature no longer provides state aid to municipalities,” Rex said.

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

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COMMITTEE HEARINGS

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

Tuesday, January 30

Agriculture

Room 2102 - 1:30 p.m.

LB766 (Brasch) Change provisions relating to division fences

Appropriations

Room 1524 - 1:30 p.m.

LB674 (Krist) State intent to appropriate funds to the Division of Aeronautics for the Civil Air Patrol

Agency 37: Workers' Compensation Court

Agency 86: Dry Bean Commission

Agency 35: Liquor Control Commission

Agency 31: Military Dept.

Agency 14: Public Service Commission

Agency 21: State Fire Marshal

Agency 22: Dept. of Insurance

Agency 94: Commission on Public

Advocacy

Banking, Commerce & Insurance

Room 1507 - 1:30 p.m.

Appointment: David J. Rippe - Dept. of Economic Development

LB1012 (Harr) Authorize self-service storage facility operator insurance producer licenses

LB949 (Albrecht) Rename the Nebraska Educational, Health, and Social Services Finance Authority Act and apply the act to cultural institutions

Education

Room 1525 - 1:30 p.m.

LB828 (Lowe) Adopt the Empowerment Savings Account Act

LB876 (Kolowski) Change special education reimbursements

LB877 (Kolowski) Change provisions related to early childhood education in the Tax Equity and Educational

Opportunities Support Act

LB718 (Halloran) Adopt the Higher Education Free Speech Accountability Act

Transportation & Telecommunications

Room 1113 - 1:30 p.m.

LB740 (Lindstrom) Provide for registration and licensing of metropolitan utilities district motor vehicles and trailers as prescribed

LB755 (Brewer) Change rules for operation of all-terrain vehicles and utility-type vehicles

LB830 (Vargas) Change license application, prohibited acts, and

franchise restriction provisions under the Motor Vehicle Industry Regulation Act
LB909 (Bostelman) Change motor vehicle titling and registration provisions, assembled and kit vehicle provisions, and the branding of certificates of title as reconstructed or replica
LB980 (Watermeier) Provide for issuance of permits for divisible loads of hay bales

Urban Affairs

Room 1510 - 1:30 p.m.

LB846 (Briese) Change provisions relating to findings and the enforceability of certain agreements under the Community Development Law

LB874 (Urban Affairs) Change the Community Development Law

LB967 (Groene) Eliminate provisions of the Community Development Law relating to undeveloped vacant land and land outside of cities

LB1085 (Wayne) Change the Community Development Law and provisions relating to tax increment financing

Wednesday, January 31

Appropriations

Room 1003 - 1:30 p.m.

LB775 (Stinner) Adopt the State Park System Construction Alternatives Act

Agency 29: Dept. of Natural Resources

Agency 84: Dept. of Environmental Quality

Agency 33: Game and Parks Commission

Agency 41: State Real Estate Commission

Executive Board

Room 2102 - 12:00 p.m.

LB809 (Harr) Prohibit charging members of the Legislature fees for public record requests

LB1018 (Geist) Provide for inadmissibility of audio and video recordings of legislative proceedings, require a notice regarding prohibited uses of such recordings, and provide that such recordings are not public records

Government, Military & Veterans Affairs

Room 1507 - 1:30 p.m.

LB943 (Wishart) Redefine a term relating to budget limitations

LB850 (Linehan) Require disclosure of the anticipated cost to a political subdivision to pay off its bonds

LB1128 (Wayne) Prohibit counties, local governments, and certain state entities from spending legislative appropriations under certain conditions

Health & Human Services

Room 1510 - 1:30 p.m.

LB681 (Blood) Adopt the Physical Therapy Licensure Compact

LB979 (Crawford) Authorize physician assistants and nurse practitioners to render expert opinions

LB958 (Erdman) Provide for licensure of a vehicle as a massage therapy establishment

Judiciary

Room 1113 - 1:30 p.m.

LB792 (Ebke) Change powers and duties of the Nebraska State Patrol, law enforcement agencies, the executive director of the Nebraska Commission on Law Enforcement and Criminal Justice, and the Attorney General

LB883 (Harr) Provide for appointment of independent counsel to prosecute crimes by state officials or employees and change powers and duties of the Attorney General

LB913 (McDonnell) Change provisions relating to assault with a bodily fluid against a public safety officer

LB923 (Morfeld) Provide immunity for certain law enforcement employees administering naloxone and change provisions relating to immunity for persons reporting or experiencing alcohol overdoses

LB955 (Krist) Provide for reciprocal certification of military police officers and law enforcement officers from other jurisdictions

LR269CA (Schumacher) Constitutional amendment to authorize the Legislature to delegate complete or partial sovereignty to one area of the state

LB913 (McDonnell) Change provisions relating to assault with a bodily fluid against a public safety officer

LB923 (Morfeld) Provide immunity for certain law enforcement employees administering naloxone and change provisions relating to immunity for persons reporting or experiencing alcohol overdoses

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Natural Resources

Room 1525 - 1:30 p.m.

Appointment: Joseph Citta - Environmental Quality Council

Appointment: Mohamed Dahab - Environmental Quality Council

LB820 (Hughes) Change provisions relating to privately developed renewable energy generation facilities

COMMITTEE HEARINGS

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

Revenue

Room 1524 - 1:30 p.m.

LB947 (Smith) Adopt the Nebraska Property Tax Cuts and Opportunities Act, change income tax rates, and eliminate certain exemptions and credits

Thursday, February 1

Appropriations

Room 1003 - 1:30 p.m.

LB802 (Stinner) Create the Nebraska Tourism Commission Promotional Cash Fund and provide for its use
Agency 16: Dept. of Revenue
Agency 93: Tax Equalization and Review Commission
Agency 72: Dept. of Economic Development
Agency 91: Neb. Tourism Commission
Agency 65: Dept. of Administrative Services

Executive Board

Room 2102 - 12:00 p.m.

LR289CA (Krist) Constitutional amendment to change and provide legislative district redistricting standards and to provide congressional district redistricting standards
LB973 (Crawford) Require use of redistricting maps drawn using state-issued computer software

Government, Military & Veterans Affairs

Room 1507 - 1:30 p.m.

LB995 (Linehan) Require the filing of a statement of financial interests by individuals holding elective office of a school district under the Nebraska Political Accountability and Disclosure Act
LB1037 (Baker) Change provisions of the Nebraska Political Accountability and Disclosure Act relating to a potential conflict of interest by an elected office holder of certain cities or villages or a school district
LB1130 (Kuehn) Provide a disclosure requirement for certain tax-exempt organizations under the Nebraska Political Accountability and Disclosure Act
LB1003 (McDonnell) Change leave of absence without loss of pay provisions under the Military Code
LB1000 (Briese) Require a bond election under the Public Facilities

Construction and Finance Act

LB960 (Murante) Change provisions of the Nebraska Political Accountability and Disclosure Act

Health & Human Services

Room 1510 - 1:30 p.m.

LB1044 (Krist) Change provisions relating to providing social services relating to child abuse and neglect investigations
LB787 (Krist) Change income determination provisions relating to the Medical Assistance Act
LB903 (Linehan) Change provisions relating to the Long-Term Care Ombudsman Act

Judiciary

Room 1113 - 1:30 p.m.

LB816 (Chambers) Designate Nebraska State Patrol as agency to investigate criminal activity within Department of Correctional Services correctional facilities
LB842 (Pansing Brooks) Change provisions relating to certain minimum sentences
LB852 (Bolz) Provide for medical release of and additional rehabilitative options for committed offenders and allow the use of certain funds for peer and family support programs
LB853 (Bolz) Authorize certain Department of Correctional Services contracts
LB868 (Pansing Brooks) Change parole provisions relating to deferment and structured programming
LB932 (Howard) Provide discharge planning duties for the medical director of the Department of Correctional Services

Natural Resources

Room 1525 - 1:30 p.m.

Appointment: Lance Hedquist - Environmental Quality Council
Appointment: Robert Hall - Environmental Quality Council
Appointment: Ryan McIntosh - Neb. Environmental Trust Board
LB1054 (Brewer) Change provisions relating to hearings before the Nebraska Power Review Board and electric generation using wind

Revenue

Room 1524 - 1:30 p.m.

LB1108 (Harr) Authorize certain tax credits, change the sales tax rate, and provide for school foundation aid and certain grant programs
LB918 (Bolz) Change provisions relating to certain tax incentive programs and job training grants
LB745 (Watermeier) Require notice relating to certain refunds of local sales and use taxes
LB907 (Baker) Change provisions relating to a sales and use tax exemption for agricultural machinery and equipment

Friday, February 2

Appropriations

Room 1003 - 1:30 p.m.

Agency 24: Dept. of Motor Vehicles
Agency 60: Neb. Ethanol Board
Agency 77: Commission of Industrial Relations
Agency 85: Public Employees Retirement Board
Agency 87: Accountability and Disclosure Commission

Government, Military & Veterans Affairs

Room 1507 - 1:30 p.m.

LB753 (Brewer) Provide for tuition waivers for National Guard members
LB1019 (Clements) Change boundaries of Nebraska planning and development regions
LB1038 (Thibodeau) Provide a deadline for electronic voter registration
LB1098 (Hilgers) Change dollar threshold for certain purchasing requirements under the County Purchasing Act

Health & Human Services

Room 1510 - 1:30 p.m.

LB1107 (Linehan) Change provisions relating to barber licensing and the Cosmetology, Electrology, Esthetics, Nail Technology, and Body Art Practice Act
LB1042 (Howard) Change and eliminate provisions relating to nail technology
LB1034 (Riepe) Change facility standards for school-age child care programs
LB1035 (Riepe) Change provisions relating to the Stroke System of Care Act

COMMITTEE HEARINGS

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

Judiciary

Room 1113 - 1:30 p.m.

LB845 (Briese) Provide for supportive services relating to child custody
 LB863 (Howard) Add grounds for termination of parental rights
 LB879 (Ebke) Provide for a parenting time summary report
 LB795 (McDonnell) Provide for an acknowledgment of maternity
 LB826 (Vargas) Provide for jurisdiction to make factual findings under the Uniform Child Custody Jurisdiction and Enforcement Act
 LB972 (Wayne) Provide for deferred judgments by courts
 LB785 (Vargas) Change terminology related to marriage

Nebraska Retirement Systems

Room 1525 - 12:00 p.m.

LB1005 (Kolterman) Change county and school retirement provisions

Revenue

Room 1524 - 1:30 p.m.

LB1071 (Lindstrom) Adopt the Infrastructure Improvement and Replacement Assistance Act and provide for a turn back of state sales tax revenue
 LB739 (Lindstrom) Change the Sports Arena Facility Financing Assistance Act
 LB824 (Morfeld) Change provisions relating to the taxation of benefits received under the federal Social Security Act
 LB1074 (Vargas) Change provisions relating to individual income tax brackets and rates and the earned income tax credit
 LB920 (Bolz) Change provisions relating to a child and dependent care tax credit

Monday, February 5

Appropriations

Room 1524 - 1:30 p.m.

Agency 18: Dept. of Agriculture
 Agency 48: Coordinating Commission for Postsecondary Education
 Agency 50: State College System
 Agency 83: Community College Aid
 LB 944, Section 71 - Restriction on use of Federal Title X program funds

Banking, Commerce & Insurance

Room 1507 - 1:30 p.m.

LB726 (Wayne) Require insurance coverage for in vitro fertilization procedures
 LB1105 (Vargas) Change the transaction loan period under the Delayed Deposit Services Licensing Act

Business & Labor

Room 2102 - 1:30 p.m.

LB928 (McDonnell) Change provisions relating to compensation paid upon the death of an employee under the Nebraska Workers' Compensation Act
 LB952 (Albrecht) Change provisions relating to dismissals of actions under the Nebraska Workers' Compensation Act
 LB953 (Albrecht) Change provisions relating to lump-sum settlements under the Nebraska Workers' Compensation Act
 LB957 (Lowe) Provide procedures for choosing a method of payment for payments under the Nebraska Workers' Compensation Act
 LB1024 (Wayne) Change references from Big Twelve Conference to Big Ten Conference in provisions requiring a stipend or restricting hours of participation for intercollegiate athletes

Education

Room 1525 - 1:30 p.m.

LB1069 (Brasch) Change provisions related to the Committee on Americanism
 LB1070 (Brewer) Change an election requirement for school districts with fewer than twenty-five students in high school grades
 LB1135 (Vargas) Adopt the Alternative Certification for Quality Teachers Act
 LB1001 (Briese) Provide for a review of the financing of schools

Executive Board

Room 2102 - 12:00 p.m.

LB974 (Vargas) Prohibit consideration of political affiliation, demographic information, and previous election results in drawing legislative districts
 LB975 (Howard) Adopt the Redistricting Act

General Affairs

Room 1510 - 1:30 p.m.

LB734 (Scheer) Change provisions relating to special designated licenses under the Nebraska Liquor Control Act
 LB1120 (Larson) Change provisions of the Nebraska Liquor Control Act and music licensing provisions

Transportation & Telecommunications

Room 1113 - 1:30 p.m.

Appointment: Eric Bigler - Motor Vehicle Industry Licensing Board
 LB721 (Wayne) Remove a prohibition to regulate wireless telecommunications service by the Public Service Commission
 LB993 (Friesen) Create the 911 Service System Advisory Committee and change the 911 Service System Act and eliminate the act's termination date
 LB994 (Friesen) Create the Rural Broadband Study Task Force, change provisions relating to the Nebraska Telecommunications Universal Service Fund, and change powers and duties of the Public Service Commission as prescribed

Tuesday, February 6

Agriculture

Room 2102 - 2:00 p.m.

LB1133 (Wayne) Adopt the Industrial Hemp Act, provide an exemption under the Uniform Controlled Substances Act, and eliminate a provision relating to industrial hemp research

Appropriations

Room 1524 - 1:30 p.m.

LB727 (Wayne) Provide for appropriations to the Nebraska State Historical Society
 Agency 69: Neb. Arts Council
 Agency 13: Dept. of Education
 Agency 32: Board of Educational Lands and Funds
 Agency 47: Neb. Educational Telecommunications Commission
 Agency 34: Library Commission
 Agency 54: State Historical Society

Banking, Commerce & Insurance

Room 1507 - 1:30 p.m.

LB987 (Schumacher) Adopt the Uniform Regulation of Virtual-Currency

COMMITTEE HEARINGS

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

Businesses Act

LB1121 (Larson) Adopt the Nebraska Uniform Protected Series Act

Education

Room 1525 - 1:30 p.m.

LB1103 (Friesen) Provide a minimum amount of state aid for each school district
LB1056 (Hansen) Provide for collection of data on student disciplinary actions
LB1094 (Hilgers) Provide for financial literacy and entrepreneurship academic content standards
LB917 (Bolz) Change eligibility relating to the Community College Gap Assistance Program Act

Transportation & Telecommunications

Room 1113 - 1:30 p.m.

Appointment: Mick Syslo - Board of Public Roads Classifications and Standards
LB1009 (Murante) Provide a super-two rural highway classification and change maximum highway speed limits as prescribed

Wednesday, February 7

Appropriations

Room 1003 - 1:30 p.m.

Agency 12: State Treasurer
Agency 23: Dept. of Labor
Agency 67: Equal Opportunity Commission
Agency 68: Latino-American Commission
Agency 70: Foster Care Review Board
Agency 82: Commission for the Deaf and Hard of Hearing
Agency 81: Commission for the Blind and Visually Impaired

Judiciary

Room 1113 - 1:30 p.m.

LB691 (Blood) Adopt the Nebraska Virtual Currency Money Laundering Act and define and redefine terms under the Nebraska Money Transmitters Act
LB695 (Blood) Authorize and define smart contracts and authorize use of distributed ledger technology as prescribed
LB773 (Clements) Change intimidation by telephone call provisions and prohibit intimidation by electronic message
LB782 (Pansing Brooks) Change

intimidation by telephone call provisions and provide for intimidation by electronic communication
LB855 (Lindstrom) Change Security, Privacy, and Dissemination of Criminal History Information Act provisions to provide for charges or offenses that have been pardoned
LB1083 (Hansen) Provide for discovery of telephone numbers and email addresses of witnesses in criminal cases

Thursday, February 8

Appropriations

Room 1003 - 1:30 p.m.

LB938 (Stinner) Change provisions relating to the transfer of excess General Fund net receipts to the Cash Reserve Fund
Agency 7: Governor
Agency 8: Lieutenant Governor
Agency 9: Secretary of State
Agency 10: Auditor of Public Accounts
Agency 11: Attorney General
Agency 3: Legislative Council
Agency 76: Neb. Indian Commission

Judiciary

Room 1113 - 1:30 p.m.

LB752 (Brewer) Limit the authority of certain political subdivisions to acquire rights-of-way
LB833 (McCollister) Change provisions relating to petroleum products liens
LB886 (Morfeld) Protect student journalists' and student media advisers' rights of and freedom of speech and of the press
LB990 (Wayne) Create the offense of possession of a firearm by a prohibited juvenile offender
LB1047 (Harr) Change provisions under the Nebraska Uniform Power of Attorney Act relating to banks and other financial institutions
LR293CA (Wishart) Constitutional amendment providing a right to use or consume medical cannabis subject to laws, rules, and regulations

Friday, February 9

Judiciary

Room 1113 - 9:30 a.m.

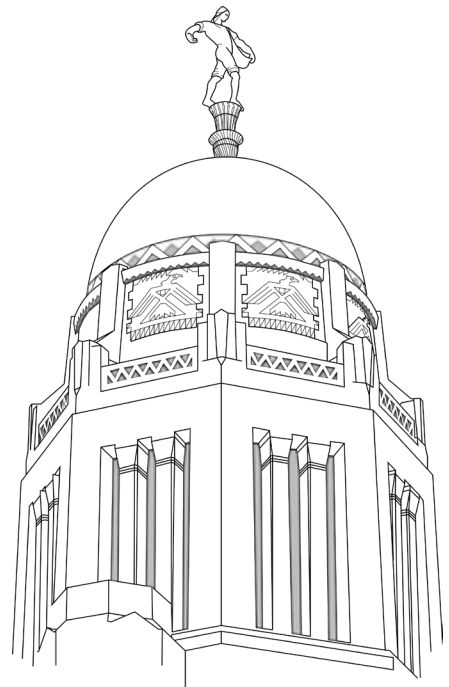
LB781 (Pansing Brooks) Change penalties for certain felonies committed

by persons under nineteen years of age
LB869 (Pansing Brooks) Change provisions relating to sealing of juvenile records
LB875 (Bolz) Change sentencing provisions for crimes committed by persons under the age of eighteen
LB930 (Hansen) Prohibit use of juveniles' statements made as a result of custodial interrogation
LB983 (Ebke) Change provisions relating to audiovisual court appearances

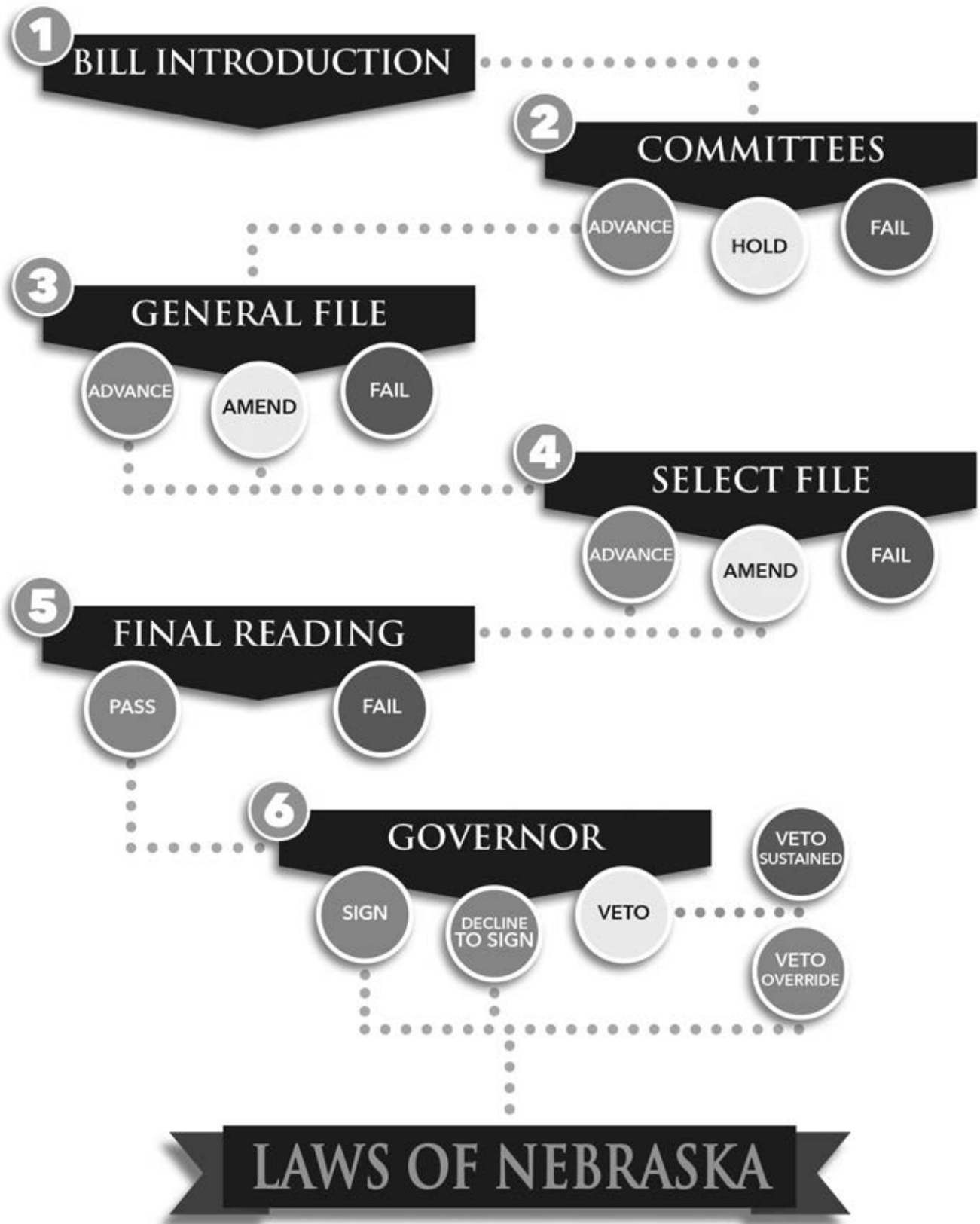
Judiciary

Room 1113 - 1:30 p.m.

LB925 (Pansing Brooks) Change provisions relating to certain sex crimes and crimes against children
LB988 (Pansing Brooks) Adopt an affirmative consent standard with respect to sexual assault
LB1013 (Pansing Brooks) Limit the habitual criminal enhancement to violent felonies
LB1132 (Pansing Brooks) Provide a procedure to set aside convictions of victims of sex trafficking and to expunge related records ■



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