

Main budget adjustment bill stalls after failed cloture vote, fund transfer measure advanced

After a failed cloture vote on the main budget adjustment bill, lawmakers advanced two other components of the Legislature's mid-biennium budget adjustment package March 19.

Before the 2026 session began in January, senators were facing a \$471.5 million budget shortfall. That hole got deeper following a February meeting of the Nebraska Economic Forecasting Advisory Board, which lowered revenue projections by another \$175 million.

Amendments from the Appropriations Committee adopted on first-round debate closed all but \$125 million of that gap.

Elmwood Sen. Robert Clements, chairperson of the committee, said members met daily to find additional savings before the second round of debate. Those efforts resulted in an amendment to the main budget adjustment bill that would reduce the shortfall to a little over \$37 million, he said.

That bill, LB1071, introduced by La Vista Sen. John Arch at the request of Gov. Jim Pillen, would provide, change and eliminate provisions related to appropriations for state expenses for the biennium ending June 30, 2027.

Among the additional general funds "found" by the committee and included in the Clements amendment are a \$5 million reduction in general fund appropriations to the state Department of Health and Human Services due to "efficiencies" identi-



Sens. Robert Clements and Danielle Conrad confer during second-round budget debate March 19.

fied by the department, \$2 million from funds for mentorship grants at the state Department of Economic Development and \$250,000 from the Legislature's budget.

Senators adopted an amendment from Bennington Sen. Wendy DeBoer on a 39-0 vote that would provide a one-time General Fund appropriation of \$450,000 in FY2026-27 for providers of domestic violence shelters and services.

DeBoer said the amendment would fill a short-term funding gap after it was determined that the Health Care Cash Fund did not have sufficient dollars this year to provide funding that the Legislature previously had approved for those providers.

Clements supported the DeBoer amendment, saying the Appropria-

tions Committee lacked sufficient information on how the reduction in funding would have negatively impacted service providers.

Second-round debate on LB1071 was dominated, however, by opposition to a provision unilaterally included in the amendment by Clements and not voted on by the rest of the Appropriations Committee. That provision would remove "gap year" funding for private school scholarships that was adopted on general file.

The federal One Big Beautiful Bill Act of 2025 created a federal tax credit starting Jan. 1, 2027, that allows individuals a dollar-for-dollar, nonrefundable tax credit of up to \$1,700 for donations to organizations that provide scholarships to students

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attending private and religious schools.

The governor’s proposed budget adjustments included \$7 million in FY2026-27 to fund scholarships in Nebraska until the federal law takes effect.

An Appropriations Committee amendment adopted on general file lowered that number to \$3.65 million, with \$3.5 million for scholarships and \$150,000 for administrative costs. Families would have to be at 185% of the federal poverty level or less to qualify for scholarship funds.

Plymouth Sen. Tom Brandt unsuccessfully attempted to remove those funds on the first round of debate and refiled that amendment on select file. Both he and Ralston Sen. Merv Riepe indicated that they would not support the budget moving forward with inclusion of the scholarship funds.

During select file debate, several senators said they would not support LB1071 unless the scholarship provision was reinstated.



Sen. Christy Armendariz said all Nebraska children deserve to attend a school that best fits their needs.

Sen. Christy Armendariz of Omaha offered a series of amendments to extend debate, saying she had decided to “fight” to restore the private school scholarship funding.

Citing her own experience growing up poor in northeast Omaha, she said her parents struggled to send her younger brother to a Catholic school after he was bullied in public school — a change that she said “made a world

of difference” in how his life turned out.

“Oftentimes, when you live in poverty, you need that stability,” Armendariz said, “and I’m not willing to take that away.”

Norfolk Sen. Robert Dover echoed those sentiments, saying children in households who are at 185% of the federal poverty level probably “don’t have the easiest home life.” Forcing students who have found an educational home in a private school to change schools because they can’t afford tuition would be disruptive, he said.

“One year in a child’s life in school is a long time,” Dover said. “I don’t know why we would do this.”

Sen. Ashlei Spivey of Omaha called the contention that private schools provide a pathway out of poverty “misguided.” She said senators should look for evidence-based ways to create positive outcomes for Black and impoverished youth through public policy.

“[Alleviating] the implications of poverty is not specifically tied to a

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student getting a voucher or a scholarship and going to a specific type of school,” Spivey said. “There is no data or correlation around that.”

Adams Sen. Myron Dorn urged his fellow lawmakers not to jeopardize the entire budget adjustment bill over one policy issue based on their personal beliefs. He said the impasse could have been avoided if the governor had not included the controversial scholarship policy in the state budget.

“I don’t know if you people understand all the implications of all of this,” Dorn said. “This is a budget. This is what we need to do. This is what we are required to do.”

Sen. Danielle Conrad of Lincoln agreed, saying inclusion of contentious policy issues had temporarily derailed the state budget in the past.

“The tension — the anxiety, the consternation, the chaos — that is infused in this process because of that issue is exactly why we don’t inject policy into the budget,” Conrad said.

Omaha Sen. John Fredrickson said senators on both sides of the debate were guilty of protecting their favored policies “at all costs” and finding “the hill we’re willing to die on” rather than doing the hard work of finding agreement and making sure that the burden of the budget deficit doesn’t fall on any one group of Nebraskans.

After four hours of debate and the rejection of three other attempts to amend the proposal, Speaker John Arch of La Vista offered a motion to invoke cloture, which ceases debate and forces a vote on the bill. The motion failed on a vote of 19-10. Thirty-three votes were needed.

A failed cloture motion ends debate on a proposal for the day. A bill that has failed once on cloture must be debated for an additional two hours before another attempt to cease debate can be made.

Later in the day, Arch said LB1071 would be scheduled for debate again March 23 to allow continued time for negotiations, adding that he was “quite disappointed with the outcome” of the day’s discussions and lawmakers’ failure to advance the bill.

“Senator Clements has been one of the staunchest supporters of school choice, but his actions today to exclude that provision in his select file amendment was a display of true statesmanship,” he said. “He put his duties and the budget before his personal beliefs on a single issue.”

Fund transfers

LB1072, also introduced by Arch at the request of the governor, would provide for and change transfers from the Cash Reserve Fund and make a number of changes to other fund transfers, agency powers and duties and a variety of programs.

An Appropriations Committee amendment offered on select file and adopted 35-8 would authorize new and adjusted transfers from various agency funds to the General Fund of \$83.2 million, including an additional \$22 million from the Cash Reserve Fund.

In addition, the amendment would move \$38.7 million in various fund transfers from fiscal year 2026 to FY2027. Clements said the amendment would reduce the state’s budget shortfall to approximately \$41.8 million.

“[The amendment] is going to help us get a lot closer to balancing our budget,” Clements said.

Senators adopted three small changes to fund transfers in the committee amendment, including one from Omaha Sen. Machaela Cavanaugh. The amendment would delay until June 1, 2027, a \$6.5 million transfer from the Homeless Shelter Assistance Trust Fund to the General Fund.

Cavanaugh said the amendment, adopted 35-1, would ensure the sustainability of a grant program for homeless services.

A Clements amendment, adopted 33-0, would lower a transfer from a Nebraska Library Commission fund to the General Fund from \$250,000 to \$75,000. He said the commission recently notified him those funds were obligated and that sweeping them would create a hardship for the commission.

Another amendment, offered by Lincoln Sen. Beau Ballard and adopted 39-0, would reduce a transfer from the Wildlife Conservation Fund to the General Fund by \$362,000. Ballard said that portion of the fund balance came from voluntary contributions, donations and checkoffs and should not be swept to the General Fund.

“The majority of these funds do not come from excess state revenue,” Ballard said, “they come directly from Nebraskans.”

Senators rejected a series of additional amendments from Lincoln Sen. Jane Raybould that would have stricken a variety of fund transfers from LB1072.

An amendment offered by Blair Sen. Ben Hansen would impact LB304, a bill from Bennington Sen. Wendy DeBoer included in the budget adjustment measure.

Her proposal would permanently extend expanded eligibility for the state’s Child Care Subsidy program, which provides a direct subsidy to providers to cover a portion of child care expenses for low-income families.



Sen. Wendy DeBoer

Income eligibility guidelines were expanded in 2021 from 130% of the

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federal poverty level to 185%. That expansion is scheduled to expire Oct. 1.

Hansen's amendment instead would sunset the expanded eligibility Oct. 1, 2028. He said the change would allow future lawmakers a chance to determine if the state could continue to afford expanded eligibility.

"I think it's a responsible way to govern," Hansen said.

Sen. Dan Quick of Grand Island opposed the amendment. The uncertainty it would create for child care providers who rely on subsidies likely would cause even more facilities to close, he said, further hampering the state's economic development efforts.

"If we don't have some stability with child care in our communities across Nebraska, I guess you really don't want businesses to come here," Quick said.

Hansen withdrew his amendment and lawmakers adopted a cloture motion from Arch on a vote of 35-12. They then advanced LB1072 to final reading 35-12.

State claims

Finally, lawmakers advanced a bill that would provide for payment of claims against the state. If a person sues the state of Nebraska, he or she files

a claim with the State Claims Board. Approved claims exceeding \$50,000 must be reviewed by the Legislature.

LB1133, sponsored by Business and Labor Committee chairperson Sen. Kathleen Kauth of Omaha, would approve \$695,507 in settled claims; six Workers' Compensation Court claims totaling \$1.17 million and a variety of state agency write-offs totaling \$2.84 million.

The measure advanced to the final round of debate by voice vote. ■



Sen. Kathleen Kauth



Former Nebraska state senators were welcomed and formally greeted by the Legislature March 18. Above: former Sens. Mark Kolterman of Seward (left) and Matt Williams of Gothenburg.

APPROPRIATIONS

Attempt to raise constitutional officers' salaries stalls, 'shell' bill advanced

An effort to use an Appropriations Committee shell bill as a vehicle to increase salaries for various constitutional officers fell short March 17, but lawmakers advanced the underlying bill to keep the proposal alive in case a compromise can be found.

LB1210 was introduced by Elwood Sen. Robert Clements as a shell bill for the committee. He offered an amendment on general file to replace the proposal with an amended version of LB345. That proposal, which was introduced last year by the Government, Military and Veterans Affairs Committee and advanced to general file, would increase the salaries of seven offices established in the state constitution.

Calling the proposed increases "moderate," Clements noted that salaries were last increased nearly 20 years ago in 2007. The amendment would authorize an increase equivalent to a 1.3% per year raise over the last 20 years, he said, far less than what an increase tied to the consumer price index would be.

"If you would apply 2.38% per year, it would increase these [salaries] by 60% rather than 29%," Clements said, "so this is half of what inflation would allow for in these salaries. I think it's very reasonable."

He added that the increase would have only a \$97,500 impact on the current two-year state budget because it

would not take effect until Jan. 1, 2027.

Clements said the next opportunity to increase these salaries will be four years from now because they cannot be raised when the current office holder would benefit.

The amendment would increase salaries as outlined below:

- governor, from \$105,000 to \$130,000;
- lt. governor, from \$75,000 to \$95,000;
- attorney general, from \$95,000 to \$120,000;
- secretary of state, from 85,000 to \$110,000;
- state treasurer, from \$85,000 to \$110,000;
- state auditor, from \$85,000 to \$110,000; and
- public service commissioners, from \$75,000 to \$85,000.

Norfolk Sen. Robert Dover supported the amendment, saying state employees were given a 3.5% pay increase in the current state budget at a cost of \$10 million with no comparable boost for constitutional officers.

"These people do deserve a wage that somewhat reflects current-day salaries," Dover said, calling the overall cost to the state "insignificant."

Sen. Machaela Cavanaugh of Omaha also supported the pay increase, even given the state's current budget crisis.

"Where there's a will, there's a way, and paying people what they're worth is important," Cavanaugh said.

Lincoln Sen. Danielle Conrad opposed the amendment, saying senators had received an email from the executive branch indicating opposition to the proposed pay increases from Gov. Jim Pillen and other constitutional officers.

"The ones who are impacted have unequivocally stated that they don't want these raises to move forward," Conrad said. "As has been noted, we

are in a significant structural budget deficit. We are making painful cuts due to the recklessness of our constitutional officers."

She noted, however, that the auditor of public accounts has indicated on a number of occasions that the salary for his office needs to be addressed, particularly as it relates to compensation levels in other states. She offered an amendment to increase the state auditor's salary to \$120,000, leaving all other constitutional officers' salaries unchanged.

Clements opposed the amendment, saying all salaries should increase if any of them do. All Nebraska constitutional officers' wages lag significantly behind the average of neighboring states, he said, and the only way to raise them is through legislative action.

The Conrad amendment failed on a vote of 6-27.

La Vista Sen. John Arch opposed the Clements amendment. While acknowledging the importance of paying a wage that would attract the best candidates to the state's top jobs, he said a budget crisis was not the time to make the adjustment.

"I will personally be voting no on this bill, and honestly, it is purely because of timing," Arch said.

Sen. Kathleen Kauth of Omaha also opposed raising any of the salaries, while acknowledging the intent behind the effort. She said she would consider supporting a pay increase for constitutional officers if implementation were delayed until 2031.

In addition, Kauth said, lawmakers should look at "pinning" those salaries to a data point — such as a structured cost-of-living adjustment or having salaries "float" in tandem with the state's median wage — so that changes would be automatic.

Lawmakers rejected the Clements



Sen. Robert Clements

amendment 21-18. Twenty-five votes were needed.

Cavanaugh then urged senators to advance the shell bill to select file without the amendment, suggesting that a compromise on pay increases might be reached before the next round of debate.

LB1210 advanced on a vote of 34-4.

BANKING, COMMERCE & INSURANCE

Omnibus consumer protection measure amended, advanced

An omnibus banking measure was amended and advanced to the final round of debate March 18.

LB838, sponsored by Sen. Mike Jacobson of North Platte, would authorize an optional program for financial institutions under which a vulnerable or senior adult could designate an “authorized contact” to be notified by a financial institution in the event of an emergency, loss of contact with the customer or suspected financial exploitation.

The measure also includes amended provisions from the following bills:

- LB837, also introduced by Jacobson, which would address how merchants treat transactions involving physical currency now that the U.S. Mint has stopped producing pennies;
- LB875, sponsored by Syracuse Sen. Bob Hallstrom, which would prohibit suppliers from including clauses in contracts that



Sen. Mike Jacobson

waive compliance with the Equipment Business Regulation Act or mandate that legal disputes be resolved in out-of-state forums or by other state laws;

- LB1160, also introduced by Hallstrom, which would modernize Nebraska’s estate and trust laws by synchronizing the Uniform Probate Code with the Uniform Trust Code and strengthening the rights of surviving families;

- LB1063, sponsored by Sen. Eliot Bostar of Lincoln, which would modernize the Nebraska Money Transmitters Act to exclude influence from foreign adversaries and regulate informal transfer systems;

- LB1118, introduced by Lincoln Sen. Carolyn Bosn, which would update the state’s Uniform Deceptive Trade Practices Act to treat certain conduct by social media platforms that accept paid advertising as a deceptive trade practice; and

- LB1119, sponsored by Bosn, which would update the Age-Appropriate Online Design Code Act passed by lawmakers last year.

Bosn offered an amendment on



Sen. Bob Hallstrom



Sen. Eliot Bostar



Sen. Carolyn Bosn

select file to replace the provisions of her LB1118 with a modified proposal. She said the changes resulted from extensive conversation with Meta and would allow platforms five business days rather than the original seven calendar days to investigate reported fraudulent ads.

Additionally, she said, the requirement to remove fraudulent ads “immediately” was also changed to within five business days.

“This adjustment was requested to provide companies with reasonable flexibility, particularly when complaints are submitted over weekends and holidays,” Bosn said.

The amendment also would allow companies to share information regarding suspected fraudulent activities in ways similar to financial institutions, she said, and move the implementation date to Jan. 1, 2027, to give companies adequate time to comply.

The Bosn amendment was adopted 34-0.

Lawmakers also adopted an amendment from Lincoln Sen. Danielle Conrad to provide a severability clause, which would ensure that if any section of LB838 were declared unconstitutional, it would not impact any other section of the bill.

Conrad said the amendment was necessary, given the potential for the provisions involving social media to “become entangled” in lawsuits. The severability clause would prevent the rest of the important consumer protections in LB838 from being invalidated, she said.

The amendment was adopted 46-0.

A second amendment from Conrad that would have stripped out a section of what she called “unnecessary legislative findings” included in portions of the bill related to Bostar’s LB1063 was unsuccessful. She said the language, which includes references to Chinese law and White House memos, is not

“pattern and practice” for how legislation normally is worded in Nebraska.

The amendment failed on a vote of 22-6. Twenty-five votes were needed.

Another amendment, brought by Sen. Kathleen Kauth of Omaha and adopted 33-3, added the amended provisions of her LB1174 to the package. As originally introduced, the proposal would have imposed a standard 2% tax on most international money transfers and a 20% tax on transfers destined for foreign adversary countries.

Her amendment instead would impose a 25% excise tax only on a remittance transfer by a licensee or authorized delegate to a resident of a foreign adversary country as determined by the federal government.

Kauth said the amendment would apply only to money transmitted out of the country using cash, money order or cashier’s check. She said \$43.5 million was sent from Nebraska to foreign adversaries in 2025, the vast majority of which went to China, according to the state Department of Banking and Finance.

“Foreign adversaries, as defined by U.S. federal law and executive orders, are nations or nongovernment entities engaged in long-term actions detrimental to U.S. national security,” Kauth said, “and currently include China, Russia, Iran, North Korea, Cuba and the Maduro regime in Venezuela.”

The tax would not apply to remittance transfers to or from active-duty service members or their dependents or those funded with a debit or credit card issued in the U.S. A valid military ID would be required to qualify for the exemption. The proposal also contains an expedited refund process for active-



Sen. Kathleen Kauth

duty members if they are charged the tax in error.

Remittance transfer providers who collect the tax would transfer it to the state Department of Revenue on a quarterly basis. All taxes remitted would be credited to the state’s General Fund.

Omaha Sen. Megan Hunt opposed Kauth’s amendment. She said it would not punish adversary nations but individuals who have escaped authoritarianism and other forms of repression to make it more difficult for them to send money back home.

“The people who are in these countries that are deemed as adversary nations ... are not my adversaries, and they’re not your adversaries,” Hunt said.

Sen. Jane Raybould of Lincoln offered an amendment to exempt Cuba and Venezuela from the proposal. Nebraska has accepted a “tremendous” number of Cuban refugees, she said, and as a “resettlement hub” also has seen an influx of Venezuelans who were fleeing the Maduro regime.

It would be wrong to penalize people who may need to use money transfers to help family who remain in their home countries, Raybould said.

The Raybould amendment was adopted on a 25-4 vote.

Lawmakers then advanced LB838 to the final round of debate by voice vote.

EDUCATION

Omnibus education package clears first round

A measure containing several technical changes to education statutes

received first-round approval March 17 after lawmakers amended it to include provisions from five other bills.

LB937, sponsored by the Education Committee, was introduced to simplify state law and remove outdated language to better align with current educational practices, said committee chairperson Glenvil Sen. Dave Murman.

Among other changes, he said, the bill would fix an issue in the Teacher Recruitment and Retention Act by ensuring teachers pursuing dual-credit coursework qualify for grants after a gap in the law left them ineligible.

The bill also would require option enrollment reports to include approved applications, remove obsolete language related to solar and wind energy funding, align College Pathway Program Act language with procurement processes and set Oct. 15 as the deadline for property tax authority requests and annual census reports.

As introduced, LB937 also would have revised dyslexia reporting requirements by limiting reporting to students in kindergarten through third grade. An Education Committee amendment, adopted 31-0, removed those provisions and added amended provisions from five additional bills.

Among those is LB1224, sponsored by Omaha Sen. Megan Hunt, which would prohibit a person subject to a substantiated child abuse or neglect report from transferring or disenrolling a student during an investigation.



Sen. Megan Hunt

The state Department of Health and Human Services would notify the student’s school and the education commissioner that such a transfer is invalid, with the restriction lifted once a juvenile court petition is filed

or 14 days after notice to the subject of the report.

The measure also would bar individuals convicted of certain felonies from monitoring or instructing students at schools that do not meet state accreditation or approval requirements.

Hunt said the temporary restriction is intended to prevent individuals from isolating a child who may be experiencing abuse or neglect by removing them from the view of school staff and social workers, who often are in a position to intervene.

The committee amendment also includes provisions of LB1146, introduced by Sen. Danielle Conrad of Lincoln. Under current law, schools may refer a student for truancy to a county attorney after a student accumulates 20 or more unexcused absences in a school year.



Sen. Danielle Conrad

Conrad said her proposal would retain that system while clarifying excused versus unexcused absences and protecting students from being marked truant for medical or mental health needs, pregnancy or parenting responsibilities, disabilities or homelessness if absences are excused by a parent or guardian and supported by medical or professional documentation.

Finally, the committee amendment also includes amended provisions of:

- LB1164, sponsored by Hastings Sen. Dan Lonowski, which would establish statewide guidelines for awarding college credit for prior learning exams and require the Coordinating



Sen. Dan Lonowski

Commission for Postsecondary Education to approve and publish a list of recognized exams and minimum passing scores by Sept. 1, 2026;

- LB1241, introduced by Murman, which would prohibit schools from hiring individuals for positions involving regular contact with students unless applicants disclose seven years of prior employment involving children, authorize the release of related records and report any past child abuse or sexual misconduct investigations, separations or license actions; and
- LB1243, also introduced by Murman, which would prohibit school boards from requiring students to enroll in more than the minimum district credit hours set by a national or state organization to participate in certain extracurricular activities, and extend that restriction to activities not governed by an athletics or activities association.



Sen. Dave Murman

After adopting the committee amendment, senators voted 31-0 to advance LB937 to select file.



Bill to codify state maternity leave narrowed, advanced

Lawmakers gave first-round approval March 17 to a bill that would codify current practice for state employee ma-

ternity leave in Nebraska law, effectively expanding coverage to certain contract employees. The bill also would extend maternity leave to adoptions.

Under LB878, sponsored by Omaha Sen. Dunixi Guereca, eligible state employees would be entitled to six weeks of paid maternity leave. The leave could commence no earlier than the date of birth or adoption and must be used within six months.



Sen. Dunixi Guereca

In addition, 30 days' notice would be required from an employee intending to take maternity leave unless such notice is not practicable.

The bill would prohibit taking intermittent leave unless agreed upon by the state and employee or certified as medically necessary by the employee's health care provider. Maternity leave would not be charged against the employee's sick or vacation leave.

Upon return, the employee would be entitled either to resume their previous position or be placed in a position with similar status, seniority, pay and benefits. Employees using maternity leave also would be protected from employer retaliation.

Guereca said the state's largest union successfully negotiated six weeks of paid maternity leave for state employees last summer and that his bill would ensure that all employees receive that same benefit. While the benefit automatically extended to nonunion permanent state employees, it did not apply to three groups of contract employees, he said.

LB878 would extend benefits to members of the State Patrol, the Fraternal Order of Police and educators who work in institutions within the state Department of Correctional Services and the state Department of

Health and Human Services.

Guereca said research consistently shows that employees are more likely to join and stay with companies that provide maternity leave. Extending benefits to members of the State Patrol in particular would allow the agency to recruit and retain top talent, he said.

“I’m incredibly grateful for our state employees and the sacrifices they are making to help our state function and flourish,” he said. “These employees are fiercely loyal to our state and in return we should be providing them with the stability and security they deserve.”

Sen. Ashlei Spivey of Omaha supported the proposal, noting that most child care providers will not accept infants younger than six weeks of age. Not everyone has a support system to help provide care during that postpartum time, she said, and having a parent at home is important.

“[This] is absolutely the minimum of what we should be doing,” Spivey said.

Several senators raised concerns about the bill’s anticipated fiscal impact, which Guereca acknowledged could be confusing. Most state employees who previously took time off following childbirth used other forms of leave, he said, so the assumption is that the majority of the bill’s impact would be limited to employees’ leave balances and not agency budgets.

Sen. Kathleen Kauth of Omaha offered an amendment to replace the bill with a modified version of the proposal that, among other technical changes, would limit leave to women as defined in state law by passage of her LB89 last session.

The bill as introduced would have provided leave to employees in adoptive situations who are “assuming a



Sen. Kathleen Kauth

parental role,” which would apply to adoptive fathers as well.

Guereca opposed Kauth’s amendment, saying the definition included in it is not part of the state Department of Administrative Services’ existing maternity leave policy and could raise practical and legal concerns.

He said he was preparing a select file amendment to address the technical issues DAS had with the bill and that he saw Kauth’s amendment as part of a “political game” tied to defining women in state law by their sex assigned at birth.

Omaha Sen. John Fredrickson said he did not know the intention behind Kauth’s amendment, but that the result would be the exclusion of single dads who adopt. Regardless of who adopts a child, he said, both parents and children deserve time to bond.

“This is a serious bill ... that’s meant to help Nebraskans, that’s meant to help families, and I think it’s a shame if we’re going to try and be kind of cheeky here and throw out ... a political hot-button issue to score political points,” Fredrickson said.

Kauth said the bill could be expanded on the next round of debate to change the policy to “parental” leave and apply to both male and female employees, although that likely would significantly increase the proposal’s fiscal impact.

Following adoption of the Kauth amendment 27-9, lawmakers advanced LB878 to select file on a 29-5 vote.

Nebraska-Ireland Commission advanced

Creation of a commission intended to foster trade relations between Nebraska and Ireland cleared the first round of debate March 17.

La Vista Sen. John Arch, sponsor of LB1087, said the proposal was brought

to him by the speaker of the Irish Senate. Twenty-five states already have established such commissions, he said, which create networks and help partners find new ways to collaborate.



Sen. John Arch

The Republic of Ireland is the largest English-speaking country in the European Union, Arch said, and the commission would provide access to those markets for Nebraska businesses.

“The relationships developed through the commission will reveal and open up previously unidentified avenues for partnerships and possibilities of investment and global expansion,” he said.

The new 10-member commission, to be housed within the state Department of Economic Development for administrative purposes, would be tasked with promoting and encouraging business and other mutually beneficial activities between Nebraska and Ireland, including:

- bilateral trade and investment;
- business and academic exchanges;
- mutual economic support;
- mutual investment in infrastructure; and
- joint action on policy issues.

Membership would consist of one member of the Legislature from each of the state’s three congressional districts, in addition to the heads of DED and the state Department of Agriculture or their designees.

The following members would be appointed by the governor to two-year terms: a representative of a postsecondary institution, two members from the business community, one nonprofit representative and a member of the general public.

Members would not be paid but

could be reimbursed for expenses. The commission would report to the Legislature annually.

The bill also would create the Nebraska-Ireland Commission Fund, which could receive grants and federal or state funds to help defray administrative costs. Arch said he had “no intention” to ever appropriate taxpayer dollars to it, but that a fund is needed to hold any grants, gifts or other money raised on behalf of the commission.

Sen. Machaela Cavanaugh of Omaha supported the proposal, saying the connection to Ireland is personal for many Nebraskans and that the partnership would be a natural one.

“Irish immigrants helped build communities across our state,” she said. “They brought with them a commitment to hard work, to family and to taking care of their neighbors – values that still define Nebraskans today.”

Ireland is a global leader in technology, life sciences and clean energy, Cavanaugh said, and Nebraska’s growth in ag innovation, data infrastructure and advanced manufacturing could be amplified through “targeted collaborations” developed through the commission.

Following the 40-0 adoption of a technical amendment from the Government, Military and Veterans Affairs Committee, lawmakers advanced LB1087 to select file 41-0.

HEALTH & HUMAN SERVICES

Dementia services proposals amended, advanced

Lawmakers gave first-round approval March 17 to a pair of bills related to dementia care training and

coordination in Nebraska.

LB913, introduced by Sen. Dunixi Guereca of Omaha, would require the state Department of Health and Human Services to appoint a dementia services coordinator to link families caring for individuals with Alzheimer’s disease and other dementia with supportive services and resources.



Sen. Dunixi Guereca

Among other responsibilities, the dementia services coordinator would:

- collect and monitor data related to the impact of dementia disorders on Nebraska residents;
- recommend strategies for service and resource coordination among agencies;
- increase awareness and create dementia-specific training to facilitate access to quality coordinated care in the most integrated setting;
- organize community stakeholders and resources to identify proactive and effective solutions;
- evaluate the needs of impacted individuals and their caregivers and identify services, legislation, resources, policies and funding required to address such needs through a state plan; and
- provide information, counseling, education and referral about services and programs, including safe, secure environments that support individuals and families dealing with Alzheimer’s disease and other dementia.

A Health and Human Services Committee amendment, adopted 33-0, would eliminate the bill’s non-specified deadline for the appointment of a dementia services coordinator.

Guereca said the measure seeks to clarify the responsibilities of the dementia services coordinator position created by passage of the 2023 state budget.

“By ensuring that the role of dementia services coordinator is being fulfilled as intended, we can ensure that those living with Alzheimer’s and their families and caregivers are receiving equitable access to information, resources and referrals to care statewide,” Guereca said.

LB913 advanced to select file on a 39-0 vote.

A measure considered by the Judiciary Committee to require training on dementia-related care for certain employees also advanced from general file.

LB1055, sponsored by Bennington Sen. Wendy DeBoer, would require DHHS adult protective service officials to complete at least one hour of training related to caring for individuals with Alzheimer’s disease and other dementia prior to their first day of employment and once every five years thereafter.



Sen. Wendy DeBoer

Individuals currently working as adult protective service officials would be required to complete such training within 30 days of the bill’s enactment.

Under the proposal, the department also would be authorized to collaborate with a private nonprofit organization with expertise in working with individuals with Alzheimer’s disease and other dementia to provide training that includes information on:

- the most common types of abuse;
- recognizing psychiatric and behavioral symptoms;
- respectful and effective communication;

- techniques for understanding and approaching behavioral symptoms;
- alerting law enforcement agencies to potential neglect, exploitation or criminal behavior by a family member, caretaker or institution;
- methods of identifying incidents of self-neglect and caregiver neglect; and
- protocols for referring individuals to local care resources and professionals to encourage cross-referral.

DeBoer offered an amendment, adopted 32-0, that would remove the requirement for employees to complete dementia-related care training prior to their first day of employment, which she said would allow DHHS to offer such training during an employee’s typical onboarding process.

She said the bill as amended would provide the department with greater flexibility and ensure Nebraskans living with Alzheimer’s disease or other dementia have access to resources.

“Proper training of our [adult protective service] employees may help connect vulnerable adults to the resources and support they need,” DeBoer said.

Senators then advanced LB1055 to select file on a 33-0 vote.

Legal protections advanced for medical cannabis recommendations

Lawmakers amended and advanced a bill March 20 that would provide legal protections to health care practitioners who recommend medical cannabis to qualified patients.

Currently, the Nebraska Medical Cannabis Patient Protection Act prevents qualified individuals from facing legal penalties for possessing

and using medical cannabis when recommended by a health care provider. LB933, sponsored by Omaha Sen. John Cavanaugh, would provide the same type of protection to practitioners who provide medical cannabis recommendations.



Sen. John Cavanaugh

Under the measure, health care providers would be protected from arrest, prosecution, penalty or denial of any right or privilege – including civil penalties or professional disciplinary action by the state Department of Health and Human Services or a licensing board – solely for recommending medical cannabis or stating a professional opinion that a qualified patient would benefit from medical cannabis to treat or alleviate a condition.

Cavanaugh said despite medical cannabis being legal in Nebraska for nearly two years, health care providers have not felt comfortable recommending it to qualified patients out of fear of penalty or disciplinary action.

He said 16 of the 17 states with medical-only cannabis programs offer protections to providers who recommend medical cannabis, and that LB933 would provide a lower level of protection than any of those states.

A Health and Human Services Committee amendment would clarify that a health care practitioner who fails to properly evaluate a patient’s medical condition or otherwise violates the standard of care would not be protected from civil penalties or disciplinary action.

Gering Sen. Brian Hardin, committee chairperson, said the amendment would protect providers from penalties for the sole act of recommending medical cannabis while still requiring that they conduct a thorough and ap-

propriate patient evaluation prior to the recommendation.

Cavanaugh offered an amendment to the committee amendment, adopted 35-4, that would remove protections against civil penalty or disciplinary action for physicians who engage in malpractice or professionally negligent behavior as currently defined in state law.

He said doing so would ensure that medical cannabis recommendations are held to the same clearly defined standard as that used in other areas of medicine to determine if a practitioner has followed the standard of care.

Blair Sen. Ben Hansen supported the bill and both amendments. Physicians are trusted to use their professional judgement, he said, and are held accountable through professional standards and malpractice laws – rather than strict oversight measures – to prescribe countless other medications, including weight-loss and cholesterol drugs, opioids and medications with high-risk warnings for hospitalization and death.

Hansen said medical providers who fail to meet professional standards when recommending medical cannabis would face the same consequences as with any other medication, such as loss of licensure.

Sen. Danielle Conrad of Lincoln also supported the proposal, noting Nebraska providers would have data and research from 40 other states with medical cannabis programs to guide their standard of care.

“This isn’t a revolutionary concept, we have an opportunity to learn a lot from our sister states,” Conrad said. “[LB933] is a very ... narrow [proposal] ... to facilitate the will of the people and ensure there is clarity and protection for medical providers.”

Whitman Sen. Tanya Storer opposed the bill and both amendments.

Providing physicians with “blanket immunity” for a medical cannabis recommendation would threaten patient safety and undermine accountability, she said, by allowing providers to initiate access to medical cannabis without responsibility for patient outcomes.

“This is not a question of whether we support or oppose medical marijuana, it is about whether we are willing to compromise the principles of accountability, patient safety and professional responsibility,” Storer said.

Also speaking in opposition, North Platte Sen. Mike Jacobson claimed LB933 would provide unique protections to physicians that do not exist in other areas of health care. He noted medical cannabis recommendations do not include the same dosage, usage, oversight and regulatory provisions required for traditional prescriptions.

Sen. Jared Storm of David City offered an amendment that would specify the standard of care a practitioner must meet to recommend the use of medical cannabis.

Under his amendment, a health care practitioner could recommend medical cannabis only if their professional judgment and a preponderance of current scientific evidence indicate that the potential benefits outweigh the potential harms for alleviation of a patient’s medical condition.

Storm said the amendment would protect patients and prevent the “over-prescription” of medical cannabis, which he said was a contributing factor in the opioid epidemic.

“[The amendment] is a very simple, straightforward and commonsense addition to LB933 to protect patients,” Storm said.

While opposed to the underlying bill, Lincoln Sen. Beau Ballard supported the Storm amendment, which he said would provide important guidance for the standard of care for

medical cannabis and ensure patients and caregivers understand the potential risks and benefits before receiving a recommendation.

Sen. John Fredrickson of Omaha opposed the Storm amendment and expressed concern that the proposal would set a dangerous precedent of legislating medical providers’ prescriptive authority.

The Storm amendment was rejected 22-19. Twenty-five votes were needed.

Following the 38-4 adoption of the committee amendment, senators advanced LB933 to select file on a 30-7 vote.

JUDICIARY



Bills on fraud fund oversight, sheriff residency rules advanced

Two Judiciary Committee measures that include proposed changes to fraud victim compensation and law enforcement policy received first-round approval from lawmakers March 17.

LB788, introduced by Lincoln Sen. Carolyn Bosn, would transfer administration of the Financial Fraud Victims’ Reimbursement Fund from the attorney general to the Nebraska State Patrol. The fund uses forfeited assets from financial crimes to compensate qualified victims.

Bosn said the Nebraska State Patrol has the capacity to administer the fund and already works with forfeited assets, making it better suited to oversee the program.

Senators voted 32-0 to advance LB788 to select file.

Lawmakers also gave first-round approval to LB784, sponsored by Sen. Bob Hallstrom of Syracuse. Under the bill as introduced, sheriffs in counties without a metropolitan, primary or first-class city could live either in the county they serve or an adjoining county while in office. The bill also would update continuing education requirements for law enforcement officers.



Sen. Bob Hallstrom

A Judiciary Committee amendment replaced the bill with a modified version, clarifying that sheriffs in eligible counties would not be required to reside in the county when filing for office but must live in the county or an adjoining county while serving.

Hallstrom said the change would bring residency rules for sheriffs in line with those for county attorneys and help ease candidate shortages in smaller counties, calling it a “narrow, targeted” solution.

The amendment also would establish tiered continuing education requirements – 24 hours annually for officers in smaller agencies and 32 hours for those in larger agencies – and would change education requirements.

Annual training would include refresher courses on firearms, de-escalation, officer wellness, and anti-bias and implicit bias training. Refresher courses on vehicular pursuit policies, mental health and substance abuse would be required every three years. The requirements would not apply to noncertified conditional officers.

Finally, the amendment would update uniform standards for sheriffs’ offices, allowing sheriffs to determine dress and patrol uniform requirements as long as they are distinguishable



Sen. Carolyn Bosn

from those of other Nebraska law enforcement agencies.

After adopting the committee amendment 34-0, senators advanced LB784 to select file on a 34-0 vote.

Electrical licensing penalty measure amended, advanced

A proposal intended to increase criminal penalties for certain violations of the State Electrical Act cleared the first round of debate March 17.

Under LB889, introduced by Kearney Sen. Stan Clouse, certain violations of the State Electrical Act would be elevated from a Class I misdemeanor to a Class IV felony, including:



Sen. Stan Clouse

- failing to file a required request for inspection;
- performing electrical work for another without the proper license;
- interfering with or refusing entry to a lawfully acting electrical inspector;
- making a false statement in a license application, inspection request, certificate or other required form; and
- failing or neglecting to comply with the act or any lawful rule, regulation or order of the State Electrical Board.

A Class IV felony is punishable by up to two years imprisonment and 12 months post-release supervision, a \$10,000 fine or both.

Clouse said he brought the measure to deter fraudulent activity and encourage prosecution.

Current penalties rarely are enforced due to county attorney backlogs and limited incentives to pursue misdemeanor cases, he said, leaving

consumers without adequate recourse when unlicensed work results in safety risks or financial harm.

A Judiciary Committee amendment, adopted 27-2, replaced the bill with a modified version of the proposal that would limit the unlicensed work violation to paid electrical work. It also would create an exception for unlicensed electrical work performed by an individual for certain family members.

Sen. Carolyn Bosn of Lincoln, committee chairperson, said the amendment was developed in response to concerns raised during the public hearing on LB889 that the original bill could unintentionally criminalize unpaid or casual electrical assistance.

Speaking in opposition to the proposal, Lincoln Sen. Danielle Conrad said expanding criminal penalties is not the appropriate way to address a consumer protection issue. Existing laws, including misdemeanor penalties and broader fraud statutes, already cover such conduct, she said.

Additionally, Conrad said, the measure could contribute to mass incarceration and senators should avoid creating new criminal penalties without clear justification.

“Every expert that’s looked at the Nebraska sentencing structure has said stop digging — stop creating new penalties and offenses,” she said.

Sen. John Cavanaugh of Omaha also spoke in opposition to LB889. He said the reluctance of county attorneys to prosecute misdemeanor cases is insufficient grounds for elevating an offense to a felony.

Increasing penalties should be based on the seriousness of the crime, he said, not on making prosecutions more convenient.

After adoption of an additional technical amendment, lawmakers advanced LB889 to select file on a 27-7 vote.



Eminent domain carve-out for private power plants clears first round

Nebraska’s public power utilities could not use eminent domain to acquire privately owned power plants built to serve certain large-scale electricity users under a bill advanced from general file March 18.

Niobrara Sen. Barry DeKay, who sponsored LB1261 at the request of Gov. Jim Pillen, said it would allow utilities to partner with private developers to build dedicated power plants for data centers, manufacturers and other customers whose power demands exceed the peak load of Lincoln’s electric utility.



Sen. Barry DeKay

DeKay said the “narrowly defined” exception to utilities’ eminent domain authority would ensure that developers can finance a project of that size, spurring economic development while also preserving Nebraska’s public power model.

The bill would prohibit a consumer-owned utility from using eminent domain to acquire a privately owned electric generation facility under certain conditions. The exception would apply only to a facility that is built to provide electric service to an industrial customer at a single site with projected new electric load greater than 1,000 megawatts.

A Natural Resources Committee amendment, adopted 39-0, struck “projected” from the proposed requirement.

The facility would have to be collocated with the industrial customer, have an electrically equivalent point of

grid interconnection to the customer and be approved by the Nebraska Power Review Board.

Under the proposal, the privately owned electric supplier would have to have executed a long-term power purchase agreement or other contract with a consumer-owned utility.

A contract would preserve the utility's exclusive right to serve retail customers in the relevant service area, prohibit the industrial customer from reselling electricity and include a waiver of the utility's authority to exercise eminent domain to acquire the private generation assets for the duration of the contract.

LB1261 also would require the industrial customer to pay a utility for any electric system upgrades or other costs needed to provide its service.

The bill's requirements would apply to contracts entered into on or before Dec. 31, 2031.

Sen. Mike Moser of Columbus supported the measure, saying it would create an "essential" framework for responding to the needs of large electricity users. Without the proposed exception, he said, utilities would have to raise rates on all customers to pay for the required generation.

If a private project fails under the proposed model, Moser added, utilities and ratepayers would be insulated from losses on the unused infrastructure.

Omaha Sen. John Cavanaugh opposed LB1261, saying it threatens to undermine the state's public power system to benefit a single project that might not come to fruition.

He cited recent reporting by the Flatwater Free Press, which found that the bill likely is designed to enable a potential Google data center project in Nebraska that includes a co-located natural gas power plant built by Tenaska, an Omaha-based

energy company.

Also opposed was Omaha Sen. Terrell McKinney, who said other states have seen "harmful impacts" from large data centers. He said the facilities use large amounts of water and electricity but support few permanent jobs.

Sen. Danielle Conrad of Lincoln also opposed the bill and questioned whether it contains sufficient safeguards for public power, ratepayers and the state's natural resources.

She introduced an amendment, adopted 39-0, under which any contract between a utility and a privately owned electric supplier would have to be approved by a utility's board of directors.

Conrad offered another amendment, adopted 38-0, under which a utility's board also would have to approve any waiver allowing a privately owned electric generation facility to serve customers other than the industrial customer.

She said the changes would increase transparency and public engagement by ensuring that key decisions are made by locally elected board members rather than unelected managers.

After adoption of the amendments, senators voted 34-7 to advance LB1261 to select file.



Revenue omnibus amended, advanced to final reading

A package of measures increasing state revenue advanced to the final round of debate March 18 after lawmakers amended it to include a proposed tax on the sale of kratom

products in Nebraska.

The Revenue Committee introduced LB901 as a shell bill. As amended on general file, it would eliminate certain sales tax exemptions, require the state Department of Revenue to add a collection fee to delinquent tax claims and create tax credits for nonprofits that provide services to domestic violence and human trafficking victims.

The measure also would increase application and decal fees for cash devices under the Mechanical Amusement Device Tax Act. It would increase the tax on cash devices from 5% of net operating revenue to 10% and change how the revenue is distributed.

The state Department of Revenue estimates that the amended bill would increase state general fund revenue by \$23 million in fiscal year 2026-27 and \$25 million in FY2027-28.

Elkhorn Sen. R. Brad von Gillern, committee chairperson, said the additional revenue is "critical" to addressing the current state budget deficit.

On select file, Sen. Kathleen Kauth of Omaha introduced an amendment, adopted 36-0, making further adjustments to the distribution of cash device revenue.

The amendment would reduce the distribution to the General Fund from 65.25% to 46.75% and increase the distribution to the Property Tax Credit Cash Fund from 6.5% to 20%.

Von Gillern said the change would maintain an approximately \$2.9 million annual distribution to the Property Tax Credit Cash Fund.

As amended on general file, LB901 would direct 3.75% of cash device revenue to the Behavioral Health Services Fund and require that it be allocated to the behavioral health authority of the behavioral health region with the lowest per-capita spending.

Under Kauth's amendment, rev-

enue instead would be allocated to the region in which the cash device is located.

Her amendment also would reinstate an allocation to the Nebraska Tourism Commission Promotional Cash Fund that the committee amendment would have eliminated.

The committee amendment would have required the department to adjust the cash device fees and the occupation tax on other devices annually for inflation beginning in 2028.

Lincoln Sen. Danielle Conrad offered an amendment, adopted 43-0, to eliminate those provisions. She said the Legislature has a responsibility to review taxes and fees on a regular basis and should not allow them to increase automatically.

Sen. Stan Clouse of Kearney introduced another amendment, adopted 43-0, striking a provision in the committee amendment that would have allowed the department to examine and audit any retail establishment operating a cash device without prior notice.

He said existing regulations make the proposed requirement unnecessary.

Syracuse Sen. Bob Hallstrom also introduced an amendment, adopted 36-1, to include provisions of his LB873. They would impose a 10% state excise tax on the retail sale of kratom products beginning in 2027.



Sen. Bob Hallstrom

Hallstrom said the measure would generate approximately \$1.5 million in revenue per year.

The amendment also would revise the Kratom Consumer Protection Act, which prohibits the sale of adulterated kratom products in Nebraska.

Hallstrom said the proposal would prohibit the sale of any kratom product undergoing testing until the results

verify that it is not adulterated. If an adulterated product is sold in violation of the act, the state Department of Revenue would be required to remove it from the list of registered products on its website.

After four hours of second-round debate, von Gillern filed a motion to invoke cloture, which ends debate and forces a vote on the bill and any pending amendments.

The motion succeeded on a vote of 37-4. Thirty-three votes were needed.

Senators then advanced LB901 to final reading by voice vote.

TRANSPORTATION & TELECOMMUNICATIONS

Transportation omnibus measure amended, advanced

Lawmakers gave first-round approval March 17 to a bill that would allow Nebraska cities and counties to apply for state loans to build transportation infrastructure projects.

LB1126, sponsored by Columbus Sen. Mike Moser, would create an infrastructure development investment program administered by the State Highway Commission with assistance from the state Department of Transportation.



Sen. Mike Moser

The program could provide loans or other financial assistance to political subdivisions and certain other entities to construct, improve or enhance roads, bridges and other eligible transportation infrastructure.

Moser said the revolving loan

program is intended to give cities and counties access to state and federal funding for local projects.

LB1126 would authorize the investment program to issue bonds that would be payable solely from revenue and assets of the investment program and that would not be general obligations of the state.

The commission would prioritize applications for assistance based on criteria including economic impact, safety and local support of the project.

An independent accounting firm would audit the program annually, and the program would submit an annual report to the Legislature.

Among other changes, LB1126 also would:

- authorize a public-private partnership delivery method for transportation projects deemed appropriate at the discretion of the department director;
- increase maximum fees for certain permits for oversized or overweight vehicles and create a superload vehicle category with associated maximum permit fees;
- allow the department to exempt certain routine repair and maintenance contracts from prequalification requirements;
- increase the damage threshold at which certain traffic accidents must be reported to the department from \$1,500 to \$2,000; and
- require bicyclists to follow traffic control signal requirements.

A Transportation and Telecommunications Committee amendment, adopted 35-0, replaced the bill with a modified version of the original proposal and provisions of three other measures considered by the committee this session.

As introduced, LB1126 would require the department to adopt

procedures for receiving and evaluating unsolicited proposals. Under the amendment, the department would have to include the procedures in currently required guidelines for entering into certain alternative contracting methods.

The amendment also would allow political subdivisions to enter into public-private partnership contracts and receive unsolicited proposals under the Political Subdivisions Construction Alternatives Act.

The amended provisions of LB1073, introduced by Sen. Carolyn Bosn of Lincoln, would require commercial motor vehicle driver training to include at least 30 minutes of human trafficking training beginning in 2027.

The measure would require the state attorney general to prescribe the curriculum and training materials and to review and update them at least once every three years.

The provisions of LB1107, sponsored by Pender Sen. Glen Meyer, would update the Rural Road Improvement District Act. The proposal would require county resolutions on proposed road improvement projects to state whether the improvements will be a general cost to the county or paid for by levying special assessments.

Under Meyer's proposal, a resolution could not be adopted by the board during the same meeting at which it is proposed.

The measure also would extend the maximum term of county road improvement bonds from 10 to 20 years.



Sen. Carolyn Bosn



Sen. Glen Meyer

Meyer offered an amendment, adopted 36-0, under which unpaid special assessments would become delinquent over a period of no more than 20 years rather than 10.

Sen. Wendy DeBoer of Bennington said the amended provisions of her LB1180 would reduce administrative burden by effectively reversing the current licensure process for carriers seeking to provide intrastate Medicaid nonemergency medical transportation services.

She said her proposal would allow the Nebraska Public Service Commission to issue licenses to those companies after they have been licensed and approved through a separate, more thorough process overseen by the state Department of Health and Human Services.

After adopting a technical amendment offered by DeBoer, senators voted 36-0 to advance LB1126 to select file.



Sen. Wendy DeBoer

URBAN AFFAIRS

Urban Affairs omnibus amended, advanced

A package of bills heard by the Urban Affairs Committee this session advanced from general file March 20 after lawmakers amended it to remove requirements for certain public housing agencies related to bed bug infestations.

LB1114, introduced by the committee, would revise eligibility provisions allowing for the expedited review

of community redevelopment plans under Nebraska's Community Development Law.

Under the proposal, a redevelopment plan would be eligible for expedited review if the project involves a structure that has been within the corporate limits of the city for at least 25 years rather than 60. Plans involving vacant platted or nonconforming lots also would be eligible for expedited review.

A committee amendment, adopted 35-0, incorporated provisions of five other bills, including LB850, sponsored by Omaha Sen. John Cavanaugh.

They would allow metropolitan and primary class cities to use an economic development program for the purpose of building or rehabilitating affordable housing, workforce housing or housing for persons of low or moderate income under the Local Option Municipal Economic Development Act.

The act currently allows only first and second class cities and villages to create a program for those purposes.

Lincoln is the state's only primary class city, and Omaha is the only metropolitan class city.

The amended provisions of LB915, introduced by Sen. Loren Lippincott of Central City, would update the Municipal Inland Port Authority Act. They would increase the number of inland port districts that may be designated from five to eight and revise eligibility requirements for counties.

Lippincott said the changes would allow Grand Island, as well as Seward,



Sen. John Cavanaugh



Sen. Loren Lippincott

Otoe and other counties, to apply for a designation.

North Platte Sen. Mike Jacobson introduced an amendment that would have removed Lippincott's proposal from the committee amendment.

He said the Legislature should wait until the state's five current inland port districts — in Bellevue, Fremont, North Platte, Omaha and South Sioux City — are fully operational before allowing more to be designated.

The amendment failed on a vote of 15-15. Twenty-five votes were needed.

The provisions of LB976, sponsored by Sen. Bob Andersen of Omaha, would change provisions related to sanitary and improvement district elections.



Sen. Bob Andersen

The proposal also would require an SID board or administrator to let certain contracts of more than \$50,000 to the lowest responsible bidder, an increase from \$20,000.

The provisions of LB981, introduced by the committee, would update the Nebraska Housing Agency Act to require a housing agency in a metropolitan class city to take certain actions related to bed bug infestations.

The measure also would require an agency submit a report to the city and the Urban Affairs Committee every six months. The report would include information on pest control management activities, the number of eviction filings and the number and nature of complaints filed during the reporting period, in addition to current vacancy rates and relevant updates from the agency's board meetings.

McKinney introduced an amendment, adopted 38-0, to remove the bed bug-related provisions of LB981 from the committee amendment. He said the proposal is a compromise

with Gov. Jim Pillen, who last session vetoed a similar proposal intended to address bed bug complaints from Omaha Housing Authority tenants.

As introduced, the committee amendment would allow metropolitan class cities to, by ordinance, require any housing agency in the city to meet certain requirements related to inspections and code enforcement.

McKinney's amendment instead would allow a metropolitan class city to regulate any housing agency. Regulations could provide for code enforcement and pest control as well as regular inspections of housing agency properties.

The amended provisions of LB1130, sponsored by Jacobson, would create the Community Improvement District Act. It would allow property owners to propose the formation of a community improvement district within a city or village for the construction, maintenance and repair of public infrastructure.



Sen. Mike Jacobson

A city or village would have to pass an ordinance approving the formation of a CID, which would be governed by a five-member board of trustees.

A CID could levy taxes and special assessments on property within the district and use those funds to pay off outstanding bonds. Paying for infrastructure in this way would help reduce upfront costs for developers, property owners and municipalities, Jacobson said.

Norfolk Sen. Robert Dover offered an amendment to include provisions of his LB1129. They would allow a city to use tax-increment financing to develop underdeveloped parcels that have been within the city's extraterritorial zoning jurisdiction for more than 25 years.

Currently, federal unemployment and poverty data is used to determine whether an area is eligible for an extremely blighted designation under the Community Development Law.



Sen. Robert Dover

Dover said federal data for smaller communities may fail to accurately reflect local conditions. Under his proposal, he said, a city's governing body could use other credible information to make a blight determination if federal data for the area is unreliable.

After voting 27-0 to adopt Dover's amendment, senators advanced LB1114 to select file on a 32-0 vote.

Municipal development package advanced

Lawmakers gave first-round approval March 17 to a slate of proposals related to municipalities.

LB1135, introduced by the Urban Affairs Committee, would modify land bank membership and reporting requirements under the Nebraska Municipal Land Bank Act.

A committee amendment, adopted 42-1, replaced the bill with a modified version of the original measure as well as provisions of four other bills considered by the committee this session.

Omaha Sen. Terrell McKinney, committee chairperson, said the proposals are intended to help municipalities manage growth and development.

Under the amendment, land banks created by a single municipality would include an odd number of voting members totaling at least seven, rather than a total of seven as is currently required.

Voting members currently are required to live in the municipality that created the land bank. Under the amendment, voting members could

live within three miles of the municipality, but a majority would have to reside in the municipality.

As introduced, LB1135 would have eliminated requirements that boards include voting members in certain professions such as banking and real estate development. Under the amendment, the board of a land bank created by a single municipality would include those individuals to the extent that they can reasonably be found.

Under the amendment, land bank boards would have to include members with experience in fields relevant to land bank operations, including community development, real estate and housing.

McKinney offered an amendment, adopted 42-0, that also would require a land bank created by a single municipality to include at least one member who resides in a qualified census tract within the municipality, if there is one.

The committee amendment also would prohibit a land bank from temporarily holding real property on behalf of a private entity for more than one year unless the entity has entered into a community benefits agreement with the land bank and local community groups.

Finally, the measure would revise land bank reporting requirements, requiring boards to submit reports at least quarterly rather than monthly.

The provisions of LB799, sponsored by McKinney, would create the Service Contract Reporting Act.

The proposal would require a metropolitan class city, counties with a population of more than 500,000 and state agencies to submit an annual report to the materiel division of the state Department of Administrative



Sen. Terrell McKinney

Services that contains information on service contracts awarded during the prior year.

Omaha is the state's only metropolitan class city.

The division would compile the information and submit it in an annual report to the governor, the Clerk of the Legislature and the Urban Affairs Committee.

The proposal would require the state treasurer to suspend distributions of state aid to a city or county that fails to submit the report.

The provisions of LB842, introduced by Bellevue Sen. Victor Rountree, would allow first and second class cities and villages to enter into contracts with private entities for the operation, maintenance, management or enforcement of municipal parking facilities.



Sen. Victor Rountree

Contracts could authorize private entities to issue parking citations and collect fines, provided that the city or village retains final authority over adjudication and appeals.

The provisions of LB1163, sponsored by Sen. John Fredrickson of Omaha, would update how liens against delinquent assessments are recorded under the Nebraska Property Assessed Clean Energy Act.



Sen. John Fredrickson

The program allows property owners to finance energy efficiency upgrades through a special assessment on their property tax bill. When assessments on qualifying property other than single-family residential property become delinquent, they constitute a lien against the property until they are paid.

Currently, a municipality must record a notice of a lien within 14 days after an assessment becomes delinquent. Under the provisions of LB1163, the 14-day clock also could start when a municipality receives notice of the delinquency from a third-party lender financing the project.

Fredrickson's proposal also would require a municipality to certify the amount of the delinquency and lien to the county treasurer. The lien would be treated as a special assessment and subject to existing collection processes for property taxes and special assessments.

Fredrickson said the change is needed to clarify the authority of cities and counties to enforce a lien in the case of a delinquency.

Fremont Sen. Dave Wordekemper said the provisions of his LB1168 would give cities another way to structure tax-increment financing projects.



Sen. Dave Wordekemper

Under a traditional TIF project, new tax revenue that is generated by a property's increased value after development is dedicated to repaying bonds used to finance the project for a period of up to 20 years.

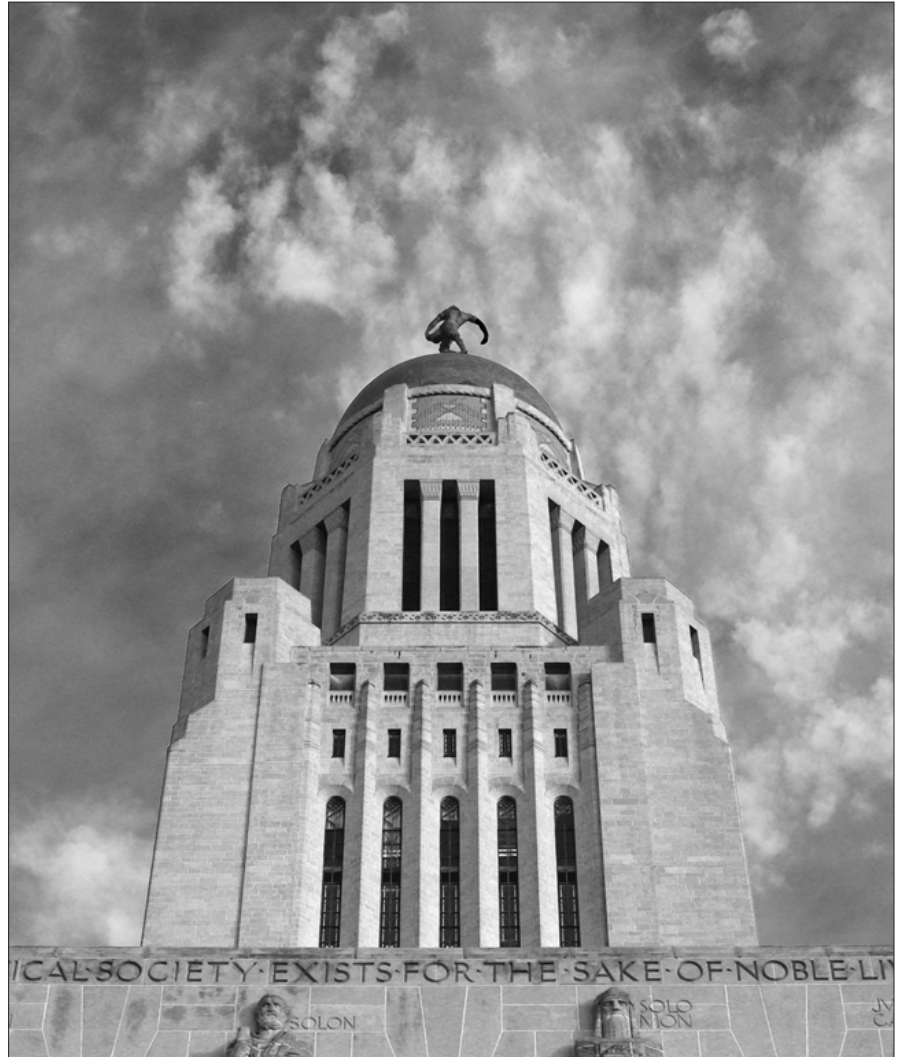
Wordekemper's proposal would allow a city's redevelopment authority to enter into a contract under which it issues conduit revenue bonds. Under the contract, an authority could pledge a percentage of the annual excess tax revenue toward bond repayment rather than the full amount, as required in a traditional TIF project.

When an authority has pledged less than 100% of the new tax revenue, Wordekemper said, the unpledged portion would flow immediately to property taxing entities, including schools and counties, that under a tra-

ditional TIF project would not receive new tax revenue for up to 20 years.

Wordekemper said the proposal also would allow an authority that issues a conduit revenue bond to enter into an agreement that requires the project developer to cover any shortfall in real property taxes pledged to repay the bonds if the project underperforms.

LB1135 advanced to select file on a vote of 43-1. ■



Unicameral Youth Legislature Registration Now Open

Learn what it's like to serve as a Nebraska state senator during the 2026 Unicameral Youth Legislature, June 7-12. In this legislative simulation, high school students from around the state have the opportunity to take on the role of lawmakers.

Student senators sponsor bills, conduct committee hearings, debate legislation and discover the unique process of the nation's only unicameral by learning directly from current state senators and staff.

The program is conducted by the Clerk of the Nebraska Legislature, through the Unicameral Information Office, in coordination with Big Red Summer Camps.

For information on registration, visit the Unicameral Youth Legislature page: NebraskaLegislature.gov/uyl. ■

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The Malcolm High School Band performed in the Capitol Rotunda March 18 as part of a weeklong concert series sponsored by the Nebraska Music Education Association to celebrate Music In Our Schools Month.