

**EIGHTY-SECOND DAY - MAY 22, 2013**  
**LEGISLATIVE JOURNAL**  
**ONE HUNDRED THIRD LEGISLATURE**  
**FIRST SESSION**

**EIGHTY-SECOND DAY**

Legislative Chamber, Lincoln, Nebraska  
Wednesday, May 22, 2013

**PRAYER**

The prayer was offered by Senator Carlson.

**ROLL CALL**

Pursuant to adjournment, the Legislature met at 9:00 a.m., Speaker Adams presiding.

The roll was called and all members were present except Senators Karpisek, Larson, Lautenbaugh, Murante, and Price who were excused until they arrive.

**CORRECTIONS FOR THE JOURNAL**

The Journal for the eighty-first day was approved.

**RESOLUTIONS**

Pursuant to Rule 4, Sec. 5(b), LRs 200 and 210 were adopted.

**SPEAKER SIGNED**

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LRs 200 and 210.

**SELECT FILE**

**LEGISLATIVE BILL 507.** ER94, found on page 1236, was adopted.

Senator Watermeier offered his amendment, AM1222, found on page 1258.

**SENATOR KRIST PRESIDING**

Senator Wallman moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 27 ayes, 5 nays, and 17 not voting.

The Watermeier amendment lost with 10 ayes, 27 nays, 10 present and not voting, and 2 excused and not voting.

Senator Campbell offered her amendment, AM1485, found on page 1513.

Senator Crawford moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 31 ayes, 1 nay, and 17 not voting.

The Campbell amendment was adopted with 39 ayes, 0 nays, 5 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

**LEGISLATIVE BILL 507A.** Senator Campbell offered the following amendment:

AM1493

- 1 1. Strike the original sections and insert the following
- 2 new sections:
- 3 Section 1. There is hereby appropriated (1) \$313,467 from
- 4 the General Fund for FY2013-14 and (2) \$1,179,046 from the General
- 5 Fund for FY2014-15 to the State Department of Education, for
- 6 Program 25, to aid in carrying out the provisions of Legislative
- 7 Bill 507, One Hundred Third Legislature, First Session, 2013.
- 8 Total expenditures for permanent and temporary salaries
- 9 and per diems from funds appropriated in this section shall not
- 10 exceed \$107,461 for FY2013-14 or \$282,618 for FY2014-15.
- 11 Sec. 2. There is hereby appropriated (1) \$50,460 from
- 12 the General Fund and \$9,612 from federal funds for FY2013-14 and
- 13 (2) \$100,921 from the General Fund and \$19,223 from federal funds
- 14 for FY2014-15 to the Department of Health and Human Services, for
- 15 Program 33, to aid in carrying out the provisions of Legislative
- 16 Bill 507, One Hundred Third Legislature, First Session, 2013.
- 17 Total expenditures for permanent and temporary salaries
- 18 and per diems from funds appropriated in this section shall not
- 19 exceed \$28,992 for FY2013-14 or \$57,984 for FY2014-15.
- 20 Sec. 3. There is hereby appropriated \$126,700 from the
- 21 General Fund for FY2014-15 to the State Department of Education,
- 22 for Program 158, to aid in carrying out the provisions of
- 23 Legislative Bill 507, One Hundred Third Legislature, First Session,
- 1 2013.
- 2 There is included in the amount shown for this program
- 3 \$100,000 General Funds provided as state aid for FY2014-15 for
- 4 scholarships for early childhood education providers.
- 5 There is included in the amount shown for this program
- 6 \$26,700 General Funds provided as state aid for FY2014-15 for
- 7 incentive bonuses for providers of child care and early childhood
- 8 education programs.

9 Sec. 4. There is hereby appropriated (1) \$857,077 from  
10 the General Fund for FY2013-14 and (2) \$1,714,153 from the General  
11 Fund for FY2014-15 to the Department of Health and Human Services,  
12 for Program 347, to aid in carrying out the provisions of  
13 Legislative Bill 507, One Hundred Third Legislature, First Session,  
14 2013.

15 There is included in the amount shown for this program  
16 \$857,077 General Funds provided as state aid for FY2013-14 and  
17 \$1,714,153 General Funds provided as state aid for FY2014-15 for  
18 aid for the Child Care Subsidy Program.

19 Sec. 5. Since an emergency exists, this act takes effect  
20 when passed and approved according to law.

The Campbell amendment was adopted with 38 ayes, 0 nays, 6 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

## RESOLUTIONS

**LEGISLATIVE RESOLUTION 348.** Introduced by Davis, 43; Bolz, 29.

WHEREAS, Hunter Sieckmeyer, son of Ken and Cathy Sieckmeyer and a freshman at Lincoln Southeast High School, has completed the requirements for the rank of Eagle Scout in the Boy Scouts of America; and

WHEREAS, to earn the rank of Eagle Scout, the highest advancement rank in scouting, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. Although many options are available to demonstrate proficiency in these areas, a number of specific skills are required to advance through the ranks of Tenderfoot, Second Class, First Class, Star, Life, and finally Eagle Scout. Throughout his scouting experience, Hunter has learned, been tested on, and been recognized for various scouting skills; and

WHEREAS, Hunter served as assistant senior patrol leader, patrol leader, assistant patrol leader, troop guide, troop instructor, and chaplain's aide as well as a member of the prestigious Order of the Arrow. To achieve the rank of Eagle Scout, Hunter earned 26 merit badges which was over the required 21 merit badges, qualifying him for the Bronze Eagle Palm; and

WHEREAS, for his Eagle Scout community service project, Hunter planned, organized, executed, and directed the preparation of land for a community garden for Sheridan Lutheran Church in Lincoln. The project involved tilling the area, drilling holes, installing posts and wire, putting in a gate, and creating a walkway in the garden; and

WHEREAS, Hunter, through his hard work and perseverance, has joined other high achievers who are Eagle Scouts, such as astronauts, political and industry leaders, artists, scientists, and athletes.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Hunter Sieckmeyer for achieving the rank of Eagle Scout.
2. That a copy of this resolution be sent to Hunter Sieckmeyer.

Laid over.

**LEGISLATIVE RESOLUTION 349.** Introduced by Davis, 43.

WHEREAS, Terran Merriman-Honerkamp, son of Jack Honerkamp and Kate Merriman and a senior at Chadron High School, was named a National Merit Semifinalist; and

WHEREAS, during his high school career, Terran participated in speech, play production, and mock trial activities and was a member of the National Honor Society, Math Club, FBLA, and the Cardinal Singers; and

WHEREAS, Terran's honors and achievements include earning an Eastman Scholarship, a Nebraska Rural Community Schools Association Scholarship, a Chadron Public Schools Foundation - Class of 1960-61 Scholarship, and an Honors Program, Nebraska Top Scholar, and Regents Scholarship from the University of Nebraska-Lincoln; and

WHEREAS, Terran was one of three students selected from a graduating class of only 57 to be recognized by the National Merit Scholarship Corporation, and Terran will enroll in the fall of 2013 as a freshman at the University of Nebraska-Lincoln.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature congratulates Terran Merriman-Honerkamp for the exemplary achievement of being selected as a 2013 National Merit Semifinalist.
2. That a copy of this resolution be sent to Terran Merriman-Honerkamp and his parents and to the staff and administration of Chadron High School.

Laid over.

### VISITORS

Visitors to the Chamber were Katie, Jessi, and Jo Heyen from Ceresco; 24 fourth-grade students and teacher from Elmwood-Murdock Elementary, Elmwood; 42 fourth-grade students and teachers from Florence Elementary, Omaha; and 120 second-grade students, teachers, and sponsors from Arnold Elementary, Lincoln.

### RECESS

At 11:59 a.m., on a motion by Senator Wightman, the Legislature recessed until 1:30 p.m.

**AFTER RECESS**

The Legislature reconvened at 1:30 p.m., President Heidemann presiding.

**ROLL CALL**

The roll was called and all members were present except Senator Kolowski who was excused; and Senators Christensen, Conrad, Janssen, Larson, Price, and Schilz who were excused until they arrive.

**SELECT FILE**

**LEGISLATIVE BILL 561A.** Senator Ashford offered the following amendment:

AM1507

1 1. Strike the original sections and insert the following  
2 new sections:

3 Section 1. There is hereby appropriated (1) \$19,756,126  
4 from the General Fund for FY2013-14 and (2) \$43,965,323 from the  
5 General Fund for FY2014-15 to the Supreme Court, for Program 435,  
6 to aid in carrying out the provisions of Legislative Bill 561, One  
7 Hundred Third Legislature, First Session, 2013.

8 Total expenditures for permanent and temporary salaries  
9 and per diems from funds appropriated in this section shall not  
10 exceed \$6,661,568 for FY2013-14 or \$8,532,089 for FY2014-15.

11 Sec. 2. There is hereby appropriated (1) \$1,807,404 from  
12 the General Fund for FY2013-14 and (2) \$3,801,726 from the General  
13 Fund for FY2014-15 to the Nebraska Commission on Law Enforcement  
14 and Criminal Justice, for Program 155, to aid in carrying out the  
15 provisions of Legislative Bill 561, One Hundred Third Legislature,  
16 First Session, 2013.

17 Total expenditures for permanent and temporary salaries  
18 and per diems from funds appropriated in this section shall not  
19 exceed \$131,844 for FY2013-14 or \$134,810 for FY2014-15.

20 There is included in the appropriation to this program  
21 for FY2013-14 \$1,522,425 General Funds for state aid, which  
22 shall only be used for such purpose. There is included in the  
23 appropriation to this program for FY2014-15 \$3,522,425 General  
1 Funds for state aid, which shall only be used for such purpose.

2 Sec. 3. There is hereby appropriated (1) \$600 from the  
3 General Fund for FY2013-14 and (2) \$600 from the General Fund  
4 for FY2014-15 to the Nebraska Commission on Law Enforcement and  
5 Criminal Justice, for Program 203, to aid in carrying out the  
6 provisions of Legislative Bill 561, One Hundred Third Legislature,  
7 First Session, 2013.

8 No expenditures for permanent and temporary salaries and  
9 per diems for state employees shall be made from funds appropriated  
10 in this section.

11 Sec. 4. There is hereby appropriated \$56,000 from the

12 General Fund for FY2013-14 to the Department of Health and Human  
13 Services, for Program 353, to aid in carrying out the provisions of  
14 Legislative Bill 561, One Hundred Third Legislature, First Session,  
15 2013.

16 If Legislative Bill 269, One Hundred Third Legislature,  
17 First Session, 2013, becomes law, the appropriation made pursuant  
18 to this section shall be appropriated to the Foster Care Review  
19 Office.

20 No expenditures for permanent and temporary salaries and  
21 per diems for state employees shall be made from funds appropriated  
22 in this section.

23 Sec. 5. The chief executive officer of the Department of  
24 Health and Human Services and the probation administrator of the  
25 Supreme Court shall jointly certify to the budget administrator of the  
26 budget division of the Department of Administrative Services  
27 the portion of the FY2013-14 unexpended appropriation balances  
1 available for the transition of cases filed under subdivisions  
2 (1), (2), (3)(b), and (4) of section 43-247 from the jurisdiction  
3 of the Department of Health and Human Services to the Office of  
4 Probation Administration. The certification shall include the costs  
5 for personnel, operations, and services. The certified portion of  
6 the available unexpended appropriations in Agency 25, Department  
7 of Health and Human Services, shall be transferred from the  
8 following budget programs: Program 33, Administration, Program 250,  
9 Juvenile Services Operations, and Program 354, Child Welfare Aid.  
10 The certified portion of the available unexpended appropriations  
11 shall be transferred to Agency 5, Supreme Court, Program 435,  
12 Probation Community Corrections. The budget administrator of the  
13 budget division of the Department of Administrative Services shall  
14 administratively transfer during FY2013-14 the portion of the  
15 available unexpended appropriation balances, as jointly certified  
16 by the chief executive officer of the Department of Health and  
17 Human Services and the probation administrator of the Supreme  
18 Court for cases filed under subdivisions (1), (2), (3)(b), and  
19 (4) of section 43-247 from the following budget programs: Program  
20 33, Administration, Program 250, Juvenile Services Operations, and  
21 Program 354, Child Welfare Aid to Agency 5, Supreme Court, Program  
22 435, Probation Community Corrections. The transfer of the available  
23 unexpended appropriations shall be made as necessary throughout the  
24 fiscal year to carry out the provisions of Legislative Bill 561,  
25 One Hundred Third Legislature, First Session, 2013.

26 The chief executive officer of the Department of Health  
27 and Human Services and the probation administrator of the Supreme  
1 Court shall jointly certify to the budget administrator of the  
2 budget division of the Department of Administrative Services, the  
3 remaining unencumbered June 30, 2014, appropriation balances for  
4 cases filed under subdivisions (1), (2), (3)(b), and (4) of section  
5 43-247 that are available for transfer from Agency 25, Department  
6 of Health and Human Services, Program 33, Administration, Program

7 250, Juvenile Services Operations, and Program 354, Child Welfare  
 8 Aid to Agency 5, Supreme Court, Program 435, Probation Community  
 9 Corrections. The budget administrator of the budget division of  
 10 the Department of Administrative Services shall administratively  
 11 transfer the certified remaining unencumbered June 30, 2014,  
 12 appropriations for cases filed under subdivisions (1), (2), (3)(b),  
 13 and (4) of section 43-247 from the following budget programs  
 14 in Agency 25, Department of Health and Human Services: Program  
 15 33, Administration, Program 250, Juvenile Services Operations, and  
 16 Program 354, Child Welfare Aid to Agency 5, Supreme Court, Program  
 17 435, Probation Community Corrections. The funds transferred in this  
 18 section are hereby appropriated.

19 Sec. 6. Section 93, Legislative Bill 195, One Hundred  
 20 Third Legislature, First Session, 2013, is amended to read:

21 Sec. 93. AGENCY NO. 25 - DEPARTMENT OF HEALTH AND HUMAN  
 22 SERVICES

23 Program No. 33 - Administration

	FY2013-14	FY2014-15
24 <del>GENERAL FUND</del>	<del>116,642,068</del>	<del>117,815,106</del>
25 <u>GENERAL FUND</u>	<u>114,726,979</u>	<u>112,238,476</u>
26 CASH FUND	23,789,160	23,964,984
27 FEDERAL FUND est.	275,925,442	270,278,361
1 <del>PROGRAM TOTAL</del>	<del>416,356,670</del>	<del>412,058,451</del>
2 <u>PROGRAM TOTAL</u>	<u>414,441,581</u>	<u>406,481,821</u>
3 SALARY LIMIT	134,562,714	138,264,730

5 The unexpended General Fund appropriation balance  
 6 existing on June 30, 2013, is hereby reappropriated.

7 The Department of Administrative Services shall monitor  
 8 the appropriations and expenditures for this program according to  
 9 the following program classifications:

- 10 No. 261 - General Operations
- 11 No. 262 - Public Health Administration
- 12 No. 263 - Medicaid and Long-Term Care Administration
- 13 No. 264 - Children and Family Services Administration
- 14 No. 265 - Protection and Safety
- 15 No. 266 - Economic and Family Support
- 16 No. 267 - Developmental Disabilities Service Coordination
- 17 No. 268 - Behavioral Health Administration
- 18 No. 269 - Developmental Disabilities Administration

19 There is included in the appropriation to this program  
 20 for FY2013-14 \$13,688 Cash Funds for regulatory support for  
 21 out-of-hospital emergency care providers licensing from the  
 22 Nebraska Health Care Cash Fund. There is included in the  
 23 appropriation to this program for FY2014-15 \$13,688 Cash Funds for  
 24 regulatory support for out-of-hospital emergency care providers  
 25 licensing from the Nebraska Health Care Cash Fund.

26 There is included in the appropriation to this program  
 27 for FY2013-14 \$26,000 Cash Funds from the Nebraska Health Care  
 1 Cash Fund to continue the Parkinson's Disease Registry. There is

2 included in the appropriation to this program for FY2014-15 \$26,000  
3 Cash Funds from the Nebraska Health Care Cash Fund to continue the  
4 Parkinson's Disease Registry.

5 There is included in the appropriation to this program  
6 \$404,643 Cash Funds for FY2013-14 and \$404,643 Cash Funds for  
7 FY2014-15 from the Nebraska Health Care Cash Fund for respite  
8 services in each of the service areas designated by the Department  
9 of Health and Human Services and for administrative costs,  
10 including personnel costs, associated with the Nebraska Lifespan  
11 Respite Services Program.

12 There is included in the appropriation to this program  
13 for FY2013-14 \$25,000 Cash Funds from the Nebraska Health Care  
14 Cash Fund for compulsive gamblers assistance programs. There is  
15 included in the appropriation to this program for FY2014-15 \$25,000  
16 Cash Funds from the Nebraska Health Care Cash Fund for compulsive  
17 gamblers assistance programs.

18 There is included in the appropriation to this program  
19 for FY2013-14 \$6,000 Cash Funds from the Nebraska Health Care Cash  
20 Fund for costs of smoking cessation covered by medicaid. There is  
21 included in the appropriation to this program for FY2014-15 \$6,000  
22 Cash Funds from the Nebraska Health Care Cash Fund for costs of  
23 smoking cessation covered by medicaid.

24 There is included in the appropriation to this program  
25 for FY2013-14 \$2,840,000 Cash Funds and \$25,560,000 Federal Funds  
26 for Medicaid Management Information System replacement from the  
27 Health and Human Services Cash Fund. There is included in the  
1 appropriation to this program for FY2014-15 \$2,840,000 Cash Funds  
2 and \$25,560,000 Federal Funds for Medicaid Management Information  
3 System replacement from the Health and Human Services Cash Fund.

4 There is included in the appropriation to this program  
5 for FY2013-14 \$2,312,500 Cash Funds (Fund 22555) for information  
6 technology costs related to the federal Patient Protection and  
7 Affordable Care Act implementation from the Health and Human  
8 Services Cash Fund. There is included in the appropriation to  
9 this program for FY2014-15 \$2,312,000 Cash Funds (Fund 22555)  
10 for information technology costs related to the federal Patient  
11 Protection and Affordable Care Act implementation from the Health  
12 and Human Services Cash Fund.

13 In order to monitor the Department of Health and Human  
14 Services service delivery system and to ensure compliance with  
15 federal and state law, the Department of Health and Human Services  
16 shall develop a quarterly report which shall include, but not be  
17 limited to, the following information:

18 (1) Number of days in increments that it takes to process  
19 applications (approval or denial) for aid to dependent children,  
20 Supplemental Nutrition Assistance Program, Aid to the Aged, Blind,  
21 and Disabled, and child care subsidy program, overall and broken  
22 down by county;

23 (2) Number of days in increments that it takes to process

24 applications for Medicaid and the Children's Health Insurance  
25 Program, separating the data for applicants not applying on the  
26 basis of disability from applicants applying on the basis of  
27 disability, overall and broken down by county;

1 (3) Reasons for benefit application processing delays  
2 (department, client, third party) for all applications that  
3 are processed beyond federal and state timeliness in aid to  
4 dependent children, Supplemental Nutrition Assistance Program,  
5 Aid to the Aged, Blind, and Disabled, Medicaid, and Children's  
6 Health Insurance Program statewide, and child care subsidy program,  
7 overall and broken down by county. This shall include the number of  
8 cases for each respective reason (department, client, third party);

9 (4) The number of case closures in Medicaid, Children's  
10 Health Insurance Program, aid to dependent children, Supplemental  
11 Nutrition Assistance Program, Aid to the Aged, Blind, and Disabled,  
12 and child care subsidy program, and the reason for the closure  
13 statewide, overall and broken down by county;

14 (5) The number of case closures due to failure  
15 to recertify benefits, including failing to timely provide  
16 information, failing to perform a case review, or failing to appear  
17 for an appointment, overall and broken down by county;

18 (6) The total number of first-time applicants for  
19 benefits, categorized by state and county, and by month;

20 (7) The percentage of applications that are  
21 reapplications, categorized by state and county, and by  
22 month;

23 (8) The percentage of individuals whose cases are closed  
24 who reapply for benefits within thirty days and sixty days after  
25 case closure, categorized by state and county, and by month;

26 (9) Average wait time for call center response. The  
27 average wait time starting from the time when the call is  
1 transferred to the customer service center to the time when  
2 the worker answers the call;

3 (10) Number of client call terminations (client hang  
4 ups) that occur prior to speaking with a staff member and the  
5 average length of time starting from the time when the call is  
6 transferred to the customer service center to the time when the  
7 caller terminates the call;

8 (11) Average number of minutes per delivery system  
9 transaction or task, based on type of transaction, including, but  
10 not limited to, application management (new, review, renewal),  
11 interviewing (high and low priority), application processing  
12 (processing initial, processing daily, processing ready), and  
13 change management; and

14 (12) The number of hours and the number of days when call  
15 center responses are at a maximum and clients receive a busy signal  
16 when calling.

17 It is the intent of the Legislature that the department  
18 submit a report to the Clerk of the Legislature that includes the

19 following monthly information on a quarterly basis for workers in  
 20 the ACCESSNebraska call centers and in local offices: The number of  
 21 social service workers, eligibility technicians, and social service  
 22 lead workers and the number of vacancies in these positions at  
 23 the beginning of each month; the number of these positions vacated  
 24 within a month; and the number of these positions filled within a  
 25 month.

26 The reports required by this section shall be submitted  
 27 electronically.

1 Sec. 7. Section 100, Legislative Bill 195, One Hundred  
 2 Third Legislature, First Session, 2013, is amended to read:

3 Sec. 100. AGENCY NO. 25 - DEPARTMENT OF HEALTH AND HUMAN  
 4 SERVICES

5 Program No. 250 - Juvenile Services Operations	FY2013-14	FY2014-15
6 <del>GENERAL FUND</del>	<del>28,823,535</del>	<del>29,168,097</del>
7 <del>GENERAL FUND</del>	<del>18,707,706</del>	<del>19,052,268</del>
8 <del>CASH FUND</del>	<del>1,085,380</del>	<del>1,085,380</del>
9 <del>FEDERAL FUND est.</del>	<del>712,823</del>	<del>712,823</del>
10 <del>PROGRAM TOTAL</del>	<del>30,621,738</del>	<del>30,966,300</del>
11 <del>PROGRAM TOTAL</del>	<del>20,505,909</del>	<del>20,850,471</del>
12 <del>SALARY LIMIT</del>	<del>11,701,606</del>	<del>11,964,892</del>

14 The unexpended General Fund appropriation balance  
 15 existing on June 30, 2013, is hereby reappropriated.

16 The Department of Administrative Services shall monitor  
 17 the appropriations and expenditures for this program according to  
 18 the following program classifications:

19 No. 315 - Office of Juvenile Services  
 20 No. 345 - Juvenile Community-Based Services  
 21 No. 364 - Juvenile Parole Administration  
 22 No. 371 - Youth Rehabilitation and Treatment  
 23 Center-Geneva  
 24 No. 374 - Youth Rehabilitation and Treatment  
 25 Center-Kearney

26 There is included in the appropriation to this program  
 27 for FY2013-14 \$1,000,000 Cash Funds for mental health services to  
 1 juvenile offenders under section 43-407 from the Nebraska Health  
 2 Care Cash Fund. There is included in the appropriation to this  
 3 program for FY2014-15 \$1,000,000 Cash Funds for mental health  
 4 services to juvenile offenders under section 43-407 from the  
 5 Nebraska Health Care Cash Fund.

6 Sec. 8. Section 106, Legislative Bill 195, One Hundred  
 7 Third Legislature, First Session, 2013, is amended to read:

8 Sec. 106. AGENCY NO. 25 - DEPARTMENT OF HEALTH AND HUMAN  
 9 SERVICES

10 Program No. 354 - Child Welfare Aid	FY2013-14	FY2014-15
11 <del>GENERAL FUND</del>	<del>160,744,885</del>	<del>160,916,412</del>
12 <del>GENERAL FUND</del>	<del>157,019,677</del>	<del>137,477,218</del>

14	CASH FUND	2,734,444	2,734,444
15	FEDERAL FUND est.	30,963,503	30,791,976
16	<del>PROGRAM TOTAL</del>	<del>194,442,832</del>	<del>194,442,832</del>
17	<u>PROGRAM TOTAL</u>	<u>190,717,624</u>	<u>171,003,638</u>

18 There is included in the appropriation to this program  
 19 for FY2013-14 ~~\$160,744,885~~ \$157,019,677 General Funds, \$2,734,444  
 20 Cash Funds, and \$30,963,503 Federal Funds estimate for state aid,  
 21 which shall only be used for such purpose. There is included  
 22 in the appropriation to this program for FY2014-15 ~~\$160,916,412~~  
 23 \$137,477,218 General Funds, \$2,734,444 Cash Funds, and \$30,791,976  
 24 Federal Funds estimate for state aid, which shall only be used for  
 25 such purpose.

26 There is included in the appropriation to this program  
 27 for FY2013-14 \$2,734,444 Cash Funds from the Nebraska Health  
 1 Care Cash Fund for state aid for the continuation of the  
 2 behavioral health provider rate increase. There is included in  
 3 the appropriation to this program for FY2014-15 \$2,734,444 Cash  
 4 Funds from the Nebraska Health Care Cash Fund for state aid for the  
 5 continuation of the behavioral health provider rate increase.

6 Sec. 9. Original sections 93, 100, and 106, Legislative  
 7 Bill 195, One Hundred Third Legislature, First Session, 2013, are  
 8 repealed.

9 Sec. 10. Since an emergency exists, this act takes effect  
 10 when passed and approved according to law.

The Ashford amendment was adopted with 35 ayes, 0 nays, 9 present and not voting, and 5 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

## COMMITTEE REPORTS

### Enrollment and Review

**LEGISLATIVE BILL 298.** Placed on Select File with amendment.  
 ER106 is available in the Bill Room.

**LEGISLATIVE BILL 34.** Placed on Select File with amendment.  
 ER108 is available in the Bill Room.

**LEGISLATIVE BILL 326.** Placed on Select File with amendment.  
 ER109

- 1 1. Strike the original sections and all amendments
- 2 thereto and insert the following new sections:
- 3 Section 1. Section 38-2845, Reissue Revised Statutes of
- 4 Nebraska, is amended to read:
- 5 38-2845 Supervision means the ~~immediate~~ personal guidance
- 6 and direction by ~~the licensed a pharmacist on duty in the~~
- 7 ~~facility~~ of the performance by a pharmacy technician of authorized
- 8 activities or functions subject to verification by such pharmacist.

9 Supervision of a pharmacy technician may occur by means of a  
 10 real-time audiovisual communication system. , except that when a  
 11 pharmacy technician performs authorized activities or functions to  
 12 assist a pharmacist on duty in the facility when the prescribed  
 13 drugs or devices will be administered by a licensed staff member or  
 14 consultant or by a licensed physician assistant to persons who are  
 15 patients or residents of a facility, the activities or functions of  
 16 such pharmacy technician shall only be subject to verification by a  
 17 pharmacist on duty in the facility.

18 Sec. 2. Section 38-2847, Reissue Revised Statutes of  
 19 Nebraska, is amended to read:

20 38-2847 Verification means the confirmation by a  
 21 supervising pharmacist of the accuracy and completeness of the  
 22 acts, tasks, or functions undertaken by a pharmacy technician to  
 23 assist the pharmacist in the practice of pharmacy. Verification  
 1 shall occur by a pharmacist on duty in the facility, except that if  
 2 a pharmacy technician performs authorized activities or functions  
 3 to assist a pharmacist and the prescribed drugs or devices will  
 4 be administered to persons who are patients or residents of a  
 5 facility by a credentialed individual authorized to administer  
 6 medications, verification may occur by means of a real-time  
 7 audiovisual communication system.

8 Sec. 3. Section 71-2444, Reissue Revised Statutes of  
 9 Nebraska, is amended to read:

10 71-2444 Sections 71-2444 to 71-2452 and sections 9 and  
 11 10 of this act shall be known and may be cited as the Automated  
 12 Medication Systems Act.

13 Sec. 4. Section 71-2445, Reissue Revised Statutes of  
 14 Nebraska, is amended to read:

15 71-2445 For purposes of the Automated Medication Systems  
 16 Act:

17 (1) Automated medication distribution machine means a  
 18 type of automated medication system that stores medication to  
 19 be administered to a patient by a person credentialed under the  
 20 Uniform Credentialing Act;

21 (2) Automated medication system means a mechanical system  
 22 that performs operations or activities, other than compounding,  
 23 administration, or other technologies, relative to storage and  
 24 packaging for dispensing or distribution of medications and that  
 25 collects, controls, and maintains all transaction information  
 26 and includes, but is not limited to, a prescription medication  
 27 distribution machine or an automated medication distribution  
 1 machine. An automated medication system may only be used in  
 2 conjunction with the provision of pharmacist care;

3 (3) Chart order means an order for a drug or device  
 4 issued by a practitioner for a patient who is in the hospital where  
 5 the chart is stored, ~~or~~ for a patient receiving detoxification  
 6 treatment or maintenance treatment pursuant to section 28-412, ~~or~~  
 7 for a resident in a long-term care facility in which a long-term

8 care automated pharmacy is located from which drugs will be  
9 dispensed. Chart order does not include a prescription;

10 (4) Hospital has the definition found in section 71-419;

11 (5) Long-term care automated pharmacy means a designated  
12 area in a long-term care facility where an automated medication  
13 system is located, that stores medications for dispensing pursuant  
14 to a medical order to residents in such long-term care facility,  
15 that is installed and operated by a pharmacy licensed under the  
16 Health Care Facility Licensure Act, and that is licensed under  
17 section 9 of this act;

18 ~~(5)-(6)~~ Long-term care facility means an intermediate  
19 care facility, an intermediate care facility for the mentally  
20 retarded, a long-term care hospital, a mental health center, a  
21 nursing facility, or a skilled nursing facility, as such terms are  
22 defined in the Health Care Facility Licensure Act;

23 ~~(6)-(7)~~ Medical order means a prescription, a chart  
24 order, or an order for pharmaceutical care issued by a  
25 practitioner;

26 ~~(7)-(8)~~ Pharmacist means any person who is licensed by  
27 the State of Nebraska to practice pharmacy;

1 ~~(8)-(9)~~ Pharmacist care means the provision by a  
2 pharmacist of medication therapy management, with or without the  
3 dispensing of drugs or devices, intended to achieve outcomes  
4 related to the cure or prevention of a disease, elimination or  
5 reduction of a patient's symptoms, or arresting or slowing of a  
6 disease process;

7 ~~(9)-(10)~~ Pharmacist remote order entry means entering  
8 an order into a computer system or drug utilization review by a  
9 pharmacist licensed to practice pharmacy in the State of Nebraska  
10 and located within the United States, pursuant to medical orders in  
11 a hospital, long-term care facility, or pharmacy licensed under the  
12 Health Care Facility Licensure Act;

13 ~~(10)-(11)~~ Practice of pharmacy means (a) the  
14 interpretation, evaluation, and implementation of a medical  
15 order, (b) the dispensing of drugs and devices, (c) drug product  
16 selection, (d) the administration of drugs or devices, (e) drug  
17 utilization review, (f) patient counseling, (g) the provision of  
18 pharmaceutical care, and (h) the responsibility for compounding  
19 and labeling of dispensed or repackaged drugs and devices, proper  
20 and safe storage of drugs and devices, and maintenance of proper  
21 records. The active practice of pharmacy means the performance of  
22 the functions set out in this subdivision by a pharmacist as his or  
23 her principal or ordinary occupation;

24 ~~(11)-(12)~~ Practitioner means a certified registered nurse  
25 anesthetist, a certified nurse midwife, a dentist, an optometrist,  
26 a nurse practitioner, a physician assistant, a physician, a  
27 podiatrist, or a veterinarian;

1 ~~(12)-(13)~~ Prescription means an order for a drug or  
2 device issued by a practitioner for a specific patient, for

3 emergency use, or for use in immunizations. Prescription does not  
4 include a chart order;

5 ~~(13)~~(14) Prescription medication distribution machine  
6 means a type of automated medication system that packages, labels,  
7 or counts medication in preparation for dispensing of medications  
8 by a pharmacist pursuant to a prescription; and

9 ~~(14)~~(15) Telepharmacy means the provision of pharmacist  
10 care, by a pharmacist located within the United States, using  
11 telecommunications, remote order entry, or other automations and  
12 technologies to deliver care to patients or their agents who are  
13 located at sites other than where the pharmacist is located.

14 Sec. 5. Section 71-2446, Reissue Revised Statutes of  
15 Nebraska, is amended to read:

16 71-2446 Any automated machine that dispenses, delivers,  
17 or makes available, other than by administration, prescription  
18 medication directly to a patient or caregiver without the provision  
19 of pharmacist care is prohibited.

20 Sec. 6. Section 71-2447, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22 71-2447 Any hospital, long-term care facility, or  
23 pharmacy that uses an automated medication system shall develop,  
24 maintain, and comply with policies and procedures developed in  
25 consultation with the pharmacist responsible for pharmacist care  
26 for that hospital, long-term care facility, or pharmacy. At a  
27 minimum, the policies and procedures shall address the following:

- 1 (1) The description and location within the hospital,  
2 long-term care facility, or pharmacy of the automated medication  
3 system or equipment being used;
- 4 (2) The name of the ~~individual or individuals~~ pharmacist  
5 responsible for implementation of and compliance with the policies  
6 and procedures;
- 7 (3) Medication access and information access procedures;
- 8 (4) Security of inventory and confidentiality of records  
9 in compliance with state and federal laws, rules, and regulations;
- 10 (5) A description of the process used by a pharmacist or  
11 pharmacy technician for filling an automated medication system;
- 12 ~~(5)~~(6) A description of how and by whom the automated  
13 medication system is being utilized, including processes for  
14 ~~filling~~, verifying, dispensing, and distributing medications;
- 15 ~~(6)~~(7) Staff education and training;
- 16 ~~(7)~~(8) Quality assurance and quality improvement  
17 programs and processes;
- 18 ~~(8)~~(9) Inoperability or emergency downtime procedures;
- 19 ~~(9)~~(10) Periodic system maintenance; and
- 20 ~~(10)~~(11) Medication security and controls.

21 Sec. 7. Section 71-2448, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 71-2448 A prescription medication distribution machine:

- 24 (1) Is subject to the requirements of section 71-2447

25 and, if it is in a long-term care automated pharmacy, is subject to  
26 section 9 of this act; and

27 (2) May be operated only (a) in a licensed pharmacy  
1 where a pharmacist dispenses medications to patients for  
2 self-administration pursuant to a prescription or (b) in a  
3 long-term care automated pharmacy subject to section 9 of this act.

4 Sec. 8. Section 71-2449, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 71-2449 (1) An automated medication distribution machine:

7 (a) Is subject to the requirements of section 71-2447  
8 and, if it is in a long-term care automated pharmacy, is subject to  
9 section 9 of this act; and

10 (b) May be operated in a hospital or long-term care  
11 facility for medication administration pursuant to a chart order or  
12 prescription by a licensed health care professional.

13 (2) Drugs placed in an automated medication distribution  
14 machine shall be in the manufacturer's original packaging or in  
15 containers repackaged in compliance with state and federal laws,  
16 rules, and regulations relating to repackaging, labeling, and  
17 record keeping.

18 (3) The inventory which is transferred to an automated  
19 medication distribution machine in a hospital ~~or long-term care~~  
20 ~~facility~~ shall be excluded from the percent of total prescription  
21 drug sales revenue described in section 71-7454.

22 Sec. 9. (1) In order for an automated medication system  
23 to be operated in a long-term care facility, a pharmacist in charge  
24 of a pharmacy licensed under the Health Care Facility Licensure  
25 Act and located in Nebraska shall annually license the long-term  
26 care automated pharmacy in which the automated medication system is  
27 located.

1 (2) The pharmacist in charge of a licensed pharmacy shall  
2 submit an application for licensure or renewal of licensure to the  
3 Division of Public Health of the Department of Health and Human  
4 Services with a fee in the amount of the fee the pharmacy pays for  
5 licensure or renewal. The application shall include:

6 (a) The name and location of the licensed pharmacy;  
7 (b) If controlled substances are stored in the automated  
8 medication system, the federal Drug Enforcement Administration  
9 registration number of the licensed pharmacy. After the long-term  
10 care automated pharmacy is registered with the federal Drug  
11 Enforcement Administration, the pharmacist in charge of the  
12 licensed pharmacy shall provide the federal Drug Enforcement  
13 Administration registration number of the long-term care automated  
14 pharmacy to the division and any application for renewal shall  
15 include such registration number;

16 (c) The location of the long-term care automated  
17 pharmacy; and

18 (d) The name of the pharmacist in charge of the licensed  
19 pharmacy.

20 (3) As part of the application process, the division  
21 shall conduct an inspection by a pharmacy inspector as provided  
22 in section 38-28,101 of the long-term care automated pharmacy. The  
23 division shall also conduct inspections of the operation of the  
24 long-term care automated pharmacy as necessary.

25 (4) The division shall license a long-term care automated  
26 pharmacy which meets the licensure requirements of the Automated  
27 Medication Systems Act.

1 (5) A pharmacist in charge of a licensed pharmacy shall  
2 apply for a separate license for each location at which it operates  
3 one or more long-term care automated pharmacies. The licensed  
4 pharmacy shall be the provider pharmacy for the long-term care  
5 automated pharmacy.

6 (6) The pharmacist in charge of the licensed pharmacy  
7 operating a long-term care automated pharmacy shall:

8 (a) Identify a pharmacist responsible for the operation,  
9 supervision, policies, and procedures of the long-term care  
10 automated pharmacy;

11 (b) Implement the policies and procedures developed to  
12 comply with section 71-2447;

13 (c) Assure compliance with the drug storage and  
14 record-keeping requirements of the Pharmacy Practice Act;

15 (d) Assure compliance with the labeling requirements of  
16 subsection (8) of this section;

17 (e) Develop and implement policies for the verification  
18 of drugs by a pharmacist prior to being loaded into the automated  
19 medication system and for the verification of drugs by a pharmacist  
20 prior to being released for administration to a resident;

21 (f) Develop and implement policies for inventory,  
22 security, and accountability for controlled substances; and

23 (g) Assure that each medical order is reviewed by a  
24 pharmacist prior to the release of the drugs by the automated  
25 medication system. Emergency doses may be taken from an automated  
26 medication system prior to review by a pharmacist if the licensed  
27 pharmacy develops and implements policies for emergency doses.

1 (7) Supervision by a pharmacist is sufficient for  
2 compliance with the requirement of subdivision (6)(a) of this  
3 section if the pharmacist in the licensed pharmacy monitors the  
4 automated medication system electronically and keeps records of  
5 compliance with such requirement for five years.

6 (8) Each drug dispensed from a long-term care automated  
7 pharmacy shall be in a package with a label containing the  
8 following information:

9 (a) The name and address of the long-term care automated  
10 pharmacy;

11 (b) The prescription number;

12 (c) The name, strength, and dosage form of the drug;

13 (d) The name of the resident;

14 (e) The name of the practitioner who prescribed the drug;

15 (f) The date of filling; and  
 16 (g) Directions for use.  
 17 (9) A prescription is required for any controlled  
 18 substance dispensed from a long-term care automated pharmacy.  
 19 (10) The inventory which is transferred to a long-term  
 20 care automated pharmacy shall be excluded from the percent of total  
 21 prescription drug sales revenue described in section 71-7454.

22 Sec. 10. Unless otherwise allowed by state or federal  
 23 law or regulation, the management of a long-term care facility at  
 24 which an automated medication system is located shall not require a  
 25 resident of the facility to obtain medication through the automated  
 26 medication system and shall not restrict or impair the ability of  
 27 a resident of the facility to obtain medications from the pharmacy  
 1 of the resident's choice.

2 Sec. 11. Section 71-2452, Reissue Revised Statutes of  
 3 Nebraska, is amended to read:

4 71-2452 Any person who violates the Automated Medication  
 5 Systems Act may be subject to disciplinary action by the Division  
 6 of Public Health of the Department of Health and Human Services  
 7 under the Health Care Facility Licensure Act, ~~the Uniform Licensure~~  
 8 ~~Law~~, or the Uniform Credentialing Act.

9 Sec. 12. Original sections 38-2845, 38-2847, 71-2444,  
 10 71-2445, 71-2446, 71-2447, 71-2448, 71-2449, and 71-2452, Reissue  
 11 Revised Statutes of Nebraska, are repealed.

12 2. On page 1, line 6, strike "registration" and insert  
 13 "licensure"; and in line 7 after the semicolon insert "to provide  
 14 for a patient's choice of pharmacy;".

**LEGISLATIVE BILL 308.** Placed on Select File with amendment.  
 ER107

1 1. Strike the original sections and all amendments  
 2 thereto and insert the following new sections:

3 Section 1. Section 77-2715, Reissue Revised Statutes of  
 4 Nebraska, is amended to read:

5 77-2715 (1) A tax is hereby imposed for each taxable  
 6 year on the entire income of every resident individual and  
 7 on the income of every nonresident individual and partial-year  
 8 resident individual which is derived from sources within this  
 9 state, except that any individual who has additions to adjusted  
 10 gross income pursuant to section 77-2716 of less than five thousand  
 11 dollars shall not have an individual income tax liability after  
 12 nonrefundable credits under the Nebraska Revenue Act of 1967 that  
 13 exceeds his or her individual income tax liability before credits  
 14 under the Internal Revenue Code of 1986.

15 ~~(2)(a) The For taxable years beginning or deemed to begin~~  
 16 ~~before January 1, 2014, the tax for each resident individual shall~~  
 17 be a percentage of such individual's federal adjusted gross income  
 18 as modified in sections 77-2716 and 77-2716.01, plus a percentage  
 19 of the federal alternative minimum tax and the federal tax on

20 premature or lump-sum distributions from qualified retirement  
 21 plans. The additional taxes shall be recomputed by ~~(a)-(i)~~  
 22 substituting Nebraska taxable income for federal taxable income,  
 23 ~~(b)-(ii)~~ calculating what the federal alternative minimum tax would  
 1 be on Nebraska taxable income and adjusting such calculations for  
 2 any items which are reflected differently in the determination of  
 3 federal taxable income, and ~~(c)-(iii)~~ applying Nebraska rates to  
 4 the result. The federal credit for prior year minimum tax, after  
 5 the recomputations required by the act, shall be allowed as a  
 6 reduction in the income tax due.

7 (b) For taxable years beginning or deemed to begin on  
 8 or after January 1, 2014, the tax for each resident individual  
 9 shall be a percentage of such individual's federal adjusted  
 10 gross income as modified in sections 77-2716 and 77-2716.01,  
 11 plus a percentage of the federal tax on premature or lump-sum  
 12 distributions from qualified retirement plans. The additional taxes  
 13 shall be recomputed by substituting Nebraska taxable income for  
 14 federal taxable income and applying Nebraska rates to the result.

15 (3) The tax for each nonresident individual and  
 16 partial-year resident individual shall be the portion of the tax  
 17 imposed on resident individuals which is attributable to the  
 18 income derived from sources within this state. The tax which is  
 19 attributable to income derived from sources within this state shall  
 20 be determined by subtracting from the liability to this state for  
 21 a resident individual with the same total income the credit for  
 22 personal exemptions and multiplying the result by a fraction, the  
 23 numerator of which is the nonresident individual's or partial-year  
 24 resident individual's Nebraska adjusted gross income as determined  
 25 by section 77-2733 or 77-2733.01 and the denominator of which  
 26 is his or her total federal adjusted gross income, after first  
 27 adjusting each by the amounts provided in section 77-2716. If  
 1 this determination attributes more or less tax than is reasonably  
 2 attributable to income derived from sources within this state, the  
 3 taxpayer may petition for or the Tax Commissioner may require the  
 4 employment of any other method to attribute an amount of tax which  
 5 is reasonable and equitable in the circumstances.

6 (4) The tax for each estate and trust, other than trusts  
 7 taxed as corporations under the Internal Revenue Code of 1986,  
 8 shall be as determined under section 77-2717.

9 (5) A refund shall be allowed to the extent that the  
 10 income tax paid by the individual, estate, or trust for the taxable  
 11 year exceeds the income tax payable, except that no refund shall be  
 12 made in any amount less than two dollars.

13 Sec. 2. Section 77-2717, Revised Statutes Cumulative  
 14 Supplement, 2012, is amended to read:

15 77-2717 (1)(a) ~~The (i) For taxable years beginning or~~  
 16 deemed to begin before January 1, 2014, the tax imposed on all  
 17 resident estates and trusts shall be a percentage of the federal  
 18 taxable income of such estates and trusts as modified in section

19 77-2716, plus a percentage of the federal alternative minimum  
20 tax and the federal tax on premature or lump-sum distributions  
21 from qualified retirement plans. The additional taxes shall be  
22 recomputed by ~~(i)-(A)~~ substituting Nebraska taxable income for  
23 federal taxable income, ~~(ii)-(B)~~ calculating what the federal  
24 alternative minimum tax would be on Nebraska taxable income and  
25 adjusting such calculations for any items which are reflected  
26 differently in the determination of federal taxable income, and  
27 ~~(iii)-(C)~~ applying Nebraska rates to the result. The federal credit  
1 for prior year minimum tax, after the recomputations required  
2 by the Nebraska Revenue Act of 1967, and the credits provided  
3 in the Nebraska Advantage Microenterprise Tax Credit Act and the  
4 Nebraska Advantage Research and Development Act shall be allowed  
5 as a reduction in the income tax due. A refundable income tax  
6 credit shall be allowed for all resident estates and trusts  
7 under the Angel Investment Tax Credit Act, the Nebraska Advantage  
8 Microenterprise Tax Credit Act, and the Nebraska Advantage Research  
9 and Development Act. A nonrefundable income tax credit shall be  
10 allowed for all resident estates and trusts as provided in the New  
11 Markets Job Growth Investment Act.

12 (ii) For taxable years beginning or deemed to begin  
13 on or after January 1, 2014, the tax imposed on all resident  
14 estates and trusts shall be a percentage of the federal taxable  
15 income of such estates and trusts as modified in section 77-2716,  
16 plus a percentage of the federal tax on premature or lump-sum  
17 distributions from qualified retirement plans. The additional taxes  
18 shall be recomputed by substituting Nebraska taxable income for  
19 federal taxable income and applying Nebraska rates to the result.  
20 The credits provided in the Nebraska Advantage Microenterprise Tax  
21 Credit Act and the Nebraska Advantage Research and Development  
22 Act shall be allowed as a reduction in the income tax due. A  
23 refundable income tax credit shall be allowed for all resident  
24 estates and trusts under the Angel Investment Tax Credit Act, the  
25 Nebraska Advantage Microenterprise Tax Credit Act, and the Nebraska  
26 Advantage Research and Development Act. A nonrefundable income tax  
27 credit shall be allowed for all resident estates and trusts as  
1 provided in the New Markets Job Growth Investment Act.

2 (b) The tax imposed on all nonresident estates and trusts  
3 shall be the portion of the tax imposed on resident estates and  
4 trusts which is attributable to the income derived from sources  
5 within this state. The tax which is attributable to income derived  
6 from sources within this state shall be determined by multiplying  
7 the liability to this state for a resident estate or trust with  
8 the same total income by a fraction, the numerator of which is  
9 the nonresident estate's or trust's Nebraska income as determined  
10 by sections 77-2724 and 77-2725 and the denominator of which is  
11 its total federal income after first adjusting each by the amounts  
12 provided in section 77-2716. The federal credit for prior year  
13 minimum tax, after the recomputations required by the Nebraska

14 Revenue Act of 1967, reduced by the percentage of the total income  
15 which is attributable to income from sources outside this state,  
16 and the credits provided in the Nebraska Advantage Microenterprise  
17 Tax Credit Act and the Nebraska Advantage Research and Development  
18 Act shall be allowed as a reduction in the income tax due. A  
19 refundable income tax credit shall be allowed for all nonresident  
20 estates and trusts under the Angel Investment Tax Credit Act, the  
21 Nebraska Advantage Microenterprise Tax Credit Act, and the Nebraska  
22 Advantage Research and Development Act. A nonrefundable income tax  
23 credit shall be allowed for all nonresident estates and trusts as  
24 provided in the New Markets Job Growth Investment Act.

25 (2) In all instances wherein a fiduciary income tax  
26 return is required under the provisions of the Internal Revenue  
27 Code, a Nebraska fiduciary return shall be filed, except that a  
1 fiduciary return shall not be required to be filed regarding a  
2 simple trust if all of the trust's beneficiaries are residents of  
3 the State of Nebraska, all of the trust's income is derived from  
4 sources in this state, and the trust has no federal tax liability.  
5 The fiduciary shall be responsible for making the return for the  
6 estate or trust for which he or she acts, whether the income be  
7 taxable to the estate or trust or to the beneficiaries thereof.  
8 The fiduciary shall include in the return a statement of each  
9 beneficiary's distributive share of net income when such income is  
10 taxable to such beneficiaries.

11 (3) The beneficiaries of such estate or trust who are  
12 residents of this state shall include in their income their  
13 proportionate share of such estate's or trust's federal income and  
14 shall reduce their Nebraska tax liability by their proportionate  
15 share of the credits as provided in the Angel Investment Tax  
16 Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act,  
17 the Nebraska Advantage Research and Development Act, and the New  
18 Markets Job Growth Investment Act. There shall be allowed to a  
19 beneficiary a refundable income tax credit under the Beginning  
20 Farmer Tax Credit Act for all taxable years beginning or deemed to  
21 begin on or after January 1, 2001, under the Internal Revenue Code  
22 of 1986, as amended.

23 (4) If any beneficiary of such estate or trust is a  
24 nonresident during any part of the estate's or trust's taxable  
25 year, he or she shall file a Nebraska income tax return which shall  
26 include (a) in Nebraska adjusted gross income that portion of the  
27 estate's or trust's Nebraska income, as determined under sections  
1 77-2724 and 77-2725, allocable to his or her interest in the estate  
2 or trust and (b) a reduction of the Nebraska tax liability by his  
3 or her proportionate share of the credits as provided in the Angel  
4 Investment Tax Credit Act, the Nebraska Advantage Microenterprise  
5 Tax Credit Act, the Nebraska Advantage Research and Development  
6 Act, and the New Markets Job Growth Investment Act and shall  
7 execute and forward to the fiduciary, on or before the original due  
8 date of the Nebraska fiduciary return, an agreement which states

9 that he or she will file a Nebraska income tax return and pay  
10 income tax on all income derived from or connected with sources in  
11 this state, and such agreement shall be attached to the Nebraska  
12 fiduciary return for such taxable year.

13 (5) In the absence of the nonresident beneficiary's  
14 executed agreement being attached to the Nebraska fiduciary return,  
15 the estate or trust shall remit a portion of such beneficiary's  
16 income which was derived from or attributable to Nebraska sources  
17 with its Nebraska return for the taxable year. For taxable years  
18 beginning or deemed to begin before January 1, 2013, the amount  
19 of remittance, in such instance, shall be the highest individual  
20 income tax rate determined under section 77-2715.02 multiplied by  
21 the nonresident beneficiary's share of the estate or trust income  
22 which was derived from or attributable to sources within this  
23 state. For taxable years beginning or deemed to begin on or after  
24 January 1, 2013, the amount of remittance, in such instance, shall  
25 be the highest individual income tax rate determined under section  
26 77-2715.03 multiplied by the nonresident beneficiary's share of the  
27 estate or trust income which was derived from or attributable to  
1 sources within this state. The amount remitted shall be allowed  
2 as a credit against the Nebraska income tax liability of the  
3 beneficiary.

4 (6) The Tax Commissioner may allow a nonresident  
5 beneficiary to not file a Nebraska income tax return if the  
6 nonresident beneficiary's only source of Nebraska income was his or  
7 her share of the estate's or trust's income which was derived from  
8 or attributable to sources within this state, the nonresident did  
9 not file an agreement to file a Nebraska income tax return, and  
10 the estate or trust has remitted the amount required by subsection  
11 (5) of this section on behalf of such nonresident beneficiary. The  
12 amount remitted shall be retained in satisfaction of the Nebraska  
13 income tax liability of the nonresident beneficiary.

14 (7) For purposes of this section, unless the context  
15 otherwise requires, simple trust shall mean any trust instrument  
16 which (a) requires that all income shall be distributed currently  
17 to the beneficiaries, (b) does not allow amounts to be paid,  
18 permanently set aside, or used in the tax year for charitable  
19 purposes, and (c) does not distribute amounts allocated in the  
20 corpus of the trust. Any trust which does not qualify as a simple  
21 trust shall be deemed a complex trust.

22 (8) For purposes of this section, any beneficiary of an  
23 estate or trust that is a grantor trust of a nonresident shall be  
24 disregarded and this section shall apply as though the nonresident  
25 grantor was the beneficiary.

26 Sec. 3. Section 77-2734.07, Reissue Revised Statutes of  
27 Nebraska, is amended to read:

1 77-2734.07 (1) There shall be added to federal taxable  
2 income the amount of any federal deduction because of a  
3 carryforward of a net operating loss or any capital loss.

4 (2) There shall be allowed a deduction for a carryforward  
 5 of a net operating loss or capital loss that is connected with  
 6 operations in Nebraska. For a net operating loss or capital loss  
 7 incurred in taxable years beginning or deemed to begin on or after  
 8 January 1, 1987, and before January 1, 2014, the deduction shall  
 9 be allowed only for each of the five taxable years succeeding the  
 10 year of the loss. For a net operating loss incurred in taxable  
 11 years beginning or deemed to begin on or after January 1, 2014,  
 12 the deduction shall be allowed only for each of the twenty taxable  
 13 years succeeding the year of the loss. For a capital loss incurred  
 14 in taxable years beginning or deemed to begin on or after January  
 15 1, 2014, the deduction shall be allowed only for each of the five  
 16 taxable years succeeding the year of the loss.

17 (3) Except as otherwise provided in this section, there  
 18 shall be allowed a carryback of a net operating loss or a capital  
 19 loss that is connected with operations in Nebraska. For a net  
 20 operating loss or capital loss incurred in taxable years beginning  
 21 or deemed to begin on or after January 1, 1987, no such carryback  
 22 shall be allowed.

23 (4) The amounts in subsections (2) and (3) of this  
 24 section shall be computed pursuant to rules and regulations  
 25 adopted and promulgated by the Tax Commissioner. Such regulations  
 26 shall be in accord with the laws of the United States regarding  
 27 carryforwards and carrybacks.

1 Sec. 4. Original sections 77-2715 and 77-2734.07, Reissue  
 2 Revised Statutes of Nebraska, and section 77-2717, Revised Statutes  
 3 Cumulative Supplement, 2012, are repealed.

4 2. On page 1, lines 1 and 2, strike "section 77-2715" and  
 5 insert "sections 77-2715 and 77-2734.07"; and in line 5 after the  
 6 semicolon insert "to change provisions relating to deductions for  
 7 net operating losses and capital losses;"

**LEGISLATIVE BILL 573.** Placed on Select File.

(Signed) John Murante, Chairperson

### GENERAL FILE

**LEGISLATIVE BILL 331.** Title read. Considered.

Committee AM852, found on page 867, was adopted with 40 ayes, 0 nays, 5 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review Initial with 41 ayes, 0 nays, 4 present and not voting, and 4 excused and not voting.

**COMMITTEE REPORTS**

## Enrollment and Review

**LEGISLATIVE BILL 104.** Placed on Final Reading.

ST28

The following changes, required to be reported for publication in the Journal, have been made:

1. In the Standing Committee amendment, AM525, original section 2 and all amendments thereto have been struck and the following new section inserted:

Sec. 5. Original sections 77-27,142, 77-27,142.01, 77-5715, and 77-5725, Revised Statutes Cumulative Supplement, 2012, are repealed.

2. On page 1, the matter beginning with "the" in line 1 through line 7 and all amendments thereto have been struck and "revenue and taxation; to amend sections 77-27,142, 77-27,142.01, 77-5715, and 77-5725, Revised Statutes Cumulative Supplement, 2012; to change provisions relating to sales and use tax increases under the Local Option Revenue Act; to provide tax incentives for renewable energy projects under the Nebraska Advantage Act; to redefine qualified business; to change provisions relating to tiers; to harmonize provisions; to repeal the original sections; and to declare an emergency." inserted.

**LEGISLATIVE BILL 225.** Placed on Final Reading Second.

**LEGISLATIVE BILL 306A.** Placed on Final Reading.

**LEGISLATIVE BILL 583A.** Placed on Final Reading.

(Signed) John Murante, Chairperson

**RESOLUTION**

**LEGISLATIVE RESOLUTION 350.** Introduced by Larson, 40; Janssen, 15; Nordquist, 7; Watermeier, 1.

WHEREAS, the Executive Board of the International Olympic Committee (IOC) has proposed eliminating the sport of wrestling from the Summer Olympic Games beginning in 2020, and the IOC will vote on the proposal at its September 2013 general assembly; and

WHEREAS, wrestling was one of the original sports of the ancient Greek Olympic Games and of the first modern Olympic Games; and

WHEREAS, wrestling has been a traditional strength of the United States Olympic Team, with 124 medals having been awarded to the United States throughout history; and

WHEREAS, the sport of wrestling builds great strength not only of body, but also of character, including the virtues of self-confidence, self-discipline, courage, and sportsmanship; and

WHEREAS, wrestling has produced many outstanding national leaders including Presidents, United States Supreme Court justices, United States

senators, members of Congress, business and military leaders, as well as many outstanding leaders in the State of Nebraska; and

WHEREAS, wrestling provides mainstream opportunities to athletes of all physical builds and body sizes, including blind, deaf, and physically handicapped student athletes who may not otherwise have the opportunity to participate in athletics; and

WHEREAS, according to the Nebraska School Activities Association, 4,679 students competed in wrestling for the 2012-13 season; and

WHEREAS, many of these Nebraska athletes dream of representing the United States on the international stage at the Olympic Games; and

WHEREAS, Dan Brand, Jordan Burroughs, Jim Scherr, Bill Scherr, Rulon Gardner, Matt Lindland, and Brad Vering are seven Olympians who have represented Nebraska.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature urges the International Olympic Committee to reinstate wrestling as a core sport at the Summer Olympic Games.

2. That the Legislature thanks the United States Olympic Committee for its continued support of wrestling and urges the committee to work actively toward the reinstatement of Olympic wrestling.

3. That a copy of this resolution be sent to the International Olympic Committee and the United States Olympic Committee.

Laid over.

### **GENERAL FILE**

**LEGISLATIVE BILL 368.** Title read. Considered.

Committee AM816, found on page 871, was offered.

Senator Crawford offered her amendment, AM1224, found on page 1210, to the committee amendment.

**SPEAKER ADAMS PRESIDING**

**SENATOR KRIST PRESIDING**

**SENATOR COASH PRESIDING**

Senator Wallman moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 28 ayes, 1 nay, and 20 not voting.

The Crawford amendment was adopted with 35 ayes, 0 nays, 10 present and not voting, and 4 excused and not voting.

Pending.

**COMMITTEE REPORTS**

## Enrollment and Review

**LEGISLATIVE BILL 97.** Placed on Final Reading.

**LEGISLATIVE BILL 216.** Placed on Final Reading.

**LEGISLATIVE BILL 216A.** Placed on Final Reading.

ST27

The following changes, required to be reported for publication in the Journal, have been made:

1. On page 1, the matter beginning with "appropriate" in line 1 through line 4 has been struck and "amend section 106, Legislative Bill 195, One Hundred Third Legislature, First Session, 2013; to appropriate funds to aid in carrying out the provisions of Legislative Bill 216, One Hundred Third Legislature, First Session, 2013; to change appropriations; and to repeal the original section." inserted.

**LEGISLATIVE BILL 556.** Placed on Final Reading.

**LEGISLATIVE BILL 556A.** Placed on Final Reading.

**LEGISLATIVE BILL 579.** Placed on Final Reading.

**LEGISLATIVE BILL 579A.** Placed on Final Reading.

(Signed) John Murante, Chairperson

**GENERAL FILE**

**LEGISLATIVE BILL 368.** Senator Kintner offered the following amendment to the committee amendment:

AM1257

(Amendments to Standing Committee amendments, AM816)

1 1. Insert the following new section:

2 Sec. 6. An employer shall continue the employment of

3 each employee for whom such employer receives a subsidy under the

4 Subsidized Employment Pilot Program for not less than two years.

5 2. On page 1, line 18, strike "7" and insert "8".

6 3. On page 4, line 22, strike "6" and insert "7".

7 4. Renumber the remaining sections accordingly.

Senator Kintner withdrew his amendment.

Committee AM816, found on page 871 and considered in this day's Journal, as amended, was renewed.

Senator Kintner offered the following amendment to the committee amendment:

AM1515

(Amendments to Standing Committee amendments, AM816)

- 1 1. Insert the following new section:
- 2 2. Sec. 6. An employer shall continue the employment of
- 3 each employee for whom such employer receives a subsidy under the
- 4 Subsidized Employment Pilot Program for not less than one year
- 5 if the employee is meeting and continues to meet the minimum
- 6 employment standards prescribed by the Subsidized Employment Pilot
- 7 Program, unless the employee voluntarily ceases employment with
- 8 such employer.
- 9 2. On page 1, line 18, strike "7" and insert "8".
- 10 3. On page 4, line 22, strike "6" and insert "7".
- 11 4. Renumber the remaining sections accordingly.

Senator Kintner moved for a call of the house. The motion prevailed with 27 ayes, 3 nays, and 19 not voting.

Senator Kintner requested a roll call vote on his amendment.

Voting in the affirmative, 4:

Bloomfield	Hansen	Kintner	Watermeier
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Voting in the negative, 32:

Adams	Coash	Haar, K.	Lathrop	Seiler
Ashford	Conrad	Hadley	McGill	Sullivan
Avery	Cook	Harms	Murante	Wallman
Bolz	Crawford	Harr, B.	Nelson	Wightman
Campbell	Davis	Johnson	Nordquist	
Carlson	Dubas	Karpisek	Scheer	
Chambers	Gloor	Krist	Schumacher	

Present and not voting, 9:

Brasch	Howard	McCoy	Pirsch	Smith
Christensen	Lautenbaugh	Mello	Price	

Excused and not voting, 4:

Janssen	Kolowski	Larson	Schilz
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The Kintner amendment lost with 4 ayes, 32 nays, 9 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

The committee amendment, as amended, was adopted with 40 ayes, 0 nays, 5 present and not voting, and 4 excused and not voting.

Advanced to Enrollment and Review Initial with 35 ayes, 1 nay, 9 present and not voting, and 4 excused and not voting.

**LEGISLATIVE BILL 368A.** Title read. Considered.

Advanced to Enrollment and Review Initial with 36 ayes, 0 nays, 9 present and not voting, and 4 excused and not voting.

### **COMMITTEE REPORTS**

Enrollment and Review

**LEGISLATIVE BILL 507.** Placed on Final Reading.

ST30

The following changes, required to be reported for publication in the Journal, have been made:

1. In the E and R amendments, ER94, on page 2, lines 6, 8, and 11, the semicolon has been struck and an underscored comma inserted.

**LEGISLATIVE BILL 507A.** Placed on Final Reading.

(Signed) John Murante, Chairperson

### **COMMITTEE REPORT**

Enrollment and Review

**LEGISLATIVE BILL 331.** Placed on Select File with amendment.

ER110

1 1. On page 1, strike beginning with "the" in line 1  
2 through line 4 and insert "postsecondary education; to amend  
3 sections 85-1903, 85-1907, 85-2403, and 85-2405, Revised Statutes  
4 Cumulative Supplement, 2012; to redefine award and eligible  
5 student for purposes of the Nebraska Opportunity Grant Act; to  
6 redefine authorization to operate for purposes of the Postsecondary  
7 Institution Act; to provide for interstate reciprocity agreements  
8 regarding postsecondary distance education; to change provisions  
9 for fees under the Postsecondary Institution Act; to harmonize  
10 provisions; to repeal the original sections; and to declare an  
11 emergency.".

(Signed) John Murante, Chairperson

**AMENDMENTS - Print in Journal**

Senator K. Haar filed the following amendment to LB57:  
AM1250

(Amendments to E & R amendments, ER36)

- 1 1. On page 5, line 24; and page 6, lines 10 and 27,
- 2 strike "shall" and insert "may".

Senator Schilz filed the following amendment to LB57:  
AM1277

(Amendments to E & R amendments, ER36)

- 1 1. On page 6, line 12, strike "unless approved in the
- 2 original grant" and insert "unless the sale, transfer, or exchange
- 3 was proposed by the grantee in its grant application and approved
- 4 as part of the original grant"; strike beginning with "Such" in
- 5 line 15 through line 16 and insert "Approval shall be granted
- 6 if the sale, transfer, or exchange is consistent with the terms
- 7 and limitations outlined in the contract between the board and
- 8 the grantee."; in line 21 strike "If" through "approval" and
- 9 insert "The board shall provide its written approval or denial
- 10 of the proposed transaction within thirty days after receipt of
- 11 the details of the proposed sale, transfer, or exchange from the
- 12 grantee, unless the board needs additional time to fully consider
- 13 the proposed transaction. If such additional time exceeds sixty
- 14 days after receipt of such details, the proposed transaction shall
- 15 be deemed approved by the board. If the board provides a written
- 16 denial".
- 17 2. On page 7, line 3, strike "on behalf of" and insert
- 18 "from"; strike beginning with "(b)" in line 8 through line 19
- 19 and insert "(b) that at the time the grantee takes title to the
- 20 property, the grantee file with the register of deeds in the
- 21 county or counties in which the property is located the contract or
- 22 notice of the contract between the board and the grantee containing
- 1 the statements and other information required pursuant to this
- 2 section."; and in line 21 strike "trust" and insert "board".

Senator McCoy filed the following amendment to LB348:  
AM1248 is available in the Bill Room.

Senator Coash filed the following amendment to LB255:  
AM1356

(Amendments to Standing Committee amendments, AM856)

- 1 1. On page 4, line 27; and page 5, line 5, strike "two
- 2 hundred fifty", show as stricken, and insert "five hundred".

Senator Hansen filed the following amendment to LB368:  
AM1464

(Amendments to Standing Committee amendments, AM816)

- 1 1. On page 4, line 19; and page 5, line 1, strike "2018"
- 2 and insert "2016".
- 3 2. On page 4, lines 24 and 25, strike "to FY2017-18" and
- 4 insert "and 2015-16".

### **VISITORS**

Visitors to the Chamber were 51 fourth-grade students and teachers from Columbian Elementary, Omaha; 80 fourth-grade students and teachers from Indian Hill Elementary, Omaha; 40 high-school students and teachers from Saline County 4-H Extension, Gage, Wilber, and Jefferson; Robert Rothwell from Beatrice; and 26 fourth-grade students and teacher from Ponca Elementary, Omaha.

### **ADJOURNMENT**

At 6:47 p.m., on a motion by Senator B. Harr, the Legislature adjourned until 9:00 a.m., Thursday, May 23, 2013.

Patrick J. O'Donnell  
Clerk of the Legislature

