

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
April 21, 2015

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PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: GOOD MORNING, LADIES AND GENTLEMEN. WELCOME TO THE GEORGE W. NORRIS LEGISLATIVE CHAMBER FOR THE SIXTY-SEVENTH DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. OUR CHAPLAIN FOR TODAY IS SENATOR BRASCH. PLEASE RISE.

SENATOR BRASCH: (PRAYER OFFERED.)

PRESIDENT FOLEY: THANK YOU, SENATOR BRASCH. I CALL TO ORDER THE SIXTY-SEVENTH DAY OF THE ONE HUNDRED FOURTH LEGISLATURE, FIRST SESSION. SENATORS, PLEASE RECORD YOUR PRESENCE. ROLL CALL. MR. CLERK, PLEASE RECORD.

CLERK: I HAVE A QUORUM PRESENT, MR. PRESIDENT.

PRESIDENT FOLEY: THANK YOU, MR. CLERK. ARE THERE ANY CORRECTIONS FOR THE JOURNAL?

CLERK: I HAVE NO CORRECTIONS.

PRESIDENT FOLEY: THANK YOU. ARE THERE ANY MESSAGES, REPORTS, OR ANNOUNCEMENTS?

CLERK: MR. PRESIDENT, I HAVE NEITHER MESSAGES, REPORTS, NOR ANNOUNCEMENTS AT THIS TIME.

PRESIDENT FOLEY: WHILE THE LEGISLATURE IS IN SESSION AND CAPABLE OF TRANSACTING BUSINESS, I PROPOSE TO SIGN AND DO HEREBY SIGN LR178, LR179, LR180, LR183, AND LR184. SENATORS, OUR FIRST ITEM ON THE AGENDA THIS MORNING IS A FINAL READING BILL, IF YOU COULD PLEASE RETURN TO YOUR SEATS FOR A FINAL READING BILL. FINAL READING, LB89A, MR. CLERK. [LR178 LR179 LR180 LR183 LR184 LB89A]

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CLERK: MR. PRESIDENT, SENATOR CAMPBELL WOULD MOVE TO RETURN THE BILL FOR A SPECIFIC AMENDMENT, AM1251. (LEGISLATIVE JOURNAL PAGE 1183.) [LB89A]

PRESIDENT FOLEY: SENATOR CAMPBELL, YOU'RE RECOGNIZED. [LB89A]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. I AM ASKING FOR YOUR GREEN VOTE TO RETURN LB89A BACK IN ORDER FOR US TO CORRECT THE AMOUNT THAT WOULD BE TAKEN FROM THE FEDERAL FUNDS. THANK YOU, MR. PRESIDENT. [LB89A]

PRESIDENT FOLEY: THANK YOU, SENATOR CAMPBELL. DEBATE IS NOW OPEN ON THE MOTION TO RETURN THE BILL TO SELECT FILE FOR A SPECIFIC AMENDMENT. SEEING NO ONE WISHING TO SPEAK, SENATOR CAMPBELL, YOU'RE WELCOME TO CLOSE. SHE WAIVES CLOSING. THE QUESTION IS THE RETURN OF THE BILL, LB89A, TO SELECT FILE. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. RECORD, PLEASE, MR. CLERK. [LB89A]

CLERK: 36 AYES, 0 NAYS, MR. PRESIDENT, ON THE MOTION TO RETURN THE BILL. [LB89A]

PRESIDENT FOLEY: THE BILL IS RETURNED TO SELECT. MR. CLERK. [LB89A]

CLERK: SENATOR CAMPBELL WOULD OFFER AM1251. [LB89A]

PRESIDENT FOLEY: SENATOR CAMPBELL, YOU'RE WELCOME TO OPEN ON YOUR AMENDMENT. [LB89A]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. COLLEAGUES, WE FOUND AN ERROR ON THE APPROPRIATIONS BILL ATTACHED TO LB89. AND THIS IS THE AMOUNT OF MONEY THAT IS TAKEN FROM THE FEDERAL TANF FUNDS, TEMPORARY AID TO NEEDY FAMILIES. THE A BILL THAT WE HAD ORIGINALLY BEFORE US SLOTTED US TO TAKE \$10,487,048 FROM TANF. AND WHEN WE CORRECTED THE ERROR, WE ARE NOW DROPPING THAT AMOUNT TO \$8,322,800. AND AGAIN, THIS MONEY IS FROM THE FEDERAL FUND OF TANF AND IT GOES TO SUPPORT AID TO DEPENDENT CHILDREN AND THE SERVICES FOR THOSE FAMILIES. AND WITH THAT, MR. PRESIDENT, I WILL CLOSE ON THIS AMENDMENT. [LB89A LB89]

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PRESIDENT FOLEY: THANK YOU, SENATOR CAMPBELL. DEBATE IS NOW OPEN ON AM1251. SENATOR BRASCH, YOU'RE RECOGNIZED. [LB89A]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. I RISE TO ASK QUESTIONS OF SENATOR CAMPBELL. WOULD SHE PLEASE YIELD TO A QUESTION? [LB89A]

PRESIDENT FOLEY: SENATOR CAMPBELL, WOULD YOU YIELD TO A QUESTION, PLEASE? [LB89A]

SENATOR CAMPBELL: CERTAINLY. [LB89A]

SENATOR BRASCH: JUST MOMENTS AGO I WAS SPEAKING TO AN INDIVIDUAL WHO RAISED A RED FLAG OR TWO HERE. AND TO CUT TO THE CHASE, I WANTED TO ASK YOU DIRECT. IS THERE A POINT IN TIME WHEN THESE TANF FUNDS WILL END--AND I HEARD THE YEAR 2021--THAT THOSE FUNDS WILL BECOME DEPLETED? IS THERE AN ACTION PLAN WHEN WE CAN NO LONGER SUSTAIN THIS PROGRAM? [LB89A]

SENATOR CAMPBELL: SENATOR BRASCH, THAT IS AN EXCELLENT QUESTION. AND WE TALKED ABOUT THAT QUESTION, I THINK, ON GENERAL FILE MORE. AND THE LEGISLATIVE FISCAL OFFICE PULLED TOGETHER FOLKS FROM THE EXECUTIVE BRANCH AND FROM THEIR OWN OFFICE AND TOOK A LOOK AT THIS. AND WE WILL HAVE A \$9 MILLION SURPLUS STILL IN THAT FUND IN 2019. WHAT IS OF IMPORTANCE HERE IS THE AMENDMENT THAT WE PUT ON THIS BILL THAT CALLED FOR THE TASK FORCE OF SENATOR MELLO'S BILL TO TAKE A LOOK AT ALL THE FUNDING THAT WE DO IN TERMS OF POVERTY. SO ONE OF THE ISSUES THAT WE WILL LOOK AT IS, WOULD THIS MONEY RUN OUT, AND, IF SO, WHEN? AND WE THINK IT'S PROBABLY INTO THE 2020s SOMEPLACE IF, IF THE DEPARTMENT SPENT EVERY SINGLE DIME THAT THEY PLANNED FOR. AND IN THE PAST TEN YEARS, THEY'VE ONLY DONE THAT TWICE. MOST OF THE TIME THEY OVERESTIMATE WHAT THEY MIGHT NEED, AND THAT'S HOW WE HAVE ACCUMULATED A SURPLUS OF OVER \$50 MILLION. [LB89A]

SENATOR BRASCH: THANK YOU, SENATOR CAMPBELL. SO YOU ARE CONFIDENT THAT THIS WILL NOT BE PROBLEMATIC TO THE FUTURE LEGISLATURES MOVING FORWARD? [LB89A]

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SENATOR CAMPBELL: I AM, SENATOR BRASCH, BECAUSE I BELIEVE WE WILL TAKE A LOOK AT ALL THE PROGRAMS IN TANF, PLUS THE OTHER APPROPRIATIONS THAT WE MAKE IN POVERTY PROGRAMS. AND I'M CONFIDENT THAT WE WILL SET A PLAN IN ACTION TO MAKE SURE WE DO NOT DO THAT. [LB89A]

SENATOR BRASCH: THANK YOU, SENATOR CAMPBELL. I HAVE NO OTHER QUESTIONS. THANK YOU, MR. LIEUTENANT GOVERNOR. [LB89A]

PRESIDENT FOLEY: THANK YOU, SENATORS BRASCH AND CAMPBELL. SEEING NO OTHER SENATORS WISHING TO SPEAK, SENATOR CAMPBELL, YOU'RE WELCOME TO CLOSE. SHE WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF AM1251. ALL THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE YOU ALL VOTED WHO CARE TO? RECORD, PLEASE, MR. CLERK. [LB89A]

CLERK: 39 AYES, 0 NAYS ON ADOPTION OF THE SELECT FILE AMENDMENT. [LB89A]

PRESIDENT FOLEY: AM1251 IS ADOPTED. SENATOR HANSEN FOR A MOTION. [LB89A]

SENATOR HANSEN: MR. PRESIDENT, I MOVE THAT WE ADVANCE LB89A TO E&R FOR ENGROSSING. [LB89A]

PRESIDENT FOLEY: SENATORS, YOU'VE HEARD THE MOTION TO ADVANCE THE BILL. ALL THOSE IN FAVOR SAY AYE. THOSE OPPOSED SAY NAY. LB89A IS ADVANCED TO E&R FOR ENGROSSING. WE'LL NOW PROCEED TO GENERAL FILE, LB629. MR. CLERK. [LB89A LB629]

CLERK: (READ TITLE OF LB629.) INTRODUCED ON JANUARY 21, REFERRED TO THE TRANSPORTATION COMMITTEE. THE BILL WAS ADVANCED TO GENERAL FILE. I DO HAVE COMMITTEE AMENDMENTS PENDING, MR. PRESIDENT. (AM1075, LEGISLATIVE JOURNAL PAGE 1083.) [LB629]

PRESIDENT FOLEY: SENATOR MELLO, YOU'RE WELCOME TO OPEN ON LB629. [LB629]

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SENATOR MELLO: THANK YOU, MR. PRESIDENT AND MEMBERS OF THE LEGISLATURE. I'M HERE TO INTRODUCE LB629, A BILL THAT PROVIDES A RESPONSIBLE REGULATORY FRAMEWORK FOR TRANSPORTATION NETWORK COMPANIES, BETTER KNOWN AS TNCs, TO OPERATE LAWFULLY IN THE STATE OF NEBRASKA. IN 2009, A SAN FRANCISCO-BASED COMPANY WAS FORMED TO TRY TO SOLVE TRANSPORTATION PROBLEMS IN THE CITY BY TAKING ADVANTAGE OF THE RAPID DEVELOPMENT OF CELL PHONE TECHNOLOGY. BY THE BEGINNING OF 2012, UBER SERVICES HAD SPREAD TO NEW YORK CITY, CHICAGO, SEATTLE, BOSTON, AND WASHINGTON, D.C. LATER THAT YEAR, LYFT BEGAN OPERATIONS ALSO IN SAN FRANCISCO. CURRENTLY TNCs OPERATE IN OVER 150 CITIES ACROSS THE UNITED STATES AND RECENTLY BEGAN OPERATING IN LINCOLN AND OMAHA. THE TNC BUSINESS MODEL HAS GROWN FROM INITIAL CONCEPT TESTING IN ONE OR TWO CITIES TO A MAJOR ECONOMIC DEVELOPMENT TOOL USED BY METROPOLITAN AREAS. A TRANSPORTATION NETWORK COMPANY, A TNC, GENERALLY FALLS SOMEWHERE ON THE SPECTRUM BETWEEN CAR POOLING OR RIDE SHARING AND A TRADITIONAL TAXI COMPANY. TNCs DO NOT HIRE DRIVERS OR OWN VEHICLES. INSTEAD, THEY RELY ON PRIVATE INDIVIDUALS OPERATING THEIR PERSONAL VEHICLES TO PROVIDE RIDES WITH THE MOBILE APP FACILITATING THE TRANSACTION. THE RAPID EXPANSION OF THIS UNIQUE BUSINESS MODEL HAS PROVEN TO BE A CHALLENGE FOR STATES AND MUNICIPALITIES ACROSS THE COUNTRY. THE BASIC ISSUE FACING STATES WHERE COMPANIES LIKE LYFT AND UBER HAVE STARTED OPERATING IS HOW TO FIT THESE NEW TECHNOLOGIES INTO EXISTING REGULATORY FRAMEWORKS. IN NEBRASKA, WE HAVE STATUTES DEALING WITH RIDE SHARING, BUT THEY ONLY ADDRESS CAR POOL SITUATIONS AND WERE LAST UPDATED IN 1981. SIMILARLY, THE LAST MAJOR UPDATE TO THE MOTOR CARRIER STATUTES WERE IN 1995 AND THE PUBLIC SERVICE COMMISSION HAS NOT UPDATED THEIR MOTOR CARRIER REGULATIONS SINCE 1994, BEFORE SMART PHONE TECHNOLOGY EVEN EXISTED. WHILE SOME STATES REGULATE TRANSPORTATION CARRIERS AT THE MUNICIPAL LEVEL, COMMON CARRIERS IN NEBRASKA ARE EXCLUSIVELY REGULATED AT THE STATE LEVEL BY THE PUBLIC SERVICE COMMISSION. THE MOTOR CARRIER STATUTES GIVE THE PUBLIC SERVICE COMMISSION THE AUTHORITY TO ESTABLISH NEW CLASSIFICATIONS OF CARRIERS UNDER SECTION 75-304, BUT THEY CANNOT GO BEYOND THE EXISTING STATUTORY LANGUAGE. THEREFORE, NEBRASKA'S CURRENT REGULATORY FRAMEWORK IS INADEQUATE WHEN IT COMES TO TRANSPORTATION NETWORK COMPANIES. LB629 WILL CREATE A REGULATORY FRAMEWORK FOR TRANSPORTATION NETWORK COMPANIES AS A NEW CLASSIFICATION OF TRANSPORTATION SERVICE PROVIDERS UNDER THE PUBLIC SERVICE COMMISSION. REGARDLESS OF HOW THESE COMPANIES HAVE ENTERED INTO OUR MARKET, IT'S CLEAR THAT THEY DO NOT FIT INTO THE

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CURRENT COMMON CARRIER REGULATIONS AND NEW LEGISLATION IS NECESSARY. THROUGHOUT THE PAST SEVERAL MONTHS, MY OFFICE HAS BEEN WORKING DILIGENTLY WITH UBER, LYFT, VARIOUS TAXI COMPANIES FROM OMAHA AND LINCOLN, REPRESENTATIVES FROM THE INSURANCE INDUSTRY, AND THE PUBLIC SERVICE COMMISSION TO LAY OUT A REGULATORY FRAMEWORK FOR TNCs TO OPERATE IN NEBRASKA. THIS REGULATORY FRAMEWORK ENSURES THE PROTECTION OF THE PUBLIC, INCLUDING APPROPRIATE INSURANCE REQUIREMENTS, REQUIRING CRIMINAL BACKGROUND CHECKS ON DRIVERS, VEHICLE INSPECTIONS BY A CERTIFIED MECHANIC, AND GIVES THE PUBLIC SERVICE COMMISSION PROPER AUTHORITY TO OVERSEE THE OPERATION OF TNCs IN NEBRASKA. EVEN THOUGH THERE WAS NOT UNANIMOUS CONSENT AMONG ALL THE INTERESTED PARTIES ON EVERY SECTION OF THE BILL, I PERSONALLY WANT TO THANK EVERYONE INVOLVED IN OUR PROCESS IN CRAFTING LB629 THROUGH THE INTERIM AND THROUGH THE BEGINNING PART OF THIS SESSION. THERE HAVE BEEN SEVERAL NEGOTIATED COMPROMISES SINCE LB629 WAS INTRODUCED, SOME OF WHICH YOU WILL SEE IN THE COMMITTEE AMENDMENT, AM1075. MANY OF THE TESTIFIERS AT THE HEARING SPOKE TO THE SPECIFICS OF HOW TNCs WORK AND HOW THEY FIT INTO THE NEW REGULATIONS LAID OUT IN LB629. WHILE WE HEARD OPPOSITION TO THE GENERAL CONCEPT OF TNCs IN NEBRASKA, I WANT TO ASSURE THE BODY THAT MY OFFICE HAS WORKED TIRELESSLY TO BRING AS MANY INTERESTED PARTIES TO THE TABLE AS POSSIBLE IN DRAFTING A RESPONSIBLE REGULATORY FRAMEWORK. IT'S SUFFICIENT TO SAY THAT TNCs HAVE PERMANENTLY CHANGED THE TRANSPORTATION INDUSTRY. LB629 SHOWS THAT NEBRASKA IS FRIENDLY TO INNOVATION, OPEN TO NEW BUSINESSES, AND OPEN TO NEW TECHNOLOGY WHILE PUTTING IN PLACE RESPONSIBLE REGULATIONS THAT PROTECT THE CONSUMER AND THE PUBLIC. I'D LIKE TO THANK SENATOR SMITH AND THE TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE FOR MAKING LB629 A COMMITTEE PRIORITY BILL, AND SPECIFICALLY SENATOR SMITH FOR WORKING WITH ME AND OTHER INTERESTED PARTIES IN TRYING TO CRAFT A COMPROMISE TO THE UNDERLYING BILL. THANK YOU FOR YOUR TIME, AND I'D BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE AND URGE YOU TO ADOPT LB629. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. (DOCTOR OF THE DAY INTRODUCED.) AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE. SENATOR BRASCH, AS VICE CHAIR OF THE COMMITTEE, YOU'RE WELCOME TO OPEN ON THE COMMITTEE AMENDMENT. [LB629]

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SENATOR BRASCH: THANK YOU, MR. LIEUTENANT GOVERNOR, AND THANK YOU, COLLEAGUES. I OFFER THIS EXPLANATION OF THE COMMITTEE AMENDMENT. THE COMMITTEE AMENDMENT WILL SUBSTITUTE FOR THE BILL AND MAKES THE FOLLOWING CHANGES TO LB629. SECTION 2, THE DEFINITION OF THE TERM TRANSPORTATION NETWORK COMPANY IS AMENDED TO PROVIDE THAT THE TERM, TRANSPORTATION NETWORK COMPANY, DOES NOT INCLUDE MEDICAID NONEMERGENCY TRANSPORTATION BROKERAGE SERVICES PROVIDED PURSUANT TO A CONTRACT WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES. SECTION 3, THE PERIOD OF TIME IN WHICH THE PUBLIC SERVICE COMMISSION HAS TO ACT UPON AN APPLICATION TO PROVIDE TRANSPORTATION NETWORK SERVICE IS CHANGED. AS INTRODUCED, THE PUBLIC SERVICE COMMISSION HAD 30 DAYS IN WHICH TO CONSIDER AN APPLICATION. UNDER THE AMENDMENT, THE PUBLIC SERVICE COMMISSION MUST ACT WITHIN 60 DAYS IF THE APPLICANT IS AUTHORIZED TO DO BUSINESS BY ANOTHER STATE, 90 DAYS IF NEBRASKA IS THE FIRST STATE IN WHICH THEY ARE SEEKING AUTHORITY. ALSO, THE AMENDMENT CLARIFIES THAT A DRIVER FOR A TRANSPORTATION NETWORK COMPANY IS NOT REQUIRED TO OBTAIN ANY PERMIT OR OTHER AUTHORITY FROM THE PUBLIC SERVICE COMMISSION. SECTION 4, THIS SECTION PROVIDES THE INFORMATION THAT A TRANSPORTATION NETWORK COMPANY MUST PROVIDE TO THE PUBLIC SERVICE COMMISSION. THE AMENDMENT REQUIRES THE TRANSPORTATION NETWORK COMPANY TO PROVIDE THE PUBLIC SERVICE COMMISSION THE VEHICLE IDENTIFICATION NUMBER FOR ANY PERSONAL VEHICLE TO BE OPERATED IN CONNECTION WITH THE TRANSPORTATION NETWORK COMPANY, AND THE TRANSPORTATION NETWORK COMPANY MUST IMPLEMENT AND FILE WITH THE PUBLIC SERVICE COMMISSION AN ANTIDISCRIMINATION POLICY THAT APPLIES TO DRIVERS. SECTION 6, THIS SECTION COVERS RATES AND OPERATIONS OF A TRANSPORTATION NETWORK COMPANY. THIS SECTION IS AMENDED TO PROVIDE THAT NO DRIVER SHALL PARTICIPATE AS A TRANSPORTATION NETWORK COMPANY DRIVER FOR MORE THAN 12 HOURS IN ANY 24-HOUR PERIOD. ALSO, THE TRANSPORTATION NETWORK COMPANY IS REQUIRED TO FILE RATES FOR COMPENSATION WITH THE PUBLIC SERVICE COMMISSION, INCLUDING USAGE OF DYNAMIC PRICING. WHEN DYNAMIC PRICING IS IN EFFECT, THE ON-LINE APP SHALL INDICATE THAT DYNAMIC PRICING IS IN EFFECT. THE PASSENGER MUST CONFIRM THEY UNDERSTAND IT IS IN EFFECT. THE APP SHALL DISPLAY A FARE ESTIMATOR, AND DYNAMIC PRICING SHALL NOT BE ALLOWED DURING ANY PERIOD OF EMERGENCY DECLARED BY THE GOVERNOR. SECTION 8, THIS SECTION IS REVISED BY THE AMENDMENT TO PROVIDE THAT THE PUBLIC SERVICE COMMISSION IS AUTHORIZED TO INSPECT ANY RECORDS HELD BY A TRANSPORTATION NETWORK COMPANY. INSPECTIONS ARE TO OCCUR BY THE

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PUBLIC SERVICE COMMISSION AT LEAST ONCE EVERY CALENDAR QUARTER ON AN AUDIT BASIS. THE PUBLIC SERVICE COMMISSION MAY INSPECT ANY RECORDS AT ANY TIME TO RESOLVE A SPECIFIC COMPLAINT. RECORDS INSPECTED ARE NOT CONSIDERED TO BE PUBLIC RECORDS AND SHALL NOT BE SUBJECT TO A DISCLOSURE BY THE COMMISSION. SECTION 11, INFORMATION REQUIRED TO BE DISCLOSED TO PARTICIPATING DRIVERS BY A TRANSPORTATION NETWORK COMPANY, THE SECTION IS AMENDED BY PROVIDING THAT IF A VEHICLE OPERATED FOR TRANSPORTATION NETWORK COMPANY PURPOSES HAS A LIEN AGAINST IT, THE OWNER OF THE VEHICLE MUST NOTIFY THE LIENHOLDER THAT IT WILL BE USED FOR TRANSPORTATION NETWORK COMPANY PURPOSES, AND THEY MAY BE IN VIOLATION OF TERMS OF A CONTRACT WITH THE LIENHOLDER. SECTION 14, THE AMENDMENT STRIKES LANGUAGE STATING THAT A TRANSPORTATION COMPANY MAY SATISFY INSURANCE REQUIREMENTS UNDER THE ACT WHEN COVERAGE IS MAINTAINED BY THE DRIVER ONLY WHEN THE TRANSPORTATION NETWORK COMPANY VERIFIES THAT APPROPRIATE COVERAGE IS IN EFFECT. THE AMENDMENT SUBSTITUTES LANGUAGE...PROVIDES COVERAGE IN A TNC INSURANCE POLICY THAT SHALL NOT BE DEPENDENT ON A PERSONAL INSURANCE POLICY FIRST DENYING A CLAIM OR BEING REQUIRED FIRST TO DENY A CLAIM. IF THE PARTICIPATING DRIVER FAILS TO PROVIDE TRANSPORTATION NETWORK COMPANY INSURANCE, THE TRANSPORTATION NETWORK COMPANY SHALL PROVIDE COVERAGE BEGINNING WITH THE FIRST DOLLAR OF A CLAIM. FOR TRANSPORTATION NETWORK COMPANY INSURANCE TO BE EFFECTIVE, IT MUST BE FILED BY THE TRANSPORTATION NETWORK COMPANY WITH THE PUBLIC SERVICE COMMISSION SPECIFYING THAT CANCELLATION OR NONRENEWAL OF THE POLICY MAY NOT OCCUR UNTIL THE PSC HAS RECEIVED AT LEAST 30 DAYS' WRITTEN NOTICE FROM THE INSURER. SECTION 15, THIS SECTION STATES THAT THE LIABILITY EXPOSURE OF TRANSPORTATION NETWORK COMPANIES SHALL NOT BE LIMITED TO INSURANCE COVERAGE IN PLACE. THE AMENDMENT PROVIDES THAT IN EFFECT OF A LOSS INVOLVING A PERSONAL VEHICLE USED IN CONNECTION WITH A TRANSPORTATION NETWORK COMPANY, THE TRANSPORTATION NETWORK COMPANY SHALL REQUIRE ITS INSURER TO CONDUCT A RECORDS SEARCH TO DETERMINE IF A LIEN EXISTS UPON A PERSONAL VEHICLE. IF A LIEN EXISTS AND IF THE TRANSPORTATION COMPANY NETWORK'S INSURER MAKES A PAYMENT FOR THE CLAIM COVERED UNDER THE COMPREHENSIVE OR COLLISION PHYSICAL DAMAGE COVERAGE, PAYMENT SHALL BE MADE TO THE FACILITY PREPARING ANY DAMAGE OR MADE JOINTLY TO THE VEHICLE OWNER AND THE PRIMARY LIENHOLDER. SECTION 16, THE COMMITTEE AMENDMENT ADDS A NEW SECTION TO THE BILL THAT PROVIDES THAT THE OWNER OF A PERSONAL VEHICLE TO BE USED FOR THE

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TRANSPORTATION NETWORK COMPANY PURPOSES SHALL HAVE THE DUTY TO MAINTAIN COMPREHENSIVE AND COLLISION PHYSICAL DAMAGE COVERAGE ON SUCH VEHICLE IF THEY ARE REQUIRED TO CARRY SUCH COVERAGE UPON THE VEHICLE DUE TO A CONTRACTUAL OBLIGATION. SECTION 18, THE AMENDMENT STRIKES THE LANGUAGE PRESCRIBING WHEN A PERSONAL POLICY OF INSURANCE MAY BE SUBJECT TO A DUTY WHEN THE VEHICLE IS USED FOR TRANSPORTATION NETWORK COMPANY PURPOSES AND IS REPLACED WITH LANGUAGE THAT PROVIDES THAT A PERSONAL INSURER MAY ELECT TO PROVIDE A POLICY OF INSURANCE AND ENDORSEMENT OR A RIDER THAT COVERS VEHICLES WITH A CAPACITY OF EIGHT PERSONS OR LESS WITH COVERAGE WHEN THE VEHICLE IS USED AS A TRANSPORTATION NETWORK COMPANY VEHICLE ONLY IF THE POLICY EXPRESSLY PROVIDES FOR INSURANCE COVERAGE DURING THE TIME PERIODS PROVIDED FOR IN SECTIONS 12 AND 13 OF THE ACT. SECTION 21, THE COMMITTEE AMENDMENT ADDS A NEW SECTION TO THE BILL THAT PROVIDES THAT NO TRANSPORTATION NETWORK COMPANY OR PARTICIPATING DRIVER SHALL PROVIDE TRANSPORTATION FOR ANY PERSON UNDER CONTRACT WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES WITHOUT SPECIFIC AUTHORIZATION FROM THE PUBLIC SERVICE COMMISSION. TO OBTAIN PUBLIC SERVICE COMMISSION AUTHORIZATION, THE REQUESTING PARTY SHALL BE REQUIRED TO DEMONSTRATE PUBLIC CONVENIENCE AND NECESSITY EXISTS FOR THE SERVICE. AND FINALLY, SECTION 24, THE COMMITTEE AMENDMENT MAKES A SUBSTANTIVE CHANGE TO SECTION 75-304. THIS SECTION PROVIDES FOR THE CLASSIFICATION OF MOTOR CARRIERS SUBJECT TO REGULATION BY THE PUBLIC SERVICE COMMISSION. THE AMENDMENT PROVIDES THAT CONTRACT DRIVERS SHALL OBTAIN AND MAINTAIN UNINSURED AND UNDERINSURED INSURANCE COVERAGE FOR EACH PASSENGER IN EACH MOTOR VEHICLE OPERATED BY THE CONTRACT CARRIER IN MINIMUM AMOUNTS TO BE ESTABLISHED BY THE PUBLIC SERVICE COMMISSION. I THANK YOU FOR YOUR ATTENTION, COLLEAGUES. THANK YOU, MR. LIEUTENANT GOVERNOR. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR BRASCH. MR. CLERK. [LB629]

CLERK: MR. PRESIDENT, I HAVE AMENDMENTS TO THE COMMITTEE AMENDMENTS. SENATOR MORFELD WOULD MOVE TO AMEND WITH FA47. (LEGISLATIVE JOURNAL PAGE 1218.) [LB629]

PRESIDENT FOLEY: SENATOR MORFELD, YOU'RE WELCOME TO OPEN ON FA47. [LB629]

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SENATOR MORFELD: THANK YOU, LIEUTENANT GOVERNOR. FA47, I WANT TO EMPHASIZE, IS NOT A HOSTILE AMENDMENT. HOWEVER, IT IS AN AMENDMENT THAT I PUT IN PLACE IN ORDER TO TALK ABOUT THE IMPORTANCE OF THIS ISSUE BROADLY BEFORE WE GET TO SOME OF THE MORE SUBSTANTIVE AMENDMENTS THAT GET INTO THE MINUTIAE OF THE INSURANCE ISSUE AT HAND. AND THE REASON WHY I FILED FA47 IS THERE'S GOING TO BE SOME DEBATE ON HOW WE INSURE THE DRIVERS THAT PARTICIPATE IN UBER AND SERVICES LIKE LYFT AND OTHER SERVICES THAT MAY COME TO THE STATE. HOWEVER, BEFORE WE DISCUSS AND DEBATE THOSE ISSUES, I WANT TO TALK ABOUT THE IMPORTANCE OF THESE TYPES OF SERVICES, PARTICULARLY TO MY DISTRICT AND TO MANY OTHER DISTRICTS ACROSS THE STATE. WHEN I WAS A STUDENT AT THE UNIVERSITY OF NEBRASKA JUST ABOUT FIVE OR SIX YEARS AGO, PARTICULARLY AS AN UNDERGRAD, WE HAD 475-RIDE. AND 475-RIDE WAS A GREAT PROGRAM IN CONCEPT. IT PROVIDED FREE RIDES BASED ON YOUR STUDENT FEE...PROVIDED FOR BY YOUR STUDENT FEES FOR PEOPLE WHO NEEDED RIDES AT THE END OF THE NIGHT BUT COULDN'T DRIVE OR DIDN'T HAVE A CAR. IT PREVENTED A LOT OF...THE PURPOSE OF IT WAS TO PROVIDE, NUMBER ONE, SAFE RIDES BUT THEN, NUMBER TWO, TO PREVENT DRUNK DRIVING FOR THOSE THAT HAD BEEN DOWNTOWN AND HAD TOO MUCH TO DRINK BUT COULDN'T DRIVE HOME. THE CONCEPT WAS GREAT, BUT THE PROBLEM WAS IS THAT THERE WERE NEVER ENOUGH CABS TO ACTUALLY PROVIDE THE SERVICES. SO IT WAS ALMOST A RUNNING JOKE. YEAH, YOU CAN CALL 475-RIDE AND WAIT THREE OR FOUR HOURS FOR A RIDE. IT'S NOT GOING TO SHOW UP. AND SINCE THEN, WE'VE HAD A LITTLE BIT MORE COMPETITION COME TO THE LINCOLN MARKET WITH THE CAB SERVICES. AND I THINK THAT'S FANTASTIC. HOWEVER, THERE IS STILL A HUGE NEED. AND I'VE SEEN THAT IN MY DISTRICT IN PARTICULAR, WHICH COVERS DOWNTOWN, THE UNIVERSITY OF NEBRASKA-LINCOLN, CITY AND EAST CAMPUS. AND THAT HUGE NEED WILL BE FILLED BY THE SERVICES AND THE CARRIERS THAT WILL COME BECAUSE OF LB629. I SUPPORT LB629 AND WE'LL HAVE A ROBUST DEBATE ABOUT SOME OF THE AMENDMENTS THAT COME UP AFTER I PULL MY FLOOR AMENDMENT HERE. BUT I DON'T WANT US TO LOSE SIGHT OF HOW IMPORTANT IT IS FOR US TO HAVE THIS REGULATORY FRAMEWORK AND INFRASTRUCTURE IN PLACE SO THAT WE CAN HAVE LEGAL RIDE-SHARING SERVICES IN THE STATE OF NEBRASKA. I'VE SEEN ALL TOO MANY PEOPLE DRIVE HOME, UNFORTUNATELY, AND HEAR ABOUT IT THE NEXT DAY BECAUSE THERE WERE NOT CABS AVAILABLE. THERE WERE NO SERVICES AVAILABLE AT 1:00 OR 2:00 IN THE MORNING. THIS IS AN ISSUE OF PUBLIC SAFETY NOT ONLY FOR THOSE INDIVIDUALS DRIVING THAT PROBABLY SHOULDN'T BE, OR SHOULDN'T BE, BUT ALSO FOR FAMILIES THAT ARE ON THE ROAD, PEOPLE THAT ARE GOING TO AND FROM WORK. WE NEED TO ENSURE

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THAT THERE IS AS MANY DIFFERENT PUBLIC TRANSPORTATION OPTIONS FOR NEBRASKANS AS POSSIBLE. WE NEED TO MAKE SURE THAT WE STAY UP WITH THE TIMES AND LB629 DOES THAT. FOR MY JOB, I TRAVELED ALL OVER THE COUNTRY FAIRLY REGULARLY. AND IN THE BIGGER METROPOLITAN AREAS, SUCH AS EVEN KANSAS CITY OR MINNEAPOLIS OR DES MOINES, BUT ALSO D.C., AND SAN FRANCISCO, THESE SYSTEMS WORK VERY WELL. THEY'RE INCREDIBLY EFFICIENT. THE DRIVERS PASS BACKGROUND CHECKS THAT ARE ACTUALLY MORE RIGOROUS THAN SOME OF THE CAB COMPANIES IN MANY CASES. AND THEY'RE VERY EFFICIENT. AND WHETHER YOU'RE YOUNG OR OLDER, THE FACT OF THE MATTER IS THAT TECHNOLOGY IS HERE TO STAY, AND PEOPLE HAVE DIFFERENT EXPECTATIONS FOR HOW THEY GET THEIR SERVICES. AND BEING ABLE TO STAY UP WITH THOSE EXPECTATIONS NOT ONLY IS A MATTER OF CONVENIENCE, BUT IT'S A MATTER OF PUBLIC SAFETY. AND LB629 PROVIDES THE FRAMEWORK FOR THAT SERVICE TO PROVIDE THAT PUBLIC SAFETY. AND I URGE, REGARDLESS OF WHERE WE COME DOWN ON THE AMENDMENTS TODAY, PARTICULARLY IN REGARD TO INSURANCE, THAT WE ENSURE THAT WE PROVIDE THAT FRAMEWORK AND SUPPORT LB629 SO THAT WE CAN HAVE THESE CRITICAL RIDE-SHARING SERVICES. THANK YOU. [LB629]

PRESIDENT FOLEY: FA47 IS WITHDRAWN. MR. CLERK. [LB629]

CLERK: MR. PRESIDENT, THE SECOND AMENDMENT I HAVE TO THE BILL, SENATOR LINDSTROM, AM1300. (LEGISLATIVE JOURNAL PAGE 1218.) [LB629]

PRESIDENT FOLEY: SENATOR LINDSTROM, YOU'RE WELCOME TO OPEN ON AM1300. [LB629]

SENATOR LINDSTROM: THANK YOU, MR. LIEUTENANT GOVERNOR, MEMBERS OF THE LEGISLATURE. AM1300 TO THE COMMITTEE AMENDMENTS TO LB629 WOULD REQUIRE A TRANSPORTATION NETWORK COMPANY PRIOR TO PERMITTING A PERSON TO ACT AS A PARTICIPATING DRIVER FOR THE TRANSPORTATION NETWORK COMPANY TO CONDUCT A RECORD SEARCH TO DETERMINE IF A LIEN EXISTS AGAINST THE PERSONAL VEHICLE TO BE USED IN CONNECTION WITH THE TRANSPORTATION NETWORK COMPANY ACTIVITIES. IF A LIEN EXISTS, AT LEAST SEVEN BUSINESS DAYS IN ADVANCE OF PERMITTING THE PERSON TO ACT AS A PARTICIPATING DRIVER, THE TRANSPORTATION NETWORK COMPANY MUST PROVIDE NOTICE TO THE LIENHOLDER THAT THE VEHICLE WILL BE OPERATED IN CONNECTION WITH THE TRANSPORTATION NETWORK COMPANY. THE REQUIRED NOTICE MUST BE SENT BY CERTIFIED MAIL, RETURN RECEIPT

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REQUESTED, TO THE ADDRESS REFLECTED ON THE CERTIFICATE OF TITLE, OR ELECTRONIC CERTIFICATE OF TITLE RECORD FOR SUCH VEHICLE. THE COMMITTEE AMENDMENT TO LB629 DOES NOT GIVE SUFFICIENT CONSIDERATION TO THE RISK THAT TRANSPORTATION NETWORK ACTIVITIES CREATE FOR LENDERS WHEN A VEHICLE THAT IS SUBJECT TO A LIEN IS USED IN CONNECTION WITH THE SERVICE. THIS IS BECAUSE LENDERS WILL GENERALLY NOT BE AWARE THAT A VEHICLE IS BEING OPERATED IN CONNECTION WITH TRANSPORTATION NETWORK COMPANY ACTIVITIES. LENDERS NORMALLY REQUIRE COLLISION, PHYSICAL DAMAGE, AND COMPREHENSIVE PHYSICAL DAMAGE INSURANCE COVERAGE WHEN FINANCING A VEHICLE LOAN. COMPREHENSIVE PHYSICAL DAMAGE AND COLLISION PHYSICAL DAMAGE INSURANCE COVERAGE PROTECT THE VALUE OF THE VEHICLE, WHICH IS THE COLLATERAL FOR THE LOAN. COLLISION PHYSICAL DAMAGE INSURANCE COVERS DAMAGE TO THE VEHICLE IN THE EVENT OF AN ACCIDENT, AND COMPREHENSIVE PHYSICAL DAMAGE INSURANCE COVERS OTHER INCIDENTS SUCH AS THEFT, FIRE, OR VANDALISM. WITHOUT SUCH COVERAGE, A BORROWER MAY DECIDE NOT TO REPAIR A DAMAGED VEHICLE AND THE RISK OF DEFAULT ON THE VEHICLE LOAN WILL INCREASE. AS A RESULT OF FORGOING, IT IS IMPORTANT FOR THE HOLDER OF A LIEN AGAINST A PERSONAL VEHICLE OPERATED IN CONNECTION WITH TRANSPORTATION NETWORK COMPANY ACTIVITIES TO BE NOTIFIED OF THIS FACT. AM1300 WOULD ACCOMPLISH THIS PURPOSE. ARMED WITH THE KNOWLEDGE THAT A PERSONAL VEHICLE SUBJECT TO A LIEN IS BEING USED IN CONNECTION WITH TRANSPORTATION NETWORK ACTIVITIES, THE LENDER CAN TAKE ACTION TO PROTECT HIS INTEREST IN THE VEHICLE. FOR EXAMPLE, THE LENDER COULD REQUIRE THE DRIVER TO OBTAIN BUSINESS OR COMMERCIAL INSURANCE COVERAGE FOR THE VEHICLE OR IT MAY FORCE PLACE SUCH COVERAGE IF AUTHORIZED TO DO SO BY ITS CONTRACT WITH THE BORROWER. IN THE EVENT OF THE DRIVER'S INDIVIDUAL COMPREHENSIVE AND COLLISION INSURANCE DENIES COVERAGE, LAPSES, OR IS NOT OTHERWISE IN EFFECT, THE AMENDMENT PROVIDES FOR THE TRANSPORTATION NETWORK COMPANY INSURER IN CASES IN WHICH A LIEN EXISTS TO MAKE PAYMENT FOR A CLAIM TO THE BUSINESS REPAIRING THE VEHICLE OR JOINTLY TO THE OWNER AND PRIMARY LIENHOLDER. NOTHING IN THIS AMENDMENT REQUIRES A TRANSPORTATION NETWORK COMPANY TO MAINTAIN COMPREHENSIVE AND COLLISION INSURANCE COVERAGE. THANK YOU, LIEUTENANT GOVERNOR. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR LINDSTROM. DEBATE IS NOW OPEN ON LB629 AND RELATED AMENDMENTS. SENATOR SMITH, YOU'RE RECOGNIZED. [LB629]

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SENATOR SMITH: THANK YOU, MR. PRESIDENT, AND GOOD MORNING, COLLEAGUES. THIS IS A VERY COMPLICATED BILL AND SET OF AMENDMENTS THAT ARE PENDING. AND I WANTED TO KIND OF EXPLAIN MY ROLE IN THIS. I DO APPRECIATE SENATOR BRASCH, WHO IS THE VICE CHAIR OF THE TRANSPORTATION TELECOMMUNICATIONS COMMITTEE, FOR INTRODUCING THE TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE AMENDMENT. I DID NOT SUPPORT THAT COMING OUT OF COMMITTEE AND I WANTED TO BE ABLE TO SPEAK MORE FREELY TODAY ON SOME ISSUES THAT I SEE REMAINING WITH THE UNDERLYING BILL ONCE AMENDED. AGAIN, I APPRECIATE SENATOR BRASCH CARRYING THE COMMITTEE AMENDMENT AT THIS POINT. I APPRECIATE SENATOR LINDSTROM'S LAST AMENDMENT THAT HE HAS INTRODUCED. AGAIN, I SAY THIS IS VERY COMPLICATED AND IT'S BEEN GOING ON FOR EASILY A YEAR NOW. WE ALL THAT ARE ENGAGED ON THIS ISSUE, WE WANT TNC, RIDE-SHARE COMPANIES, THE UBER AND LYFTS OF THE WORLD, WE WANT THEM TO OPERATE IN OUR STATE. WE WANT THEM TO OPERATE IN OUR CITIES. I THINK IT'S A FANTASTIC TECHNOLOGY COMPANY, AND WE WANT THAT INNOVATION, THAT TECHNOLOGY, AND THOSE OPTIONS FOR OUR CITIZENS TO HAVE. WE WANT THAT TO HAPPEN. WE HAVE SOME DIFFERENCE OF OPINIONS AS TO SOME OF THE GUIDELINES AND OPERATIONS UNDER WHICH THESE TNCs SHOULD FOLLOW. I LISTENED TO SENATOR MORFELD, AND HE'S ABSOLUTELY RIGHT. WE WANT OPTIONS FOR OUR CITIZENS AND OUR STUDENTS AND THAT'S WHAT WE DID WITH THE TRANSPORTATION, THE UNDERLYING BILL, THE TRANSPORTATION AMENDMENT, AND EVEN THE PENDING AMENDMENT. WHAT WE TRIED TO DO WAS TO ADDRESS THE CONCERNS. THERE'S PROBABLY ABOUT FOUR PLAYERS IN THIS. WE HAVE THE TNC COMPANY AND THE TNC COMPANY NEEDS TO BE ABLE TO OPERATE IN SUCH A WAY THAT REFLECTS THEIR STRUCTURE. AND I BELIEVE THAT THE AMENDMENTS AND THE UNDERLYING BILL DOES THAT. THEY'RE CONCERNED ABOUT SETTING A NATIONAL PRECEDENT AS TO HOW THEY DO BUSINESS AND THEY DON'T WANT IT TO BE BURDENSOME. I DO NOT BELIEVE ANY OF THESE AMENDMENTS ARE BURDENSOME TO THE TNC TO BE ABLE TO OPERATE. WE ALSO HAVE THE PUBLIC THAT NEEDS TO BE PROTECTED AND TO BE ABLE TO BE PROVIDED TRANSPORTATION OPTIONS. I BELIEVE THAT THE UNDERLYING BILL AND THE AMENDMENT TAKES CARE OF THAT. IT PROVIDES LIABILITY FROM APP ON TO APP OFF FOR THE DRIVER AND THE PASSENGER AND THE PEOPLE THAT MAY BE ENGAGED OR INVOLVED IN AN ACCIDENT WITH THAT AUTOMOBILE WHEN IT'S DURING THAT APP ON TO APP OFF TIME. AND THEN WE TRIED TO ADDRESS THE COLLISION COMPREHENSIVE, BUT I'LL GET TO THAT IN A MOMENT. THE THIRD PLAYERS ARE THE DRIVERS. THE DRIVERS WANT TO HAVE FLEXIBILITY IN WORKING CONDITIONS. THEY WANT TO HAVE ADDITIONAL INCOME. AND WE WANT TNC, RIDE-SHARE COMPANIES TO OPERATE

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IN NEBRASKA. BUT THERE ARE CONDITIONS, REASONABLE CONDITIONS WE BELIEVE WE SHOULD SET ON SUCH COMPANIES OPERATING. THEN COMES THE FOURTH PLAYER IN THIS, AND THAT IS THE INSTITUTION OR THE PERSON OR WHATEVER THAT MIGHT BE THAT HOLDS THE LIEN ON A VEHICLE. THIS TYPE OF BUSINESS, THE SIMPLE NATURE OF THIS BUSINESS FOCUSES ON THE QUALITY OF THE VEHICLE. SO MANY TIMES THESE DRIVERS ARE PAYING A NOTE ON THAT VEHICLE THAT THEY'RE DRIVING. YOU KNOW, IT'S A NICE VEHICLE. AND SO THERE MAY BE AN INSTITUTION INVOLVED THAT HOLDS THE LIEN FOR THAT VEHICLE. WE WANT TO BE ABLE TO PROTECT THOSE INSTITUTIONS THAT HOLD THOSE LIENS. NOW IF THERE'S A CLEAR TITLE, IT'S THE OWNER'S CHOICE AS TO WHETHER THEY CARRY COLLISION COMPREHENSIVE. AND I THINK SENATOR MURANTE MADE THAT POINT VERY CLEAR IN COMMITTEE. AND I AGREE WITH HIM. SO WHAT WE OFFERED WAS THAT... [LB629]

PRESIDENT FOLEY: HALF-MINUTE. [LB629]

SENATOR SMITH: ...COLLISION AND COMPREHENSIVE NOT BE MANDATED BECAUSE SOME OF THESE TNCs SAY THAT THEY WILL OFFER THE COLLISION COMPREHENSIVE AS PART OF THEIR PACKAGE. ALL WE'RE SAYING IS THAT THE TRANSPORTATION COMMITTEE MAKES IT REACTIVE, REACTIVE ON COLLISION COMPREHENSIVE. THAT MEANS ONCE THERE IS AN ACCIDENT, THEN THE TNC WILL DO A RECORDS SEARCH AND THEY WILL NOTIFY THE LIENHOLDER THAT THERE WAS AN ACCIDENT ON THAT VEHICLE AND IF THERE IS NOT COVERAGE... [LB629]

PRESIDENT FOLEY: TIME, SENATOR. [LB629]

SENATOR SMITH: THANK YOU. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR SMITH. IN THE SPEAKING QUEUE ARE SENATORS MURANTE, NORDQUIST, GLOOR, MELLO, AND WATERMEIER. SENATOR MURANTE, YOU'RE RECOGNIZED. [LB629]

SENATOR MURANTE: THANK YOU, MR. PRESIDENT. MEMBERS, GOOD MORNING. I RISE IN SUPPORT OF LB629 AND THE TRANSPORTATION COMMITTEE AMENDMENTS, AND IN OPPOSITION TO AM1300 FOR A NUMBER OF REASONS. FIRST OF ALL, JUST AS BY WAY OF BACKGROUND, SENATOR SMITH CORRECTLY ILLUSTRATED SOME OF THE BACKGROUND OF THIS PROPOSAL. IT'S IMPORTANT TO NOTE THAT AM1300 AND THE CONCEPTS BEHIND IT WERE PRESENTED TO THE

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TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE. AND ULTIMATELY THE TRANSPORTATION COMMITTEE DID NOT SUPPORT THE CONCEPT BEHIND AM1300, AND THERE'S A NUMBER OF REASONS FOR THAT. BUT I THINK IT'S IMPORTANT TO REMEMBER THAT WE'VE TALKED A LOT ABOUT COMMITTEE STRUCTURE, COMMITTEE PROCESS, AND HOW WE VET IDEAS ON THE FLOOR. THIS WAS A CONCEPT THAT WAS STUDIED IN DETAIL IN THE TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE. WE HAD SEVERAL EXECUTIVE SESSIONS ON THE SUBJECT MATTER AND ULTIMATELY THE COMMITTEE, BY MAJORITY VOTE, DETERMINED THAT THE TRANSPORTATION COMMITTEE AMENDMENTS PROVIDED SUFFICIENT REGULATION TO ENSURE THE PUBLIC SAFETY OF BOTH THE DRIVERS OF THE TNCs AND OF THOSE WHO ARE BEING PROVIDED RIDES. SO I WANTED TO TALK INITIALLY ABOUT THE COMMITTEE PROCESS AND THE COMMITTEE STRUCTURE. THIS WAS A CONCEPT THAT WAS BROUGHT TO OUR ATTENTION AND ULTIMATELY IT WAS REJECTED. I'D LIKE TO TALK A LITTLE BIT ABOUT THE NATURE OF THE COMMITTEE AMENDMENTS AS WELL BECAUSE THE COMMITTEE AMENDMENTS AS THEY STAND, AND I THINK SENATOR MELLO DISTRIBUTED A SHEET THAT OUTLINES IN WRITING WHAT I'M ABOUT TO SAY, BUT THERE ARE SUBSTANTIAL AMOUNTS OF REGULATION IN THIS BILL. BY NO STRETCH OF THE IMAGINATIONS DO TNCs GO UNREGULATED OR UNDERREGULATED. THERE ARE REGULATIONS IN THIS BILL THAT APPLY TO TNCs THAT DO NOT APPLY TO ANY OTHER COMPANY, ANY OTHER INDUSTRY IN THE STATE OF NEBRASKA WHERE EMPLOYEES UTILIZE THEIR OWN CAR DURING THE PERFORMANCE OF THEIR JOB DUTIES. AND NOT THAT EVERY ISSUE IN THIS LEGISLATURE BOILS DOWN TO PIZZA PLACES, BUT PIZZA DELIVERY DRIVERS, FOR EXAMPLE, DO NOT HAVE TO ABIDE BY THE REGULATIONS IN AM1300. DRIVERS ACROSS THE BOARD DO NOT HAVE TO...AND COMPANIES ACROSS THE BOARD DO NOT HAVE TO ABIDE BY THE REGULATIONS WHICH ARE INTRODUCED IN AM1300. THIS WOULD BE UNIQUE, AND I DON'T KNOW WHAT IS UNIQUE ABOUT THOSE PEOPLE USING THEIR CARS IN THIS PARTICULAR INDUSTRY. AND I ALSO WANT TO BRING UP, THIS IS A NEW...TNCs, UBER, LYFT, THAT SORT OF INDUSTRY IS RELATIVELY NEW TO THE UNITED STATES. AND AS WE SPEAK, STATES AROUND THE COUNTRY ARE GRAPPLING, THEY'RE IN THE EXACT SAME BOAT THAT WE ARE, TRYING TO FIGURE OUT HOW TO ALLOW THESE COMPANIES TO OPERATE BUT IN A WAY THAT'S SAFE AND WHICH PROVIDES PUBLIC SAFETY. THE TRANSPORTATION COMMITTEE AMENDMENTS ALREADY REGULATES IN GREAT DETAIL HOW THESE COMPANIES ARE GOING TO OPERATE AND MAKES SURE THAT PUBLIC SAFETY IS TAKEN INTO CONSIDERATION. WITH AM1300, WE BECOME THE PIONEERS IN OVERREGULATION AND MAKE ONE OF THE MOST INTRUSIVE BILLS IN THE COUNTRY. I DON'T THINK THAT'S SOMETHING THAT WE OUGHT TO DO IN THE STATE OF NEBRASKA. AND I ALSO WANT TO BRING TO

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ATTENTION JUST YESTERDAY THE GOVERNOR OF KANSAS HAD A SIMILAR BILL PRESENTED TO HIS DESK WHICH HE VETOED BECAUSE, WHILE THEY RECOGNIZE THE IMPORTANCE OF ALLOWING TNCs TO OPERATE IN THE STATE OF KANSAS, THEY ALSO UNDERSTOOD THAT DOING IT IN A WAY WHICH OVERREGULATED THEIR INDUSTRY COULD DETER TNCs FROM GOING INTO THEIR STATE AND THAT'S NOT SOMETHING... [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR MURANTE: ...THAT THEY WERE INTERESTED IN DOING. I'M GOING TO READ JUST A FEW SENTENCES OUT OF THE VETO MESSAGE FROM GOVERNOR BROWNBACK, FROM KANSAS, WHERE HE SAID THAT HE APPLAUDS THE DISCUSSIONS THAT HAVE TAKEN PLACE NATIONALLY BETWEEN THE EMERGING RIDE-SHARING INDUSTRY AND INSURANCE COMPANIES. "SIMILAR DISCUSSIONS NOW NEED TO TAKE PLACE WITH THE BANKING COMMUNITY, WHICH UNDERSTANDABLY WANTS TO ENSURE ITS FINANCIAL INTERESTS ARE ALSO PROTECTED. I ALSO APPLAUD THE LEGISLATURE'S INTEREST IN PROTECTING THE SAFETY OF OUR CITIZENS. I STRONGLY SUPPORT BACKGROUND CHECKS FOR RIDE-SHARING DRIVERS. HOWEVER, THE RIDE-SHARING INDUSTRY BELIEVES THE BACKGROUND REQUIREMENT AS CURRENTLY WRITTEN, WEAKENS RATHER THAN STRENGTHENS, THE LEVEL OF SCRUTINY PLACED ON ITS POTENTIAL DRIVERS." THE GOVERNOR GOES ON TO SAY THAT WHILE THE INTENT IS GOOD, THE IMPLEMENTATION WAS BAD. MY CONCERN IS THAT BY ADOPTING AM1300, WE PUT... [LB629]

PRESIDENT FOLEY: TIME, SENATOR. [LB629]

SENATOR MURANTE: THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR MURANTE. SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB629]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. I STAND IN SOLIDARITY WITH MY BROTHER, SENATOR MURANTE, TO FIGHT OVERREGULATION WITH AM1300, CERTAINLY STAND IN SUPPORT OF LB629 AND THE COMMITTEE AMENDMENT. THIS VERY MUCH IS ABOUT EMBRACING AN INNOVATION ECONOMY, EMBRACING ECONOMIC GROWTH, EMBRACING NEW WAYS OF DOING BUSINESS AND THAT'S WHAT THESE RIDE-SHARING COMPANIES ARE ALL ABOUT. CERTAINLY THEY'RE MORE THAN A TREND. THEY'RE A

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REVOLUTION IN THE WAY PEOPLE ACCESS PUBLIC TRANSPORTATION AND IT WILL CONTINUE TO...INNOVATIONS LIKE THIS WILL CONTINUE TO IMPROVE THE LIVES OF INDIVIDUALS IN OUR STATE, IN OUR COMMUNITIES, AND ALL ACROSS THE COUNTRY. I CERTAINLY AGREE WITH SENATOR MURANTE THAT AM1300 IS BURDENSOME, THAT IT ADDS ADDITIONAL MANDATES TO THE BILL THAT ADD NO REAL VALUE TO THE UNDERLYING ISSUE. I WAS GOING TO ASK SENATOR LINDSTROM A QUESTION. IF HE COMES BACK IN, I WILL. BUT SENATOR MURANTE IS EXACTLY RIGHT THAT WE'RE PICKING OUT ONE SPECIFIC INSTANCE HERE WHERE INDIVIDUALS UTILIZE THEIR VEHICLE FOR SOMETHING OTHER THAN A TRADITIONAL PERSONAL USE. IF I GO TO WORK FOR SENATOR MURANTE, IF HE WANTS TO START A DELIVERY BUSINESS AT BIG FRED'S AND I WANT TO START DRIVING FOR HIM ON THE WEEKEND, THERE'S NO STATUTORY REQUIREMENT OR REGULATION THAT I HAVE TO LET MY BANK KNOW ABOUT THE UTILIZATION THAT EXCEEDS MY TRADITIONAL PERSONAL USE. WOULD SENATOR LINDSTROM YIELD TO A QUESTION? [LB629]

PRESIDENT FOLEY: SENATOR LINDSTROM, WOULD YOU YIELD, PLEASE? [LB629]

SENATOR LINDSTROM: YES. [LB629]

SENATOR NORDQUIST: SO, SENATOR LINDSTROM, CAN YOU EXPLAIN TO ME THE VALUE OF THIS? I SEE IT AS I'VE PURCHASED MY VEHICLE, I'VE SIGNED A LOAN AGREEMENT WITH THE BANK. WHAT'S IN THAT LOAN AGREEMENT IS WHAT'S IN THAT LOAN AGREEMENT. DOES ME DRIVING FOR...BECOMING A DRIVER FOR UBER MAKE ANY CHANGE TO THAT LOAN AGREEMENT IF THAT WASN'T WRITTEN INTO THAT LOAN AGREEMENT WITH THE BANK TO BEGIN WITH? [LB629]

SENATOR LINDSTROM: YEAH, THE PROBLEM THAT EXISTS IS THAT A POTENTIAL UBER DRIVER MIGHT NOT RELAY THE INFORMATION TO THE LIENHOLDER THAT THEY ARE PARTICIPATING AS A DRIVER FOR, SAY, AN UBER OR ANY TNC. [LB629]

SENATOR NORDQUIST: RIGHT. SO YOU'RE LOOKING FOR AN ADDITIONAL STEP HERE. BUT ONCE THE BANK KNOWS THAT, HOW DOES THAT CHANGE MY AGREEMENT OR MY INSURANCE REQUIREMENTS THAT I ALREADY HAVE IN PLACE WITH THE BANK? [LB629]

SENATOR LINDSTROM: WELL, THE INSURANCE WILL CHANGE IN THE SENSE THAT...WE DON'T HAVE IT, IT DOESN'T EXIST HERE IN THE STATE RIGHT NOW, BUT

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THERE WOULD BE A HYBRID TYPE OF INSURANCE FOR NOT ONLY PERSONAL, BUT IF YOU'RE TRANSACTING SOME TYPE OF BUSINESS LIKE BEING A TNC DRIVER. [LB629]

SENATOR NORDQUIST: ALL RIGHT. BUT AS OF RIGHT NOW, THOUGH, IF I'M REQUIRED BY MY LOAN AGREEMENT TO HAVE A \$500 DEDUCTIBLE FOR COMP AND CERTAIN LEVELS FOR LIABILITY, THAT WON'T CHANGE, IS THAT RIGHT? [LB629]

SENATOR LINDSTROM: AS IT STANDS RIGHT NOW, NO, THAT WOULD NOT CHANGE. [LB629]

SENATOR NORDQUIST: ALL RIGHT. THANK YOU, SENATOR LINDSTROM. AND I THINK IT'S IMPORTANT TO NOTE, THE COMMITTEE AMENDMENT, AS SENATOR MURANTE SAID, THERE'S A LOT OF STEPS, LOT OF REQUIREMENTS, REGULATIONS THAT ARE IN THE COMMITTEE AMENDMENT. AND ONE OF THOSE IS THE DRIVER IS REQUIRED TO NOTIFY THEIR LIENHOLDER ABOUT IT, SO THERE IS THAT PIECE IN PLACE ALREADY. BUT I CAN TELL YOU IN THE LAST THREE YEARS, I'VE PURCHASED TWO NEW VEHICLES AND EACH TIME MY BANK HAS SENT ME A LETTER REQUESTING VERIFICATION THAT I HAVE MET THOSE MINIMUM REQUIREMENTS FOR INSURANCE. ONE TIME I ONLY HAD \$1,000 DEDUCTIBLE AND THEY SAID, NO, YOU HAVE TO HAVE A \$500 DEDUCTIBLE, THAT WAS IN YOUR LOAN AGREEMENT, SEND US BACK VERIFICATION THAT YOU HAVE A \$500 COMP DEDUCTIBLE. SO NOTHING IN THIS AMENDMENT CHANGES THAT AGREEMENT THAT I HAVE IN PLACE WITH MY BANK WHEN I PURCHASE MY VEHICLE, WHEN I SIGN THE LOAN AGREEMENT. [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR NORDQUIST: SO I DO THINK IT'S AN ADDITIONAL STEP THAT PLACES BURDEN ON THE COMPANY THAT'S TRYING TO COME INTO NEBRASKA AND OPERATE AND EXPAND THEIR INNOVATIVE BUSINESS MODEL TO OUR STATE. AND IT'S A PIECE THAT WE HAVEN'T SEEN IN OTHER STATES AND I HOPE WE DON'T GO DOWN THE ROAD OF OVERREGULATING WHEN WE CAN CHOOSE SMART REGULATION. THANK YOU. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR NORDQUIST. SENATOR GLOOR, YOU'RE RECOGNIZED. [LB629]

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SENATOR GLOOR: THANK YOU, MR. PRESIDENT. GOOD MORNING, MEMBERS. I'LL BE BRIEF IN MY COMMENTS. I'M SUPPORTIVE OF LB629, THE COMMITTEE AMENDMENT. I'M STILL NOT COMPLETELY COMFORTABLE WITH AM1300 AND WHAT THAT MIGHT MEAN TO THIS BILL, WHICH I SEE AS AN IMPORTANT TRANSPORTATION BILL. AND I'M GOING TO BRING IN A DIFFERENT VIEW ON THIS FOR THE BODY'S CONSIDERATION AND FOR THE RECORD. MOST OF YOU ARE AWARE OF THE FACT THAT SENATOR CAMPBELL AND I HAVE BEEN WORKING ON A STUDY RESOLUTION THAT TALKS ABOUT--LR22 AND LR422--THE PAST COUPLE OF YEARS THAT TALKS ABOUT PLANNING FOR WHAT WE WANT OUR HEALTHCARE SYSTEM TO LOOK LIKE IN THIS STATE 15 YEARS FROM NOW. AND ONE OF THE THINGS THAT REARS ITS HEAD AS A CHALLENGE ACROSS THE STATE, BUT ESPECIALLY IN RURAL AREAS, IS A LACK OF TRANSPORTATION TO GET PEOPLE TO THOSE HEALTH SERVICES THAT ARE AVAILABLE. THERE ARE ISSUES OF AVAILABILITY AND ACCESSIBILITY. AND HEALTHCARE MAY BE AVAILABLE IN SOME OF OUR RURAL AREAS, ALTHOUGH PEOPLE HAVE TO TRAVEL FOR IT. AND THAT'S WHEN YOU GET INTO THE CHALLENGE WITH ACCESSIBILITY. UBER IS ONE OF THOSE WAYS WITHOUT POURING A LOT OF, OR ANY, FOR ALL INTENTS AND PURPOSES, GOVERNMENTAL MONEY INTO TRANSPORTATION THAT PRIVATE ENTERPRISE, AND THAT'S WHAT I WOULD CALL UBER IN THIS CASE, IS ABLE TO STEP IN AND FILL A GAP. WHETHER IT'S TRANSPORTING ELDERLY TO A PHYSICIAN'S APPOINTMENT, WHETHER IT'S TRANSPORTING PEOPLE WHO DON'T HAVE TRANSPORTATION TO A PHARMACY, UBER IS ONE OF THOSE THINGS THAT CAN FILL THAT TRANSPORTATION NEED AND GAP WE HAVE FOR HEALTHCARE. AND SO AS I CONSIDER THIS BILL, I'M THINKING OF IT FROM A PERSPECTIVE OF ADDRESSING SOME OF THE HEALTHCARE CHALLENGES WE HAVE OF ACCESSIBILITY. AND WITH THAT, I WOULD YIELD THE REST OF MY TIME TO SENATOR SMITH. THANK YOU. [LB629 LR22]

PRESIDENT FOLEY: THANK YOU, SENATOR GLOOR. SENATOR SMITH, 2:30. [LB629]

SENATOR SMITH: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR GLOOR. LET ME JUST BE REAL QUICK AND I'LL GET BACK ON THE MIKE HERE. THERE WAS A QUESTION POSED BY SENATOR LINDSTROM AS TO WHAT'S THE DIFFERENCE BETWEEN PIZZA...DELIVERING PIZZA AND THIS SITUATION. COLLEAGUES, A PIZZA COMPANY IS DELIVERING PIZZA. THIS IS DELIVERING A PERSON. AND SO IT'S A MATTER OF SAFETY, NUMBER ONE. IN TERMS OF BURDENSOME, HOW BURDENSOME IS IT FOR A TECHNOLOGY COMPANY TO DO A VIN NUMBER DATABASE CHECK AND TO NOTIFY A LIENHOLDER? IT'S NOT BURDENSOME. AND WE TALK ABOUT KANSAS. THE KANSAS BILL WAS MUCH

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MORE EXTENSIVE. IT WAS AN APP ON TO APP OFF PROCESS FOR COLLISION COMPREHENSIVE MANDATED. THAT IS NOT WHAT WE'RE DOING HERE, COLLEAGUES. THIS IS NOT THE KANSAS BILL. SO THAT'S A FALSE ARGUMENT AS WELL. WE ALL WANT TO HAVE THE TNCs OPERATE. WE'RE TRYING TO FIND A WAY TO MAKE CERTAIN THAT EVERYONE'S INTEREST IS PROTECTED IN THIS. I DON'T THINK IT'S UNREASONABLE FOR SOMEONE WHO HOLDS A LOAN ON A VEHICLE TO BE NOTIFIED OF THE USE OF THAT VEHICLE, TO MAKE CERTAIN THERE IS ADEQUATE COLLISION COMPREHENSIVE IN PLACE. I UNDERSTAND THERE MAY BE YET SOME MORE COMPROMISES BEING WORKED ON AND WE MAY END UP MOVING OFF OF THIS AMENDMENT AND COMING BACK ON SELECT FILE. BUT, COLLEAGUES, WE'RE NOT TRYING TO KILL THE TNC BILL. WE'RE TRYING TO MAKE CERTAIN ALL INTERESTS ARE COVERED HERE, THAT THE PUBLIC IS PROTECTED, THAT THE TNC COMPANIES CAN OPERATE, THAT THE DRIVERS HAVE A WAY OF OPERATING AND THEY'RE PROTECTED, AND THE LIENHOLDERS ARE PROTECTED. [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR SMITH: SO WHAT'S WRONG WITH FINDING A WIN-WIN SITUATION HERE? BUT AGAIN, IF WE CAN FIND ANOTHER WAY OF ADDRESSING THIS OTHER THAN AM1300, I'M CERTAINLY OPEN TO THAT AND I CERTAINLY APPRECIATE SENATOR LINDSTROM BRINGING THIS AMENDMENT TO ATTEMPT TO ADDRESS THE CONCERNS OF ALL PEOPLE THAT ARE...OR ALL INSTITUTIONS THAT ARE AFFECTED IN THIS WHOLE PROCESS. SO I'LL BE BACK ON THE MIKE HERE SHORTLY. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR SMITH. SENATOR MELLO, YOU'RE RECOGNIZED. [LB629]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I KNOW A NUMBER OF COLLEAGUES HAVE COME UP TO ME TO ASK QUESTIONS ABOUT AM1300, WHAT DOES IT DO? WHAT DO I THINK ABOUT IT? WHERE ARE THE ISSUES THAT LIE IN FRONT OF US IN REGARDS TO WHAT ARGUABLY HAS BEEN THE MOST NEGOTIATED, TIME-CONSUMING BILL OF MY ENTIRE LEGISLATIVE CAREER? THE ISSUE THAT ESSENTIALLY IS IN AM1300 IS THIS: RIGHT NOW IN THE COMMITTEE AMENDMENT, AM1075, THE TNC COMPANY IS REQUIRED TO DISCLOSE TO THE DRIVER THAT IF YOU HAVE A LIEN AGAINST YOUR VEHICLE, YOU NEED TO CONTACT YOUR LIENHOLDER. THAT'S ALL IT SAYS. THERE'S NO ENFORCEMENT. THERE'S NO VERIFICATION. IT SIMPLY SAYS,

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UBER AND LYFT, YOU'VE GOT TO TELL THE DRIVER...THE APPLICANT WHO WANTS TO BE THE DRIVER, CONTACT YOUR LIENHOLDER. YOU MAY HAVE TO CONDUCT BUSINESS WITH THEM IN RESPECTS TO ENSURING YOU'VE GOT THE APPROPRIATE INSURANCE THAT'S REQUIRED UNDER YOUR LEGAL CONTRACT WITH YOUR LIENHOLDER. THE ISSUE THAT SENATOR SMITH, SENATOR LINDSTROM, AND MYSELF HAVE BEEN TALKING ABOUT, WHICH IS PART OF WHAT AM1300 DOES, IS TRYING TO FIND A WAY TO DEAL WITH THAT ENFORCEMENT ISSUE THAT YOU REALLY HAVE A DISCLOSURE ISSUE THAT DOESN'T DO ANYTHING. THERE IS NO VERIFICATION THAT THE LIENHOLDER HAS THAT THE DRIVER HAS COMMUNICATED WITH THEM AND THERE'S NO VERIFICATION THAT THE TNC HAS THAT THE DRIVER HAD COMMUNICATED WITH THE LIENHOLDER. SO ESSENTIALLY WE'VE GOT DISCLOSURE LANGUAGE RIGHT NOW IN THE UNDERLYING BILL WITH THE COMMITTEE AMENDMENT THAT THERE'S NO WAY TO PROVE ANYONE HAS COMMUNICATED WITH ANYONE. AND SO WHAT YOU HAVE IN THE UNDERLYING AMENDMENT IN AM1300, IT'S A MODEL THAT I MAY NOT BE COMPLETELY COMFORTABLE WITH RIGHT NOW. BUT IN TALKING WITH SENATOR SMITH, SENATOR LINDSTROM, AND THE BANKING INDUSTRY WHO ARE REPRESENTING THE LIENHOLDERS, THE IDEA THAT I FEEL MORE COMFORTABLE WITH IS PUTTING THE ONUS ONTO THE DRIVER, THAT THEY'VE GOT TO PROVIDE SOME VERIFICATION THAT THEY HAVE COMMUNICATED WITH THE LIENHOLDER BECAUSE IF WE DON'T DO THAT, COLLEAGUES, WE'RE SIMPLY PUTTING DISCLOSURE LANGUAGE WITH THE HOPES THAT SOMEONE IS GOING TO DISCLOSE TO THE LIENHOLDER, THE SAME WAY WE HEARD AT THE HEARING THAT DRIVERS HAVE NOT BEEN DISCLOSING THEIR DRIVING TO THEIR INSURANCE COMPANY. AND THAT'S NOT LOST ON ME AS THE INTRODUCER OF THE BILL WHEN I HAD TO HEAR A DRIVER AT THE HEARING COME IN SUPPORT OF THE BILL BEING ASKED A QUESTION BY A MEMBER OF THE TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE SAYING, NO, I'VE NOT DISCLOSED TO MY INSURANCE AGENT THAT I'M AN UBER OR LYFT DRIVER. THAT'S THE SAME THING WE'VE GOT, COLLEAGUES, WITH THE CURRENT DISCLOSURE LANGUAGE IN THE COMMITTEE AMENDMENT. THERE'S NO WAY TO VERIFY ANYTHING. SO WHAT WE'RE LIKELY GOING TO BE DOING IS PULLING AM1300 NOW, MOVE FORWARD WITH THE COMMITTEE AMENDMENT. AND BETWEEN GENERAL AND SELECT, SENATOR LINDSTROM, SENATOR SMITH, AND MYSELF WILL BE ABLE TO CRAFT AN AMENDMENT TO GIVE THE BODY THAT REQUIRES THE DRIVER TO HAVE TO GET SOME KIND OF CERTIFICATION COMMUNICATION FROM THE LIENHOLDER. AND LIKELY WE'LL ALSO TRY TO INCLUDE THE DRIVER, WHEN THEY APPLY TO BE AN UBER OR LYFT DRIVER, THEY'VE GOT TO GIVE THE COMPANY A COPY OF THEIR DRIVER'S LICENSE, THEIR VEHICLE REGISTRATION, AND THEIR INSURANCE. WE'LL LIKELY REQUIRE

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THAT THE DRIVER NOW HAS TO PROVIDE A COPY OF THEIR CERTIFICATE OF TITLE AS WELL. AND THE THOUGHT IS THAT IF WE REQUIRE THEM, A DRIVER, TO SEND A NOTIFICATION TO THE LIENHOLDER THROUGH CERTIFIED MAIL, THEY THEN HAVE A CERTIFIED COMMUNICATION WITH THE LIENHOLDER THAT THEY CAN GIVE THE COMPANY FOR THEIR RECORDS TO SHOW I AS A DRIVER HAVE COMMUNICATED WITH THE LIENHOLDER. THAT, COLLEAGUES, I KNOW MAY NOT BE EXACTLY WHAT THE TNCs WANT AND LIKE. BUT THE REALITY IS, IF WE DON'T DO ANYTHING, WE SIMPLY HAVE DISCLOSURE LANGUAGE THAT DOESN'T DEAL WITH ANY OF THE CHALLENGES YOU'RE GOING TO CONSISTENTLY HEAR WHICH PUTS LIENHOLDERS ARGUABLY AT A RISK BECAUSE THERE'S NO WAY FOR THEM TO VERIFY WHO'S DRIVING THEIR LOANED VEHICLES, SO TO SPEAK, OR THE VEHICLES THEY HAVE A LIEN ON. AND AT THE END OF THE DAY, THE ONE ISSUE THAT I STILL HAVE CONCERN ABOUT, AND SENATOR SMITH SAID THE SAME THING, WE'VE GOT TO PROVIDE SOME PROTECTION FOR DRIVERS. I AM NOT CONCERNED IN REGARDS TO TNCs BEING ENTREPRENEURS, INNOVATORS, BUT THEY'RE MULTINATIONAL CORPORATIONS, COLLEAGUES. [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR MELLO: AND THE ONE PERSON IN THIS BUSINESS TRANSACTION THAT I DON'T FEEL HAS THE APPROPRIATE ENOUGH PROTECTION TO KNOW WHAT THEY'RE GETTING INTO ARE THE DRIVERS WHO ULTIMATELY BECOME INDEPENDENT CONTRACTORS AND ARE THEIR OWN BUSINESS OWNERS. SO WE'RE GOING TO TRY TO PROVIDE SOME GENERAL COMMUNICATION ALONG THOSE LINES. IT'S DEALING WITH THE DRIVER TO MAKE SURE THEY KNOW WHAT THEY'RE GETTING THEMSELVES INTO, AND WHEN THEY'RE APPLYING TO BE A DRIVER FOR THESE COMPANIES, SHOWING THAT THEY HAD COMMUNICATED WITH THE LIENHOLDER TO THEIR VEHICLE OR THEIR TITLE, SO TO SPEAK, SO THAT EVERYONE IN THIS BUSINESS TRANSACTION PROCESS HAS BEEN COMMUNICATED WITH ALONG THE WAY. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. SENATOR WATERMEIER, YOU'RE RECOGNIZED. [LB629]

SENATOR WATERMEIER: THANK YOU, MR. PRESIDENT. I RISE IN SUPPORT OF TNCs. MAKE NO MISTAKE ABOUT IT, I THINK THAT THEY HAVE A PLACE IN NEBRASKA. I SERVED ON TRANSPORTATION COMMITTEE LAST YEAR, AND ALL KINDS OF RED FLAGS WENT OFF FOR ME LAST YEAR WHEN I STARTED

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LISTENING TO THE DEBATE ON THIS AND WHO WAS COVERED, WHO WASN'T. SO MANY THINGS CAN HAPPEN IN SUCH AN INNOCENT WAY. AND I BOILED IT DOWN TO THREE FACTORS THAT HAVE TO BE COVERED: THE PASSENGER WHO CALLS, THE DRIVER WHO'S USING HIS OWN PERSONAL VEHICLE, AND THAT PERSONAL VEHICLE. AND TO ME, THERE WAS JUST ALL SORTS OF, LIKE I MENTIONED, RED FLAGS POPPING UP HERE ALL THE TIME. IN MY OWN BUSINESS IN AGRICULTURE, I DON'T DARE HAUL A LOAD OF GRAIN AND GET...EXPECT TO PAID CASH ON THAT. AS SOON AS I DO THAT, MY INSURANCE IS NULL AND VOID. NOTHING WILL COVER ME ONCE I EXCHANGE CASH FOR A SERVICE PROVIDED. AND IT MAY SEEM GREAT. WE MAY WANT TO OFFER AN OPPORTUNITY FOR A YOUNG PERSON OR EVEN AN ELDERLY PERSON THAT WANTS TO DRIVE FOR UBER OR A TNC, THAT THIS IS GOING TO BE A GREAT WAY FOR THEM TO MAKE MONEY. BUT IT'S JUST GOING TO BE TOO INNOCENT THAT ALL OF A SUDDEN WE'LL HAVE A BAD EVENT HAPPEN. SO I'M ALL IN FAVOR OF LB629 AND BRINGING THIS TO NEBRASKA. BUT I WAS IN FAVOR OF AM1300. WE'LL SEE WHETHER THIS ACTUALLY MAKES IT PAST THE TEST TODAY ON GENERAL OR WE HAVE TO DO THE WORK IN SELECT. BUT MAKE NO MISTAKE ABOUT IT, THERE'S THREE THINGS THAT HAVE TO BE COVERED. THE PERSON THAT'S CALLING, THE PASSENGER THAT'S CALLING WANTS TO MAKE DARN GOOD AND SURE HE'S COVERED JUST LIKE IF IT WAS IN A STANDARD CAB COMPANY. THE DRIVER MAY VERY WELL THINK THAT THEIR INSURANCE IS COVERED AND THEY VERY WELL MAY NOT BE. THE MINUTE THEY TAKE CASH FOR A SERVICE, THEY ARE NOT COVERED UNLESS IT'S A COMMERCIAL INSURANCE. THE PERSON THAT...THE BANK OR THE INSTITUTION THAT FILES A LIEN ON THAT VEHICLE, THE MINUTE IT CHANGES FROM A PERSONAL VEHICLE TO A COMMERCIAL USE, A FOR-HIRE, WHEN THERE'S CASH EXCHANGED, THAT VEHICLE IS NO LONGER COVERED ON INSURANCE. SO I'M IN SUPPORT OF AM1300. WE'LL SEE WHERE IT GOES AS FAR AS THE DEBATE GOES. BUT I AM FULLY IN SUPPORT OF TNCs IN NEBRASKA. WE NEED TO GET THEM HERE. BUT MAKE NO MISTAKE ABOUT IT, THIS BILL, THIS IDEA, IS DIFFERENT THAN WHAT'S GOING ON IN KANSAS. AND I'M PROBABLY THE LAST PERSON IN THIS BUILDING TO WANT TO REGULATE ANYBODY. I DON'T WANT TO REGULATE THE PASSENGER. I DON'T WANT TO REGULATE THE DRIVER AND I DON'T WANT TO REGULATE THE BANKS OR I DON'T WANT TO REGULATE A COMPANY THAT'S COMING IN TO NEBRASKA. BUT THIS NEEDS TO HAPPEN BECAUSE TOO MANY PEOPLE ARE GOING TO GET HURT IF WE'RE NOT CAREFUL HERE. AND I WOULD YIELD THE REST OF MY TIME TO SENATOR LINDSTROM IF HE WOULD SO CHOOSE. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR WATERMEIER. TWO MINUTES, 25 SECONDS, SENATOR LINDSTROM. [LB629]

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SENATOR LINDSTROM: THANK YOU, SENATOR WATERMEIER. THANK YOU, LIEUTENANT GOVERNOR. I APPRECIATE THE COMMENTS OF SENATOR MELLO. AND AT THIS MOMENT, I WOULD LIKE TO REQUEST A WITHDRAW OF THE AMENDMENT. [LB629]

PRESIDENT FOLEY: AM1300 IS WITHDRAWN. THANK YOU, SENATOR. DEBATE IS NOW OPEN ON THE COMMITTEE AMENDMENTS. SENATOR FRIESEN, YOU'RE RECOGNIZED. [LB629]

SENATOR FRIESEN: THANK YOU, MR. PRESIDENT. IN THE PAST I'VE TRAVELED EXTENSIVELY AND USED A LOT OF DIFFERENT TRANSPORTATION COMPANIES, A LOT OF CAB COMPANIES AND OTHER PUBLIC CARRIERS. WHEN I FIRST USED UBER, PROBABLY ABOUT A YEAR AND A HALF AGO, IT WAS ONE OF THE BEST CAB RIDES I'D EVER HAD. IT WAS VERY PROFESSIONAL, VERY CLEAN CAR. THE DRIVER WAS VERY PROFESSIONAL. I KNEW WHAT THE RIDE WAS GOING TO COST ME UP-FRONT. IT WAS AN EXCELLENT SERVICE. SO WHEN I GOT ON THE TRANSPORTATION COMMITTEE AND I HEARD THERE WAS GOING TO BE AN UBER BILL THAT WAS INTRODUCED BY SENATOR MELLO, AND I THANK YOU FOR THAT, MY FIRST THOUGHT WAS THIS WOULD BE EXACTLY WHAT NEBRASKA NEEDS BECAUSE WHEN I THOUGHT OF RURAL NEBRASKA AND THE CAB SERVICES THAT ARE PROVIDED IN SMALLER CITIES ARE EITHER NONEXISTENT OR VERY LIMITED IN WHAT THEY PROVIDE. SO MY FIRST THOUGHT WAS NOT NECESSARILY FOR LINCOLN OR OMAHA--THEY HAVE CAB SERVICE--BUT WHAT THIS MIGHT PROVIDE FOR SOME OF THE SMALLER COMMUNITIES IN THE STATE. AND I THINK THIS IS AN EXCELLENT WAY TO ADDRESS THAT. AND I REALIZE THE INSURANCE ISSUES THAT ARE THERE. AND I THINK IN THE MAIN BILL WE HAVE THEM COVERED AND WITH AM1075. SO I SUPPORT BOTH OF THOSE. I DID NOT THINK THAT AM1300...THE ADDITION, AMENDMENT OF AM1300, WAS NEEDED. CURRENTLY WHAT I THINK NEEDS TO HAPPEN...AND WE HAD THIS EXPERIENCE IN TOWN RECENTLY, ABOUT A YEAR AGO. THERE WAS A YOUNG SINGLE MOTHER. SHE DELIVERED NEWSPAPERS FOR A LITTLE EXTRA INCOME. AND SO MOST TIMES SHE WALKED THE ROUTE. BUT THIS MORNING IT WAS REALLY COLD AND SNOWY OUT. SO SHE DROVE HER CAR. AND WHEN SHE PULLED INTO THIS ONE GUY'S DRIVEWAY, SHE BACKED UP, RAN INTO HIS TWO-MONTH-OLD PICKUP, ABOUT \$2,500 DAMAGE. IT WASN'T TOO SERIOUS. SO SHE WENT TO THE OWNER OF THE VEHICLE AND TOLD HIM ABOUT IT, APOLOGIZED, SAID SHE HAD TURNED IT IN TO HER INSURANCE COMPANY. SO SHE GOES TO HER INSURANCE AGENT AND SHE SAYS TO HIM, YOU KNOW, I WAS OUT DELIVERING PAPERS THIS MORNING AND I BACKED INTO THIS VEHICLE AND I NEED TO TURN IN A CLAIM. AND THE FIRST THING HE SAYS IS, YOU WERE DELIVERING NEWSPAPERS? YOU

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DON'T HAVE INSURANCE. AND SHE DIDN'T HAVE INSURANCE. AND IF YOU READ YOUR POLICIES, AND I'VE READ MINE, IT SAYS RIGHT ON THERE, ANYTIME YOU'RE INVOLVED IN A COMMERCIAL VENTURE, YOUR INSURANCE CEASES AND YOU NO LONGER HAVE COVERAGE. SO I THINK...TRYING TO ADDRESS THIS WITH THE TRANSPORTATION NETWORK COMPANIES THAT ARE TRYING TO WORK HERE I THINK IS THE WRONG APPROACH. NOW EITHER WE NEED TO WORK WITH THE INSURANCE COMPANIES THAT THEY MAYBE BETTER INFORM THEIR CUSTOMERS, OR THE BANKS AND THEIR LIENHOLDERS NEED TO INFORM THEIR CUSTOMERS. IT SHOULD NOT BE RELEGATED DOWN TO ONE SINGLE COMPANY. WE HAVE THIS OPPORTUNITY TO HAPPEN IN LOTS OF DIFFERENT SITUATIONS HERE. WE HAVE A LOT OF PEOPLE WHO PART-TIME DELIVER THINGS OR RUN PARTS FOR EQUIPMENT COMPANIES OUT THERE. AND ANY TIME THEY'RE DOING THAT FOR CASH, THEY DO NOT HAVE COVERAGE. IT JUST DEPENDS ON HOW YOU ANSWER THE QUESTION WHEN THE ACCIDENT HAPPENS. IF YOU JUST SAY YOU WERE VISITING THE NEIGHBOR, YOU HAVE COVERAGE. IF YOU'RE DELIVERING A NEWSPAPER TO THAT NEIGHBOR, YOU DIDN'T. SO WE HAVE RETIRED PEOPLE OUT DELIVERING PARTS OUT IN THE COUNTRY. AND I THINK IF THEY WOULD ANSWER THE QUESTION WRONG WHEN SOMETHING HAPPENS, THEY WOULDN'T HAVE INSURANCE. SO I THINK IT NEEDS TO BE ADDRESSED AT A HIGHER LEVEL. MY MAIN GOAL WHEN I THOUGHT ABOUT UBER OR LYFT IS THAT I DID NOT WANT TO REGULATE THEIR COST SO HIGH THAT THEY WOULDN'T BE ABLE TO PROVIDE THAT SERVICE IN THE SMALLER COMMUNITIES. SO I WANTED TO BE REAL CAREFUL... [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR FRIESEN: ...ABOUT DOING THAT. AND I THINK THERE'S OTHER WAYS TO APPROACH IT THAN TO JUST ADD MORE REGULATIONS. THE CHEAPER WE CAN MAKE THIS SERVICE, THE MORE LIKELY THEY WILL PROVIDE THAT SERVICE IN THE SMALLER COMMUNITIES. AND I THINK THIS WOULD BE AN IDEAL JOB FOR SOMEBODY THAT'S RETIRED, WANTS TO MAKE A LITTLE EXTRA MONEY. AND YOU'VE A LOT OF ELDERLY PEOPLE THAT NEED TO GO...MEDICAL CARE, THE PHARMACY, THE GROCERY STORE. AND CURRENTLY I LIKE THE LANGUAGE IN THERE THAT, YOU KNOW, THEY WILL NOT PROVIDE SERVICE FOR HEALTH AND HUMAN SERVICES UNLESS THAT NEED IS DETERMINED TO BE THERE, WHICH I THINK IN THE SMALLER COMMUNITIES WE COULD EASILY SHOW THAT NEED. SO I'M IN FAVOR OF UBER BILL. I AM IN FAVOR LB629 AND AM1075. I THINK WE'VE ADDRESSED IT ADEQUATELY. BUT I THINK THE BANKS AND THE LIENHOLDERS AND THE INSURANCE INDUSTRY DOES NEED TO WORK ON SOMETHING THAT

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CLARIFIES THIS ISSUE OF USING YOUR VEHICLE FOR A COMMERCIAL USE.
THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR FRIESEN. SENATOR SMITH, YOU'RE
RECOGNIZED. [LB629]

SENATOR SMITH: THANK YOU, MR. PRESIDENT. I'M GOING TO BE BRIEF HERE SO
WE CAN MOVE ALONG WITH THIS. BUT YOU KNOW, WE...I BELIEVE WE AS
POLICYMAKERS HAVE AN OBLIGATION FOR SETTING REASONABLE GUIDELINES
PARTICULARLY FOR BUSINESSES TO OPERATE IN OUR STATE, ESPECIALLY WHEN
PUBLIC SAFETY IS INVOLVED. AND IN THIS PARTICULAR CASE, PUBLIC SAFETY IS
INVOLVED. AND SENATOR MELLO PROBABLY DESERVES FIRST PLACE FOR THE
"PATIENCE OF JOB" AWARD FOR DEALING WITH THE TNC COMPANIES OVER THE
LAST YEAR. BUT I TELL YOU WHAT, I THINK I'M IN CLOSE SECOND. THIS HAS
BEEN EXTREMELY DIFFICULT WORKING WITH ONE PARTICULAR TNC COMPANY
THAT HAS BEHAVED, I BELIEVE, IN A VERY UNCOMPROMISING WAY ACROSS OUR
COUNTRY IN OTHER CITIES AND IN OTHER STATES. WE'RE TRYING DESPERATELY
TO PROVIDE SOME REASONABLE GUIDELINES FOR THEM TO OPERATE INSIDE OF
OUR STATE'S BORDERS AND TO PROTECT THE INTEREST OF THE DRIVERS,
LIENHOLDERS, CITIZENS. AND AT EVERY TURN, AT EVERY TURN AT THE 11th
HOUR, SOMETHING CHANGES. AND THE THREAT IS, WE'RE NOT GOING TO
OPERATE IN YOUR STATE IF YOU DON'T GIVE US OUR WAY. WE ARE SIMPLY
TRYING TO TAKE CARE OF THE PUBLIC'S SAFETY AND ALL PLAYERS' INTERESTS
IN THIS SITUATION. SO I THINK WHAT I'VE HEARD IS THAT WE'RE GOING TO HAVE
AN AMENDMENT COME UP ON SELECT TO ADDRESS THE INTERESTS OF THE
LIENHOLDER. AND I AM VERY, VERY HAPPY TO WORK WITH THAT AND
COOPERATE WITH THAT. REGARDLESS, I WANT TO SEE THIS BILL MOVE
FORWARD. I AM IN SUPPORT AT THIS POINT OF AM1075, THE TRANSPORTATION
AND TELECOMMUNICATIONS COMMITTEE TO THE UNDERLYING BILL, AND I'M
SUPPORTIVE OF LB629. WHAT SENATOR WATERMEIER SAID WAS VERY GOOD. HE
SPOKE VERY WELL, AND HE WAS VERY ACCURATE. BUT MAKE NO MISTAKE, WE
HAVE A SITUATION OF...I'M NOT GOING TO SAY AN INDUSTRY. WE HAVE A
SITUATION OF A COMPANY THAT HAS BULLIED THEIR WAY INTO A MARKET.
THEY HAVE CONTINUED TO OPERATE ILLEGALLY IN NEBRASKA FOR EASILY A
YEAR WHILE MANY HAVE TRIED TO CREATE GUIDELINES UNDER WHICH THEY
CAN OPERATE. AND AS WE TRY TO ADDRESS CONCERNS TO PROTECT OUR
PUBLIC SAFETY, THERE'S AN UNWILLINGNESS TO COOPERATE AND WORK WITH
POLICYMAKERS. I'M WITH SENATOR WATERMEIER AND MANY OTHERS. WE
WANT TO SEE THIS BILL MOVE FORWARD. WE'RE GOING TO VOTE ON IT IN JUST A
MOMENT. I'M SUPPORTIVE OF THE BILL. AND I'M HOPEFUL THAT WE CAN COME

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BACK ON SELECT FILE AND ADDRESS SOME OF THE CONCERNS OF OTHER INTERESTED PARTIES IN THIS SITUATION. SO A VERY, VERY COMPLEX SITUATION, A COMPLEX MATTER, AND SORRY TO HAVE BORED ALL OF MY COLLEAGUES SO FAR THIS MORNING ON THIS ISSUE. I THINK IT'S VERY IMPORTANT TO NEBRASKA. SO LET'S MOVE ON WITH IT. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR SMITH. SENATOR LARSON, YOU'RE RECOGNIZED. WE'LL PASS OVER SENATOR LARSON FOR THE MOMENT. (VISITORS INTRODUCED.) SENATOR MORFELD, YOU'RE RECOGNIZED. I DO NOT SEE SENATOR MORFELD. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB629]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. I WONDER IF SENATOR MELLO WOULD YIELD TO A COUPLE QUESTIONS. [LB629]

PRESIDENT FOLEY: SENATOR MELLO, WOULD YOU YIELD, PLEASE? [LB629]

SENATOR MELLO: OF COURSE. [LB629]

SENATOR BLOOMFIELD: THANK YOU, SENATOR MELLO. I KNOW WE'VE BEEN TALKING MOSTLY ABOUT BANKING ISSUES TIED TO THIS, BUT I HAVE SOME OTHER QUESTIONS AS FAR AS LICENSING AND REGULATING THAT I'D LIKE TO COVER. I KNOW THERE'S A 12-HOUR RULE IN THERE THAT THEY'RE ONLY ALLOWED TO DRIVE 12 HOURS. CAN YOU ENLIGHTEN US A LITTLE BIT AS TO HOW THAT WOULD BE ENFORCED AND HOW THAT'S REGULATED? [LB629]

SENATOR MELLO: I WILL DO MY BEST, SENATOR BLOOMFIELD. WHAT WE SEE IN REGARDS TO A LOT OF OTHER STATES THAT HAVE TRANSPORTATION NETWORK COMPANIES IS DRIVERS WHO...AND THIS IS COMMONPLACE IN OTHER COMMON CARRIERS, TOO, IN REGARDS TO THEM DRIVING OR BEING ON THE ROAD FOR AN EXTENDED PERIOD OF TIME TRYING TO PICK UP PASSENGERS SO THEY COULD EARN A FARE. WHAT WE INCLUDED IS PART OF ULTIMATELY THE COMMITTEE AMENDMENT IS BECAUSE TNCs USE AN APP TECHNOLOGY ON A SMART PHONE, THAT THERE ARE THREE DISTINCT, SEPARATE PERIODS, SO TO SPEAK, OF WHEN A DRIVER IS, IN THEORY, INVOLVED WITH CONDUCTING BUSINESS. PERIOD 1 IS WHEN THEIR PHONE IS ON, BUT THEY'RE NOT PICKING UP A PASSENGER. PERIOD 2 IS WHEN THEY HAVE COMMITTED AS THE DRIVER TO CLICK A BUTTON TO GO PICK UP A PASSENGER AND THEY'RE ON THEIR WAY TO PICK UP THE PASSENGER. PERIOD 3 IS WHEN THE PASSENGER ENTERS THE VEHICLE. WHAT WE INCLUDED

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LANGUAGE WAS TO ENSURE THAT A DRIVER IS NOT DRIVING 12 CONSECUTIVE HOURS UNDER PERIODS 2 AND PERIODS 3 BECAUSE WE KNOW THAT A DRIVER MAY BE DRIVING UNDER PERIOD 1 FOR A COUPLE HOURS AND NOT PICK ANYONE UP. THEY MAY HAVE THE PHONE ON, BUT THEY MAY BE CONDUCTING OTHER BUSINESS. THEY MAY BE...THEY MAY JUST HAVE LEFT THE PHONE ON IN THEIR CAR AND THEY LEFT TO GO DO SOME ERRANDS INSIDE, YOU KNOW, GO SHOPPING OR GO RUN SOME OTHER KIND OF ERRAND AND THEIR APP IS ON BUT THEY'RE NOT CONDUCTING BUSINESS. AND SO THE CONCERN WAS ORIGINALLY WE HAD THOUGHT ABOUT PUTTING JUST A 12-HOUR MAX OF THE PHONE IS ON FOR 12 HOURS MAX, AND THEN YOU'VE GOT TO STOP A DAY. BUT IN TALKING WITH THE TNC COMPANIES, THEY WALKED US THROUGH THE POINT WHICH IS MOST DRIVERS ARE NOT CONSISTENTLY DRIVING FOR 12 HOURS IN PERIODS 2 AND PERIODS 3. AND IF WE SIMPLY MAKE THAT CLARIFICATION, WHICH IS WHAT INITIALLY WE WANTED TO DO WAS TO MAKE SURE THAT SOMEONE IS NOT DRIVING CONSISTENTLY MORE THAN 12 HOURS OF HAVING A PASSENGER IN AND OUT OF THE VEHICLE FOR THAT PERIOD OF TIME, THAT WAS WHAT WE WERE TRYING TO STOP WITH WHAT'S IN THE COMMITTEE AMENDMENT. [LB629]

SENATOR BLOOMFIELD: OKAY, THANK YOU. IN THE TRUCKING INDUSTRY, YOU'RE ALLOWED TO DRIVE X NUMBER OF HOURS, THEN YOU ARE FORCED TO TAKE A NUMBER OF HOURS OFF AND KEEP A RECORD OF THAT. NOW WITH THE PHONE APP, THERE'S REALLY NOTHING THAT SAYS THE GUY IS NOT OUT DOING A FULL-TIME JOB SOMEWHERE ELSE, PUTTING IN 10 HOURS A DAY, THEN COMING IN, CLICKING ON THIS APP, AND DRIVING 12 HOURS, WHICH WOULD APPEAR TO ME TO BE A LITTLE ON THE DANGEROUS SIDE. IS THERE ANY WAY TO PREVENT THAT IN THE BILL AS IT STANDS? [LB629]

SENATOR MELLO: I THINK THE REALITY, SENATOR BLOOMFIELD, IS THE PUBLIC SERVICE COMMISSION HAS THE AUTHORITY AT ANY TIME TO REQUEST INFORMATION FROM THE TNCs IN REGARDS TO ENSURING THAT THEIR DRIVERS ARE COMPLYING WITH THIS MAXIMUM 12-HOUR PERIOD OF WORK THAT THEY CAN DO IN A 24-HOUR DAY-LONG PERIOD. THAT IS LEFT UP TO THE PUBLIC SERVICE COMMISSION ARGUABLY TO REQUEST AND SAY, WE WANT THE DOCUMENTS FROM YOUR COMPANY, WE WANT TO CHECK AND SEE IF...MAKING SURE DRIVERS ARE ONLY WORKING THAT MAXIMUM 12-HOUR PERIOD OF DRIVING BETWEEN PERIODS 2 AND PERIODS 3, THAT IS LEFT UP TO THE PUBLIC SERVICE COMMISSION... [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

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SENATOR MELLO: ...TO REQUEST THAT INFORMATION TO THEN COMPLY WITH THE ENFORCEMENT, SO TO SPEAK, OF THE COMPANY TO ENSURE THAT THEIR DRIVERS ARE MEETING THAT REQUIREMENT UNDER THE BILL. [LB629]

SENATOR BLOOMFIELD: OKAY. BUT THE REQUIREMENT OF THE BILL AS I UNDERSTAND IT WOULD ONLY COVER THE TIME HE'S ACTUALLY WORKING FOR UBER OR THE OTHER COMPANY. IT DOES NOT PREVENT THEM FROM WORKING AT FACTORY 10 HOURS A DAY AND THEN GOING IN AND DOING THIS FOR 12 HOURS A DAY, IS THAT CORRECT? [LB629]

SENATOR MELLO: YOU ARE CORRECT, SENATOR BLOOMFIELD. WE'RE NOT LIMITING...WE ARE NOT IN THE BILL LIMITING THE NUMBER OF HOURS AN INDIVIDUAL CAN WORK AT ANY JOB OR ANY EMPLOYMENT SCENARIO THAT THEY'RE IN. IF AN INDIVIDUAL WANTS TO WORK 20 HOURS A DAY AND THEY SLEEP FOR 4 HOURS A DAY, THAT'S LEFT UP TO THAT INDIVIDUAL AND THE COMPANY ULTIMATELY. AND THE PUBLIC SERVICE COMMISSION'S GUIDELINES AND AUTHORITY UNDER THE COMMITTEE AMENDMENT... [LB629]

PRESIDENT FOLEY: TIME, SENATORS. [LB629]

SENATOR MELLO: ...IS TO BE ABLE TO ENFORCE THE 12-HOUR MAX WORKING FOR THE COMPANY. [LB629]

SENATOR BLOOMFIELD: THANK YOU. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATORS BLOOMFIELD AND SENATOR MELLO. (VISITORS INTRODUCED.) SENATOR SCHNOOR, YOU'RE RECOGNIZED. [LB629]

SENATOR SCHNOOR: THANK YOU, MR. PRESIDENT. I STILL FIND IT AMAZING WHAT YOU LEARN WHEN YOU GET HERE TO THE LEGISLATURE. I NEVER HEARD OF UBER BEFORE UNTIL I GOT HERE, DON'T KNOW IF I'LL EVER USE IT. I DON'T THINK I'VE EVER RIDDEN IN A TAXI BEFORE. BUT EVERYBODY SAYS IT'S A NEEDED RESOURCE AND A NEEDED BUSINESS. MY IMPRESSION IS THAT THE TAXICAB BUSINESS AS A WHOLE CONTROLS THE MARKET OR HAS A MONOPOLY. YOU CAN CALL IT WHATEVER YOU WANT. AND NOW WE HAVE AN...WELL, I CAN'T THINK OF THE NAME NOW. IT JUST ESCAPES ME. WE HAVE A NEW BUSINESS STARTING UP. AND HAS IT BEEN AROUND IN THE U.S. FOR A WHILE? IT MAY HAVE. OBVIOUSLY, SINCE I HAVE JUST HEARD ABOUT IT, I THINK IT'S NEW. BUT

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THESE ENTREPRENEURS--THAT'S THE WORD I'M THINKING OF--THE FIRST THING WE'RE GOING TO DO HERE IN THE STATE OF NEBRASKA FROM MY IMPRESSION IS START SLAPPING REGULATIONS ON THEM AND MAKING IT HARD FOR THEM TO OPERATE. SO I WOULD JUST ASK EVERYBODY TO EXERCISE CAUTION IN THAT AREA BECAUSE THAT SEEMS WHAT WE'RE DOING. I BELIEVE SENATOR FRIESEN HAD A GOOD IDEA, THAT IT'S SIMPLY A CHANGE IN AN INSURANCE POLICY TO COVER THIS GAP THAT IS APPARENTLY OUT THERE. SO IF IT'S SOMETHING THAT SIMPLE, LET'S JUST GO THAT ROUTE INSTEAD OF ALL THESE REGULATIONS TO LIMIT WHAT THEY'RE DOING. SO THAT'S MY TWO CENTS' WORTH. THANK YOU, SIR. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHNOOR. SENATOR DAVIS, YOU'RE RECOGNIZED. [LB629]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. I APPRECIATE WHAT SENATOR SCHNOOR HAD TO SAY ABOUT THIS. AND I'M CERTAINLY ON BOARD WITH HIM. I HAVEN'T USED UBER BEFORE, BUT I DO UNDERSTAND THAT IT'S AN INNOVATIVE AND GREAT NEW PRODUCT THAT'S GOING TO MAKE TRANSPORTATION EASIER ALL AROUND THE STATE, AND I'M HOPING IN THE RURAL AREAS. I'M REALLY LOOKING TO THAT AS A SOLUTION TO A LOT OF THE PROBLEMS THAT WE HAVE. SO THAT SAID, I WANT TO TALK A LITTLE BIT ABOUT SOMETHING THAT HAPPENED IN THE TRANSPORTATION COMMITTEE MEETING WHICH HAS MADE ME THINK WE DO NEED SOME REGULATIONS IN PLACE. SO ONE OF THE TESTIFIERS WHO TALKED SO ENTHUSIASTICALLY ABOUT UBER AND DRIVING FOR THEM IS DOING SO IN OMAHA. AND AS YOU ALL KNOW, THAT IS AGAINST A LITTLE BIT OF OUR REGULATIONS, THEY'RE NOT DOING SO WITH OUR BLESSING. BUT THIS MAN TALKED ABOUT HOW GREAT IT WAS AND HOW WONDERFUL IT WAS. AND WE'D HAD ALL THESE DISCUSSIONS ABOUT THE INSURANCE ISSUE PRIOR TO THAT. SO I ASKED HIM. I SAID, SO HAVE YOU NOTIFIED YOUR INSURANCE COMPANY THAT YOU'RE DRIVING FOR UBER? AND HE SAID, NO, HE HADN'T. WELL, I KNOW HOW INSURANCE WORKS, AND I THINK A LOT OF PEOPLE DO. YOU KNOW, YOU HAVE TO NOTIFY YOUR INSURANCE COMPANY OF WHAT WORK YOU'RE DOING, HOW YOU'RE USING YOUR VEHICLE, IF YOU'RE GOING TO USE IT IN SOME MANNER THAT'S DIFFERENT FROM THE TRADITIONAL, I'M DRIVING MY PERSONAL PRIVATE CAR FOR MY OWN PRIVATE USE TO AND FROM WORK AND ON MY PERSONAL BUSINESS, BECAUSE THIS IS A MONEYSMAKING PROJECT FOR THE DRIVER AND IT FALLS UNDER A DIFFERENT CATEGORY. SO WHAT I SEE HAPPENING IS AN INSURANCE COMPANY SAYING, I'M SORRY, SIR, THIS IS NOT IN THE SCOPE OF WHAT YOUR INSURANCE POLICY SAYS AND WE'RE GOING TO NOT

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MAKE THIS PAYMENT. SO I THINK THE BANKS HAVE A VERY LEGITIMATE CONCERN. IF THEY ARE LOANING MONEY ON A CAR, THE PERSON IS DRIVING FOR UBER, AND THE INSURANCE COMPANY IS NOT GOING TO COVER IT AND THERE'S AN ACCIDENT, WHO'S GOING TO PAY? THE BANKS ARE GOING TO BE OUT THEIR COVERAGE. SO THEY'RE GOING TO HAVE TO EAT THAT OR THEY'RE GOING TO HAVE TO SUE THE DRIVER. WE END UP MOVING DOWN A LONG, COMPLICATED PROCESS WHICH INVOLVES A LOT OF LEGAL FEES AND THE LAWYERS ARE GOING TO GET RICH AND THE BANKERS ARE GOING TO BE UNHAPPY. AND PRETTY SOON WE'RE GOING TO BE BACK IN HERE SAYING WE'VE GOT TO DO SOME REGULATING ON UBER BECAUSE IT'S IMPORTANT TO PROTECT PEOPLE. LET'S DO THAT NOW, FOLKS. I APPRECIATE SENATOR LINDSTROM'S WITHDRAWING THE AMENDMENT. I THINK THAT THE TWO GROUPS REALLY NEED TO SIT DOWN AND WORK ON THIS. AND I'M VERY MUCH IN FAVOR OF IT. BUT I'VE GOT TO SEE THAT THERE'S A SOLUTION BEFORE I WOULD VOTE IT FORWARD. AND IF THERE ISN'T ONE, DESPITE THE FACT I HAVE MY OWN PERSONAL INTEREST IN THIS BILL, I WOULD PROBABLY VOTE AGAINST IT. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR DAVIS. SENATOR MELLO, YOU'RE RECOGNIZED. [LB629]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I OBVIOUSLY RISE IN SUPPORT OF THE COMMITTEE AMENDMENT, AM1075, IN WHICH, THANKS TO THE OUTSTANDING WORK OF THE TRANSPORTATION AND TELECOMMUNICATIONS LEGAL COUNSEL, MIKE HYBL, WAS ABLE TO WORK IN A NUMBER OF COMPROMISED COMPONENTS THAT WE BROUGHT TO THE HEARING ON LB629 AS WELL AS A NUMBER OF OTHER NEGOTIATED COMPROMISES ALONG THE WAY THAT ARE INCLUDED IN THE UNDERLYING COMMITTEE AMENDMENT. ONE POINT I WANT TO BRING OUT, AND I BELIEVE SENATOR BLOOMFIELD TO MY LEFT HERE HAS A QUESTION ABOUT IT, WHICH IS IT'S NOT SPECIFICALLY LAID OUT IN THE BILL IN REGARDS TO AN AGE IN REGARDS TO WHETHER OR NOT SOMEONE CAN APPLY TO BE A DRIVER FOR A TNC. TNCs DO NOT HIRE ANYONE UNDER THE AGE OF 18 TO WORK FOR THEM. BUT IT'S NOT EXPLICITLY LAID OUT IN THE BILL THAT THE PUBLIC SERVICE COMMISSION OR THAT THE COMPANY, SO TO SPEAK, CAN'T CHOOSE TO HIRE SOMEONE UNDER THE LAW. COMPANIES DON'T DO THAT. SO IF THAT IS AN ISSUE WE NEED TO ADDRESS ON SELECT FILE, JUST TO CLARIFY THAT INDIVIDUALS UNDER THE AGE OF 18 CANNOT BE UBER DRIVERS OR LYFT DRIVERS, THAT'S THEIR CURRENT COMPANY POLICY, WHICH IS WHY IT WAS NOT INCLUDED IN THE UNDERLYING BILL. WITH THAT, COLLEAGUES, I KNOW THERE'S A CONSIDERABLE NUMBER OF COMPONENTS

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THAT YOU MAY HAVE QUESTIONS ABOUT. THE BEST I CAN TRY TO DESCRIBE TO YOU IS THAT, ONE, WE GIVE THE PUBLIC SERVICE COMMISSION AMPLE AUTHORITY IN REGARDS TO BEING ABLE TO REGULATE AND PROVIDE OVERSIGHT OVER TRANSPORTATION NETWORK COMPANIES AS PART OF THE OVERALL STRUCTURE UNDER LB629. THE COMPANIES OBVIOUSLY WILL PAY A FEE, AN ANNUAL FEE TO THE PUBLIC SERVICE COMMISSION. THAT FEE GOES TO A CASH FUND TO ASSIST WITH THE ENFORCEMENT OF THE ACT AND THE ENFORCEMENT OF TNCs ACROSS THE STATE. OBVIOUSLY WE PROVIDE SOME PROTECTIONS IN REGARDS TO ENSURING THAT THE COMPANY CAN'T...THE COMPANY HAS TO FOLLOW BACKGROUND CHECKS. THEY'VE GOT TO ALSO DO VEHICLE INSPECTIONS. AND THAT INFORMATION MATERIAL IS WIDELY AVAILABLE AND ALWAYS AVAILABLE TO THE PUBLIC SERVICE COMMISSION IF THEY SO CHOOSE, WANT TO REQUEST A LOOK AT THAT INFORMATION FROM THE TNC BOTH WHEN THEY'RE APPLYING TO OPERATE IN NEBRASKA AND ON AN ANNUAL BASIS AS THEY'RE PROVIDING NEW INFORMATION TO THE STATE. WITH THAT, I'D BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE, BUT I URGE YOU TO ADOPT AM1075. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. SENATOR LARSON, YOU'RE RECOGNIZED. [LB629]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I RISE TODAY IN SUPPORT OF LB629. I THINK WHEN I LOOK AT NOT JUST THE CAB SERVICE IN LINCOLN AND OMAHA AND ACROSS THE STATE OF NEBRASKA, I DO SEE A GAPING HOLE. I HEARD SENATOR MORFELD TALK ABOUT WAITING FOR HOURS AT TIMES AND THE JOKES THAT HAPPENED IN LINCOLN TO GET A CAB. AND I UNDERSTAND THAT. IT'S BEEN AN ISSUE FOR ME PERSONALLY. IF WE'RE GOING TO PROMOTE SAFE DRIVING OR SAFE...WHAT I WOULD CALL...MAYBE THE BETTER WORD IS "RESPONSIBILITY." ESPECIALLY AS THE CHAIR OF THE GENERAL AFFAIRS COMMITTEE THAT DEALS A LOT WITH ALCOHOL ISSUES, I VIEW THIS AS EXTREMELY IMPORTANT ON THE SIMPLE FACT THAT, AS WE PROMOTE RESPONSIBLE DRINKING AMONG ALL INDIVIDUALS, UBER AND LYFT AND THESE TNC COMPANIES OFFER AN AMAZING SERVICE TO ENSURE THAT. WE CAN LOOK AT THE CITY OF CHICAGO IN THE SENSE OF THE DRASTIC DECREASE IN THE NUMBER OF DUIs AND FATALITIES ON THE ROADS IN CHICAGO IN THE STATE OF ILLINOIS. AND WHY IS THAT? WELL, THE TRUE REASON IS, IS THERE'S LESS PEOPLE DRIVING BECAUSE OF THE RISE OF COMPANIES LIKE UBER AND LYFT. THAT IS THE TRUE REASON. AND IF WE'RE GOING TO CONTINUE TO PROMOTE THAT AND RESPONSIBILITY, WE HAVE TO HAVE COMPANIES LIKE THIS. NOW WE CAN CONTINUE ON TO JUST THE FREE MARKET NATURE THAT IS EMBEDDED IN

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ME SO DEEP TO THE CORE THAT THEY...THAT COMPETITION IS A GOOD THING. AND AS WE MOVE FORWARD, AND I WOULD HAVE OPPOSED SENATOR LINDSTROM'S AMENDMENT AND I HAVE QUESTIONS ON AM1075 AT THE SAME TIME, BUT WE HAVE TO WORRY ABOUT OVERREGULATION. I THOUGHT SENATOR MURANTE BROUGHT UP AN EXCELLENT POINT ABOUT GOVERNOR BROWNBACK IN KANSAS. THE MORE WE OVERREGULATE, OBVIOUSLY, THE HIGHER COST THAT THESE CARRIERS WILL INCUR MAKING THEM LESS LIKELY TO COME TO NEBRASKA, WHICH, IN MY OPINION, WILL CONTINUE TO PERPETUATE THE PROBLEM OF POOR CAB SERVICE AND NOT PROMOTING TRUE RESPONSIBILITY AMONG THOSE THAT MAY BE PARTAKING IN A RELAXING EVENING. I LOOK AT IT DIFFERENTLY, AND I DON'T THINK THAT POINT HAS BEEN MADE ON THE FLOOR YET. I VIEW UBER AND LYFT AS PUBLIC SAFETY. AND IF YOU AREN'T SEEING IT THROUGH THAT LIGHT, PLEASE TELL ME; BUT THEY ARE. AND I PROMOTE RESPONSIBLE DRINKING ALL THE TIME, ESPECIALLY AS THE GENERAL AFFAIRS COMMITTEE CHAIRMAN. SO WHEN WE MOVE FORWARD, WE HAVE TO ASK OURSELVES...THIS ISN'T JUST ABOUT UBER AND LYFT; THIS ISN'T JUST ABOUT AN INSURANCE LIEN. THIS IS ABOUT KEEPING OUR PUBLIC SAFE AND THESE COMPANIES DO THAT BECAUSE THEY'RE FILLING A HOLE THAT HAS BEEN THERE FOR DECADES, ESPECIALLY SINCE I'VE BEEN IN LINCOLN, THE LAST FIVE YEARS COMING DOWN HERE FOR THE LEGISLATURE. IT'S IMPOSSIBLE TO GET A CAB, PRETTY MUCH. SO IF WE'RE GOING TO CONTINUE TO WORK AND PROMOTE THINGS LIKE NO DRUNK DRIVING, TO PROMOTE THINGS LIKE BE RESPONSIBLE, LET'S GIVE PEOPLE THE OPTIONS. WE'VE SEEN IT IN OTHER STATES, AS I SAID, IN CHICAGO, IN ILLINOIS,... [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR LARSON: ...THE DRASTIC DECREASE IN DUIs, THE DRASTIC DECREASE IN ACCIDENTS. AND WHEN YOU LOOK AT THAT CHART, THAT DECREASE HAPPENED ONCE UBER AND LYFT REALLY STARTED COMING. IT TOOK PEOPLE OFF THE STREETS AND THAT'S A GOOD THING, BECAUSE PEOPLE, WHEN THEY HAVE A CHOICE TO BE RESPONSIBLE, IN THE SENSE OF A CHEAP OPTION TO GET HOME, THEY WILL CHOOSE THAT IF THEY DON'T HAVE TO WAIT FOREVER AND PAY AN ARM AND A LEG TO DO IT. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR LARSON. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB629]

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SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. I WONDER IF SENATOR MELLO WOULD YIELD AGAIN. [LB629]

PRESIDENT FOLEY: SENATOR MELLO, WOULD YOU YIELD TO QUESTIONS, PLEASE? [LB629]

SENATOR MELLO: OF COURSE. [LB629]

SENATOR BLOOMFIELD: THANK YOU, SENATOR MELLO. I KNOW IF WE HAVE...SCHOOL BUS DRIVERS HAVE TO HAVE A SPECIAL LICENSE, ANYBODY THAT HAULS THE PUBLIC, AND I DON'T KNOW IF THAT'S TRUE OF TAXI CAB DRIVERS OR NOT, IF THEY HAVE TO HAVE ANY KIND OF PERMIT. [LB629]

SENATOR MELLO: THEY DON'T HAVE TO HAVE A SPECIAL LICENSE, BUT THEY DO GET...THEY DO GO THROUGH A SIMILAR PROCESS THAT WE ARE CREATING HERE FOR TNC DRIVERS. [LB629]

SENATOR BLOOMFIELD: SO THEY WOULD BE REQUIRED TO HAVE A CERTIFICATE OF SOMEWHAT. [LB629]

SENATOR MELLO: THEY GET...THE TAXI INDUSTRY GETS CERTIFICATES THROUGH THE PUBLIC SERVICE COMMISSION; AND, ARGUABLY, THROUGH...THE BILL IN FRONT OF YOU, TNCs WILL GO THROUGH A SIMILAR PROCESS. [LB629]

SENATOR BLOOMFIELD: OKAY, THANK YOU. I GUESS THAT'S ALL I'VE GOT AT THIS TIME, MR. PRESIDENT. IF SENATOR MELLO WOULD LIKE SOME TIME, HE CAN HAVE IT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR BLOOMFIELD. ABOUT 4:00, SENATOR MELLO, IF YOU WOULD LIKE TO USE IT. [LB629]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I'LL BE BRIEF. I APPRECIATE THE SUPPORTIVE REMARKS FROM THE FLOOR FROM MEMBERS IN REGARDS TO THE CONCEPTS THAT COMPANIES LIKE UBER AND LYFT, BETTER KNOWN AS TRANSPORTATION NETWORK COMPANIES, PROVIDE TO CONSUMERS AND THE PUBLIC IN REGARDS TO PROVIDING A NEW FORM OF AFFORDABLE, SAFE TRANSPORTATION. BUT TWO THINGS: ONE, I WOULD BE REMISS NOT TO THANK HAPPY CAB IN REGARDS TO THEIR EXTENSIVE WORK ON

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LB629 OVER THE LAST SEVEN TO EIGHT MONTHS. IN MOST STATES ACROSS THE COUNTRY, THE TAXI INDUSTRY FIGHTS TOOTH AND NAIL AGAINST ALLOWING COMPETITION INTO THE MARKETPLACE THROUGH COMPANIES LIKE UBER AND LYFT AND TNCs. OBVIOUSLY, IN NEBRASKA WE TRY TO OPERATE A LITTLE BIT DIFFERENTLY IN REGARDS TO CRAFTING LB629. AND IN THAT RESPECT, HAPPY CAB, WHICH IS THE LARGEST TAXI PROVIDER IN THE METROPOLITAN AREA IN OMAHA AND ONE OF THE LARGEST PROVIDERS IN LINCOLN, ACTUALLY CAME IN SUPPORT OF LB629 BECAUSE THEY WERE ABLE TO HELP US DRAFT COMPONENTS TO THE UNDERLYING BILL AND THE FRAMEWORK THAT MADE IT...MADE SENSE IN REGARDS TO APPROPRIATE OVERSIGHT OF THE TRANSPORTATION NETWORK COMPANIES BY THE PUBLIC SERVICE COMMISSION. I THINK THAT IS UNIQUE. AND AS I'VE TRIED TO EXPLAIN TO COLLEAGUES AND OTHER INTERESTED PARTIES, THAT'S ARGUABLY A FIRST ACROSS THE NATION IN REGARDS WHAT TRADITIONALLY IS SEEN AS THE LARGEST OPPONENT TO THESE KIND OF INNOVATIVE COMPANIES THAT, NEBRASKA, THE LARGEST TAXI COMPANY CAME IN SUPPORT OF ALLOWING TNCs TO OPERATE IN THE STATE AND DO SO IN THE FRAMEWORK WE HAVE IN LB629. SO I WANT TO MAKE SURE COLLEAGUES KNOW THAT IS A UNIQUE COMPONENT OF WHAT WE HAVE IN FRONT OF US UNDER THIS REGULATORY FRAMEWORK. I WOULD, THOUGH, ALSO SAY, ON THE OTHER HAND, THE NEGOTIATIONS THROUGHOUT THE LAST NINE MONTHS HAS BEEN GRUELING, TO SAY THE LEAST, IN RESPECTS TO ALL OF THE INTERESTED PARTIES WHO HAVE A STAKE IN CREATING THIS REGULATORY FRAMEWORK. AND I BELIEVE THAT WE'VE BEEN ABLE TO NEGOTIATE 99.9 PERCENT OF WHAT YOU HAVE IN FRONT OF US. AND, YES, THERE IS ONE COMPONENT LEFT THAT WE WILL BRING ON SELECT FILE THAT PROVIDES WHAT I BELIEVE IS AN IMPORTANT PROTECTION FOR THE DRIVER IN REGARDS TO ENSURING THAT THEY'RE COMMUNICATING APPROPRIATELY WITH THE LIENHOLDER ON THEIR VEHICLE, IF THEY HAVE ONE, THAT ENSURES THEY KNOW WHAT THEY'RE GETTING THEMSELVES INTO AND THEY...ENSURING THAT THEY HAVE THE APPROPRIATE COMMUNICATION AND, ARGUABLY, THE APPROPRIATE INSURANCE THAT'S REQUIRED BY THEM FROM THE LIENHOLDER WHO HAS A LIEN ON THEIR VEHICLE. BUT OTHER THAN THAT, COLLEAGUES, WE'RE NOT OVERREGULATING TNCs UNDER LB629. [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR MELLO: EVEN WITH THE ADOPTION OF, I WOULD SAY, AN AMENDMENT THAT WE WILL WORK AND BRING ON SELECT FILE THAT PROVIDES AN ADDITIONAL ENFORCEMENT OF THAT DISCLOSURE COMPONENT I DISCUSSED, WE'RE NOT OVERREGULATING TRANSPORTATION NETWORK COMPANIES. WE'RE

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PROVIDING WHAT I BELIEVE IS A VERY BALANCED FRAMEWORK IN REGARDS TO WHAT YOU SEE...HAVE MAYBE SEEN IN THE STATE OF KANSAS WHICH, WHILE THAT'S CONCERNING, THE STATE OF KANSAS MANDATED COMPREHENSIVE COLLISION COVERAGE, WHICH IS NOT REQUIRED UNDER CURRENT LAW FOR ANY OTHER COMMON CARRIER IN OUR STATE, WHICH IS WHY WE DON'T MANDATE IT UNDER LB629. THAT IS (INAUDIBLE) THE MAIN REASONS WHY BILLS, LIKE WHAT YOU SAW IN KANSAS, WAS VETOED WAS BECAUSE OF THE MANDATED INSURANCE COVERAGE, WHICH IS NOT INCLUDED UNDER AM1075 AND IT'S NOT INCLUDED UNDER LB629. AND I WANT TO REITERATE THAT. THAT IS A BIG DISTINCTION IN REGARDS TO WHAT YOU MAY HAVE HEARD OF THE CONCERN OF OVERREGULATION OF THESE KIND OF COMPANIES IN COMPARISON TO WHAT YOU'VE SEEN IN OTHER STATES. SO WITH THAT BEING SAID, COLLEAGUES,... [LB629]

PRESIDENT FOLEY: TIME, SENATOR. [LB629]

SENATOR MELLO: ...THAT IS A BIG DIFFERENTIAL THAT YOU'VE HEARD MEMBERS... [LB629]

PRESIDENT FOLEY: TIME, SENATOR. [LB629]

SENATOR MELLO: ...ON THE FLOOR DISCUSS THAT IS NOT PART OF THE BILL. THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR MELLO. SENATOR HILKEMANN, YOU'RE RECOGNIZED. [LB629]

SENATOR HILKEMANN: THANK YOU, MR. SPEAKER. I'VE BEEN LISTENING TO THIS DEBATE THIS MORNING. IT WOULD SEEM TO ME, AND I...AND IT'S... WHEN SENATOR FRIESEN MENTIONED WHAT'S HAPPENING OUT-STATE AND HE TALKED ABOUT THE PERSON WITH THE NEWSPAPER, WOULDN'T IT SEEM POSSIBLE THAT WE COULD...THAT THE INSURANCE INDUSTRY WOULD HAVE A RIDER THAT THEY COULD ADD TO A POLICY THAT WOULD COVER NOT ONLY WHAT WE'RE TALKING ABOUT HERE WITH UBER AND LYFT, BUT ALSO OTHER PERSONS WHO ARE CARRYING THINGS FOR JIMMY JOHN'S OR WHATEVER ELSE IT MIGHT BE? I JUST WONDER IF THAT WOULD BE A POSSIBILITY THAT THIS COMMITTEE COULD LOOK AT. AND I CERTAINLY THINK WE NEED TO MOVE LB629 FORWARD; JUST AN IDEA THAT I WANTED TO SHARE. THANK YOU, MR. SPEAKER. [LB629]

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PRESIDENT FOLEY: THANK YOU, SENATOR HILKEMANN. SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB629]

SENATOR SCHUMACHER: THANK YOU, MR. LIEUTENANT GOVERNOR, MEMBERS OF THE BODY. I WASN'T GOING TO SPEAK ON THIS PARTICULAR ISSUE; I'M NOT SO TERRIBLY INVOLVED IN IT. I DON'T EXPECT IT'S GOING TO BE ONE OF THOSE HEART BURNERS. BUT AS I BEGAN TO LISTEN TO THE DEBATE TODAY, I BECAME INCREASINGLY AGGRAVATED. I DON'T THINK WE GET IT. UBER IS THE TYPE OF INDUSTRY THAT THE NEW ECONOMY IS ABOUT. THE INTERNET DRAMATICALLY CHANGED OUR WORLD AND IN DOING SO IT CREATED NEW OPPORTUNITIES FOR ENTREPRENEURS, NEW OPPORTUNITIES FOR PEOPLE WHO HOLD RESOURCES ON A TINY BASIS, LIKE MAYBE A CAR OR CELL PHONE. IT DOES NOT FIT IN THE OLD PARADIGM OF REGULATING A RAILROAD OR A TAXI COMPANY. IT IS THE NEW ECONOMY. AND THIS IS ONE OF THE FIRST KIND OF THINGS THAT THE LEGISLATURE HERE HAS BEEN CONFRONTED WITH IN RESPONDING TO THAT NEW ECONOMY AND PEOPLE, MOSTLY YOUNG PEOPLE, TAKING ADVANTAGE OF THE NEW WRINKLES IT CREATES AND TRYING TO EXPLOIT ITS OPPORTUNITIES. AND OUR RESPONSE, INSTEAD OF BEING A RESPONSE OF THE FREE MARKETPLACE, OF WAITING TO SEE WHETHER THE MANAGEMENT OF THESE CORPORATIONS CAN CONTROL THESE ISSUES OF SAFETY AND INSURANCE AND THE LIKE THEMSELVES...BECAUSE IT'S THEIR ECONOMIC INTEREST THAT'S AT HEART. IF ALL OF A SUDDEN A COMPANY X DOES NOT DO ADEQUATE SCREENING AND THERE'S BAD, BAD THINGS HAPPENING, COMPANY X IS OUT OF BUSINESS. THAT'S FAR MORE INCENTIVE TO DO THE JOB RIGHT THAN ASSIGNING AN ARMY OF BUREAUCRATS AND PUBLIC SERVICE REGULATORS TO IT. WHAT HAPPENED TO THE IDEA, REPUBLICANS IN THIS BODY, THAT WE ARE ABOUT LESS REGULATION, REGULATION ONLY WHEN ABSOLUTELY NEEDED, WHEN A CASE IS PROVEN FOR IT? NO, WE WANT TO COME IN WITH A BOATLOAD OF REGULATION. WE WANT TO MONITOR EVERYBODY. WE WANT TO BUILD THREE NEW STATE OFFICE BUILDINGS JUST TO HAVE REGULATION OF THE NEW INDUSTRIES. WHY? WHERE HAS BEEN THE PROOF THAT THIS COMPANY OR COMPANIES OR CLASS OF COMPANIES NEEDS REGULATION IN NEBRASKA? WHERE IS THE LITANIES OF EVILS THAT HAVE HAPPENED WHERE THE FREE MARKETPLACE HAS FAILED? YEAH, THERE ARE SOME WRINKLES ABOUT INSURANCE; YEAH, BIG DEAL. WE CAN FIGURE THAT OUT. THE INSURANCE COMPANIES AND THE BANKERS ARE SMART ENOUGH TO KNOW HOW TO MONITOR THEIR PEOPLE. AND IF SOMEBODY GETS IN A WRECK AND WRECKS THE CAR AND IT'S NOT COVERED BY INSURANCE, IT PROBABLY IS NOT GOING TO BE THAT BIG A LOSS. IN FACT, WHAT'S GOING TO END UP HAPPENING IS IT'S PROBABLY GOING TO BE MORE EXPENSIVE TO COMPLY WITH ALL THESE NOTICES AND EVERYTHING ELSE THAN

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IT WOULD BE AN OCCASIONAL LOSS VEHICLE. LET'S LET FREE ENTERPRISE HAVE A SHOT. LET'S LET OUR YOUNG PEOPLE AND YOUNG ENTREPRENEURS HAVE A SHOT. LET'S TEACH PEOPLE THAT IN THIS NEW ENVIRONMENT OF THE INTERNET, WE ARE ABLE TO CREATE NEW INDUSTRIES AND NEW SERVICES AND FIND JOBS. AND, YES, IF WE DRIVE AFTER WE GET DONE WITH A TEN-HOUR JOB AND WE MAKE A FEW EXTRA BUCKS, MAYBE WE'RE ABLE TO KEEP OFF WELFARE. WHAT'S WRONG WITH US? REGULATE, REGULATE, REGULATE, PROHIBIT, REGULATE. [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

SENATOR SCHUMACHER: WE DON'T HAVE THE CAPACITY TO REGULATE ENOUGH THIS NEW AGE THAT'S COMING. AND LET'S LET REGULATION FOR THOSE CASES WHERE THERE'S A CLEAR AND PROVEN NEED FOR IT, RATHER THAN JUST TRY OUT OF FEAR TO TAKE CARE OF EVERYTHING PREEMPTIVELY AND MAKE A MESS OF OPPORTUNITY. I THINK I'M GOING TO OPPOSE LB629. THANK YOU. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR SCHUMACHER. (VISITORS INTRODUCED.) SENATOR LARSON, YOU'RE RECOGNIZED. [LB629]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I REALLY APPRECIATE SENATOR SCHUMACHER'S COMMENTS. AND IT BRINGS ME TO SOMETHING THAT MADE ME THINK. WE ARE TALKING ABOUT LESS REGULATION AND HOW THIS MOTIVATES THE FREE MARKET AND GETS BETTER RESULTS. YOU KNOW WHAT ELSE NEEDS LESS REGULATION AND WILL MOTIVATE THE MARKET AND GETS BETTER RESULTS? CHARTER SCHOOLS. WE'VE SEEN IT ACROSS THE WHOLE COUNTRY, YET WE STILL DON'T HAVE IT. AND IT'S AMAZING TO SEE A LOT OF THE OPPONENTS TO CHARTERS STAND UP HERE AND TALK ABOUT HOW WE NEED THIS, HOW THIS WILL ADD TO THE MARKET. THIS ADDS TO THE FREE MARKET. THIS IS THE FREE ENTERPRISE. THIS WILL OPEN THINGS UP. THERE WILL BE BETTER SERVICES. AND YOU KNOW WHAT? THEY'RE ALL RIGHT. THERE WILL BE BETTER SERVICES WHEN WE PASS LB629. THERE WILL BE MORE OPENINGS. PEOPLE WON'T HAVE TO WAIT AS LONG FOR A TAXI. THE FREE MARKET AND FREE ENTERPRISE WILL WORK, YET HERE WE STAND AND THINK THAT OVERREGULATION IN OUR SCHOOLS DOES WORK, OVERREGULATE...NOT LETTING OUR SCHOOL DISTRICTS HAVE OPTIONS DOES WORK. GIVE OUR PUBLIC EDUCATION SYSTEM THE REFORM THAT IT NEEDS. GIVE THEM THE FLEXIBILITY. LET'S HELP OUR CHILDREN AS MUCH AS WE WANT TO HELP PEOPLE GET HOME.

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LET'S MOVE BECAUSE WHEN YOU HAVE INNOVATION, WHEN YOU HAVE THE MARKETS, IT MAKES EVERYBODY ELSE BETTER. IT WILL MAKE OUR PUBLIC SCHOOLS, THE TRADITIONAL PUBLIC SCHOOLS, I SHOULD SAY, BETTER, BECAUSE CHARTERS ARE PUBLIC SCHOOLS. I LOVE ALL PUBLIC SCHOOLS-- TRADITIONAL PUBLIC SCHOOLS AND PUBLIC CHARTER SCHOOLS. IF WE'RE GOING TO STAND UP AND TALK ABOUT HOW COMPETITION, THE FREE MARKET, FLEXIBILITY, FREE ENTERPRISE IS GOOD, REMEMBER THAT. IT'S GOOD ACROSS THE BOARD. AND YOU KNOW WHAT? WHEN A TNC IS FAILING OR NOT DOING WELL, NOT SERVING ITS CUSTOMERS, IT'S GOING TO FAIL AND IT WILL GO OUT OF BUSINESS. WHEN THAT HAPPENS TO A CHARTER, THE SAME THING HAPPENS. THE THING IS, OFTENTIMES CHARTERS ARE IN SOME OF THE MOST UNDERSERVED NEIGHBORHOODS IN WHICH THE SCHOOLS MIGHT NOT BE PERFORMING THE BEST ANYWAY. SO PARENTS ARE WILLING TO SEND THEIR CHILDREN TO THAT CHARTER SCHOOL BECAUSE, FRANKLY, THEY THINK IT CAN'T BE, YOU KNOW, ANY WORSE THAN WHAT WE ALREADY HAVE. COLLEAGUES, I JUST WANT YOU TO SEE THE PARALLEL THAT EXISTS HERE. THE LESS REGULATION, THE MORE FREEDOM THAT COMPANIES AND OUR EDUCATIONAL SYSTEM HAS, THE MORE RESULTS WE CAN GET. WE SHOULDN'T...WE SHOULDN'T TELL UBER AND LYFT THAT THEY CAN'T COME TO NEBRASKA, AND WE SHOULDN'T TELL CHARTER SCHOOLS WE DON'T WANT YOUR EDUCATIONAL METHODS BECAUSE WE ALREADY KNOW WHAT'S BEST, BECAUSE FRANKLY WE KNOW OUR TAXI SERVICE IS FAILING OUR CITIZENS AND WE'VE SEEN WHAT SOME OF OUR SCHOOLS IN THE STATE OF NEBRASKA ARE DOING AND THEY ARE FAILING AS WELL. SO WHY DON'T WE HELP THEM INNOVATE, LIKE WE ARE HELPING IN LB629? THANK YOU, MR. PRESIDENT. [LB629]

PRESIDENT FOLEY: THANK YOU, SENATOR LARSON. SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. THIS IS YOUR THIRD OPPORTUNITY, SENATOR. [LB629]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. I WONDER IF SENATOR BURKE HARR WOULD YIELD TO A QUESTION. [LB629]

PRESIDENT FOLEY: SENATOR BURKE HARR, WOULD YOU YIELD TO A QUESTION, PLEASE? [LB629]

SENATOR HARR: YES. [LB629]

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SENATOR BLOOMFIELD: THANK YOU, SENATOR HARR. YOU AND I DISCUSSED THIS BRIEFLY OFF MIKE. BUT I UNDERSTAND AS THE BILL HAS PROGRESSED AND BEEN WORKED ON THAT THERE IS AN AGE LIMIT ON THE DRIVERS. WOULD YOU BE WILLING TO TELL US WHAT THAT IS AT THIS POINT? [LB629]

SENATOR HARR: YEAH, THERE IS...THEY DON'T HIRE DRIVERS...UBER DOESN'T HIRE DRIVERS LESS THAN 21. [LB629]

SENATOR BLOOMFIELD: OKAY. IS YOUR UNDERSTANDING THAT THAT IS IN THE BILL, SO SOMEBODY ELSE CAN'T COME IN AND START HIRING 16-YEAR-OLDS OR IS... [LB629]

SENATOR HARR: IT'S NOT IN THE BILL. WE CAN WORK ON AN AMENDMENT BETWEEN GENERAL AND SELECT IF YOU WOULD LIKE TO SEE THAT. [LB629]

SENATOR BLOOMFIELD: I THINK, PROBABLY, WE SHOULD. [LB629]

SENATOR HARR: OKAY. [LB629]

SENATOR BLOOMFIELD: CAN YOU IMAGINE ANY REASON WE HAVE 21 AT THAT CUTOFF? [LB629]

SENATOR HARR: WELL, I THINK, YOU KNOW, I THINK IT'S ABOUT MENTAL DEVELOPMENT. I THINK IT'S ABOUT WHEN PEOPLE ARE RESPONSIBLE. AND IF YOU'RE GOING TO HAVE THEIR NAME OUT THERE, THEY WANT SOMEONE WHO IS RESPONSIBLE. [LB629]

SENATOR BLOOMFIELD: OKAY. THANK YOU, SENATOR. AND AT THAT POINT... [LB629]

SENATOR HARR: THANK YOU. [LB629]

SENATOR BLOOMFIELD: ...I CAN'T LET SENATOR LARSON JUST GO FREE HERE. IT'S AMAZING THAT 21 IS THE SAME AGE I HAD ON LB31. YOU'RE MATURE ENOUGH TO GO PICK SOMEONE ELSE UP AND GIVE THEM A RIDE, BUT AT 21, ACCORDING TO THIS BODY, YOU'RE NOT YET MATURE ENOUGH TO DECIDE WHETHER OR NOT YOU WANT TO RIDE YOUR MOTORCYCLE WITHOUT A HELMET. THINGS TIE

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TOGETHER HERE. FREEDOM IS FREEDOM. LIBERTY IS LIBERTY. SO 21 SEEMS TO BE A FINE AGE HERE. I THINK 21 IS A FINE AGE TO LET SOMEBODY DECIDE WHETHER OR NOT THEY WANT TO RIDE WITHOUT A HELMET. I DON'T KNOW IF SENATOR SMITH COULD USE SOME TIME OR NOT, BUT HE'S GOT THE REST OF MINE IF HE WANTS IT. [LB629 LB31]

PRESIDENT FOLEY: THANK YOU, SENATOR BLOOMFIELD. THREE MINUTES, SENATOR SMITH, IF YOU CARE TO USE IT. [LB629]

SENATOR SMITH: THANK YOU, MR. PRESIDENT. THANK YOU, SENATOR BLOOMFIELD. I'LL...YOU KNOW, I'VE HEARD A LOT OF DISCUSSION ABOUT THE BURDENSOME REGULATIONS AND I WISH AS MUCH CONCERN WAS BEING GIVEN TO THE BURDENSOME REGULATIONS ON SMALL BUSINESSES IN OUR STATE RATHER THAN PROTECTING THE INTEREST OF BIG BUSINESSES. SO...BUT I THINK IT'S A GOOD DISCUSSION. SENATOR KINTNER HAD ASKED SOME QUESTIONS ABOUT THE...HOW TO...THE DIFFERENCE BETWEEN THE WAY CAB COMPANIES AND TNCs, TRANSPORTATION NETWORK COMPANIES OR THE RIDE-SHARE COMPANIES, OPERATE, YOU KNOW, BETWEEN THE TWO, AND I THOUGHT I WOULD RESPOND TO THAT. I DON'T SEE SENATOR KINTNER IN THE ROOM, BUT I JUST WANTED TO HAVE IT ON THE RECORD, THE DIFFERENCE BETWEEN THESE TWO TYPES OF OPERATIONS. FOR CAB COMPANIES, FOR THEM TO OPERATE, THEY MUST SHOW A PUBLIC CONVENIENCE AND NECESSITY TO OBTAIN THE AUTHORITY THROUGH THE PUBLIC SERVICE COMMISSION. AND WHEN THAT HAPPENS, THE APPLICATION CAN BE CHALLENGED. WITH A TNC COMPANY, OR A RIDE-SHARING COMPANY, THERE IS SIMPLY AN APPLICATION. ALL THEY HAVE TO DO IS SHOW STATUTORY COMPLIANCE. AND THERE'S NO CHALLENGE TO THAT APPLICATION REQUIRED. SOUNDS TO ME LIKE THEY'RE FAIRLY UNREGULATED AS OPPOSED TO CAB COMPANIES. IN TERMS OF RATES, CAB COMPANIES, THEY ARE FULLY REGULATED BY THE PUBLIC SERVICE COMMISSION WITH THEIR RATES. FULLY REGULATED. TNCs? FULL RATE FLEXIBILITY. THEY CAN CHARGE WHATEVER THEY WANT AND THAT CAN GO UP AND DOWN BASED ON DEMAND; DOESN'T SOUND LIKE ANY REGULATIONS ON TNCs WHERE THERE IS ON THE CAB COMPANIES, OFFICIALLY SMALL BUSINESSES IN NEBRASKA. CAB COMPANIES' INSURANCE: 100 PERCENT COMMERCIAL INSURANCE, \$1 MILLION OF LIABILITY COVERAGE REQUIRED. TNC INSURANCE? THEY HAVE LOWER LIMITS REQUIRED... [LB629]

PRESIDENT FOLEY: ONE MINUTE. [LB629]

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SENATOR SMITH: ONE MINUTE...AND PARTICULARLY DURING APP ON PHASE, SO AGAIN LITTLE, IF ANY, REGULATIONS ON THE TNCs, HEAVY REGULATIONS ON THE CAB COMPANIES. GRANTED, THERE'S A DIFFERENCE IN OPERATIONS. BUT, AGAIN, IF WE WANT TO TALK ABOUT HEAVY-HANDED REGULATIONS, HOW ABOUT A LITTLE PROTECTION FOR OUR SMALL BUSINESSES IN OUR STATE? HOW ABOUT A LITTLE BIT MORE REGARD FOR THEM AS OPPOSED TO PROTECTING THE INTERESTS OF THE LARGER BUSINESSES TRYING TO ENTER INTO OUR MARKETS IN A HEAVY-HANDED FASHION? THANK YOU, MR. PRESIDENT. [LB629]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: SENATOR SMITH, YOU'RE NEXT IN THE QUEUE. SENATOR McCOLLISTER, YOU'RE RECOGNIZED. [LB629]

SENATOR McCOLLISTER: THANK YOU, MR. PRESIDENT. GOOD MORNING, COLLEAGUES. WE'VE DEBATED ON THIS TOPIC FOR NEARLY TWO HOURS. AND IT'S AN IMPORTANT TOPIC. WHY DO I THINK IT'S IMPORTANT? WELL, IN 2008, I WAS AN UNSUCCESSFUL CANDIDATE FOR THE PUBLIC SERVICE COMMISSION. I'M FAMILIAR WITH THE MYRIAD OF REGULATIONS THAT THE PSC LEVELS UPON CAB COMPANIES. AND I WOULD CONTEND THAT IT MAKES CAB COMPANIES SAFE, FOR SURE, BUT IT'S ALSO A BARRIER TO ENTRY, A BARRIER TO ENTRY. AND AS A RESULT IN OMAHA, WE'VE GOT A SITUATION WHERE IT'S INCREDIBLY EXPENSIVE TO USE A CAB, WAY TOO EXPENSIVE. BUT FORTUNATELY, TECHNOLOGY HAS COME TO THE RESCUE AND LYFT AND UBER ARE EMERGING TECHNOLOGIES WHICH WILL TRANSFORM THE TRANSPORTATION SITUATION IN OMAHA, WHICH IS A VERY BENEFICIAL THING. I SUPPORT LB629 AND THE AMENDMENT, AM1075, AND ENCOURAGE PASSAGE. THE OVERRIDING QUESTION THAT WE SHOULD HAVE, COLLEAGUES, IS, HOW ARE NEBRASKA CITIZENS BEST SERVED? AND THEY ARE BEST SERVED BY PASSING A BILL WITH A MODERATE AMOUNT OF REGULATION THAT PROTECTS OUR CITIZENS, BUT WITH A BILL THAT WILL ENCOURAGE NEW TECHNOLOGIES WHICH WILL LOWER THE COST OF TRANSPORTATION IN SOME OF OUR MAJOR CITIES. SO I WOULD ENCOURAGE YOUR GREEN VOTE ON BOTH THE AMENDMENT AND THE BILL. THANK YOU. [LB629]

SPEAKER HADLEY: SENATOR SCHEER, YOU'RE RECOGNIZED. [LB629]

SENATOR SCHEER: THANK YOU, MR. SPEAKER. IN RESPONSE TO SENATOR McCOLLISTER, I WOULD DIFFER TO THE EXTENT THAT I THINK OUR MAIN FOCUS

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WOULD BE TO PROTECT OUR CITIZENS FIRST AND THEN THE CONVENIENCE OF THE CITIZENS. I THINK WITHOUT QUESTION ANY OF THE CONSTITUENTS THAT I WOULD TALK TO WOULD BE MORE CONCERNED WITH THEIR SAFETY BEFORE THEIR CONVENIENCE. BUT HAVING SAID THAT, IF SENATOR SMITH WOULD RESPOND TO A FEW QUESTIONS, IF HE MIGHT? [LB629]

SPEAKER HADLEY: SENATOR SMITH, WILL YOU YIELD? [LB629]

SENATOR SMITH: YES, I WILL. [LB629]

SENATOR SCHEER: THANK YOU, SENATOR SMITH. AND IF YOU DON'T KNOW THE ANSWERS, THAT'S FINE. I'M JUST CURIOUS. WE'VE TALKED ABOUT THIS NEW AND INNOVATIVE WAY TO PROVIDE TRANSPORTATION, BUT MOST OF THE COST SAVINGS, TRULY, ARE THROUGH THE REDUCTION OF THE STATE REGULATIONS AND COMPLIANCES. TELL ME, BECAUSE I HAVE HAD CONTACTS WITH MY LOCAL CAB COMPANY THAT IS VERY SMALL, HAS ONE OR TWO OPERATING AT ANY GIVEN TIME, HOW ARE WE GOING TO PERMIT THEM TO BE COMPETITIVE? ARE WE GOING TO ALLOW THEM THEN FROM THE STATE'S PERSPECTIVE, IF THEY WANT IT TO BE JUST A RIDE-SHARE NETWORK, CAN THEY DISCONTINUE THEIR LICENSE WITH THE STATE AS A CAB COMPANY AND SIMPLY TURN INTO A RIDE-SHARE COMPANY AND PROVIDE A PROGRAM IN SMALLER COMMUNITIES, JUST LIKE WE'RE NOW ALLOWING IN THE LARGER COMMUNITIES, AT A MUCH LOWER RATE FOR THOSE RESIDENTS IN SMALL COMMUNITIES? [LB629]

SENATOR SMITH: YOU KNOW, SENATOR SCHEER, THAT'S A GOOD QUESTION. YOU KNOW, THERE'S PROBABLY SOME REGULATORY CHANGES THAT COULD BE MADE TO EASE THE BURDEN ON CAB COMPANIES. BUT I WOULD SUSPECT THAT PROBABLY THE GREATEST AMOUNT OF COST SAVINGS FOR THEM TO MAKE THEM MORE COMPETITIVE IS TO ADOPT SOMEWHAT OF A HYBRID MODEL BETWEEN WHERE THEY ARE TODAY AND WITH A TNC. [LB629]

SENATOR SCHEER: IS THAT SOMETHING THAT THE TRANSPORTATION COMMITTEE MIGHT BE LOOKING AT FOR NEXT YEAR THEN? [LB629]

SENATOR SMITH: YOU KNOW, I THINK THAT IS CERTAINLY SOMETHING THAT WE CAN TAKE A LOOK AT. I KNOW CAB COMPANIES, DURING TESTIMONY, EXPRESSED AN INTEREST IN LOOKING AT REGULATIONS THAT COULD BE EASED ON THEM. SO I WOULD SUSPECT THAT THERE WILL BE SOMETHING THAT WILL COME BACK NEXT YEAR DEALING WITH CAB COMPANIES. [LB629]

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SENATOR SCHEER: WELL, I'M VERY CONCERNED WITH THE APPROACH THAT WE'RE TAKING, BECAUSE WHAT WE'RE ALLOWING WITH RIDE SHARING IS NOT JUST THE OMAHA AND LINCOLN MARKETS. IT WOULD BE AVAILABLE IN NORFOLK, AS FAR AS I KNOW, OR COLUMBUS, OR ANY OF THE OTHER THAT MIGHT PROVIDE ENOUGH USAGE FOR RIDERSHIP. AND WE'RE REQUIRING THOSE LOCAL CAB COMPANIES TO HAVE ALL THE REQUIREMENTS FROM OUR STATUTES TO PROVIDE THOSE IN THOSE SMALL COMMUNITIES. BUT A GENTLEMAN CAN SIMPLY FILE TO DRIVE WITH UBER AND, ESSENTIALLY, PICK UP WHO KNOWS WHAT PERCENTAGE OF THE BUSINESS IN THOSE SMALL COMMUNITIES? IF THEY TAKE 10 OR 15 PERCENT, JUST THEIR NIGHT BUSINESS, WE'LL SAY, THAT MIGHT BE ALL THE PROFIT THAT'S IN THAT PARTICULAR BUSINESS IN THOSE SMALL COMMUNITIES. SO THEN YOU STILL HAVE THE UBER GUY THAT MAYBE WILL WANT TO DRIVE ON SATURDAY NIGHTS AND FRIDAY NIGHTS TO PICK UP BAR TRAFFIC OR WHATEVER IN THE SMALL TOWNS, BUT HE'S NOT GOING TO BE TRANSPORTING ANY OF THE CITIZENS TO THEIR DOCTORS' APPOINTMENTS AND SO FORTH IN THE SMALL COMMUNITIES THAT RELY HEAVILY ON THAT TYPE OF TRANSPORTATION. SO MY CONCERN IS WE NEED TO START LOOKING, ESPECIALLY IN THE SMALLER COMMUNITIES, AND HOW WE REGULATE THE CAB COMPANIES, IF NOTHING ELSE, IN THOSE COMMUNITIES BECAUSE WHEN UBER STARTS COMING IN AND CHERRY-PICKS THE TIME THAT THEY WANT TO BE DRIVING, THAT WILL CUT ALL THE PROFIT POTENTIAL AWAY FROM THOSE SMALL CAB COMPANIES AND WE'LL LOSE THEM IN SMALL COMMUNITIES. WE WILL. AND WHEN YOU LOSE THOSE,... [LB629]

SPEAKER HADLEY: ONE MINUTE. [LB629]

SENATOR SCHEER: ...UBER IS NOT THERE TO PICK UP THE DIFFERENCE. THEY'RE PRIVATE CITIZENS ONLY DRIVING IF AND WHEN THEY FEEL LIKE IT. AND THAT IS A VERY REAL, I THINK, THREAT TO THE PUBLIC TRANSPORTATION IN SMALL COMMUNITIES. THANK YOU, MR. SPEAKER. [LB629]

SPEAKER HADLEY: SENATOR SCHUMACHER, YOU'RE RECOGNIZED. [LB629]

SENATOR SCHUMACHER: THANK YOU, MR. SPEAKER, MEMBERS OF THE BODY. SINCE MY LAST COMMENTS, SEVERAL PEOPLE HAVE ASKED, WELL, WHAT ARE YOU GOING TO DO ABOUT THE BANKERS? YOU KNOW, THEY MAY HAVE A CAR THAT THEY'VE MADE A LOAN ON. THE GUY DOESN'T HAVE ANY MONEY; HE'S DRIVING AROUND TRYING TO GET A RIDE...TO RIDE WITH HIM ON UBER. AND LO AND BEHOLD, HE HAS AN ACCIDENT AND, YOU KNOW, THE BANK IS JUST OUT

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THE \$15,000 LOAN ON THE CAR. OR WHAT ABOUT THE INSURANCE COMPANY WHO ISN'T GETTING ENOUGH PREMIUM BECAUSE THE GUY ISN'T TELLING THEM THAT HE'S USING HIS CAR FOR BUSINESS AND OCCASIONALLY THEN HAVING TO FIGHT A CLAIM MADE ON THE INSURANCE BECAUSE HE WAS USING IT FOR BUSINESS WHEN HE WAS HIT OR HAD AN ACCIDENT? AND, YOU KNOW, I THOUGHT TO MYSELF, IN THE OLD WORLD, WHAT WE WOULD SAY IS WE'VE GOT A BILL FOR THAT AND WE'D INTRODUCE A BILL AND WE'D PASS A LAW AND REGULATIONS AND ADMINISTRATORS AND COMMISSIONERS AND WHATEVER...POLICE AND COURTS AND WE'D HAVE THE OLD SYSTEM. IN THE NEW SYSTEM, IN THE NEW WORLD, WE'D SAY THERE'S AN APP FOR THAT. AND ENTREPRENEURS, MAYBE NOT MUCH OF ENTREPRENEURS, WOULD COME UP AND SAY, LOOK IT, BANKER; LOOK IT, INSURANCE COMPANY, WE KNOW THE UBER DATABASE INDEX BY ZIP CODE OR BLOCK NUMBER OR WHATEVER AND WE'RE GOING TO RUN THAT AGAINST YOUR LOAN LIST AND YOU'RE GOING TO GET A QUICK LITTLE SCREEN FULL OF WHO'S BEING BAD WITH YOUR LOANS BECAUSE THEY DON'T HAVE INSURANCE AND YOU CAN CHECK IT BACK AND FORTH. THERE'S AN APP FOR THAT. AND THAT TYPE OF TECHNOLOGY, AND EMBRACING THAT TYPE OF TECHNOLOGY, IS A WHOLE LOT BETTER IN THIS ISSUE AND THE COUNTLESS OTHER ISSUES WE'RE GOING TO SEE WHERE THE INTERNET IS JUST GOING TO MAKE OUR HEAD SPIN THAN TRYING TO BE A PATERNALISTIC LEGISLATURE, TRYING TO FIGURE OUT EVERY POSSIBLE ANGLE AHEAD OF TIME AND PROTECTING AGAINST IT WITH THE OLD MECHANISM. THERE'S AN APP FOR THIS AND IT'S A WHOLE LOT BETTER THAN A BILL. THANK YOU. [LB629]

SPEAKER HADLEY: SENATOR McCOLLISTER, YOU'RE RECOGNIZED. [LB629]

SENATOR McCOLLISTER: THANK YOU, MR. PRESIDENT. AND MEMBERS OF THE BODY, JUST TO CORRECT A COUPLE OF COMMENTS FOR THE RECORD, I AGREE THAT WE NEED TO THREAD THE NEEDLE ON THIS BILL AND WITH THE EFFORT TO LOWER THE COST OF TRANSPORTATION IN SOME OF OUR MAJOR CITIES BUT TO...WE ALSO NEED TO HAVE SUFFICIENT SAFETY THAT CONSUMERS ARE PROTECTED. SECONDLY, THE OMAHA CAB COMPANIES AND THE LINCOLN CAB COMPANIES ARE DOING A GOOD JOB. PERHAPS WE HAVE SOME CONCERN ABOUT THE COST, BUT THEY'VE BEEN WELL REGULATED AND THEY'RE PROVIDING THE PUBLIC A GOOD SERVICE. SO THIS ISN'T A CONDEMNATION ON THOSE COMPANIES. THANK YOU, MR. PRESIDENT. [LB629]

SPEAKER HADLEY: (VISITORS INTRODUCED.) SENATOR BRASCH, YOU'RE RECOGNIZED TO CLOSE ON THE COMMITTEE AMENDMENT; WAIVES CLOSING.

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THE QUESTION BEFORE YOU IS THE ADOPTION OF THE COMMITTEE AMENDMENT. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED, NAY. RECORD, MR. CLERK. [LB629]

CLERK: 34 AYES, 3 NAYS, MR. PRESIDENT, ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB629]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. SEEING NO ONE IN THE QUEUE, SENATOR MELLO, YOU'RE RECOGNIZED TO WAIVE ON...OR TO (LAUGH) CLOSE ON LB629. [LB629]

SENATOR MELLO: I WILL TAKE THAT AS A CUE FROM THE SPEAKER (LAUGHTER). THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I APPRECIATE THE CONVERSATION AND DIALOGUE TODAY ON THE COMMITTEE AMENDMENTS, ON OTHER AMENDMENTS, AND THE UNDERLYING BILL. WE'LL CONTINUE TO WORK BETWEEN NOW AND SELECT FILE ON TRYING TO IRON OUT WHAT WE THINK IS A RESPONSIBLE WAY TO ENSURE DRIVERS HAVE PROTECTIONS, AS WELL AS ENSURING THAT LIENHOLDERS...THERE'S AN ENFORCEMENT TO ENSURE LIENHOLDERS ARE COMMUNICATED WITH. I WANT TO PROVIDE ONE CLARIFICATION TO SENATOR BLOOMFIELD AND SENATOR HARR IN REGARDS TO THE QUESTION THAT WAS ASKED REGARDING THE AGE OF DRIVERS. UNDER THE BILL, UNDER THE COMMITTEE AMENDMENT, SECTION 5, SUBSECTION 1 ACTUALLY STATES THAT YOU HAVE TO BE 21 TO BE A DRIVER. AND I JUST WANTED TO CLARIFY THAT ON THE MIKE FOR THE RECORD BECAUSE, I BELIEVE, EARLIER I SAID THEY HAD TO BE 18 UNDER THE AMENDMENT; IT'S 21 ACTUALLY. WITH THAT, I'D URGE THE BODY TO ADOPT LB629. THANK YOU, MR. PRESIDENT. [LB629]

SPEAKER HADLEY: THE QUESTION BEFORE YOU IS THE ADOPTION OF LB629. ALL IN FAVOR VOTE AYE; OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB629]

CLERK: 39 AYES, 1 NAY, MR. PRESIDENT, ON THE ADVANCEMENT OF LB629. [LB629]

SPEAKER HADLEY: THE BILL IS ADVANCED TO E&R INITIAL. MR. CLERK. [LB629]

CLERK: MR. PRESIDENT, A FEW ITEMS, IF I MIGHT. NEW A BILL. (READ LB469A BY TITLE FOR FIRST TIME.) I HAVE A CONFIRMATION HEARING NOTICE FROM THE

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GOVERNMENT COMMITTEE. AND THE BUSINESS AND LABOR COMMITTEE REPORTS LB480 TO GENERAL FILE WITH AMENDMENTS. (LEGISLATIVE JOURNAL PAGES 1224-1225.) [LB469A LB480]

MR. PRESIDENT, LB360 IS A BILL BY SENATOR JOHNSON. (READ TITLE.) INTRODUCED ON JANUARY 15, REFERRED TO THE AGRICULTURE COMMITTEE. THE BILL WAS ADVANCED TO GENERAL FILE WITH COMMITTEE AMENDMENTS ATTACHED. (AM1151, LEGISLATIVE JOURNAL PAGE 1090.) [LB360]

SPEAKER HADLEY: SENATOR JOHNSON, YOU'RE RECOGNIZED TO OPEN ON LB360. [LB360]

SENATOR JOHNSON: THANK YOU, MR. SPEAKER. I'M NOT GOING TO GO INTO A LOT OF DETAIL ON LB360 AS INTRODUCED BECAUSE AM1151 STRIKES THE ORIGINAL PROVISION OF LB360 AND BECOMES THE...WITH THE INTRODUCTION OF MY AMENDMENT, AM1193, AND SENATOR KOLTERMAN'S AMENDMENT, AM1194, THAT WILL COMPLETE THE ROAD MAP TO ADDRESS THE ISSUES DEALING WITH THE NEEDED CHANGES IN THE COMMERCIAL DOG AND CAT OPERATOR INSPECTION ACT AND ANIMAL CRUELTY ENFORCEMENT PROVISIONS. YOU MIGHT REMEMBER THAT DURING THE CONFIRMATION HEARING FOR GREG IBACH, THE DIRECTOR OF THE DEPARTMENT OF AGRICULTURE, THE ISSUES OF ENFORCEMENT AND EXECUTION OF THE CURRENT REGULATIONS WERE RAISED. THOSE ISSUES WERE THEN DISCUSSED WHEN THE COMMITTEE RECOMMENDATION TO APPROVE THE DIRECTOR'S APPOINTMENT WAS DISCUSSED AND HEARD ON THE BODY AND HE WAS CONFIRMED FOR THAT POSITION AS A REAPPOINTMENT. TODAY, WE ARE HERE TO PRESENT WHERE WE ARE GOING WITH LB360 AND HOW WE ARRIVED WITH THE BILL AND THE AMENDMENTS. THANKS TO SENATOR KOLTERMAN AND SENATOR KUEHN WHO INTRODUCED BILLS IN ADDITION TO MY TWO BILLS THAT I INTRODUCED. WE CONTINUED THE DISCUSSION AT THE AG COMMITTEE HEARING AND HAVE LB360, PLUS THE AMENDMENTS, TO PRESENT TODAY. DURING THIS PROCESS, WE HAVE HAD MEETINGS WITH THE MAJOR STAKEHOLDERS. THOSE STAKEHOLDERS INCLUDE THE NEBRASKA DEPARTMENT OF AGRICULTURE, THE NEBRASKA HUMANE SOCIETY, REPRESENTATIVES OF THE COUNTY ATTORNEYS, COUNTY SHERIFFS, THE ATTORNEY GENERAL'S OFFICE, HEARTS UNITED FOR ANIMALS, AND CORRESPONDENCE WITH THE NEBRASKA DOG BREEDERS ASSOCIATION. TWICE THE STAKEHOLDERS MET TOGETHER, THE LAST MEETING WHICH WAS HELD YESTERDAY MORNING. THESE CONVERSATIONS HAVE ALSO INCLUDED, OF COURSE, MEMBERS OF THE AG COMMITTEE; PLUS THERE HAVE BEEN MANY CONVERSATIONS WITH RICK LEONARD, RESEARCH ANALYST FOR THE AG

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COMMITTEE. NOW TO BRIEFLY OUTLINE THE ROAD MAP: COMMITTEE AMENDMENT, AM1151, BECOMES THE NEW BILL AND STRENGTHENS THE EXISTING AUTHORITIES AVAILABLE TO THE DEPARTMENT OF AGRICULTURE TO ENFORCE COMPLIANCE TO THE FACILITY AND OPERATING STANDARDS OF THE INSPECTION PROGRAM. AM1193 INSERTS THE REVENUE PROVISIONS OF LB359 AS ADVANCED BY THE AGRICULTURE COMMITTEE AMENDMENTS. AM1193 WOULD ADDRESS THE EXISTING CASH FLOW DEFICIT IN THE EXISTING INSPECTION PROGRAM EFFORT AND TO PROVIDE ADDITIONAL FUNDING TO SUPPORT AN INCREASED ENFORCEMENT EFFORT AND TO PROVIDE INVESTIGATIVE AND OTHER ASSISTANCE OFFERED TO LOCAL GOVERNMENTAL AGENCIES TO ENFORCE ANIMAL CRUELTY AND NEGLECT STATUTES SHOULD NONCOMPLIANCE WITH FACILITY AND OPERATING STANDARDS OR OTHER CONDITIONS ARISE TO THE CRIMINAL VIOLATIONS. SENATOR KOLTERMAN'S AMENDMENT, AM1194, ADDRESSES THE FINAL STAGE AND THE TOUGHEST PART OF ANIMAL CRUELTY ENFORCEMENT. ENFORCEMENT OF ANIMAL CRUELTY CAN BE A SIGNIFICANT FINANCIAL OBLIGATION TO LOCAL JURISDICTIONS AND PUBLIC AND PRIVATE ANIMAL SHELTERS WHO OFTEN PROVIDE BOARDING AND CARE AT THE REQUEST OF THE SEIZING AUTHORITIES AND DO THAT AT FREE OR REDUCED COST. THE PURPOSE OF THE PROCESS PROVIDED IN THE AMENDMENTS IS TO PROVIDE A JUDICIAL PROCESS, DUE PROCESS MODELED AFTER THAT UTILIZED IN SECTION 54-933, WHICH IS THE LIVESTOCK ANIMAL WELFARE ACT, THAT ENABLES THE DISPOSITION OF ANIMALS TO BE DETERMINED IN A TIMELY MANNER TO MINIMIZE COST TO LOCAL GOVERNMENTS AND VIOLATORS. YOU MIGHT HAVE READ IN THE PAPER IN THE LAST WEEK THAT THE DEPARTMENT HAS UPDATED SOME OF THE REGULATIONS. THOSE REGULATIONS ARE PUT IN PLACE AND THEY CORRESPOND WITH REGULATIONS THAT WE WILL BE DISCUSSING TODAY. WE HAVE HEARD ABOUT OVERREGULATING. OUR MOST RECENT DISCUSSION ON LB629 TALKED ABOUT OVERREGULATING. IT HAS TO BE OVERREGULATED IF THERE'S A PROVEN NEED. IF YOU SAT IN ON THE CONFIRMATION HEARING OR IF YOU HEARD SOME OF THE TESTIMONY THAT WAS GIVEN IN HIS, GREG IBACH'S, CONFIRMATION PRESENTATION ON THE FLOOR, YOU HEARD OF THE ISSUES. I KNOW MOST OF THE BODY HAS RECEIVED INFORMATION, SOME OF IT SAYING WE'RE NOT GOING FAR ENOUGH. WE'VE HEARD INFORMATION AND SEEN INFORMATION THAT WE'RE GOING TOO FAR, WE'RE OVERREGULATING, WE'RE TOO STRICT. WHAT WE ARE ATTEMPTING TO DO WITH THESE...WITH LB360 AND THESE AMENDMENTS IS TO COME TO A MIDDLE ROAD IN ORDER TO PROVIDE DUE PROCESS IN THE JUDICIAL SYSTEM IF NECESSARY, PLUS EMPLOY STAFF AT THE DEPARTMENT LEVEL THAT WILL BE TRAINED, LICENSED AS DEPUTY COUNTY SHERIFFS TO EXAMINE FACILITIES, BE ABLE TO MAKE A RECOMMENDATION TO THE JUDICIAL SIDE OF OUR

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GOVERNMENT IN ORDER TO HANDLE THE SITUATION AT HAND. WE'LL HAVE A LOT OF DISCUSSION ON THIS I'M SURE. THIS CONCLUDES THE OPENING FOR LB360. [LB360 LB359 LB629]

SPEAKER HADLEY: SENATOR JOHNSON, AS CHAIR OF THE AGRICULTURE COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE AGRICULTURE COMMITTEE AMENDMENT. [LB360]

SENATOR JOHNSON: THANK YOU AGAIN, MR. SPEAKER. AS STATED IN MY OPENING, AM1151 STRIKES THE ORIGINAL SECTION IN LB360 AND BECOMES THE BILL. THE AMENDMENT RETAINS ALL OF THE PROVISIONS IN LB360 AS INTRODUCED, BUT ADDS SOME ADDITIONAL REVISIONS TO THE COMMERCIAL CAT AND DOG OPERATOR INSPECTION ACT. I WILL POINT OUT SOME OF THESE REVISIONS. THE MOST SUBSTANTIVE OF THESE IS TO INSERT DEFINITIONS OF "SIGNIFICANT THREAT TO THE HEALTH AND SAFETY OF CATS AND DOGS," A TERM UTILIZED IN THIS AMENDMENT ACT IN CONNECTION WITH AUTHORITIES OF THE DEPARTMENT TO INTERVENE TO IMPOUND ANIMALS OR TO REFER TO LAW ENFORCEMENT FOR ANIMAL CRUELTY ENFORCEMENT. THAT IS IF THE INSPECTOR, THE LICENSED INSPECTOR, OBSERVES PARTICULARLY INHUMANE CONDITIONS. THE DEFINITION INSERTED HERE IS CONSISTENT WITH THE DEFINITION OF THIS TERM AS THE DEPARTMENT RECENTLY PLACED INTO THEIR UPDATED REGULATIONS. THE DEFINITION IS INTENDED TO MINIMIZE THE UNCERTAINTY AS TO WHEN CONDITIONS PRESENT ARE UNACCEPTABLE AND A RISK TO HEALTH AND SAFETY. ANOTHER NOTABLE CHANGE IS THE INSERTION OF THE TERM "OPERATOR" AND ITS MEANING TO REFER TO ANY PERSON ENGAGED IN AN ACTIVITY THAT IS SUBJECT TO REGULATION THROUGH THE LICENSE OR OTHERWISE IN THE ACT. MANY OF THE CHANGES INCORPORATE THE TERM "OPERATOR" TO ASSIST IN CLARIFYING INSPECTION AND ENFORCEMENT AUTHORITIES AVAILABLE TO THE DEPARTMENT TO APPLY TO ENTITIES THAT MEET THE DEFINITION OF A BREEDER OR OTHER REGULATED ENTITY, WHERE THE DEPARTMENT'S ENFORCEMENT RESPONSIBILITIES APPLY WHETHER THE ACTIVITY IS PROPERLY LICENSED OR NOT. A SIGNIFICANT CHANGE IS GOING FROM AN ANNUAL LICENSE TO A NONLAPSING LICENSE. THE CURRENT ACT PROVIDES FOR AN ANNUAL LICENSE EXPIRATION AND ANNUAL LICENSE FEE COLLECTED WITH THE RENEWAL APPLICATION. AM1151 PUTS IN THE NONLAPSING LICENSE AND IT'S CONSISTENT WITH OTHER DEPARTMENT PROGRAMS. FURTHER, IT ALLEVIATES DIFFICULTIES THE DEPARTMENT HAS HAD GAINING COMPLIANCE FROM AND MAKING ENFORCEMENT ACTIONS AGAINST THE LICENSEES WHOSE LICENSE EXPIRES AND WHO FAIL OR PURPOSELY CHOOSE NOT TO RENEW THE LICENSE BUT CONTINUE AS AN OPERATOR. THESE

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INCLUDE REVISIONS OF SEVERAL PLACES PERTAINING TO THE DEPARTMENT'S AUTHORITIES REGARDING INSPECTION DUTIES AND AUTHORITIES, ACCESS TO PREMISES FOR INSPECTION, AND AVAILABILITY OF ADMINISTRATIVE ENFORCEMENT AND PENALTY PROVISIONS. THERE IS A NUMBER OF OTHER CHANGES IN THIS BILL, THIS AMENDMENT, TO HELP SUPPORT THE EXERCISE OF THE DEPARTMENT'S ENTRY AND INSPECTION AUTHORITY WHEN THE DEPARTMENT HAS REASON TO BELIEVE THAT A PERSON IS NOT IN COMPLIANCE WITH THE LICENSE REQUIREMENT AND OPERATING STANDARDS. SECTION 6 OF THE AMENDMENT IS INSERTED IN THE NEW SECTION MAKING REVISIONS TO...CURRENTLY...ASSIGNS AUTHORITY DEALING WITH STOP-MOVEMENT ORDER OR FOR NONCOMPLIANCE OF THE ACT OR ITS REGULATIONS, INCLUDING UNSANITARY CONDITIONS. AM1151 WOULD ADD THAT THE DIRECTOR MAY ISSUE A STOP-MOVEMENT ORDER FOR CONDITIONS THAT REQUIRE MEDICAL ATTENTION, PROVISIONS OF SHELTER, FACILITY MAINTENANCE AND IMPROVEMENT, POSSIBLE RELOCATION OF ANIMALS, AND OTHER MANAGEMENT INTERVENTIONS NECESSARY TO AVOID ENDANGERING THE HEALTH AND SAFETY OF ANIMALS. EXCUSE ME. STOP MOVEMENT IS AN ADMINISTRATIVE PROCESS. IT DOES NOT RELY ON SEEKING COOPERATION OR PARTICIPATION FROM COUNTY ATTORNEYS TO REMEDY INHUMANE CONDITIONS WITHIN A CRIMINAL EXTENT WHERE BURDENS ARE HIGHER. SO IT DOES NOT HAVE TO INVOLVE THE COUNTY ATTORNEY AT THIS TIME. IT CAN RETAIN FINANCIAL RESPONSIBILITY WITH THE VIOLATOR. STOP MOVEMENT DOES NOT DIVEST OWNERSHIP AND, THEREFORE, IMPOSE A BURDEN ON THE PUBLIC TO CARE FOR ANIMALS UNTIL DUE PROCESS...JUDICIAL PROCESS HAS BEEN DETERMINED WHETHER THOSE ANIMALS SHOULD BE RELOCATED OR WHETHER THERE SHOULD BE OTHER ACTION TAKEN. IT IS CONTEMPLATED THAT THE DIRECTOR MAY IMPOSE CONDITIONS OF LIFTING THE STOP MOVEMENT TO INCLUDE VETERINARY INTERVENTION, OTHER INVESTMENTS FOR CARE, AND SHELTER TO BE COMPLETED WITHIN CERTAIN FRAMEWORKS (SIC--TIME FRAMES). SECTIONS 9 AND 10 REWRITES: SECTION 54-633 ASSIGNS THE AUTHORITY OF THE DEPARTMENT TO IMPOSE ADMINISTRATIVE FINES AND TO SEEK JUDICIAL REMEDIES FOR ENJOINING OR RESTRAINING ORDER FOR VIOLATIONS OF THE COMMERCIAL DOG AND CAT INSPECTION ACT AS REGULATORS OR...AS ITS REGULATIONS OR ORDERS OF THE DIRECTOR. SUBSECTION (2) OF 54-633 PROVIDES THAT IF VIOLATIONS OF THE ACT OR OFFENSES AGAINST ANIMALS OBSERVED BY THE INSPECTOR IMPOSE A SIGNIFICANT THREAT TO THE HEALTH AND SAFETY OF DOGS OR CATS, THE DIRECTOR MAY INSTRUCT THE INSPECTOR TO IMPOUND DOGS OR CATS OR, AT THE REQUEST OF OTHER LAW ENFORCEMENT AGENCIES, TO IMPOUND ANIMALS AS PROVIDED IN SECTIONS...CHAPTER 28, ARTICLE 10. AM1151 MAKES THE FOLLOWING

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REVISIONS: AMENDS TO STRIKE DOG AND CAT PROGRAM INSPECTORS FROM THE DEFINITION OF LAW ENFORCEMENT OFFICER, AND FOR PURPOSES OF CHAPTER 28, ARTICLE 10, BUT TO INCLUDE SPECIAL INVESTIGATORS EMPLOYED BY THE DEPARTMENT OF AGRICULTURE PURSUANT TO 82-201; STRIKING EXISTING SUBSECTION AND INSERTING THE CONCEPT OF REVISED FORM IN THE WHOLE NEW SECTION. THIS NEW SECTION ASSIGNS THE AUTHORITY TO DIRECT A SPECIAL INVESTIGATOR TO INVESTIGATE OR REQUEST OTHER APPROPRIATE LAW ENFORCEMENT TO INSPECT, CARE FOR, AND IMPOUND ANIMALS AS AUTHORIZED PURSUANT TO 28-1011. IF THE DIRECTOR HAS REASON TO BELIEVE THAT VIOLATIONS OF THE ACT OR OTHER CONDITIONS POSING THREAT TO THE ANIMALS...HEALTH AND SAFETY OF THE ANIMALS IS PRESENT. THE SPECIAL INVESTIGATOR WOULD BE TRAINED, LICENSED IN CRUELTY AND ABUSE, AND WOULD BE A DEPUTY, A SHERIFF IN ORDER TO FILL THAT GAP BETWEEN THE CURRENT INSPECTOR TO A LICENSED INVESTIGATOR ONTO THE FINAL PROCESS. THE COMMITTEE AMENDMENT ACKNOWLEDGES THAT THE ASSUMPTION OF LAW ENFORCEMENT POWERS EXCEEDS THE TRAINING AND CREDENTIALING OF INSPECTORS. SPECIAL INVESTIGATORS EMPLOYED BY THE DEPARTMENT PURSUANT TO 81-201 ARE APPOINTED DEPUTY SHERIFFS. SINCE THESE AUTHORITIES ARE TIED TO CRIMINAL ANIMAL CRUELTY VIOLATIONS WHOSE ENFORCEMENT IS VESTED IN LOCAL AUTHORITIES AS A MATTER OF PRACTICAL...MATTER, IT REMAINS NECESSARY THAT THE DEPARTMENT CONTINUE TO WORK WITH LOCAL AUTHORITIES AND PUBLIC AND PRIVATE RESOURCES SHOULD INTERVENTIONS OF IMPOUNDMENT OR SEIZURE OF ANIMALS BE DETERMINED. IN COMBINATION OF THE DISPOSITION REVISIONS CONTAINED IN LB377, AM1194 HAS AN INTENT TO MINIMIZE COST DISINCENTIVES TO LOCAL OFFICERS AND PROSECUTING ACTION FOR THESE AUTHORITIES. THE FINAL REVISIONS OF NOTE...AMENDMENT...IS INCLUSION OF THE REINSPECTION FEE WHICH WE IMPOSED WITH LB389, OFFERED BY SENATOR KUEHN. THE INSPECTION FEE IS INTENDED TO BETTER ASSIGN THE COST OF INSPECTION BURDEN TO THE SUBSET OF OPERATORS THAT ARE THE CHRONIC VIOLATORS OR HAVE SEVERE VIOLATIONS THAT REQUIRE FOLLOW-UP INSPECTIONS. [LB360 LB377 LB389]

SPEAKER HADLEY: ONE MINUTE. [LB360]

SENATOR JOHNSON: THE AVOIDANCE OF REINSPECTION COST IS A FURTHER INCENTIVE FOR OPERATORS TO COMPLY WITH THE STANDARDS. AM1151 ADDS THE CLARIFYING TEXT NOT CONTAINED IN LB389 AS INTRODUCED REGARDING DESIGNATION OF THE REINSPECTION FEE AS A RECOVERY OF ADMINISTRATIVE EXPENSES AND GOES DIRECTLY...THOSE FEES GO BACK INTO THE CASH FUND.

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THIS IS THE OPENING ON AM1151, AND I WOULD ASK FOR YOUR SUPPORT.
THANK YOU, MR. SPEAKER. [LB360 LB389]

SPEAKER HADLEY: MR. CLERK. [LB360]

CLERK: MR. PRESIDENT, SENATOR JOHNSON WOULD MOVE TO AMEND THE
COMMITTEE AMENDMENTS WITH AM1193. (LEGISLATIVE JOURNAL PAGE 1137.)
[LB360]

SPEAKER HADLEY: SENATOR JOHNSON, YOU'RE RECOGNIZED TO OPEN ON
AM1193. [LB360]

SENATOR JOHNSON: AM1193 INSERTS THE PROVISIONS OF LB359 AS AMENDED BY
THE AGRICULTURE COMMITTEE AMENDMENTS. LB359 INCREASES THE STATE
FEE IMPOSED PURSUANT TO 54-803 AND COLLECTED BY POLITICAL
SUBDIVISIONS THAT IMPOSE A LICENSE FEE FOR DOGS AND CATS OWNS...OR
HARBORED BY PERSONS IN THE JURISDICTION. THE FEE IS CURRENTLY \$1 PER
ANIMAL. LB359 WOULD INCREASE THIS FEE TO \$1.25. THE COMMITTEE
AMENDMENT TO LB377 CARRIES OVER IN AM1193 TO LB360. IT AMENDS THE
LICENSE FEE PROVISIONS OF 54-629 FOR FACILITIES LICENSED UNDER THE
COMMERCIAL DOG AND CAT OPERATOR INSPECTION ACT. CURRENTLY, THE
DEVICE LICENSE FEE FOR COMMERCIAL BREEDERS, KENNELS, PET SHOPS,
DEALERS, AND ANIMAL SHELTERS AS SET FORTH IN SUBSECTION 3 IS A SLIDING
FEE SCALE APPLIED TO THE SIZE OF THE CATEGORY STARTING WITH TEN
ANIMALS OR FEWER. THEN IT GOES 11 TO 51, AND ADDITIONAL CATEGORIES IN
INCREMENTS OF 50 ANIMALS. THE LICENSE RANGES FROM \$150 FOR OPERATIONS
HOUSING TEN OR FEWER ANIMALS TO AS HIGH AS \$650 FOR THOSE
HOUSES...HANDLING 450-500 ANIMALS; AND A FEE OF \$2,000 FOR ANY
OPERATION LARGER THAN 500 ANIMALS. AM1193 WOULD MAKE THE
FOLLOWING CHANGES TO THE LICENSE PROCEDURE: IT INCREASES THE
ANNUAL LICENSE FEE BY \$25 FOR EACH LICENSE FEE CATEGORY. IT INSERTS A
NEW SUBDIVISION, SUBDIVISION 3(f), ESTABLISHING AN ADDITIONAL LICENSE
FEE OF \$2 MULTIPLIED BY THE AVERAGE DAILY NUMBER OF DOGS AND CATS
FOR COMMERCIAL BREEDERS FOR LICENSEES ONLY. THIS WOULD BE
COMMERCIAL BREEDERS, BOARDING KENNELS, PET SHOPS, AND DEALERS. IT
INCLUDES RECOVERY AND RESCUE FACILITIES. IT AMENDS SUBSECTION 3(g) TO
ADD AUTHORITY FOR THE DIRECTOR TO ADJUST THE \$2 PER ANIMAL FEE AFTER
A PUBLIC HEARING WITH A STATUTORY MAXIMUM OF \$3. I WILL NOTE THAT THE
\$2 PER ANIMAL FEE CHARGED FOR COMMERCIAL CATEGORIES OF LICENSE

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ADOPTS IN A LIMITED WAY THE CONCEPTS CONTAINED IN LB389 INTRODUCED BY SENATOR KUEHN. WHEN PRESENTING THAT BILL, SENATOR KUEHN CORRECTLY POINTED OUT THAT THE CURRENT FEE STRUCTURE UNDER THE PROGRAM IS VERY REGRESSIVE. CURRENTLY, THE AVERAGE ANNUAL LICENSE FEE...ANIMAL RANGES FROM AS MUCH AS \$30 PER ANIMAL FOR A LICENSED FACILITY WITH A MINIMUM OF 5 ANIMALS TO A \$1.25 PER ANIMAL FOR A FACILITY HOUSING AN AVERAGE OF 500 ANIMALS. SENATOR KUEHN HAD OFFERED A TWO-PART FEE THAT IMPOSED A FLAT \$150 FEE THAT APPLIED FOR ALL LICENSES AND ADDITIONAL ELEMENT OF THE ANIMAL FEE UP TO \$10 PER ANIMAL. AND THAT WOULD HAVE GREATLY ADDED TO THE FEE STRUCTURE AND THAT WAS VERY REGRESSIVE. THE COMMITTEE DID NOT ADOPT THE RECOMMENDATIONS FOR THE FOLLOWING REASONS: IT WOULD HAVE REQUIRED SOME VERY DRAMATIC INCREASES IN THE ANNUAL LICENSE FEE FOR FACILITIES OF ANY SIZE, AND THE MOST WOULD BE AFFECTED WOULD BE THE LARGEST INCREASE ON PUBLIC AND PRIVATE NONPROFIT ANIMAL SHELTERS AND RESCUES. ADDITIONALLY, THE DEPARTMENT'S COSTS ARE NOT NECESSARILY APPORTIONED TO THE SIZE, NOR DOES SIZE NECESSARILY CORRELATE WITH THOSE THAT REQUIRE THE MOST INSPECTION OVERSIGHT. ADDITIONALLY, THE INSPECTION FEE SENATOR KUEHN ALSO OFFERED IN LB389 IS INCLUDED IN THE COMMITTEE AMENDMENT OF LB360, AND IN SOME WAYS MORE APPROPRIATELY ASSIGNS COST TO FACILITIES ACTUALLY DISAPPROPRIATING...IMPOSING REGULATORY BURDEN. AM1193 DOES NOT ACHIEVE THE DEGREE OF ELIMINATION OF REGRESSIVENESS OF LB389, BUT SOME REGRESSIVITY IS ACCOMPLISHED WITH THE \$2 PER ANIMAL COMPONENT OF COMMERCIAL LICENSE APPLIED TO THE NUMBER OF ANIMALS HELD BY IT ABOVE TEN ANIMALS. WE WILL NOT HAVE AN EXACT ESTIMATE FROM THE FISCAL OFFICE ON THE INCREASED REVENUES UNTIL AFTER THE AMENDMENT IS ADOPTED, BUT THE FIGURE SHOULD BE IN THE NEIGHBORHOOD OF \$100,000, WHICH IS A CASH FUND. IT IS ENVISIONED THAT ANY REVENUE PACKAGE PROVIDED SUFFICIENT INCREASE FOR THE ANNUAL PROGRAM RESOURCES THAT WOULD ACCOMPLISH THE FOLLOWING: IT WOULD ELIMINATE THE CASH FUND DEFICIT, THE ANNUAL EXPENDITURES IN EXCESS OF ANIMAL FEES FOR THE CURRENT PROGRAM EFFECT; IT PROVIDES ADDITIONAL FUNDING FOR ENHANCED ENFORCEMENT EFFORT POTENTIALLY FOR MORE COST OF INSPECTION, ORDERS, HEARINGS, ASSIST LOCAL ANIMAL CRUELTY INVESTIGATIVE AND ENFORCEMENT OFFICERS, AND WILL HELP PROVIDE SOME REVENUE TO ALLOW FOR INFLATION OVER TIME. THE INSPECTION PROGRAM IS CURRENTLY CASH FUNDED, EXCEPT FOR SOME GENERAL AND INCIDENTAL ADMINISTRATIVE SUPPORT, LEGAL SERVICES, PAYROLL, HEARING OFFICERS, AND SO FORTH PROVIDED TO THE PROGRAM THAT IS NOT CURRENTLY

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REIMBURSED. THIS BODY MADE A DECISION DURING THE LAST BUDGET CRISIS A FEW YEARS AGO, TO RECONCILE AN IMPENDING GENERAL FUND DEFICIT, TO REMOVE GENERAL FUND SUPPORT AND FULLY CASH FUND THIS PROGRAM. IT WOULD...VIRTUALLY MATHEMATICALLY IMPOSSIBLE TO FUND THIS PROGRAM COMPLETELY THROUGH LICENSE FEES WHICH WOULD REQUIRE A TRIPLING OF FEES, INCLUDING THOSE IMPOSED ON RESCUES AND SHELTERS, WHICH WOULD MAKE IT ABOUT HALF OF THE LICENSE...HURT ABOUT HALF OF THE LICENSED ENTITIES. WE HOPE WE HAVE LAID OUT SOMEWHAT OF A PROCESS FOR THIS PLAN. AM1194, SENATOR KOLTERMAN'S BILL, WILL CONTINUE THIS ROAD MAP. I ASK FOR YOUR SUPPORT OF AM1193. [LB360 LB359 LB377 LB389]

SPEAKER HADLEY: SENATOR GLOOR, YOU ARE RECOGNIZED. [LB360]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT; GOOD MORNING AGAIN, MEMBERS. I APPRECIATE THIS BILL COMING FORWARD. WE HAVE A SERIOUS PROBLEM. I'LL BE SUPPORTIVE OF THE AMENDMENTS, AS WELL AS THE UNDERLYING BILL. LET ME PUT IN REAL TERMS SOME OF WHAT WE'RE DEALING WITH IN THIS STATE AND, SPECIFICALLY, IN CENTRAL NEBRASKA. A COUPLE OF MONTHS AGO, WE HAD A WOMAN WHO ATTEMPTED TO GET ON AN AIRPLANE AT THE CENTRAL NEBRASKA REGIONAL AIRPORT IN GRAND ISLAND, AND THEY FOUND A COUPLE OF PUPPIES HIDDEN IN HER CLOTHING AND TURNED HER AWAY. SHE WAS BACK A FEW MINUTES LATER AND SO WAS SOMEBODY WHO HAD FOLLOWED HER, OR HAD BEEN IN THE REST ROOM WITH HER. SHE HAD DROWNED ONE OF THE DOGS IN THE TOILET AND THEN THREW IT IN THE TRASH. I FORGET WHAT HAPPENED WITH THE OTHER ONE. TURNS OUT SHE WAS ARRESTED--ANIMAL CRUELTY. TURNS OUT SHE HAD WARRANTS FOR HER ARREST, I BELIEVE, FOR METH DEALING DOWN IN FLORIDA. THIS IS THE KIND OF PERSON THAT HAS MOVED INTO THE STATE OF NEBRASKA AND IS RUNNING PUPPY MILLS. AND IT USED TO BE, IF WE THINK BACK 10 TO 15 YEARS AGO AND WE DROVE BY ABANDONED...OTHERWISE ABANDONED FARMHOUSES THAT NOW ARE BEING RENTED BY INDIVIDUALS, WE IMMEDIATELY, AND USUALLY CORRECTLY, ASSUMED IT WAS A METH LAB. NOW IT'S A PUPPY MILL. WE HAVE A PROBLEM. AND NEBRASKA HAS BECOME KNOWN AS THE PUPPY MILL CAPITAL OF THE UNITED STATES IN SOME QUARTERS. THAT'S HOW BAD A PROBLEM WE HAVE. WE NEED TO DO SOMETHING ABOUT IT. WE HAVE A HUMANE SOCIETY. WE HAVE THE RIGHT KIND OF HUMANE SOCIETY AT WORK IN GRAND ISLAND; IT'S CALLED THE CENTRAL NEBRASKA HUMANE SOCIETY. THEY DO GOOD WORK. AND THEY SERVE NOT ONLY GRAND ISLAND AND HALL COUNTY, THEY CALL THEMSELVES CENTRAL NEBRASKA HUMANE SOCIETY BECAUSE THEY REACH FAR AND WIDE. MANY OF YOU HERE DON'T KNOW IT, BUT THERE HAVE BEEN

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PUPPY MILLS THAT HAVE BEEN CLOSED DOWN IN YOUR DISTRICTS. AND WE HAVE BEEN CALLED AND THERE'S BEEN AN ASK THAT WE COME DOWN AND GATHER UP THESE PUPPIES AND TRY AND GET THEM HOMES, WHICH SOMETIMES YOU CAN'T DO, OBVIOUSLY. I MEAN, THIS IS AN ILLEGAL ACTIVITY. IT'S EXPLOITATIVE, IT'S INHUMANE, IT'S CRUEL, AND IT'S EXPENSIVE BECAUSE THE CENTRAL NEBRASKA HUMANE SOCIETY COUNTS ON SOME TAX DOLLARS BUT NOT VERY MUCH. AND SO PEOPLE FROM THE COMMUNITY END UP MAKING DONATIONS, AND THAT DRAWS DOWN ON RESOURCES THAT COULD BE USED FOR OTHER THINGS. THIS IS A PROBLEM. AND THESE ARE GOOD BILLS AND ATTEMPT TO DEAL WITH WHAT IS A GROWING EXPLOITATIVE PROBLEM IN THE STATE OF NEBRASKA. HAVING SAID THAT, I DO HAVE A FEW QUESTIONS AND WONDER IF SENATOR JOHNSON WOULD YIELD TO THOSE QUESTIONS. [LB360]

SPEAKER HADLEY: SENATOR JOHNSON, WILL YOU YIELD? [LB360]

SENATOR JOHNSON: YES, I WILL. [LB360]

SENATOR GLOOR: PART OF THE PROBLEM WITH...AND THANK YOU, SENATOR JOHNSON. PART OF THE PROBLEM WITH BAD OPERATORS IS THAT GOOD OPERATORS GET CAUGHT UP SOMETIMES IN THE NET. SENATOR SCHUMACHER LIKES TO USE: YOU GET DOLPHINS WITH THE SHARKS. ACTUALLY, SENATOR SCHUMACHER, I THINK IT'S "DOLPHINS WITH THE TUNA," BUT IT'S OKAY, WE UNDERSTAND WHAT WE'RE TALKING ABOUT. SENATOR JOHNSON, THERE'S A SENTENCE I'VE GOT FROM ONE OF MY OPERATORS WHO IS CONCERNED WHO SAID: THE AMENDMENT ALLOWS FOR ANIMALS TO BE CONFISCATED FROM AN OWNER UPON A COMPLAINT, NO PROOF, STRIPPING THE OWNER OF ANY RIGHTS WHATSOEVER. BUT AS I'VE HEARD YOU DESCRIBE THE AMENDMENTS AND THE BILL, I DON'T BELIEVE THAT'S TRUE, IS IT? WOULD YOU RESPOND TO THAT? [LB360]

SENATOR JOHNSON: WELL, I THINK THE NEXT AMENDMENT WILL ATTEMPT TO ADDRESS PART OF THAT. WHAT THE DEPARTMENT HAS BEEN WORKING WITH ARE THE REGULATIONS THAT ARE CURRENT ON THE BOOKS. AND THEY ARE TO INSPECT, AND NOT TRY AND PUT ANYBODY OUT OF BUSINESS, BUT TRY AND IMPROVE THE OPERATION. AND AT TIMES, THEY COULD IMPOUND AN ANIMAL BUT PROBABLY DID NOT HAVE, AND IT WAS NOT THEIR FAULT,... [LB360]

SPEAKER HADLEY: ONE MINUTE. [LB360]

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SENATOR JOHNSON: ...BUT PROBABLY COULD NOT PROPERLY EVALUATE THE SITUATION. WITH THE SPECIAL INVESTIGATOR THAT'S TRAINED FOR ABUSE AND NEGLECT, THAT PERSON WOULD BE ABLE TO FILL THAT GAP BEFORE IT GOES TO THE JUDICIARY AND THROUGH DUE PROCESS THERE IN ORDER FOR THE OWNER OF THE ANIMAL OR THE BREEDER TO HAVE MORE IMPACT IN THE RESULT.
[LB360]

SENATOR GLOOR: AND WE ALSO HAVE DEPUTIES, SHERIFFS, AS AN EXAMPLE, WHO ARE ALREADY AUTHORIZED TO DEAL WITH THESE SORTS OF THINGS WHO FIT UNDER THE TRADITIONAL LAW ENFORCEMENT AND COURT SYSTEM. THOSE FOLKS WOULD ALSO BE ELIGIBLE, OR AVAILABLE TO TAKE THIS STAND, WOULDN'T THEY? [LB360]

SENATOR JOHNSON: THAT IS CORRECT. [LB360]

SENATOR GLOOR: OKAY. THANK YOU, SENATOR JOHNSON. THANK YOU, MEMBERS. AGAIN, THIS IS A GOOD BILL. IT IS NOT ONLY A GOOD BILL, IT'S A NECESSARY BILL. WE HAVE A PROBLEM, WE NEED TO TAKE SOME EFFORT AND MAKE SOME EFFORT TO TRY AND GET A HANDLE ON IT AND AVOID BECOMING...
[LB360]

SPEAKER HADLEY: TIME, SENATOR. [LB360]

SENATOR GLOOR: THANK YOU, SENATOR. [LB360]

SPEAKER HADLEY: SENATOR DAVIS, YOU ARE RECOGNIZED. [LB360]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I RISE IN SUPPORT OF THE BILL...THE UNDERLYING BILL AND THE AMENDMENTS. I THINK THIS IS REALLY GOOD PUBLIC POLICY. SENATOR GLOOR MADE A LOT OF GREAT POINTS ABOUT THE SITUATION THE STATE OF NEBRASKA IS IN. AND I THINK THAT IS ONE OF THE LAST THINGS WE WANT TO BE KNOWN AS IS A PUPPY MILL STATE THAT'S THE MOST LAX AND HAS THE MOST GRIM SITUATIONS IN THESE PUPPY MILLS. SO THIS IS A GOOD BILL. WE'RE MAKING A GREAT FIRST START HERE. WHAT I AM WANTING TO SAY TO THE BODY NOW IS I THINK THERE ARE OTHER THINGS THAT NEED TO BE DONE. THERE IS A LITTLE BIT MORE REGULATION THAT I THINK WOULD BE VALUABLE. I JUST SAT IN ON A MEETING YESTERDAY MORNING WITH SENATOR JOHNSON AND SENATOR KOLTERMAN

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AND OTHERS AND IT WAS A VERY VALUABLE MEETING. I LEARNED A LOT. BUT I DO THINK THAT THERE ARE SOME OTHER THINGS THAT NEED TO BE DONE. I HAVEN'T HAD TIME TO WORK ON THOSE THINGS, BUT BETWEEN GENERAL AND SELECT, I WILL TRY TO BRING SOME AMENDMENTS THAT WE CAN DISCUSS HERE ON THE FLOOR TO MAKE US MAYBE A BRIGHT LIGHT RATHER THAN A DIM ONE IN TERMS OF HOW WE DEAL WITH THESE ANIMALS BECAUSE IT'S AN IMPORTANT PUBLIC POLICY DECISION. THANK YOU, MR. PRESIDENT. [LB360]

SPEAKER HADLEY: SENATOR BLOOMFIELD. [LB360]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. SENATOR JOHNSON AND OTHER SENATORS ON THIS COMMITTEE HAVE WORKED EXTREMELY HARD TO GET THIS BILL OUT HERE. I DIDN'T VOTE FOR IT. IT'S NOT BECAUSE I DON'T LIKE THE EFFORT THEY HAVE PUT FORTH. I HAVE A LONGSTANDING BELIEF THAT ANIMALS DO NOT HAVE RIGHTS. I HAVE FOUND NOTHING TO CHANGE THAT BELIEF. AND WHILE THIS BILL IS NOT INTENDED TO GIVE RIGHTS TO ANIMALS, I FEAR THE CAMEL'S NOSE, AGAIN, IN THE TENT. COLLEAGUES, IF THE REGULATIONS THAT ARE IN THIS BILL WERE PUT ON A FEEDLOT, THAT FEEDLOT COULD NOT OPERATE. SO LET'S BE CAREFUL AS WE GO FORWARD WITH THIS THAT WE DON'T OPEN A DOOR THAT WE DON'T INTEND TO. SENATOR JOHNSON AND RICK LEONARD HAVE BEEN VERY CAREFUL AND JUDICIOUS IN THIS BILL. I STILL FEAR THAT POSSIBILITY. I DON'T INTEND TO SPEAK OFTEN OR FIGHT THIS THING. I ALSO, PROBABLY, WILL NOT VOTE FOR IT WHEN WE'RE ALL SAID AND DONE. BUT AGAIN, EVERYBODY LOVES THEIR DOG AND EVERYBODY LOVES THEIR CAT; MOST OF YOU DON'T KEEP A PET COW. SO LET'S BE SURE THAT NONE OF THESE RULES THAT WE PUT FORWARD ON THIS CAN BE MOVED AND FORCED ON FEEDLOTS, RANCHERS, AND OTHER PROPRIETORS OF LIVESTOCK. WE USED TO PRODUCE HORSE MEAT IN THIS STATE. WE DON'T ANYMORE. IT'S A SLAP TO THE BUDGET BECAUSE THERE WAS A SIGNIFICANT INCOME TO THE STATE FROM THAT. THAT'S GONE. HE'S NOT MY FAVORITE INDIVIDUAL IN THE WORLD, BUT PRESIDENT OBAMA HAS ADMITTED TO EATING DOG. IN OTHER PARTS OF THE WORLD, IT'S REGULAR FARE. SO AGAIN, LET'S BE CAREFUL. I THOUGHT THAT MIGHT BRING YOU UP, SENATOR CHAMBERS. (LAUGH) LET'S BE CAREFUL WHERE WE GO WITH THIS THAT WE DON'T DO UNINTENDED DAMAGE. MR. PRESIDENT, IF SENATOR JOHNSON WOULD LIKE A LITTLE TIME, I'D YIELD THE REMAINDER OF MINE. [LB360]

SPEAKER HADLEY: SENATOR JOHNSON, YIELDED 2:05. [LB360]

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SENATOR JOHNSON: THANK YOU. AND THANK YOU, SENATOR BLOOMFIELD, FOR YOUR COMMENTS. I DON'T KNOW THAT THE CAMEL IS LOOKING UNDERNEATH THE TENT. THERE IS STATUTE, 54-913, THAT TALKS ABOUT LIVESTOCK CRUELTY, AND WE'VE MADE SURE THAT WHAT WE WERE ATTEMPTING TO DO HERE DOES NOT INTERVENE OR NOT MOVE TOWARD THAT BECAUSE IT IS TOTALLY A SEPARATE SET OF STATUTES. SO I HOPE WE HAVE DONE THAT. THE LEGAL PEOPLE, MAYBE, CAN ANALYZE THAT A LITTLE BIT MORE. IT HAS BEEN REVIEWED BY THE ATTORNEY GENERAL AND OTHERS AND THEY ARE COMFORTABLE WITH THE STEPS THAT WE'RE MOVING FORWARD WITH. IN RELATIONSHIP TO "ANIMALS DO NOT HAVE RIGHTS," MOST ANIMALS, MOST PETS, I WOULD SAY DOGS AND CATS INCLUDED IN THAT--AND THAT IS WHAT WE'RE TALKING ABOUT TODAY, SO I'LL TALK ABOUT DOGS AND CATS--ON THE FARM THEY RAN WILD. THEY HAD THEIR FREEDOM. WE DIDN'T TRY TO IMPOSE ANY OTHER RESTRICTIONS ON THEM. WE LOST A FEW OF THEM. [LB360]

SPEAKER HADLEY: ONE MINUTE. [LB360]

SENATOR JOHNSON: THANK YOU. BUT WHEN WE START CONFINING THE PETS, WHEN WE START REGULATING THEIR LIFE AND WE START MATCHING THEM UP SO THAT THEY WILL BREED BETTER CATS AND DOGS, WE TAKE ON A RESPONSIBILITY THAT WE DO NOT ABUSE OR NEGLECT. WE TAKE AWAY THEIR RIGHTS. WE TAKE AWAY THEIR FREEDOM. AND WE'VE GOT TO BE PROTECTIVE OF THAT, BUT WE'VE ALSO GOT TO MAKE SURE THAT THE PEOPLE WHO ARE DOING THAT ARE LEGITIMATE IN THEIR ACTIONS AND THEY FOLLOW THE REGULATIONS. THANK YOU, MR. SPEAKER. [LB360]

SPEAKER HADLEY: SENATOR JOHNSON, YOU ARE NEXT IN THE QUEUE. [LB360]

SENATOR JOHNSON: FOR INTRODUCTION? NO, I WAS GOING TO ADDRESS THAT. I'LL PASS. THANK YOU. [LB360]

SPEAKER HADLEY: SENATOR JOHNSON PASSES. SENATOR CHAMBERS, YOU ARE NEXT. [LB360]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. JOHNNY, AS THE BARD SAYS, HE WHO KNOWS ME TOO WELL KNOWS ME ILL. MEMBERS OF THE LEGISLATURE, FOR THE SAKE OF THE TRANSCRIBERS, WHEN I REFER TO JOHNNY, I WAS REFERRING TO SENATOR BLOOMFIELD. HE SOUNDS REMARKABLY LIKE JOHNNY CASH TO ME. AND WE

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HAVE AN AGREEMENT WHICH I WILL NOT DISCLOSE TO ANYBODY, BUT BE HERE ON THE LAST DAY OF THE SESSION. DON'T MISS IT. EVEN IF YOU ARE DEAD, HAVE WHOEVER HANDLES YOU BRING YOUR CORPSE AND PROP IT UP. OR IF YOU GO THE WAY THAT I GO, WHICH IS BY CREMATION, AND I AM NOT GOING TO LET THAT BE DONE UNTIL I CROAK, HAVE THOSE ASHES BROUGHT HERE SO THEY CAN BENEFIT. A DISTINCTION THAT I WANT TO MAKE, AND SENATOR JOHNSON TOUCHED ON IT BY WAY OF AN EXPLANATION AND A DESCRIPTION, THESE ARE PET ANIMALS. THEY ARE NOT LIVESTOCK. ONE PERSON WHO WAS DEFENDING ONE OF THE MOST ATROCIOUS PUPPY MILLS, IN LANCASTER COUNTY WAS THE TRIAL, BUT THE JUDGE REFERRED TO IT AS AN ANIMAL AUSCHWITZ. AND FOR PEOPLE WHO DON'T KNOW, THOUSANDS OF JEWS WERE GASSED AT AUSCHWITZ, ONE OF THE MOST NOTORIOUS OF THE DEATH CAMPS. THE WORST OF ALL WAS TREBLINKA. BUT AT ANY RATE, A DEFENSE THAT THE LAWYER FOR THIS WOMAN OFFERED WAS THAT YOU DON'T HAVE TO TREAT LIVESTOCK WITH THIS KIND OF CONCERN AND CONSIDERATION. SENATOR JOHNSON EXPLAINED VERY WELL WHY THERE IS A DISTINCTION THAT CAN BE MADE BETWEEN THESE PET ANIMALS AND LIVESTOCK. BUT EVEN WHEN IT COMES TO LIVESTOCK, THERE IS A LIMIT TO THE INTENTIONAL INFLECTION OF PAIN, SUFFERING, TORTURE, AND UNDUE RESTRICTION OF THEIR ABILITY TO FUNCTION AS SENTIENT BEINGS. THERE WAS A TIME WHEN THE CATHOLIC CHURCH OR SOME OF THE TOP PEOPLE IN IT DIDN'T BELIEVE THAT ANIMALS HAD ANY RIGHTS. THEN EVEN THEY BEGAN TO GET SOME SENSITIVITY, BEGAN TO LOOK AT THESE LIVING BEINGS AS A PART OF THE CREATION AND, AS SUCH, THERE WERE CERTAIN PROTECTIONS TO BE EXTENDED TO THEM. MAHATMA GANDHI HAD MADE A COMMENT TO THE EFFECT THAT YOU CAN JUDGE THE CIVILIZATION OF A SOCIETY BY THE WAY IT TREATS ITS ANIMALS. I OFTEN QUOTE WILLIAM BLAKE WHO WROTE, "A ROBIN REDBREAST IN A CAGE PUTS ALL HEAVEN IN A RAGE." AND SOMEBODY ELSE SAID GOD LOVED BIRDS SO HE INVENTED TREES; HUMAN BEINGS LOVE BIRDS SO THEY CREATED CAGES. THERE HAS TO BE AN UNDERSTANDING THAT THE FREEDOM OF EVERY LIVING THING SHOULD NOT BE RESTRICTED AND THESE ANIMALS ARE NOT TO BE TREATED AS PLAYTHINGS FOR SPORT, TITILLATION, AND AMUSEMENT. THERE ARE PEOPLE WHO BELIEVE THAT THEY HAVE A RIGHT TO HAVE SEX WITH ANIMALS, AND THAT IS MADE AGAINST THE LAW. IF THE ANIMALS HAVE NO RIGHTS, THEN DON'T MAKE THAT A CRIME. A HUMAN BEING WOULD HAVE THE RIGHT TO DO ANYTHING HE OR SHE WANTS TO. BUT THAT LAW IS NOT JUST TO PREVENT THE DEGRADATION OF HUMAN BEINGS WHO MAY NOT HAVE SENSE ENOUGH TO LOOK OUT FOR THEMSELVES,... [LB360]

SPEAKER HADLEY: ONE MINUTE. [LB360]

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SENATOR CHAMBERS: ...BUT TO PREVENT THE MISUSE OF THESE OTHER CREATURES. I AM ONE OF THOSE WHO WOULD SPEAK VERY STRONGLY AGAINST THE MISTREATMENT OF FARM ANIMALS. RIGHT NOW SOMETHING WHICH A LOT OF PEOPLE IN NEBRASKA MAY NOT KNOW...I WAS PAUSING TO PUT ON MY LIGHT IN CASE I CAN'T COMPLETE, AND THE NEXT TIME I WOULD BE RECOGNIZED. THERE ARE FARMERS WORKING WITH THE HUMANE SOCIETY TO DEVELOP HUMANE WAYS OF TREATING ANIMALS EVEN THOUGH ULTIMATELY THEY ARE GOING TO BE SLAUGHTERED AND CONVERTED INTO FOOD FOR HUMAN BEINGS. AT THIS POINT, THAT'S ALL I'LL SAY, MR. PRESIDENT, SO YOU DON'T HAVE TO SAY, TIME, TIME, TIME. THANK YOU. [LB360]

SPEAKER HADLEY: (VISITORS INTRODUCED.) SENATOR CHAMBERS, YOU ARE NEXT IN THE QUEUE. [LB360]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, I LOOK AT PREACHERS OF ALL STRIPES, WHETHER THEY'RE RABBIS, PRIESTS, MINISTERS, OF WHICH I'M ONE, I PURCHASED MY PAPERS. THEY ARE SOME...IMAMS AND ALL THE REST OF THEM--I DON'T WANT TO WASTE MY TIME NAMING ALL OF THEM--BUT ACROSS THE SPECTRUM, THERE ARE SOME WILY, CAGEY, CUNNING, SAVAGE PEOPLE. SOMETIMES I WILL SEE SOMETHING THAT HAPPENED UNDER THE UMBRELLA OF THE CATHOLIC CHURCH: LAUNDERING MONEY IN ITALY, THE COMPTROLLER IN ROME OPENS AN INVESTIGATION, POPE FRANCIS IS HORRIFIED, OTHER PEOPLE ARE SCANDALIZED. AND JUST WHEN MY TEMPERATURE IS BEGINNING TO RISE, I WILL OPEN THE NEWSPAPER AND GUESS WHAT TO MY WONDERING EYES SHOULD APPEAR BUT A CATHOLIC PRIEST SAYING, BRING YOUR ANIMALS TO BE BLESSED. NOW IF I HAD A HEART, I WOULD SAY I WAS MELTED. BUT NOT HAVING A HEART AND RELYING ON MY INTELLECT, IT MADE ME REALIZE THAT NOT EVERYTHING IN ANY ORGANIZATION IS BAD. NOT EVERYBODY CONNECTED WITH OUTFITS THAT I DON'T PARTICULARLY CARE FOR WOULD BE BAD. BUT WHENEVER I SEE A HUMAN BEING IN A POSITION THAT CARRIES IN THE MINDS OF THE PUBLIC AND THE SOCIETY STATUS AND IS ACCORDED RESPECT, WHEN I SEE A PERSON IN THAT POSITION, REMINDING EVERYBODY, NOT DOING IT IN SECRET, NOT DOING IT JUST IN THE CONFINES OF A CHURCH OR A CATHEDRAL WHERE NOT EVERYBODY WILL BE, BUT BROADCAST FOR EVERYBODY AND PUT IN THE NEWSPAPER, THAT THESE ANIMALS DO, IN FACT, HAVE RIGHTS. AND A LOT OF THE WAY THEY ARE TREATED IS DEPENDENT UPON WHAT WE THINK OF OURSELVES, THE DIGNITY THAT WE AS HUMAN BEINGS ARE SUPPOSED TO PARTICIPATE IN AND WHICH WE ALL HAVE, WHETHER WE RECOGNIZE IT OR NOT. AND WE SHOULD NOT DEGRADE THAT VERY IMPORTANT, ESSENTIAL OF OUR MAKEUP BY MISTREATING THOSE CREATURES WHO HAVE BEEN MORE OR LESS,

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IF YOU'RE RELIGIOUS AND SUPERSTITIOUS, ENTRUSTED TO THE CARE AND TENDER MERCIES, WHICH ARE USUALLY NOT TENDER AND OFTEN NOT MERCIFUL, FOR CARE AND CONSIDERATION. LEFT TO THEMSELVES, THEY WOULD SURVIVE. BUT WHEN HUMAN BEINGS INTERVENE, TAKE AWAY THEIR HABITAT, THEN KILL THEM BECAUSE THEY DON'T REALIZE THAT WHEN A HUMAN BEING HAS A LINE DRAWN ON A PIECE OF PAPER OR A MEASUREMENT TAKEN BY A SURVEYOR MEANS THAT YOU NO LONGER CAN WALK THIS LAND WHICH YOU WERE ON BEFORE THEY CAME AND YOU CAN BE KILLED IN THE MOST CRUEL MANNER. IF YOU HAPPEN TO BE AN ALLIGATOR IN FLORIDA AND SOMEBODY ENCROACHES ON YOUR TERRITORY, TAKES AWAY YOUR HABITAT BECAUSE YOU CONTINUE TO DO WHAT YOUR NATURE LEADS YOU TO DO, YOU ARE THE WRONGDOER AND THEY CAN TORTURE AND KILL YOU AND MAKE SPORT ANY WAY THEY WANT TO AND YET CLAIM TO BE RELIGIOUS. THE OTHER DAY... [LB360]

SPEAKER HADLEY: ONE MINUTE. [LB360]

SENATOR CHAMBERS: ...SOMEBODY TOOK A KITTEN AND THREW IT OUT OF A MOVING CAR. THAT'S WHAT HUMAN BEINGS DO. IF ANIMALS HAVE NO RIGHTS, THAT SHOULD NOT BE A CRIME. AND IF IT IS, IT SHOULD BE LITTERING. IT SHOULD BE A TRAFFIC INFRACTION, AND THAT'S ALL. A COUPLE OF YEARS AGO, A GUY WAS UPSET WITH A DOG SO HE TIED IT BEHIND HIS TRUCK AND DRAGGED THAT DOG DOWN THE HIGHWAY. IF THE DOG HAD NO RIGHTS, THEN THE ONLY THING THAT PERSON COULD BE CHARGED WITH, IF ANYTHING, IS MAYBE DISTURBING THE PEACE BECAUSE SOME PEOPLE WOULDN'T WANT TO SEE IT; UNLICENSED TOWING OF SOMETHING WHICH YOU'RE NOT ALLOWED TO TOW ON THE HIGHWAY WITHOUT A LICENSE. I KNOW WHAT SENATOR BLOOMFIELD WAS GETTING AT, BUT HIS COMMENTS GAVE ME AN OPPORTUNITY TO SAY SOME OF THE THINGS THAT I THINK PERIODICALLY NEED TO BE PUT IN THE RECORD WHEN WE'RE DISCUSSING THESE TYPES OF ISSUES. [LB360]

SPEAKER HADLEY: TIME, SENATOR. [LB360]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. [LB360]

SPEAKER HADLEY: SENATOR CHAMBERS, YOU ARE RECOGNIZED AND THIS IS YOUR THIRD TIME. [LB360]

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SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, THEY ALWAYS SAY THREE TIMES IS A CHARM. I CANNOT SAY THAT THREE TIMES MAKES ME CHARMING, BUT, SEE, SENATOR BLOOMFIELD AND I OFTEN AGREE. THIS IS ONE OF THOSE AREAS WHERE A VOICE IS NEEDED, ONE THAT WILL NOT JUST SAY THE ROUTINE THINGS THAT WE SAY WHEN WE'RE SUPPORTING A BILL. SENATOR JOHNSON DID AN EXCELLENT JOB OF BRINGING A LOT OF MATERIAL, A LOT OF IDEAS, A LOT OF AMENDATORY LANGUAGE TOGETHER AND AT LEAST MAKE IT WORKABLE. IN THE SAME MANNER THAT SENATOR DAVIS IS GOING TO DO SOME ADDITIONAL WORK BETWEEN GENERAL FILE HERE AND SELECT FILE, I INTEND TO DO THE SAME THING. THAT DOESN'T MEAN A MAJOR OVERHAUL, BUT JUST TAKING THE TIME, WHICH I HAVEN'T HAD YET, TO REVIEW WHAT IS IN THE BILL AND SEEING IF THERE CAN BE SOME CHANGES OR AT LEAST SOME OFFERED. BUT THERE ARE TIMES WHEN POETS WILL SAY THINGS THAT THE REST OF US WOULDN'T THINK ABOUT, AT LEAST IN THAT FASHION. AND THEY MAKE US THINK, LIKE THE LAMB LICKING THE HAND THAT WILL BE UPRaised TO SHED ITS BLOOD. THEN EVEN IN THAT BOOK THAT YOU ALL TREASURE, AS A LAMB BEFORE HER SHEARERS IS DUMB, SO HE OPENETH NOT HIS MOUTH. THERE ARE CERTAIN ANIMALS THAT HAVE BEEN ACCORDED CERTAIN TRAITS THAT HUMAN BEINGS WOULD FIND NOBLE AND UPLIFTING IF HUMAN BEINGS POSSESSED THEM. SO WHEN THEY FIND CERTAIN GENTLE, TRUSTING, VERY CUTE ANIMALS, THE TRAITS THAT CHARACTERIZE THOSE ANIMALS ARE THE ONES THAT ARE DEEMED DESIRABLE. BUT YOU CANNOT ALWAYS BE THE LAMB OF GOD. YOU CANNOT ALWAYS LICK THE HAND UPRaised TO SHED YOUR BLOOD. SO WHEN THEY'RE TALKING ABOUT THAT ONE WHO IS CALLED THE LAMB, HAS ON ANOTHER OCCASION BEEN REFERRED TO AS THE LION OF JUDAH, SO BETWEEN THE LAMB AND THE LION, WHAT DO YOU HAVE? WHATEVER YOU WOULD WANT. ONE IS THE FAR END OF THE SPECTRUM ON THE LEFT; THE OTHER THE FAR END OF THE SPECTRUM ON THE RIGHT. AND ALL OTHER CREATURES GREAT AND SMALL WILL FALL BETWEEN THOSE TWO POINTS. BUT EVEN WHEN YOU'RE CONSIDERING THE LION, THERE WAS A POET WHO SAID WORDS TO THE EFFECT THAT THE LION IS NOT NEARLY SO FIERCE AS WE PORTRAY HIM AS BEING. ALL OF THOSE ANIMALS BEHAVE AS THEY DO BECAUSE OF THE NATURE THEY WERE GIVEN, A NATURE WHICH IS IMMUTABLE, UNCHANGEABLE, BEYOND THEIR POWER TO CONTROL OR MAYBE EVEN BE AWARE OF. SO WHATEVER THEY DO, THEY'RE BEHAVING ACCORDING TO THAT CREATOR WHO PUT THAT PRINCIPLE IN THAT ANIMAL AS THAT CREATOR PUT CERTAIN THINGS IN YOU. AND THAT ANIMAL SHOULD NOT BE CONDEMNED AND ABUSED FOR BEING WHAT WHOEVER IS SUPPOSED TO BE GREATER THAN ALL OF US MADE THAT ANIMAL TO BE. [LB360]

SPEAKER HADLEY: ONE MINUTE. [LB360]

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SENATOR CHAMBERS: THAT ONE WOULD NOT BUILD A TYPEWRITER THEN DESTROY IT BECAUSE IT DOES NOT BEHAVE IN THE MANNER OF AN ADDING MACHINE. BUT HUMAN BEINGS, BEING CONTRARY, NOT LEARNING WHAT THEY OUGHT TO FROM THE SO-CALLED LOWER ORDERS, WILL BE VERY INHUMANE IN THE WAY THEY BEHAVE. THIS BILL IS DESIGNED TO SHOW OUR HUMANITY, OUR FEELING OF RESPONSIBILITY THAT WE'RE GOING TO ASSUME TOWARD THOSE ANIMALS WHO FIND THEMSELVES AMONG US. I DO SUPPORT THIS BILL. AND IF SENATOR BLOOMFIELD HAD LEFT ME ALONE, I WOULDN'T BE HERE. BUT IT LETS YOU KNOW EVEN THOUGH YOU DON'T SEE ME, PEEK-A-BOO, I'M WATCHING YOU. EVERY BREATH YOU TAKE, EVERY MOVE YOU MAKE, EVERY CLAIM YOU STAKE, EVERY SMILE YOU FAKE, EVERY VIAL YOU BREAK... [LB360]

SPEAKER HADLEY: TIME, SENATOR. [LB360]

SENATOR CHAMBERS: MY TIME IS UP (LAUGH). [LB360]

SPEAKER HADLEY: SEEING NO ONE ELSE IN THE QUEUE, SENATOR JOHNSON, YOU CAN CLOSE ON AM1193. [LB360]

SENATOR JOHNSON: THANK YOU, MR. SPEAKER. WE HAVEN'T TALKED TOO MUCH ABOUT AM1193. IT PUTS IN A FUNDING MECHANISM THAT IS SUPPORTED BY THE STAKEHOLDERS. IT IS A CASH FUND. IT DOES IMPOSE SOME ADDITIONAL PENALTIES BY A REINSPECTION FEE. SO I BELIEVE THAT AM1193 IS TRULY THE BEST WAY FOR US TO TARGET THE ISSUES WITH THE VIOLATORS. IT PROVIDES FOR EMPLOYING A SPECIAL STATE INVESTIGATOR TO BETTER DETERMINE THE ABUSE AND NEGLECT OF ANIMALS INVOLVED IN THE CAT AND DOG INSPECTION ACT. I WOULD ASK FOR YOUR SUPPORT OF AM1193. THANK YOU, MR. SPEAKER. [LB360]

SPEAKER HADLEY: THE QUESTION IS, SHALL THE AMENDMENT TO THE COMMITTEE AMENDMENT TO LB360 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE. ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB360]

CLERK: 26 AYES, 0 NAYS ON ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB360]

SPEAKER HADLEY: THE AMENDMENT TO THE COMMITTEE AMENDMENT IS ADOPTED. MR. CLERK. [LB360]

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CLERK: MR. PRESIDENT, AMENDMENT TO BE PRINTED TO LB81 BY SENATOR COOK. (LEGISLATIVE JOURNAL PAGE 1225.) [LB81]

SENATOR PANSING BROOKS WOULD MOVE TO RECESS THE BODY UNTIL 1:30.

SPEAKER HADLEY: YOU HAVE HEARD THE MOTION. ALL IN FAVOR SIGNIFY BY SAYING AYE. OPPOSED, NAY. WE ARE IN RECESS.

RECESS

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: GOOD AFTERNOON, LADIES AND GENTLEMEN. WELCOME TO THE GEORGE W. NORRIS LEGISLATIVE CHAMBER. THE AFTERNOON SESSION IS ABOUT TO RECONVENE. SENATORS, PLEASE RECORD YOUR PRESENCE. ROLL CALL. ATTENTION, SENATORS, WE'D LIKE TO START THE AFTERNOON SESSION. WE WOULD PLEASE HAVE YOU COME UP TO THE CHAMBER AND CHECK IN. RECORD, MR. CLERK.

CLERK: MR. PRESIDENT, I DO HAVE A QUORUM PRESENT.

SPEAKER HADLEY: MR. CLERK, WE'LL RETURN TO THE AFTERNOON AGENDA.

CLERK: MR. PRESIDENT, THE LEGISLATURE WAS CONSIDERING LB360. SENATOR JOHNSON PRESENTED HIS BILL; HE PRESENTED COMMITTEE AMENDMENTS. THERE WAS AN AMENDMENT BY SENATOR JOHNSON TO THE COMMITTEE AMENDMENTS THAT WAS CONSIDERED AND ADOPTED. I NOW HAVE A SECOND AMENDMENT BY SENATOR JOHNSON THAT I UNDERSTAND SENATOR KOLTERMAN IS GOING TO BE OFFERING, AM1194. (LEGISLATIVE JOURNAL PAGE 1138.) [LB360]

SPEAKER HADLEY: SENATOR KOLTERMAN, YOU'RE RECOGNIZED TO OPEN ON THE AMENDMENT. [LB360]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. THANK YOU, COLLEAGUES. AM1194 IS A CONTINUATION TO LB360. THIS BILL WAS BROUGHT TO ME ORIGINALLY BY THE NEBRASKA HUMANE SOCIETY AND IT DEALS PRIMARILY

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WITH THE CHANGES TO THE COMMERCIAL DOG AND CAT INSPECTION ACT, BUT IT PRIMARILY DEALS WITH ANIMAL WELFARE AND IT SPELLS OUT SPECIFICALLY HOW ITEMS ARE HANDLED WHEN WE GET INTO A SITUATION WHERE THE ANIMALS HAVE BEEN CONFISCATED. AM1194 IS MIRRORED AFTER THE LIVESTOCK ANIMAL WELFARE ACT IN REGARD TO WHAT HAPPENS TO THE ANIMAL ONCE IT'S SEIZED. AM1194 CREATES A SPECIAL INVESTIGATOR POSITION WHICH YOU HEARD ABOUT EARLIER TODAY. A SPECIAL INVESTIGATOR IS A LAW ENFORCEMENT OFFICER WHEN APPOINTED BY A DEPUTY STATE SHERIFF WHILE ACTING WITH AUTHORITY OF THE DIRECTOR OF AGRICULTURE UNDER THE COMMERCIAL DOG AND CAT INSPECTION ACT. IF THE SPECIAL INVESTIGATOR FINDS THAT ANY ANIMAL HAS BEEN INVOLVED IN VIOLATION OF 28-1009 OR 28-1010, THEY'RE SUBJECT TO SEIZURE. ONCE THE SEIZURE OCCURS, THE COUNTY ATTORNEY SHALL FILE FOR A HEARING WITH THE COURT WITHIN SEVEN DAYS TO DETERMINE THE DISPOSITION OF THE ANIMAL. IF THE COURT RULES THERE HAS BEEN NEGLECT, THERE'S THREE POSSIBLE WAYS THIS CAN BE ADDRESSED. THE FIRST THING IS THEY CAN ORDER IMMEDIATE FORFEITURE OF THE DOG OR CAT TO THE AGENCY, AND AUTHORIZE APPROPRIATE DISPOSITION OF THE CAT OR DOG, INCLUDING ADOPTION, DONATION TO A SUITABLE SHELTER, HUMANE DESTRUCTION, OR ANY OTHER MANNER OF DISPOSITION APPROVED BY THE COURT. OR THEY COULD, ITEM NUMBER TWO, ISSUE AN ORDER TO THE APPLICANT OR LICENSEE SETTING FORTH THE CONDITIONS UNDER WHICH CUSTODY OF THE DOG OR CAT SHALL BE RETURNED TO THE APPLICANT OR LICENSEE FROM WHOM THE DOG OR CAT WAS IMPOUNDED, OR TO ANY OTHER PERSON CLAIMING AN INTEREST IN THE DOG OR THE CAT. NOW THIS ORDER MAY INCLUDE ANY MANAGEMENT ACTIONS DEEMED NECESSARY BY THE COURT TO ENHANCE THE LIVING SITUATION OF THE ANIMAL. OR THE THIRD OPTION WOULD BE (C) ORDER THE APPLICANT OR LICENSEE FROM WHOM THE DOGS OR CAT WERE IMPOUNDED TO POST A BOND OR OTHER SECURITY OR OTHERWISE ORDER PAYMENT IN AN AMOUNT THAT IS SUFFICIENT TO REIMBURSE ALL REASONABLE EXPENSES AS DETERMINED BY THE COURT FOR THE CARE OF THE DOG OR THE CAT, INCLUDING ANY VETERINARY CARE INCURRED BY THE AGENCY FROM THE DATE OF IMPOUNDMENT AND NECESSITATED BY THE POSSESSION OF THE DOG OR CAT. NOTHING SHALL PREVENT THE HUMANE DESTRUCTION OF A SEIZED ANIMAL AT ANY TIME AS DETERMINED NECESSARY BY A LICENSED VETERINARIAN OR AS AUTHORIZED BY THE COURT ORDER. FINALLY, AN APPEAL MAY BE FILED WITHIN TEN DAYS AFTER THE HEARING AND ANY PERSON FILING ON AN APPEAL SHALL POST A BOND OR SECURITY SUFFICIENT TO PAY REASONABLE COST OF CARE FOR THE ANIMAL FOR 30 DAYS. SUCH BOND OR SURETY SHALL BE REQUIRED FOR EACH SUCCEEDING 30-DAY PERIOD UNTIL THE APPEAL IS FINAL. AGAIN, COLLEAGUES,

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THESE AMENDMENTS, THIS BILL WAS WORKED ON BY A LOT OF CONSTITUENTS BOTH FROM THE COUNTY, FROM THE STATE DEPARTMENT OF AGRICULTURE, FROM THE AGRICULTURE COMMITTEE, TO HAVING INPUT FROM AMERICAN KENNEL ASSOCIATION, HEARTS UNITED FOR ANIMALS, THE HUMANE SOCIETY OF NEBRASKA. SO I WOULD ASK THAT YOU VOTE GREEN ON THIS AMENDMENT. IT SPECIFICALLY SPELLS OUT THE PROCESS THAT WE GO THROUGH IN THE EVENT THAT THESE ANIMALS ARE CONFISCATED. THERE'S PLENTY OF DUE PROCESS IN THIS LAW. THERE'S ACTUALLY...WE'RE ACTUALLY GIVING 47 DAYS OF POTENTIAL PROCESSING TIME AND LONGER, IF NECESSARY. SO WE FEEL THAT WE'VE ADEQUATELY ADDRESSED ALL THE ISSUES. IT MAYBE DOESN'T GO AS FAR AS SOME PEOPLE WOULD LIKE TO SEE IT GO, AND IT'S PROBABLY NOT AS HARSH AS SOME PEOPLE WOULD LIKE TO SEE IT BE, BUT WE HAVE WORKED WITH ALL THE ENTITIES THAT ARE INVOLVED AND WE THINK THAT WE HAVE A GOOD BILL. AND I WOULD ENCOURAGE YOU TO VOTE GREEN. THANK YOU. [LB360]

SPEAKER HADLEY: SEEING NO ONE IN THE QUEUE, SENATOR KOLTERMAN, YOU WISH TO CLOSE ON YOUR AMENDMENT? [LB360]

SENATOR KOLTERMAN: I'LL WAIVE CLOSING. THANK YOU. [LB360]

SPEAKER HADLEY: THE QUESTION BEFORE US IS THE ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED VOTE NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB360]

CLERK: 26 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB360]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. ANYONE WISH TO...ON THE COMMITTEE AMENDMENT. SEEING NONE, SENATOR JOHNSON, YOU'RE RECOGNIZED TO WAIVE TO...(LAUGHTER) I'VE GOT WAIVE IN MY MIND...CLOSE ON THE COMMITTEE AMENDMENT. (LAUGHTER) [LB360]

SENATOR JOHNSON: I REMEMBER WE HAD A CONVERSATION ON THE BUS COMING BACK. OKAY. I THINK EVERYTHING HAS BEEN TOLD. WE HAD SOME DISCUSSION THIS MORNING ON THE...MY AMENDMENT AND NOW THE COMMITTEE AMENDMENT. THAT IS MY CLOSING. I ASK FOR SUPPORT FOR AM1151 AND LB360. THANK YOU. [LB360]

Transcript Prepared By the Clerk of the Legislature
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SPEAKER HADLEY: WE ARE VOTING ON THE COMMITTEE AMENDMENT. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED, NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB360]

CLERK: 28 AYES, 0 NAYS ON ADOPTION OF COMMITTEE AMENDMENTS. [LB360]

SPEAKER HADLEY: SEEING NO ONE IN THE QUEUE, SENATOR JOHNSON, YOU'RE RECOGNIZED TO CLOSE ON LB360. [LB360]

SENATOR JOHNSON: I'LL WAIVE CLOSING. [LB360]

SPEAKER HADLEY: SENATOR JOHNSON WAIVES CLOSING. BEFORE US IS THE ADOPTION OF LB360. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED, NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB360]

CLERK: 29 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB360. [LB360]

SPEAKER HADLEY: LB360 IS ADVANCED TO E&R INITIAL. (VISITORS INTRODUCED.) MR. CLERK. [LB360]

CLERK: MR. PRESIDENT, LB330, A BILL BY SENATOR LARSON. (READ TITLE.) INTRODUCED ON JANUARY 15, REFERRED TO THE GENERAL AFFAIRS COMMITTEE. THE BILL WAS ADVANCED TO GENERAL FILE. I DO HAVE COMMITTEE AMENDMENTS, MR. PRESIDENT. (AM113, LEGISLATIVE JOURNAL PAGE 602.) [LB330]

SPEAKER HADLEY: SENATOR LARSON, YOU'RE RECOGNIZED TO OPEN ON YOUR BILL. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. LB330 INCORPORATES A NUMBER OF PROPOSALS THAT FALL UNDER THE LIQUOR CONTROL ACT. NEARLY ALL OF THESE PROPOSALS APPEARED IN THE NEBRASKA LIQUOR CONTROL COMMISSION'S LEGISLATIVE LETTER THIS FALL. ONE OF MY RESPONSIBILITIES AS THE CHAIR OF GENERAL AFFAIRS COMMITTEE IS TO ASSIST THE LIQUOR CONTROL COMMISSION IN MAINTAINING AND UPDATING THE LIQUOR CONTROL ACT. THE ACT WAS ORIGINALLY PASSED IN 1935 SO, AS YOU CAN IMAGINE, IN THE LAST 80 YEARS THERE HAS BEEN VARIOUS UPDATES TO KEEP THE ACT

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CURRENT. SOME UPDATES THAT COME ABOUT...SOME UPDATES COME ABOUT AS A NEED TO REMOVE ANTIQUATED LANGUAGE AND OTHERS ARE NECESSARY TO KEEP THE ACT CURRENT WITH ADVANCES IN TECHNOLOGY WITHIN THE ALCOHOL INDUSTRY. IN ORDER TO EXPLAIN THE COMMITTEE AMENDMENT, I WILL FIRST WALK YOU THROUGH THE BILL ITSELF. THE LIQUOR CONTROL COMMISSION HAS BEGUN SEEING THE EMERGENCE OF POWDERED ALCOHOL PRODUCTS WHICH WERE RECENTLY APPROVED ON THE FEDERAL LEVEL AND WANTS TO STAY OUT IN FRONT. WHILE THE ACT ALREADY DEFINES ALCOHOL TO INCLUDE LIQUID AND GASEOUS FORMS, IT DOES NOT INCLUDE POWDER. THEREFORE, LB330 INCLUDES POWDER AS ONE OF THE FORMS OF ALCOHOLIC LIQUOR THAT THE LIQUOR CONTROL COMMISSION WOULD HAVE JURISDICTION OVER. THIS IS ON THE GREEN COPY, PAGE 2, LINES 15 THROUGH 20. TWO, OVER THE YEARS THE LIQUOR CONTROL COMMISSION HAS SEEN PRODUCTS THAT DON'T NEATLY FIT THE DEFINITION OF THE ACT. FOR EXAMPLE, THE ACT CURRENTLY DEFINES WINE AS ANY ALCOHOL DERIVED FROM THE FERMENTATION OF FRUIT. ONE PRODUCT THAT HAS BECOME VERY POPULAR HAS BEEN HARD CIDER. SINCE HARD CIDER IS DERIVED FROM FRUIT, SUCH AS APPLES AND PEARS, IT IS CONSIDERED WINE INSTEAD OF BEER EVEN THOUGH IT IS BOTTLED AND MARKETED LIKE A BEER AND IS SEEN AS A GLUTEN-FREE BEER ALTERNATIVE. BEING DEFINED AS A WINE IMPACTS WHOLESALERS AND RESULTS IN HIGHER TAXES. WHILE THE ACT ALLOWS BEER WHOLESALERS TO DELIVER TO RETAILERS, LIQUOR WHOLESALERS CANNOT WITHOUT CHARGING A DELIVERY FEE. THEREFORE, A BEER WHOLESALER WHO WANTS TO DELIVER HARD CIDER MUST FIRST GET A LIQUOR DISTRIBUTION LICENSE AND THEN CHARGE THE RETAILER FOR A SEPARATE DELIVERY FEE JUST FOR THE HARD CIDER WHICH REQUIRES SEPARATE BOOKKEEPING. IN ORDER TO STREAMLINE THE DISTRIBUTION PROCESS AND BRING THE ACT'S DEFINITION OF BEER MORE IN LINE WITH THE MARKETPLACE, LB330 FOLLOWS THE LIQUOR CONTROL COMMISSION'S RECOMMENDATION TO DEFINE HARD CIDER AS A BEER INSTEAD OF A WINE. THIS IS IN GREEN COPY, PAGE 3, LINES 8 THROUGH 23. NUMBER THREE, THE LIQUOR CONTROL COMMISSION WOULD LIKE TO ACCEPT LATE RENEWALS FOR LIQUOR LICENSES, BUT WOULD FEEL MORE COMFORTABLE IF THE ACT EXPRESSLY ALLOWED IT. THEREFORE, THE COMMISSION REQUESTED THAT THE ACT BE CHANGED TO ALLOW LICENSEES 30 DAYS FOR LATE RENEWALS WHICH IS REFLECTED IN LB330 IN THE GREEN COPY, PAGE 12, LINE 13, AND PAGE 14, LINES 2 THROUGH 3. NUMBER FOUR. PRIOR TO 2010, A LIQUOR LICENSE COULD NOT BE ISSUED WITHIN 150 FEET OF A CHURCH. WITH THE ECONOMY'S DOWNTURN, HOWEVER, CHURCHES STARTED POPPING UP IN PREVIOUSLY VACATED STOREFRONTS WHICH HINDERED DOWNTOWN REDEVELOPMENT PROJECTS BECAUSE RESTAURANTS, RECEPTION HALLS, BARS,

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AND OTHER ALCOHOL-RELATED BUSINESSES COULD NOT GET LIQUOR LICENSES IN THOSE AREAS GIVEN THE 150-FOOT RESTRICTION. IN 2010, THE LEGISLATURE PASSED LB861 WHICH INCLUDED A PROVISION TO ALLOW LIQUOR LICENSEES TO BE ISSUED WITHIN 150 FEET OF A CHURCH, BUT WOULD REQUIRE A HEARING IN FRONT OF THE LIQUOR CONTROL COMMISSION BEFORE THE LICENSE COULD BE GRANTED. BASED ON THE COMMISSION'S EXPERIENCE DURING THE LAST FIVE YEARS, IT IS RECOMMENDED THAT THE ACT BE CHANGED TO ONLY REQUIRE A HEARING IN SUCH SITUATIONS WHEN THE AFFECTED CHURCH SUBMITS WRITTEN REQUEST FOR A HEARING TO THE COMMISSION, WHICH LB330 ALSO DOES. NUMBER FIVE, THE LIQUOR CONTROL COMMISSION HAS SEEN AN INCREASE IN THE AMOUNT OF SEIZED CONTRABAND AS A RESULT OF ILLEGAL IMPORTATION AND MANUFACTURING OF ALCOHOL. THE COMMISSION REQUESTED THAT THE ACT CLEARLY STATE THAT THE COMMISSION HAS THE AUTHORITY TO DETERMINE HOW BEST TO DISPOSE OF CONFISCATED ALCOHOL, WHICH COULD INCLUDE SELLING THE CONTRABAND IF THE PRODUCTS WERE DEEMED SAFE TO REENTER THE MARKETPLACE. LB330 GIVES THE COMMISSION THE AUTHORITY AND THIS DISCRETION. SIX, SIMILAR TO THE ISSUE WITH CHURCHES I MENTIONED EARLIER, THERE ARE STILL OTHER LOCATIONS THAT HAVE A 150-FOOT BUBBLE AROUND THEM WHERE LIQUOR LICENSE CANNOT BE ISSUED. ONE EXAMPLE WOULD BE HOMES FOR THE AGED. THE LIQUOR CONTROL COMMISSION HAS SEEN AN INTEREST BY RETIREMENT AND ASSISTED-LIVING AND NURSING HOME FACILITIES TO ACQUIRE LIQUOR LICENSES. LB330 STRIKES THE WORD "AGED," SO SUCH FACILITIES COULD APPLY FOR LIQUOR LICENSES. EVERY ONCE IN AWHILE WE ALSO RUN INTO ANTIQUATED EXCEPTION IN THE ACT THAT WAS INTENDED TO BENEFIT A PARTICULAR BUSINESS OR BUSINESSES. AT ONE TIME THERE WAS A NEBRASKA WHOLESALER WHO DIDN'T HAVE A SHIPPING LICENSE BUT WAS ALLOWED TO IMPORT BEER INTO NEBRASKA FOR THE PURPOSE OF SELLING IT TO ANOTHER STATE. THE LIQUOR CONTROL COMMISSION NO LONGER BELIEVES THIS EXCEPTION IS NECESSARY AND ASKED TO HAVE IT ELIMINATED. THEREFORE, LB330 ELIMINATES THAT EXCEPTION. THE LIQUOR CONTROL COMMISSION...NUMBER EIGHT, THE LIQUOR CONTROL COMMISSION HAS SEEN RETAILERS SELLING KEGS CONTAINING ALCOHOL OTHER THAN BEER SO IT REQUESTED THAT THE KEG LAWS BE UPDATED SO THEY APPLY TO ALL KEGS CONTAINING ALCOHOL, NOT JUST BEER KEGS. THEREFORE, LB330 STRIKES THE WORD "BEER" AND INSERTS THE WORD "ALCOHOL," IN ORDER TO BROADEN THE KEG LAWS. NUMBER NINE, LB330 ALSO REPEALED THE CLOSING TIMES FOR ALL LICENSES. THIS WOULD NOT ALLOW ANYONE SELLING...THIS WOULD ALLOW ANYONE SELLING ALCOHOL TO DECIDE WHEN THEY CLOSE. I BELIEVE THAT THE MARKETPLACE COULD AND SHOULD DICTATE WHEN LICENSES CLOSE FOR THE DAY. HOWEVER, THIS PROVISION

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PROVED TO BE TOO CONTROVERSIAL AND IN THE END THE COMMITTEE DECIDED TO STRIKE THAT FROM LB330. THE LAST COMPONENT OF LB330, AS INTRODUCED, WAS THE PERSONAL SERVICE LIMITATION FOR \$102,000. AFTER DISCUSSING WITH THE FISCAL OFFICE, IT WAS DECIDED THAT THIS PROVISION WOULD ALSO BE STRICKEN BY THE COMMITTEE AMENDMENT. NUMBER 11, OTHER CHANGES APPEAR IN THE COMMITTEE AMENDMENT INCLUDE STRIKING THE LANGUAGE IN TRIPLICATE ORIGINAL AS IT APPLIES TO FILING AN APPLICATION FOR A NEW LICENSE. THE LIQUOR CONTROL COMMISSION FELT IT WAS NO LONGER A NECESSARY REQUIREMENT. NUMBER 12, SENATOR SCHILZ HAS TWO BILLS INCLUDED IN THE COMMITTEE AMENDMENT. THE FIRST, AS AMENDED, IS LB486 WHICH WOULD ALLOW A CLASS C LICENSE TO APPLY FOR A LIMITING BOTTLE ENDORSEMENT. THIS ENDORSEMENT ALLOWS THE LICENSEE TO FILL A CONTAINER COMMONLY REFERRED TO AS A GROWLER UP TO 32 OUNCES FOR CONSUMPTION OFF LICENSED PREMISES. THESE CONTAINERS MUST BE SEALED, SANITARY, AND DISPLAYED IN ENDORSEMENT HOLDER'S TRADE NAME OR LOGO. THE CONTAINER MUST ALSO HAVE A RECEIPT WITH IT. THE APPLICATION FOR THIS ENDORSEMENT IS \$300. SENATOR SCHILZ'S SECOND BILL INCLUDED IN THE COMMITTEE AMENDMENT IS LB204 WHICH WOULD PROVIDE A TAX CREDIT FOR BEER MANUFACTURERS WHO UTILIZE LOCAL CROPS SUCH AS BARLEY, HOPS, AND GRAIN CUSTOMARILY USED IN THE PRODUCTION OF BEER. THE TAX CREDITS ARE NONREFUNDABLE, REQUIRING AT LEAST 10 PERCENT OF LOCAL BEER-RELATED CROPS WHICH WOULD GENERATE A CREDIT ON THE FIRST 20,000 BARRELS SOLD TO A MANUFACTURER. FOR EXAMPLE, USING 10 PERCENT UP TO 40 PERCENT OF LOCAL CROPS WOULD MEAN A 15 PERCENT TAX CREDIT. USING 40 PERCENT UP TO 70 PERCENT WOULD MEAN A 25 PERCENT TAX CREDIT, AND USING 70 PERCENT OR MORE WOULD YIELD A 35 PERCENT TAX CREDIT. THE LIQUOR CONTROL COMMISSION WOULD PROCESS THE BEER MANUFACTURER'S TAX CREDIT APPLICATION WHICH WOULD BE DUE ON JANUARY 25. ONCE THE COMMISSION DETERMINES THE TAX CREDIT AMOUNT, THEN THE MANUFACTURER WOULD BE NOTIFIED AND MAY THEN CLAIM THE TAX CREDIT TO OFFSET ITS MONTHLY TAXES OWED. FINALLY, THE COMMITTEE AMENDMENT ADDS THE EMERGENCY CLAUSE. THANK YOU. [LB330 LB486 LB204]

SPEAKER HADLEY: AS THE CLERK HAS STATED, THERE ARE COMMITTEE AMENDMENTS. SENATOR LARSON, AS CHAIR OF THE GENERAL AFFAIRS COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THE COMMITTEE AMENDMENTS. HE WAIVES. MR. CLERK. [LB330]

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CLERK: MR. PRESIDENT, WITH RESPECT TO THE COMMITTEE AMENDMENTS, SENATOR LARSON WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS WITH AM613. (LEGISLATIVE JOURNAL PAGE 1217.) [LB330]

SPEAKER HADLEY: SENATOR LARSON, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. ONE OF THE UNINTENDED CONSEQUENCES OF REDEFINING HARD CIDER WAS THAT THE FARM WINERIES WOULD NO LONGER BE ABLE TO PRODUCE IT, SELL IT, AND DISTRIBUTE IT. AM613 WOULD TREAT FARM WINERIES LIKE CRAFT BREWERIES IN THAT THEY WOULD STILL BE ABLE TO MAKE IT AND SELL IT AT THEIR OWN BUSINESSES, BUT WOULD HAVE TO GO THROUGH A BEER DISTRIBUTOR JUST AS THE CRAFT BREWERIES WOULD AND CURRENTLY HAVE TO DO NOW. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR GLOOR, YOU'RE RECOGNIZED. [LB330]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, MEMBERS. I'VE HAD CONSTITUENTS WHO HAVE CONTACTED ME ON SOME COMPONENTS OF THIS BILL, BUT I WOULD TELL YOU AFTER THE ANALYSIS, AFTER SENATOR LARSON'S PRESENTATION, I'M SUPPORTIVE OF BOTH THE BILL AND THE AMENDMENTS, BOTH THE COMMITTEE AMENDMENT AND THE UNDERLYING AMENDMENT. A COUPLE OF COMMENTS I WOULD MAKE BY WAY OF CLARIFICATION, AND THEN I WANT TO ASK A QUESTION OF SENATOR SCHILZ SO WE GET THIS ON THE RECORD. FIRST OF ALL, SELF-DISCLOSURE, I ENJOY AND AM PLEASED THAT WE HAVE CRAFT BREWERS IN THE STATE. I THINK IT'S GOOD FOR THE ECONOMY. I THINK COMPONENTS OF THIS BILL THAT ENCOURAGE THAT ARE ALSO PART OF A BUSINESS DEVELOPMENT APPROACH THAT WE CAN TAKE THAT'S HELPFUL AND IT ALSO SERVES AS A LEVEL OF, I THINK, DOWNTOWN REVITALIZATION BECAUSE A LOT OF US FIND THESE MICROBREWRIES GOING INTO SPACE THAT'S LESS COSTLY AND AFFORDABLE FOR THEM THAT'S IN SOME OF THE VACATED AREAS OF THE DOWNTOWNS WE HAVE IN A LOT OF OUR COMMUNITIES ACROSS THE STATE. HARD CIDER SEEMS TO BE ONE OF THOSE AREAS OF INTEREST. I'M NOT A FAN OF HARD CIDER. I'M SURE IT'S BETTER FOR YOU THAN A LOT OF OTHER TYPES OF THINGS THAT YOU DRINK, BUT ON THE OTHER HAND I RECOGNIZE THE FACT THAT IT, FOR MOST PEOPLE, IS NOT DIFFERENT, EVEN THOUGH THE ALCOHOL CONTENT MIGHT BE SOMEWHAT HIGHER, NOT DIFFERENT THAN SOME OF THE CRAFT BEERS AND

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BREWS THAT ARE OUT THERE, AND SO I'M SUPPORTIVE. I ALSO CARRIED A BILL A COUPLE OF YEARS AGO THAT CONFINED THE DISTANCE THAT WE COULD ISSUE LIQUOR LICENSES WITHIN RELATIONSHIPS TO CHURCHES, AND THIS WOULD BE ONE THAT I'VE HAD SEVERAL CONTACTS FROM CONSTITUENTS. LET ME EXPLAIN THE REALITY OF TODAY'S DOWNTOWNS TO YOU. IN THE COMMUNITY OF GRAND ISLAND IS AN EXAMPLE. WE HAVE A LOT OF CHURCHES IN OUR DOWNTOWN BECAUSE IT'S INEXPENSIVE SPACE. IT'S OPEN SPACE. IT'S EASY TO SET UP CHAIRS, A TABLE AS AN ALTAR, EASY PARKING ON WEEKENDS. BUT THE PROBLEM IN THE WAY THE STATUTE USED TO BE, WHICH I THINK WAS IN 500 FEET YOU COULDN'T ISSUE A LIQUOR LICENSE, IS IT BASICALLY SHUT DOWN ALL OF YOUR DOWNTOWN FOR SOMEBODY WHO MIGHT WANT TO OPEN A RESTAURANT AND SERVE ALCOHOL AND GET A LIQUOR LICENSE TO GO HAND IN HAND WITH THAT. WE GOT IT REDUCED AND, IN FACT, HAD NO PROBLEMS OR CONCERNS FROM WHAT WE WOULD CONSIDER ESTABLISHED CHURCHES. MOST OF THESE CHURCHES ARE ASSOCIATED WITH SOME OF OUR MORE ITINERANT COMMUNITY MEMBERS AND IT'S JUST AS POSSIBLE THAT THAT CHURCH WILL CLOSE DOWN A YEAR AFTER IT OPENS UP AND MOVE SOMEPLACE ELSE IN THE COMMUNITY OR CLOSE DOWN COMPLETELY. THAT COMPONENT OF THIS BILL REALLY WON'T TOUCH IN ANY WAY, SHAPE, OR FORM OUR ESTABLISHED CHURCHES, PROBABLY NOT A GOOD TERM TO USE, BUT THOSE CHURCHES WHO HAVE BEEN AROUND FOR DECADES AND DECADES AND DECADES WHO HAVE A SOLID BUILDING THAT'S BEEN BUILT USUALLY IN A RESIDENTIAL AREA, NOT AS MUCH IN A BUSINESS DEVELOPMENT AREA WHERE THIS ISSUE WILL COME INTO PLAY. DURING THE PERIOD OF TIME THAT WE HAVE MADE THE MOST RECENT CHANGE, AS FAR AS I KNOW, THERE HAVE NOT BEEN COMPLAINTS FROM CHURCHES THAT HAVE A LIQUOR LICENSE WAS BEING ISSUED NEARBY TO THEM. SOMEONE IS WELCOME TO DISPUTE ME ON THAT, BUT AS FAR AS I KNOW IT'S NOT BEEN AN ISSUE. NOW I WANT TO TALK ABOUT A BILL THAT I WAS GOING TO INTRODUCE AND, LO AND BEHOLD, I FIND OUT IT'S ALREADY BEING INTRODUCED AS PART OF SENATOR SCHILZ'S AMENDMENT, AND THAT HAS TO DO WITH GROWLERS. IF WE'RE GOING TO PROMOTE THESE MICROBREWERIES FOR PEOPLE TO GO THERE, HAVE TO BUY A GROWLER TO TAKE SOME HOME, REALLY ENDS UP BEING STIFLING. NOT ONLY THAT, MOST STATES DON'T REQUIRE THIS AND SO YOU CAN BUY SPECIALTY GROWLERS IN STORES, ON THE INTERNET. YOU CAN EVEN HAVE DESIGNER GROWLERS MADE FOR YOU THAT COST UPWARDS OF \$1,000. THAT'S HOW PROLIFIC THE USE OF GROWLERS IS ACROSS THE COUNTRY, BUT IN NEBRASKA YOU'VE GOT TO USE THE GROWLER OF THE MICROBREWERY THAT SELLS IT TO YOU. [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

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SENATOR GLOOR: THANK YOU. SENATOR SCHILZ, WOULD YOU YIELD FOR A QUESTION? [LB330]

SPEAKER HADLEY: SENATOR SCHILZ, WILL YOU YIELD? [LB330]

SENATOR SCHILZ: YES. [LB330]

SENATOR GLOOR: SENATOR SCHILZ, WOULD IT BE REASONABLE, DO YOU THINK, THAT IF YOU TOOK A GROWLER IN...AND AS I UNDERSTAND THE AMENDMENT THAT YOU BROUGHT FORWARD ON THIS, SOMEBODY COULD PROBABLY PUT A STICKER THAT RECOGNIZED THIS WAS THE MICROBREWERY AND YOU COULD WALK OUT WITH IT, HAVING IDENTIFIED WHERE IT WAS PURCHASED FROM, AS LONG AS YOU HAD THE PURCHASE RECEIPT? [LB330]

SENATOR SCHILZ: SENATOR GLOOR, THANK YOU FOR THE QUESTION AND, YOU KNOW, WE HAD TALKED ABOUT THAT. AND I TALKED TO JOSH EICKMEIER HERE, LEGAL COUNSEL FOR THE COMMITTEE, AND THE WAY THE...WE COULDN'T QUITE GET THERE. WHAT WE ENDED UP WITH WAS THAT, YES, YOU HAVE TO MAKE SURE THAT THE GROWLER IS SANITARY. AND I KNOW THAT...AND SO WHAT HAPPENS IS YOU HAVE TO BUY THE GROWLER FROM THE ESTABLISHMENT, AND THEN THEY HAVE TO HAVE ON THERE WHERE IT'S FROM. THEY HAVE TO HAVE...MAKE SURE THAT THAT ALL WORKS. [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR SCHILZ: THANK YOU. [LB330]

SPEAKER HADLEY: SENATOR KOLTERMAN, YOU'RE RECOGNIZED. [LB330]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. COLLEAGUES, I JUST WOULD LIKE TO LET YOU KNOW THAT I'M IN COMPLETE SUPPORT OF LB330 AS IT CAME OUT OF COMMITTEE. I DO HAVE AN AMENDMENT THAT'S BEEN PUT WITH THE CHAIR AND IT DEALS WITH THE POWDERED ALCOHOL. IT'S NOT MY INTENT TO DERAIL THIS BILL AT ANY FORM WHATSOEVER. A LOT OF HARD WORK HAS GONE INTO THIS BILL, A LOT OF THOUGHT. I VOTED TO BRING IT OUT OF COMMITTEE, AND I WILL TALK ABOUT MY AMENDMENT WHEN WE GET TO THAT, BUT AT THIS TIME I WOULD ENCOURAGE YOU TO SUPPORT LB330 WITH THE AMENDMENTS FROM THE COMMITTEE. THANK YOU. [LB330]

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SPEAKER HADLEY: SENATOR JOHNSON, YOU'RE RECOGNIZED. [LB330]

SENATOR JOHNSON: THANK YOU, MR. SPEAKER. I WON'T GO AS LONG AS THIS MORNING. I WAS PRIVILEGED TO ATTEND THE ANNUAL MEETING OF THE NEBRASKA WINE GROWERS A COUPLE MONTHS AGO AND LEARNED A LITTLE BIT MORE ABOUT THAT WINE INDUSTRY. I DO ENJOY A GLASS OF WINE. I'M NOT A BEER DRINKER. SO WHEN I WAS ON THE GENERAL AFFAIRS COMMITTEE, I PROBABLY WAS ANTI ON DOING ALL THE THINGS THAT WE'RE DOING TO TRY AND GROW THAT INDUSTRY. IT WASN'T...DIDN'T APPLY TO ME, BUT PROBABLY DIDN'T STAND IN THE WAY OF IT, BUT I WANT TO TALK A LITTLE BIT ABOUT THE BILL, THE AMENDMENT. FROM WHAT I UNDERSTAND, THE WINE INDUSTRY DOES SUPPORT THE BILL AND AT THIS POINT SUPPORTS THE AMENDMENT, BUT FOR THE RECORD WOULD LIKE FOR THE BODY TO KNOW THAT THE WINE INDUSTRY IS IMPORTANT TO NEBRASKA AND I'LL GIVE YOU SOME DETAILS, BUT IT DOES...THE PART THAT CHANGES THIS FROM BEING ABLE TO DISTRIBUTE THAT BEER OR THAT WINE THROUGH THEIR OWN NETWORK LOCALLY, NOW THEY HAVE TO GO THROUGH THE SAME SYSTEM AS THE BEER DISTRIBUTORS HAVE TO GO THROUGH. SO THAT IS GOING TO BE DEFINITELY AN EXTRA COST TO THE WINE INDUSTRY. SO I WANT TO JUST TALK A LITTLE BIT ABOUT THE VALUE OF THE WINE INDUSTRY TO NEBRASKA. THERE ARE 27 LICENSED WINERIES. THIS IS AS OF 2013. THE TOTAL REVENUE IS \$4.3 MILLION; THE TOTAL CASES SOLD, 33,696. THE TOTAL RETAIL VALUE OF THE WINE PRODUCED AND SOLD IN NEBRASKA, AT LEAST IN 2013, WAS \$6.8 MILLION. THERE'S NOT A LOT OF ACRES INVOLVED IN THIS. THERE'S 611 ACRES. IT IS...TAKES UP SOME FARM GROUND, I UNDERSTAND THAT, BUT IT'S MAYBE GROUND THAT MIGHT NOT BE FARMED ANYWAY. THEN IT GOES DOWN TO THE TOTAL ECONOMIC IMPACT OF THE WINE INDUSTRY IN NEBRASKA AND TALKS ABOUT THE TOTAL WAGES PAID, \$30.8 MILLION. TOURISM EXPENDITURES, IT'S \$36.8 (MILLION). TOTAL NUMBER OF WINERY VISITS, IT'S A TOURISM TOOL, IT'S 175,000 ESTIMATED VISITS; TOTAL STATE TAXES, \$7.4 MILLION; FEDERAL TAXES, \$8.1 (MILLION). AND THEY HAVE MADE SOME CHARITABLE CONTRIBUTIONS AND I'M NOT SURE WHAT THAT INCLUDES BUT THERE'S \$100,000 THERE. SO THE WINE INDUSTRY HAS GROWN. IT'S GOING TO CONTINUE TO GROW, BUT I WOULD JUST MAKE A COMMENT AGAIN THAT THE AMENDMENT DOES AFFECT THEIR ABILITY TO DISTRIBUTE IT THE WAY THEY HAVE BEEN NOW THAT IT BECOMES A HARD CIDER AND UNDER A BEER CLASSIFICATION. THANK YOU, MR. SPEAKER. [LB330]

SPEAKER HADLEY: SENATOR CAMPBELL, YOU ARE RECOGNIZED. [LB330]

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SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. COLLEAGUES, I WANT TO MAKE A COUPLE COMMENTS AND THEN SENATOR LARSON AND I WERE TALKING OFF THE MIKE AND WE DECIDED THAT I WOULD ASK A FEW QUESTIONS. BUT BEFORE THAT, I HAVE TO SAY I FOUND IT SOMEWHAT HUMOROUS ON THE PORTION HAVING TO DO WITH CHURCHES AND WITH LIQUOR ESTABLISHMENTS. WHEN I WAS ON THE COUNTY BOARD IN CORTLAND, THE BAR THERE WANTED TO ENLARGE AND HAVE LIKE A BEER GARDEN TYPE OF ATMOSPHERE. AND THE VERY FIRST TESTIFIER IN FAVOR OF THAT WAS THE CHURCH, WHICH WE ON THE COUNTY BOARD FOUND MOST INTERESTING, BUT BECAUSE IN A SMALL COMMUNITY IT WAS PEOPLE HELPING PEOPLE, AND WHEN THERE WAS A FUNERAL, WHY, THE BAR WOULD CLOSE ALL OF ITS PARKING SO IT COULD BE USED FOR THE CHURCH. IT WAS AN INTERESTING TAKE ON WHAT YOU WOULD NOT EXPECT A CHURCH TO TESTIFY. SO TO THE QUESTIONS, IF SENATOR LARSON WOULD YIELD FOR A QUESTION OR TWO. [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR CAMPBELL: SENATOR LARSON, ONE OF THE QUESTIONS I ASKED YOU WAS, IS HARD CIDER AN ALTERNATIVE FOR THOSE PEOPLE WHO NEED GLUTEN FREE? [LB330]

SENATOR LARSON: YES, I'M PRETTY SURE ALL HARD CIDERS...I CAN'T SPEAK FOR 100 PERCENT, BUT I THINK MOST OF THEM ARE ALL GLUTEN FREE. [LB330]

SENATOR CAMPBELL: SO THAT DOES MAKE IT A PRODUCT THAT CAN BE THEN DISTRIBUTED BY THE DISTRIBUTORS JUST LIKE BEER IS, CORRECT? [LB330]

SENATOR LARSON: YEAH, THE BEER DISTRIBUTORS. THERE'S A DIFFERENCE BETWEEN BEER DISTRIBUTORS AND WINE AND LIQUOR DISTRIBUTORS. THE BEER DISTRIBUTORS HAVE THE ABILITY TO DISTRIBUTE THE PRODUCTS. WINE AND LIQUOR DISTRIBUTORS, MOST OF THE TIME, YOU HAVE TO GO PICK UP THE PRODUCTS UNLESS YOU HAVE A DISTRIBUTION LICENSE AND YOU CHARGE A DELIVERY FEE, BUT BEER DISTRIBUTORS DON'T DO THAT. [LB330]

SENATOR CAMPBELL: AND I KNOW SENATOR KOLTERMAN IS PROBABLY GOING TO GET INTO THIS WITH HIS AMENDMENT, BUT MY QUESTION HAS ALSO TO DO

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WITH POWDERED ALCOHOL. AND ONE OF THE FORMER COMMISSIONERS ON THE LIQUOR COMMISSION, BILL AUSTIN, HAD GRAVE RESERVATIONS ABOUT IT. AND SO I THOUGHT IT MIGHT BE HELPFUL FOR YOU TO TALK A LITTLE BIT ABOUT REGULATION OF THIS AND DISTRIBUTION. [LB330]

SENATOR LARSON: YEAH, RIGHT NOW WE DON'T HAVE ANY DISTRIBUTORS THAT ARE DISTRIBUTING POWDERED ALCOHOL. MY PERSONAL POINT OF VIEW IS THE POWDERED ALCOHOL HAS JUST BEEN APPROVED BY THE FEDERAL GOVERNMENT AND IN NEBRASKA WE DO NOT PROHIBIT ANY SORT OF ALCOHOL. WE'RE VERY MUCH OF A...IN STATUTE, I SHOULD SAY, IN STATUTE, WE DON'T PROHIBIT ANY ALCOHOL AND WE TRUST OUR LIQUOR CONTROL COMMISSION TO REGULATE ALCOHOLIC PRODUCTS. WE...MR. RUPE, OUR LIQUOR CONTROL...THE HEAD OF THE LIQUOR CONTROL COMMISSION CAME IN AND TALKED ABOUT HOW THEY HAVE HEARINGS WHEN THERE'S A NEW PRODUCT COMING IN TO SEE HOW, YOU KNOW, HOW IT'S PACKAGED, IS IT PACKAGED TO WHERE IT COULD BE SOLD TO KIDS AND THINGS LIKE THAT, AND THEN THE LIQUOR CONTROL COMMISSION SAYS, WE AREN'T GOING TO OFFER YOU A LICENSE TO EVEN BE ABLE TO SELL THIS BECAUSE WE DON'T FEEL COMFORTABLE WITH IT. SO I THINK TO TAKE THAT STEP OF BANNING SOMETHING IS... YOU KNOW, WE START GETTING INTO, YOU KNOW, THE REMNANTS OF PROHIBITION IN THE SENSE OF WHENEVER THERE'S A NEW PRODUCT, WE SHOULDN'T JUST BAN IT BECAUSE WE DON'T KNOW ABOUT IT YET. WE DO NEED TO TAKE A STEP BACK AND LET'S DEFINE IT, LET'S GIVE THE LIQUOR CONTROL COMMISSION THE ABILITY TO LOOK AT IT, PROCESS IT, AND THEY HAVE THE OPPORTUNITY TO NOT ALLOW IT TO COME IN IF THEY FEEL THAT IT'S UNSAFE OR UNWARRANTED AND THINGS OF THAT NATURE. BUT FOR US...IN MY PERSONAL VIEW, FOR THE 49 OF US TO JUST STAND UP AND SAY WE NEED TO BAN IT RIGHT NOW BECAUSE OF X OR Y, AND I'M SURE SENATOR KOLTERMAN WILL TALK ABOUT THAT, IS DEFINITELY SHORTSIGHTED AND SHOWS THE TRUE HEAVY HANDED OF GOVERNMENT AND WHERE WE ARE IN THIS LEGISLATURE. [LB330]

SENATOR CAMPBELL: IN THE STATES THAT HAVE BANNED IT, HAVE THEY BANNED IT THROUGH THE STATE LEGISLATURES OR THROUGH THEIR LIQUOR CONTROL COMMISSION? [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

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SENATOR LARSON: I KNOW THERE'S BEEN A FEW STATES THAT BANNED IT. I THINK MISSOURI JUST DID, AND THEY DID IT THROUGH THEIR LEGISLATURE. AND LIKE I SAID, I WOULD WARN AGAINST THAT CONCEPT BECAUSE WE DON'T WANT TO START DOWN THAT SLIPPERY SLOPE. AND I THINK THERE'S GOING TO BE A LOT OF PRODUCERS, JUST ALCOHOLIC PRODUCERS, THAT DON'T WANT TO START DOWN THAT SLIPPERY SLOPE OF...YOU KNOW, THEY MIGHT BE THE NEXT ONE OR SOME CRAFT BREWERY MIGHT BE THE NEXT ONE TO COME UP WITH THE NEXT INNOVATIVE IDEA AND THEY DON'T WANT TO START DOWN THAT SLIPPERY SLOPE OF, THIS IS A BRAND NEW CONCEPT, WE NEED TO BAN IT BECAUSE IT MIGHT BE DANGEROUS LIKE...LET'S...WE NEED TO TAKE A STEP BACK AND FLY AT 30,000 FEET AND NOT FLY AT 5,000 BECAUSE THAT'S OUR JOB. LET'S GIVE IT TO THE LIQUOR CONTROL COMMISSION TO REGULATE. [LB330]

SENATOR CAMPBELL: THANK YOU, SENATOR LARSON, AND THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR HOWARD, YOU'RE RECOGNIZED. [LB330]

SENATOR HOWARD: THANK YOU, MR. PRESIDENT. I RISE WITH SOME CONCERNS ABOUT LB330. THERE'S A GROUP OF CONSTITUENTS IN MY DISTRICT THAT STARTED AN ORGANIZATION CALLED LOCAL; THAT STANDS FOR LET OMAHA CONTROL ITS ALCOHOL LANDSCAPE. THEY SUBMITTED A LETTER IN REGARDS TO THIS BILL THAT DIDN'T MAKE IT INTO THE RECORD. AND SO I'D LIKE TO READ THAT LETTER TO MAKE SURE THAT EVERYONE HAS AN OPPORTUNITY TO HEAR IT. DEAR CHAIRMAN LARSON AND MEMBERS OF THE GENERAL AFFAIRS COMMITTEE, THIS LETTER IS BEING SUBMITTED IN OPPOSITION TO LB330 AS INTRODUCED AND WE WOULD ASK THAT OUR COMMENTS BE INCLUDED IN THE RECORD FOR THE HEARING TO BE HELD ON JANUARY 26, 2015. WE HAVE GRAVE MISGIVINGS ABOUT THE REPEAL OF SECTION 53-179 ALLOWING ALCOHOL SALES 24 HOURS PER DAY, 7 DAYS A WEEK, WHICH I BELIEVE HAS BEEN STRICKEN. WE HAVE SPENT THE LAST THREE DECADES WORKING TO ADDRESS ISSUES THAT IMPACT THE HEALTH, SAFETY, AND QUALITY OF LIFE IN OUR NEIGHBORHOODS TRYING TO MAKE IT SAFER AND BETTER FOR FUTURE GENERATIONS. DURING THAT TIME, WE AND A GROUP OF OTHER COMMITTED NEIGHBORHOOD PARTNERS HAVE MANY TIMES HAD TO ADDRESS THE DEVASTATION AND HARM THAT TOO MUCH ALCOHOL AVAILABILITY WREAKS ON OUR NEIGHBORHOODS. NOT A DAY GOES BY THAT WE AREN'T LEFT TO PICK UP BEER CANS IN OUR PARKS, OR TO CALL THE POLICE REGARDING PANHANDLERS OUTSIDE OF THE NEIGHBORHOOD CONVENIENCE STORE. OUR NEWS MEDIA IS FULL OF STORIES OF TRAGIC DRUNK DRIVING CRASHES, ALCOHOL-RELATED DISTURBANCES AND

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INJURY. OUR NEIGHBORHOODS AND COMMUNITIES HAVE BEEN NEGATIVELY IMPACTED BY ALCOHOL. WE FEEL OUR CONCERNS ARE OFTEN NOT TAKEN SERIOUSLY. PROPOSALS LIKE LB330 DO NOTHING MORE THAN PROVIDE ADDITIONAL POWER AND PROFIT TO THE ALREADY POWERFUL ALCOHOL INDUSTRY IN NEBRASKA, AN INDUSTRY WITH UTTER DISREGARD FOR THE WORK THAT WE'RE DOING TO CREATE NEIGHBORHOOD SCHOOLS WHERE KIDS ARE ABLE TO WALK WITHOUT FEAR, TO CREATE COMMUNITY PARKS AND GARDENS WHERE FAMILIES CAN THRIVE IN PEACE AND SAFETY, AND TO CREATE COMMUNITIES THAT DRAW PEOPLE TO NEBRASKA. THANK YOU FOR YOUR CONSIDERATION OF OUR COMMENTS AND POSITION. RESPECTFULLY, MARGIE MAGNUSON AND CHRIS FOSTER. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR BLOOMFIELD, YOU'RE RECOGNIZED. [LB330]

SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. COLLEAGUES, THE FIRST FOUR YEARS I WAS HERE I SERVED ON THE GENERAL AFFAIRS COMMITTEE, AND I THINK EVERY YEAR WE DEALT WITH SOME OF THESE ISSUES. SENATOR SCHILZ STARTED TO DESCRIBE WHAT WAS GOING ON WITH THE GROWLERS AND I WONDER IF HE WOULD YIELD TO A QUESTION ON THAT. [LB330]

SPEAKER HADLEY: SENATOR SCHILZ, WILL YOU YIELD? [LB330]

SENATOR SCHILZ: YES. [LB330]

SENATOR BLOOMFIELD: SENATOR SCHILZ, IN ANSWER TO A QUESTION FROM SENATOR GLOOR YOU STARTED TO DESCRIBE THE PROCESS WITH GROWLERS. WOULD YOU FILL THAT OUT? THAT SEEMED TO BE WHERE WE ALWAYS HUNG UP OVER THE LAST FOUR YEARS. [LB330]

SENATOR SCHILZ: YEP, I'D BE HAPPY TO AND I THINK THAT IT'S CHANGED JUST A LITTLE BIT AND MR. EICKMEIER CAN LET ME KNOW IF I'M WRONG. BUT WHAT HAS TO HAPPEN IS THAT, WHAT THIS WILL DO...RIGHT NOW CRAFT BREWERIES CAN SELL GROWLERS. WHAT THIS WOULD DO, THIS WOULD ALLOW OTHER ESTABLISHMENTS, BARS, PLACES LIKE THAT, TO BE ABLE TO SELL GROWLERS AS WELL, ONLY, I'M NOT SURE, I THINK IT'S 32 OUNCES INSTEAD OF 64 OUNCES, SO THEY CAN'T EVEN SELL THE REAL GROWLER. THEY WOULD SELL HALF A GROWLER, AND THAT'S THE WAY THIS WORKS. BUT WHAT THEY HAVE TO DO IS THE GROWLER, OR WHATEVER WE WANT TO CALL IT, IT HAS TO COME FROM THE ESTABLISHMENT, HAS TO HAVE THE NAME OF THE ESTABLISHMENT ON THERE,

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AND THEN THAT WAY LAW ENFORCEMENT AND OTHERS WILL KNOW WHERE THAT COMES FROM IF THERE'S EVER AN ISSUE. [LB330]

SENATOR BLOOMFIELD: OKAY. ONE OF THE ISSUES WE HAD BEFORE WAS WHETHER OR NOT YOU COULD TAKE THAT GROWLER IN AND HAVE IT REFILLED. WOULD YOU BE ABLE TO TAKE THIS HALF GROWLER IN AND HAVE IT REFILLED? [LB330]

SENATOR SCHILZ: AT THIS POINT THE WAY THE BILL IS WRITTEN, RIGHT NOW YOU COULD NOT. YOU WOULD HAVE TO...YOU MIGHT BE ABLE TO BRING IT BACK IN, BUT WHAT THEY WOULD DO IS THEY WOULD EXCHANGE THAT WITH YOU FOR A NEW ONE AND THEN THEY'D HAVE TO SANITIZE THE OTHER ONE. [LB330]

SENATOR BLOOMFIELD: THEY WOULD SANITIZE THE ONE YOU TURNED IN AND YOU OR SOMEBODY ELSE WOULD GET IT THE NEXT TIME AROUND? [LB330]

SENATOR SCHILZ: CORRECT. [LB330]

SENATOR BLOOMFIELD: OKAY. THANK YOU. I GUESS I DON'T REALLY HAVE ANY QUESTIONS ON THIS. THE GROWLER ISSUE HAD BEEN A STUMBLING POINT FOR THE LAST SEVERAL YEARS ON THIS AND I THINK PROBABLY THEY'VE GOTTEN TO A POINT WHERE IT'S DOABLE. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR LARSON, YOU'RE RECOGNIZED. SENATOR LARSON. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I WANTED TO ADDRESS A FEW THINGS REAL QUICK. FIRST OF ALL, YOU KNOW, I THINK SENATOR JOHNSON BROUGHT UP GREAT POINTS. I THINK THE WINE AND LIQUOR...OR THE FARM WINERIES ARE GREAT FOR THIS STATE. THEY OFFER A LOT OF ECONOMIC DEVELOPMENT. AND FRANKLY, I REPRESENT A FARM WINERY, NISSEN WINERY IN HARTINGTON. BUT AT THE SAME TIME...AND I ALSO...FRANKLY, THEY DO HAVE SELF-DISTRIBUTION FOR WINE PRODUCTS. AND THEY CAN DELIVER THEIR OWN WINE, AND THEY'RE THE ONLY ENTITY IN THE STATE THAT HAVE SELF-DISTRIBUTION RIGHTS. ESSENTIALLY, THE LIQUOR CONTROL ACT, WE HAVE THREE TIERS. WE HAVE THE MANUFACTURER, THE DISTRIBUTOR, AND THE RETAILER. AND WE CAN OWN USUALLY TWO OF THOSE TIERS. YOU CAN OWN

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ONE AND THREE OR, YOU KNOW, CERTAIN TIERS, BUT YOU CAN NEVER OWN ALL THREE, OTHERWISE WE HAVE WHAT'S CALLED CRADLE TO GRAVE. ANHEUSER-BUSCH, FOR EXAMPLE, OR ANY BIG BREWERY, I'M SORRY TO SINGLE OUT ANY ONE, COULD OWN THE...MANUFACTURE IT, DISTRIBUTE IT, AND OWN THE BAR WHICH WOULD DRASTICALLY DRIVE DOWN THE PRICE OF ALCOHOL. NOW FOR SOME INDIVIDUALS, THAT PROBABLY MAKES THEM HAPPY. I LIVED IN PRAGUE FOR A YEAR AND ENJOYED PAYING 75 CENTS FOR A PINT OF PILSNER, BUT THEY HAVE CRADLE TO GRAVE THERE. HERE, WE DON'T AND WE HAVE TO PROTECT THAT AS WE MOVE FORWARD. THE FARM WINERIES, WHEN THEY'RE SELLING WINE, ARE ABLE TO SELF-DISTRIBUTE AND HAVE THE RETAIL LOCATION AND HAVE THE MANUFACTURING. WHEN WE CHANGE HARD CIDER TO A BEER...OR FROM A WINE TO BEER, IT NEEDS TO BE TREATED LIKE EVERY OTHER PRODUCT THAT IT IS LIKE. CRAFT BREWERIES DON'T HAVE THE ABILITY TO SELF-DISTRIBUTE. THEY CAN MAKE IT AND SERVE IT IN THEIR OWN TASTING ROOMS, BUT THEY CAN'T DISTRIBUTE IT TO THE GROCERY STORE ACROSS THE STREET. AND I KNOW THAT SOUNDS RIDICULOUS AND SOMETIMES IT SOUNDS RIDICULOUS TO ME, BUT I HAVE TO BE AS FAIR AS POSSIBLE WHEN I'M WORKING THROUGH THIS PROCESS. AND IF I'M GOING TO TELL THE CRAFT BREWERY, IF THEY GO GET A FEDERAL LICENSE TO MAKE CIDER, IF I'M GOING TO GO TELL THAT CRAFT BREWERY THAT YOU HAVE TO USE A DISTRIBUTOR TO DISTRIBUTE THAT CIDER BUT THIS ENTITY OVER HERE DOESN'T HAVE TO USE A DISTRIBUTOR BECAUSE THEY ARE ALREADY DISTRIBUTING WINE BY THEMSELVES, TO ME THAT IS UNEQUITABLE. I HAVE TO KEEP IT ACROSS THE BOARD FAIR FOR EVERYONE AND THAT'S WHAT AM613 IS DOING. THE COMMITTEE...THE ORIGINAL BILL AND THE COMMITTEE AMENDMENT INADVERTENTLY TOOK AWAY THE FARM WINERY'S ABILITY TO EVEN MAKE HARD CIDER. I DON'T WANT TO TAKE AWAY THEIR ABILITY TO MAKE HARD CIDER. I WANT TO MAKE SURE THAT THEY ARE ON AN EQUAL PLAYING FIELD AS EVERY OTHER NEBRASKA SMALL BUSINESS, THOSE CRAFT BREWERIES, IF THEY DO MAKE CIDER. AND THAT'S WHAT WE'RE DOING. THE FARM WINERIES WILL STILL BE ABLE TO MAKE THE HARD CIDER AND HAVE IT IN THEIR OWN TASTING ROOMS, BUT IF THEY WANT TO TAKE IT TO THE GROCERY STORE, THEY WILL HAVE TO GO THROUGH A DISTRIBUTOR. AND MIND YOU, THERE IS NO FARM WINERY IN NEBRASKA THAT IS CURRENTLY SELF-DISTRIBUTING CIDER. THERE ARE A FEW SELF-FARM WINERIES THAT ARE MAKING CIDER AND ARE USING IT IN THEIR TASTING...AND SERVING IT IN THEIR TASTING ROOMS, BUT NONE OF THEM HAVE SCALED UP THE PRODUCTION ENOUGH TO ACTUALLY DISTRIBUTE IT. SO THE ARGUMENT WILL BE MADE, OH, YOU'RE TAKING AWAY OUR ABILITY TO SELF-DISTRIBUTE CIDER. THERE'S NO ONE DOING IT RIGHT NOW. [LB330]

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SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: SO I REALLY APPRECIATE THE CONTRIBUTION THAT FARM WINERIES ADD TO OUR ECONOMY. I THINK THEY'RE GREAT FOR OUR ECONOMY. I THINK OUR CRAFT BREWERIES ARE GREAT FOR OUR ECONOMY, BUT I HAVE TO KEEP A LEVEL PLAYING FIELD AS MUCH AS POSSIBLE. WE'RE GOING TO CONTINUE TO HEAR MORE ABOUT THE POWDERED ALCOHOL, I'M SURE, AND OTHER PROVISIONS IN LB330, BUT HOPEFULLY WE CAN MOVE FORWARD ON AM613 ON THE FACT THAT I WANT THESE FARM WINERIES TO HAVE THAT ABILITY TO MAKE THIS AND SERVE IT IN THEIR OWN TASTING ROOMS. I DON'T WANT TO HAVE THEM BE LIMITED BY US TO DO THAT. THEY'RE GOING TO BE TREATED JUST LIKE THOSE CRAFT BREWERIES, BUT IF THEY'RE GOING TO DISTRIBUTE IT, IF THEY WANT TO GO THROUGH THAT, THEY NEED TO GO THROUGH THE SAME PROCESS AS EVERYONE ELSE. WE'RE NOT TAKING AWAY THEIR DISTRIBUTION RIGHTS FOR WINE AND I FRANKLY WOULDN'T SUPPORT THAT EVEN THOUGH, I'M SURE, NUMEROUS PEOPLE ON THE FLOOR WOULD TO MAKE EVERYTHING EQUAL, BUT I WOULDN'T SUPPORT THAT. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SENATOR HILKEMANN, YOU'RE RECOGNIZED. [LB330]

SENATOR HILKEMANN: THANK YOU, MR. SPEAKER. SENATOR LARSON, WOULD YOU YIELD TO A COUPLE OF QUESTIONS, PLEASE? [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR HILKEMANN: COULD YOU TELL ME WHAT THE ALCOHOL BY VOLUME IS FOR WINE, THE PERCENT? [LB330]

SENATOR LARSON: IT DEPENDS ON THE WINE. I KNOW THE ABV FOR A LOT OF WINES RANGE BETWEEN 10 AND 15 PERCENT. [LB330]

SENATOR HILKEMANN: OKAY. [LB330]

SENATOR LARSON: I THINK. IS THAT ABOUT RIGHT? [LB330]

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SENATOR HILKEMANN: I DON'T KNOW. I DON'T KNOW THAT QUESTION. I WAS ASKING IT. I DID KNOW THAT ON HARD CIDERS THAT THIS VARIES, CAN VARY ANYWHERE FROM 1.2 TO 8.5 PERCENT, AND BEER IS 4.2 PERCENT. SO I'M WONDERING WHY WE WOULD... [LB330]

SENATOR LARSON: SENATOR HILKEMANN, I WOULD CORRECT YOU FOR A SECOND. YES, THERE ARE HARD CIDERS THAT CAN RANGE FROM 1.2 TO ACTUALLY, I'D SAY, CLOSER TO 8.5, 9, BUT AS YOU...HAVE YOU EXPERIENCED THE CRAFT BREWERY MARKET MUCH, REALLY GOTTEN INTO IT? [LB330]

SENATOR HILKEMANN: NO, I HAVE NOT. [LB330]

SENATOR LARSON: AS YOU CONTINUE TO EXPERIENCE AND EXPAND INTO THE CRAFT BREW MARKET, I THINK THAT YOU'LL SEE A LOT OF BEERS THAT ARE ACTUALLY GETTING UP TO THAT 9 TO 10 ABV. IF YOU WANT...THE AVERAGE BUD LIGHT OR BUSCH LIGHT WILL BE 4.2, BUT A LOT OF THOSE CRAFT BREWS MOVING UP WILL FLUCTUATE. MAYBE SOME OF THE SMALLER ONES WILL BE AT 3, BUT, YOU KNOW, A DARKER, HEAVIER ONE WILL BE ACTUALLY CLOSER TO 10. [LB330]

SENATOR HILKEMANN: WELL, MY CONCERN IS, IS THAT ON THESE HARD CIDERS, IF WE'RE GOING TO MOVE THEM FROM A WINE CLASS INTO A BEER CLASS, THEY'RE GENERALLY A HIGHER CONCENTRATION THAN BEER, WHAT IS THIS GOING TO DO FOR TEENAGE DRINKING? [LB330]

SENATOR LARSON: THE MOVING THE CIDER, YOU MEAN? [LB330]

SENATOR HILKEMANN: RIGHT. [LB330]

SENATOR LARSON: YOU KNOW, I DON'T THINK THAT IT REALLY AFFECTS TEENAGE DRINKING. I'M, AS MOST PEOPLE COULD TELL YOU, YOU'RE PROBABLY...I'M A LITTLE CLOSER TO THAT AGE THAN YOU AND (LAUGHTER) FRANKLY I THINK THAT THE ACCESS TO ALCOHOL IS SOMETHING THAT WE HAVE TO CONTINUE TO LOOK AT. IT'S SOMETHING THAT I THINK OUR COUNTRY HAS CREATED A STEREOTYPE AND A TABOO ON AN ISSUE THAT HAS DRIVEN IT UNDERGROUND. AND I THINK THE BETTER THING THAT WE HAVE TO CONTINUE TO MOVE TOWARDS IS EDUCATE OUR YOUNG ADULTS THAT BINGE DRINKING ISN'T THE WAY TO GO, AND MOVE PAST THE CULTURE. YOU KNOW, AS I SAID, I

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SPENT A LOT OF TIME ABROAD AND, YOU KNOW, THEY'RE INTRODUCED TO IT EARLIER. AND I THINK THAT TABOO THAT IS, IF YOU WANT TO CALL IT A CULTURAL THING THAT GOES BACK TO OUR PURITAN ROOTS, IT PROBABLY DOES, BUT IT'S SOMETHING THAT WE HAVE TO CONTINUE TO WORK TOWARDS. AND IF YOU WANT TO TALK ABOUT THE TAX SIDE OF IT, YOU KNOW, WHEN WE CHANGE IT FROM A WINE TO A BEER, YEAH, THE CIDER...THE TAXES ARE GOING TO GO DOWN. BUT FRANKLY, WHEN IT COMES TO KIDS TRYING TO ACQUIRE ALCOHOL, THOSE TAXES ARE GOING TO AMOUNT TO, YOU KNOW, 15, 16 CENTS ON A SIX-PACK. IT'S NOT GOING TO BE ENOUGH TO DISSUADE THE TEENAGE DRINKING TO ANY CONSENT...OR, YOU KNOW, AT ALL. AND A LOT OF THE ALCOHOL THAT THEY'RE TRYING TO GET THEIR HANDS ON WILL ACTUALLY BE MORE CLOSE TO THE 4 OR 5. IT'S THE HARD CIDERS THAT ARE MORE, WHAT DO YOU WANT TO CALL IT, WOULD BE ONLY KEGGED ONLY, OR ONLY SERVED IN, LIKE, MORE EXCLUSIVE BARS OR RESTAURANTS THAT HAVE THOSE HIGHER CONTENT VOLUME ONES. THE ONES THAT ARE ON THE SHELVES, MOST OF THEM ARE YOUR...LIKE YOUR MIKE'S...WELL, MIKE'S HARD LEMONADE, IT IS A FLAVORED MALT BEVERAGE. WE'RE TALKING MORE, I GUESS, ON LIKE THE ANGRY ORCHARDS AND WOODCHUCKS. THOSE ARE ACTUALLY ALL GOING TO BE BETWEEN THE 4 AND 5 RANGE AND NOT THAT HIGH A RANGE THAT YOU'LL SEE IN SOMEPLACE LIKE A JAKE'S. [LB330]

SENATOR HILKEMANN: OKAY. THANK YOU VERY MUCH FOR NOW. THANK YOU. [LB330]

SPEAKER HADLEY: SENATOR DAVIS, YOU ARE RECOGNIZED. [LB330]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT. I WONDER IF SENATOR LARSON WOULD YIELD TO A FEW QUESTIONS. [LB330]

SPEAKER HADLEY: SENATOR LARSON, WILL YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR DAVIS: SO, SENATOR LARSON, I'VE MISSED QUITE A BIT OF THE DISCUSSION BECAUSE I WAS OUT IN THE LOBBY, BUT... [LB330]

SENATOR LARSON: LUCKY YOU. (LAUGHTER) [LB330]

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SENATOR DAVIS: ...I DO HAVE A QUESTION ABOUT PART OF THE ORIGINAL BILL WHICH I THINK TALKS ABOUT THE HARD CIDER AND THEN THE WINE. SO CAN YOU...AND THIS IS ON PAGE 3, LINE 5, I BELIEVE. [LB330]

SENATOR LARSON: WE'RE ON THE GREEN COPY OR IN THE AMENDMENT? [LB330]

SENATOR DAVIS: THIS IS THE GREEN COPY. BEER MEANS A BEVERAGE OBTAINED BY ALCOHOLIC FERMENTATION OF AN INFUSION OR CONCOCTION OF BARLEY AND OTHER GRAINS, MALT, ETCETERA, BUT NOT LIMITED TO BEER, ALE, STOUT OR LAGER BEER, PORTER, NEAR BEER, AND FLAVORED MALT BEVERAGE, AND THEN YOU ADDED, AND HARD LIQUOR...OR HARD CIDER. [LB330]

SENATOR LARSON: HARD CIDER. [LB330]

SENATOR DAVIS: SO THEN SECTION 6 TALKS ABOUT HARD CIDER MEANS STILL WINE. SO ARE WE SAYING THAT BEER IS HARD CIDER IS WINE? [LB330]

SENATOR LARSON: THIS IS A...AND I'M SURE MY LEGAL COUNSEL WILL CORRECT ME IF I'M WRONG. THIS IS...DIRECTLY RELATES TO FEDERAL STATUTES IN TERMS OF RIGHT NOW THE FEDERAL GOVERNMENT IS IN THE PROCESS OF MOVING HARD CIDER. IT IS MY UNDERSTANDING AND MY LEGAL COUNSEL...IT'S THROUGH THE TTP RULES AND REGS, WHICH IS THE FEDERAL SIDE OF THINGS. AND THROUGH THAT I KNOW THERE HAVE BEEN CONVERSATIONS TO ACTUALLY RECLASSIFY HARD CIDER TO BEER AS WELL. THE FEDERAL GOVERNMENT MOVES A LITTLE SLOWER THAN THE STATES AT TIMES, AND SO WE ARE JUST DOING IT BEFORE THEM AS THEY MOVE THROUGH THAT PROCESS. [LB330]

SENATOR DAVIS: OKAY. AND I GET THAT, BUT I'M STILL CONFUSED AS TO HOW WE CAN START WITH BEER WHICH THEN IT SAYS MEANS HARD CIDER, AND THE NEXT SECTION IS HARD CIDER MEANS WINE. SO TO ME THAT MEANS THAT BEER MEANS WINE. [LB330]

SENATOR LARSON: WELL, I CAN UNDERSTAND THAT AND, YOU KNOW, IT'S WINE DERIVED FROM APPLES, OR APPLE CONCENTRATE, WATER, APPLE JUICE. I THINK THE DIFFERENCE THAT WE'RE WORKING ON HERE IS WE'RE MORE DEFINING WHICH FRUITS YOU CAN USE AS WELL. AND AS I SAID, WITH THE TTP RULES AND REGULATIONS, THAT'S HOW WE HAVE TO HAVE IT AT THIS POINT BUT,

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HOPEFULLY, THE FEDS COME THROUGH AND WORK ON IT AND THESE WILL BE ANTIQUATED STATUTES IN LESS THAN A YEAR. [LB330]

SENATOR DAVIS: SO THEN THE NEXT QUESTION DEALS WITH THE FISCAL NOTE WHICH IS SOME REDUCTION IN TERMS OF THE TAX REVENUE THAT'S GENERATED FROM GOING TO WINE TO BEER. CAN YOU TALK A LITTLE BIT ABOUT THAT? [LB330]

SENATOR LARSON: YEAH, WE WILL LOSE A LITTLE BIT ON THE FISCAL NOTE. I THINK IT'S... [LB330]

SENATOR DAVIS: IT'S LIKE \$285,000. [LB330]

SENATOR LARSON: ...\$285,000 AND WE'LL GET THAT EXACT NUMBER. AND FRANKLY, WHAT I'LL SAY TO THAT, I THINK IT'S MAYBE A LITTLE HIGH, BUT AT THE SAME TIME, ALCOHOL TAXES WILL STILL BE THE THIRD HIGHEST REVENUE-GENERATING TAX FOR THE STATE BEHIND SALES AND INCOME TAX DOLLARS. AND THAT'S SOMETHING THAT WHEN WE LOOK AT THE ECONOMIC INVESTMENT MOVING INTO OUR STATE BY CHANGING THIS AND HOW IT WILL CONTINUE TO HELP THE DISTRIBUTORS, STREAMLINE THEIR PROCESSES, AND ALLOW CRAFT BREWERIES THE ABILITY TO CONTINUE...OR TO START TO MAKE THIS AND HOPEFULLY EXPAND. THEN AS THE FARM WINERIES CONTINUE TO EXPAND, WE'LL ACTUALLY CONTINUE TO GROW THAT FISCAL NOTE. I KNOW I THINK WE'VE ALL BEEN FRUSTRATED WITH THE FISCAL OFFICE AT TIMES WHEN THEY CAN'T DO DYNAMIC MODELING, IT'S PURE STATIC MODELING. I DON'T KNOW IF YOU'VE HAD A BILL LIKE THAT, POSSIBLY AN INCOME TAX BILL THAT GETS FISCAL NOTES THAT YOU KIND OF WONDER WHY, BUT I THINK THE DYNAMIC MODELING WOULD HAVE SHOWED THAT THIS WILL ACTUALLY... [LB330]

SPEAKER HADLEY: ONE MINUTE. [LB330]

SENATOR LARSON: ...HELP INCREASE. AND WHEN YOU'RE TALKING TO THE TUNE OF \$31 MILLION, LOSING THAT \$200,000 BECAUSE OF THIS TAX, BUT NOT TAKING IN TO THE ECONOMIC INVESTMENT SIDE FROM THE DISTRIBUTORS AND OTHER PEOPLE...AND OTHER BREWERIES MOVING FORWARD... [LB330]

SENATOR DAVIS: AND I RECOGNIZE THAT, SENATOR LARSON. IT WAS JUST A QUESTION THAT I FELT WE NEEDED TO GET ON THE FLOOR A LITTLE BIT. I

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GUESS, I PROBABLY HAVE SOME OF THE SAME FEARS AND CONCERNS THAT I BELIEVE SENATOR HILKEMANN VOICED EARLIER ABOUT HARD CIDER BEING SOMETHING THAT YOUTH WILL DRINK AND MAYBE BEING MORE ALCOHOLIC. SO I...YOU KNOW, AND I MISSED, LIKE I SAID, I MISSED SOME OF THE DISCUSSION, IF YOU'D LIKE TO COMMENT UPON THAT. [LB330]

SENATOR LARSON: YEAH, LIKE I SAID, I THINK THE HARD CIDERS THAT ARE AVAILABLE TO YOUTH TO GET THEIR HANDS ON ARE NOT THE HARD CIDERS THAT ARE MORE ALCOHOLIC THAN BEER. THEY'RE THE HARD CIDERS THAT ARE RANGING IN THE 4 TO 5 PERCENT ABV RANGE. THE ONES THAT YOU HAVE THE CONCERNS, WHETHER IT'S THE SAM...YOU KNOW, THE SAMUEL SMITHS OR THINGS LIKE THAT. [LB330]

SPEAKER HADLEY: TIME, SENATOR. [LB330]

SENATOR LARSON: THANK YOU. [LB330]

SENATOR DAVIS: THANK YOU. [LB330]

SPEAKER HADLEY: SEEING NO ONE ELSE IN THE QUEUE, SENATOR LARSON, YOU'RE RECOGNIZED TO CLOSE ON YOUR AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. REAL QUICK, JUST TO CORRECT THE FISCAL NOTE. IT'S ONLY \$160,000 IN LOST REVENUE, WHICH, AS I SAID, WHEN YOU'RE LOOKING AT A \$30-31 MILLION THAT THESE TAXES BRING IN, IT'S MINIMAL. AND WHEN YOU MOVE INTO THAT DYNAMIC MODELING, I THINK THAT IT WILL BE EASILY RECOVERED WHEN WE ADD EFFICIENCIES TO THE DISTRIBUTORS' AND THE MANUFACTURERS' SIDE OF THINGS, AND HOPEFULLY CONTINUES TO GROW THROUGHOUT THE STATE OF NEBRASKA. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: THE QUESTION IS, SHALL THE AMENDMENT TO THE COMMITTEE AMENDMENT TO LB330 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL VOTED? RECORD, MR. CLERK. [LB330]

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CLERK: 28 AYES, 1 NAY ON ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB330]

SPEAKER HADLEY: THE AMENDMENT IS ADOPTED. MR. CLERK. [LB330]

CLERK: SENATOR NORDQUIST WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS, AM581. (LEGISLATIVE JOURNAL PAGE 1218.) [LB330]

SPEAKER HADLEY: SENATOR NORDQUIST, YOU'RE RECOGNIZED. [LB330]

SENATOR NORDQUIST: THANK YOU, MR. SPEAKER AND MEMBERS. AM581 WOULD AMEND THE COMMITTEE AMENDMENTS TO LB330. THE AMENDMENT IS A PORTION OF A BILL I INTRODUCED THIS YEAR, LB460. THAT BILL WAS INITIALLY INTRODUCED TO ADDRESS TWO ISSUES RELATING TO LIQUOR LICENSURE. ONE WAS THE REGULATION OF PARTY BUSES, WHICH WE HAD SEEN PRESS COVERAGE AND CONCERNS ABOUT THE FACT THAT THEY WERE OPERATING IN SOMEWHAT OF AN UNREGULATED FASHION. AND THE OTHER WAS TO REGULATE PEDAL PUBS IN NEBRASKA. AFTER IT WAS CLEAR THAT THERE WERE MANY DIFFERENT PERSPECTIVES BROUGHT TO THE HEARING AND THAT THESE TWO ISSUES PROBABLY NEEDED TO BE DIVIDED OUT AND THAT THERE NEEDED TO BE MORE STUDY OF THE LICENSURE OF PARTY BUSES AND LIMOUSINES AND THE IMPACT ON THOSE SMALL BUSINESSES, BUT THE COMMITTEE UNANIMOUSLY MOVED FORWARD WITH THE PORTION OF THE BILL WITH SOME AMENDMENTS FROM THE COMMITTEE ON THE PORTION RELATED TO PEDAL PUBS. AND FOR THOSE OF YOU THAT AREN'T FAMILIAR, THE DEFINITION IN THE BILL SAYS PEDAL PUB VEHICLE MEANS A MULTIPASSENGER HUMAN-POWERED VEHICLE. FIRST TIME I READ THAT DEFINITION I THOUGHT OF THE FLINTSTONE MOBILE, MULTIPASSENGER HUMAN POWERED. BUT THERE ARE BUSINESSES THAT ARE OPERATING, TWO OF THEM THAT WE KNOW OF IN THE STATE, ONE IN THE OLD MARKET AND ONE IN THE HAYMARKET, AND THESE ESSENTIALLY ARE BICYCLE-TYPE VEHICLES THAT HAVE PROBABLY IN THE NEIGHBORHOOD OF 12 TO 15 PASSENGERS. AND THEY APPROACHED ME AS THE REPRESENTATIVE OF THE OLD MARKET INITIALLY TO SEE IF WE COULD GET TO THE POINT WHERE WE COULD ALLOW CONSUMPTION OF ALCOHOL ON THE PEDAL PUBS AND THAT WAS THE DIRECTION WE TOOK TO THE COMMITTEE. AND THE COMMITTEE MOVED FORWARD WITH AN AMENDMENT, AGAIN UNANIMOUSLY, THAT WOULD ALLOW THEM TO BE LICENSED. AND THEY ESTABLISHED COMPONENTS IN THE BILL OF REQUIREMENTS THAT THEY CAN EITHER ALLOW CONSUMPTION OR THEY CAN ACTUALLY SELL. THEY WOULD BE

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A LIQUOR LICENSEE. THEY HAVE REQUIREMENTS IN THE STATUTE, IN THIS AMENDMENT THAT NO CUSTOMER SHALL TAKE OPEN CONTAINERS AWAY FROM THE PEDAL PUB VEHICLE. THEY MAY TAKE UNOPENED CONTAINERS BACK IF THEY ALLOW FOR CONSUMPTION. SO, IF YOU BRING YOUR OWN, YOU COULD TAKE BACK YOUR UNCONSUMED AMOUNT. THEY ALLOW THE LICENSEE...THE PEDAL PUB OPERATOR MUST HAVE GLASSES WITH CONTAINERS WITH THEIR LOGO ON IT, SO IF THERE'S AN ISSUE OF LITTERING OR ANYTHING LIKE THAT, THE LOCAL MUNICIPALITY KNOW WHO IS RESPONSIBLE. THESE HAVE BEEN IN THEIR OPERATIONS SO FAR HAVE BEEN GREAT ATTRACTIONS, BOTH IN THE OLD MARKET AND THE HAYMARKET. THE BUSINESS OWNERS THAT OPERATE THE HAYMARKET PEDAL PUB ENVISION STARTING, IF WE'RE SUCCESSFUL WITH THE PASSAGE OF THIS BILL, STARTING A PUB TRAIL TO BREWERIES, CRAFT BREWERIES THROUGHOUT THE HAYMARKET AND DOWNTOWN LINCOLN. FROM OMAHA WE SEE THAT THEY DO RIGHT NOW ABOUT 200 TOURS OR 200 CIRCULATIONS A YEAR, THAT THE TOURS ARE TWO- TO THREE-HOUR EVENTS. AND THESE AREN'T TYPICALLY 21- AND 22-YEAR-OLDS THAT ARE RENTING THE PEDAL PUB, BUT RATHER THEIR AVERAGE AGE OF RENTERS IS 37 YEARS OLD. THESE ARE PEOPLE WHO DO IT AS A, YOU KNOW, A FUN, RESPONSIBLE EVENING OUT WITH A GROUP OF FRIENDS, AND THEY'VE HAD A VERY POSITIVE IMPACT ECONOMICALLY. THE AVERAGE SPENDING PER TOUR IS IN THE NEIGHBORHOOD OF ABOUT \$1,000 WHEN THEY GO TO A FEW DIFFERENT VENUES IN THE EVENING. THERE HAVE BEEN NO INCIDENTS AT ALL IN THE OPERATION OF EITHER OF THESE TWO FOR THE TIME THAT THEY'VE BEEN IN OPERATIONS. THEY'VE BOTH...THE ONE IN OMAHA, I KNOW, HAS BEEN IN OPERATIONS FOR FOUR YEARS. THEY'VE BEEN VERY RESPONSIBLE, AND THIS IS SOMETHING THAT WE'VE SEEN. I WAS ACTUALLY JUST TALKING TO SENATOR PANSING BROOKS. SHE WAS FAMILIAR WITH THE ONE OPERATING IN NASHVILLE. MILWAUKEE HAS A VERY SIMILAR PEDAL PUB OPERATION. AGAIN, THEY'RE A TOURIST-TYPE ATTRACTION OR AN ATTRACTION FOR PEOPLE TO HAVE A FUN EVENING OUT WITH FRIENDS, AND I WOULD APPRECIATE YOUR SUPPORT OF AM581. THANK YOU. [LB330 LB460]

SPEAKER HADLEY: SENATOR LARSON, YOU'RE RECOGNIZED. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. COLLEAGUES, THIS IS A FRIENDLY AMENDMENT OFFERED BY SENATOR NORDQUIST. WE PASSED THIS BILL OUT OF THE GENERAL AFFAIRS COMMITTEE MINUS HIS PARTY BUS THING, BUT WE STRIPPED OUT AND LEFT THE PEDAL PUB IN IT. THIS ALLOWS PEDAL PUBS, AS HE SAID, TO OPERATE AND GET A LIQUOR LICENSE. THE PEDAL PUB LICENSEE CAN SELL ALCOHOL ON THE PEDAL PUB OR JUST ALLOW PASSENGERS

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TO BRING ALCOHOL ON TO THE PEDAL PUB. THE ALCOHOL MUST BE SERVED IN OPAQUE CUPS THAT DISPLAY THE PEDAL PUB'S NAME OR LOGO. THIS IS SIMILAR TO WHAT IS REQUIRED IN THE ENTERTAINMENT DISTRICTS TO ASSIST LAW ENFORCEMENT IN KNOWING THE ORIGIN OF A CONTAINER THAT MAY BE IN THE HANDS OF A MINOR OR SOMEONE THAT HAS BEEN OVERSERVED OR HAS BEEN LITTERING. WE DIDN'T WANT, IF THEY WERE GOING TO ALLOW TO BRING ON THEIR OWN ALCOHOL, FOR THEM TO BRING ON CANS, AND THEN BE DRIVING AROUND THE TOWN AND THROW THE CANS ON THE STREET AND HIT A CAR OR WHATEVER ELSE, SO THIS WAY...AND DAMAGE THE CAR. THE CONCEPT WAS IF IT'S A PLASTIC OPAQUE CUP WITH THE PEDAL PUB'S LOGO ON IT, THEY WILL BE ABLE TO KNOW, YOU KNOW, WHAT OPERATOR THIS WAS COMING FROM. IF THERE'S A MINOR THERE HOLDING ONE OF THESE CUPS THEN, YOU KNOW, THERE'S SOMEONE TO GO BACK TO, THINGS OF THAT NATURE, JUST SAFETY PRECAUTIONS THAT THE COMMITTEE DECIDED THAT WERE NEEDED IN AM581 THAT WEREN'T QUITE IN SENATOR NORDQUIST'S ORIGINAL BILL. BUT IN THE END, I COMPLETELY SUPPORT AM581 AND WHAT SENATOR NORDQUIST IS TRYING TO DO. I THINK THIS IS GOING TO BE GREAT FOR THE HAYMARKET AND THE RAILYARD IN LINCOLN AND IT'S GOING TO BE GREAT FOR THE OLD MARKET IN OMAHA. AND, FRANKLY, I THINK THERE WILL BE TOWN CELEBRATIONS OUT IN RURAL NEBRASKA THAT WILL LOVE TO HAVE SOME OF THESE AS WELL. SO I AM IN WHOLEHEARTED SUPPORT OF AM581 AND I'D URGE MY COLLEAGUES TO VOTE GREEN. THANK YOU. [LB330]

SPEAKER HADLEY: SENATOR PANSING BROOKS, YOU'RE RECOGNIZED. [LB330]

SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I RISE IN SUPPORT OF AM581. SENATOR NORDQUIST MENTIONED THAT I HAD EXPERIENCE RIDING ONE OF THE PEDAL CARS, AND THEY ACTUALLY ARE A LOT OF FUN. THEY ADD A LOT OF ENJOYMENT TO THE FESTIVITIES IN AN AREA. I AGREE WITH SENATOR LARSON THAT THEY COULD BE USED ACROSS THE STATE FOR ALL SORTS OF FESTIVALS THAT ARE GOING ON, IF ONE OF THOSE LITTLE PEDAL CARS IS GOING ON. I'M NOT SURE IT GOES QUITE FAR ENOUGH BECAUSE THE ONES I WAS INVOLVED WITH HAD THE ABILITY TO JUST PURCHASE THE ALCOHOL ON, OR NONALCOHOLIC DRINKS ON THE PEDAL CAR. PARDON ME? OKAY, AND SO I GUESS WE CAN DO THAT. ANYWAY, IT REALLY IS AN ENJOYABLE EXPERIENCE, IT ADDS TO THE FESTIVITIES OF ANY KIND OF ACTIVITIES THAT ARE GOING ON IN THE HAYMARKET, OR OUT AT SOME OF THE CELEBRATIONS THAT ARE HAPPENING IN DIFFERENT PARTS OF THE STREET. SO I RISE IN SUPPORT OF THIS AND THANK YOU. [LB330]

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SPEAKER HADLEY: SEEING NO ONE ELSE IN THE QUEUE, SENATOR NORDQUIST, YOU'RE RECOGNIZED. SENATOR NORDQUIST WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. ALL IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED, NAY. HAVE ALL VOTED THAT WISH? RECORD, MR. CLERK. [LB330]

CLERK: 27 AYES, 1 NAY, MR. PRESIDENT, ON THE ADOPTION OF SENATOR NORDQUIST'S AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB330]

SPEAKER HADLEY: THE AMENDMENT TO THE COMMITTEE AMENDMENT IS ADOPTED. MR. CLERK. [LB330]

CLERK: MR. PRESIDENT, SENATOR LARSON WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS WITH AM1310. (LEGISLATIVE JOURNAL PAGE 1227.) [LB330]

SPEAKER HADLEY: SENATOR LARSON. [LB330]

SENATOR LARSON: THIS FOCUSES ON THE BARLEY AND HOPS AND STRIKES OTHER GRAINS, CORRECT? [LB330]

SPEAKER HADLEY: I'M SORRY. SAY AGAIN. [LB330]

CLERK: IT STRIKES THE SECOND COMMA AND INSERTS "OR," SENATOR. I'M NOT SURE. [LB330]

SENATOR LARSON: YES, THANK YOU. I WAS JUST DOUBLE-CHECKING. THE FISCAL OFFICE CAME TO SENATOR SCHILZ AND I TODAY WITH A FEW CONCERNS WITH HIS ORIGINAL TAX CREDIT BILL. IT REFERRED TO BARLEY, HOPS, AND OTHER GRAINS. THE OTHER GRAINS DID MEAN THINGS SUCH AS CORN AND WHEAT. IT'S NOT THAT WE DON'T WANT TO OFFER THAT TAX CREDIT ON CORN AND WHEAT AS WELL. THE FEAR IS THAT SOME OF OUR VERY LARGE DISTRIBUTORS...OR VERY LARGE MANUFACTURERS ACROSS THIS COUNTRY ACTUALLY USE OVER 70 PERCENT OF THEIR CORN AND WHEAT FROM NEBRASKA. SO WE WOULD BE GIVING A VERY LARGE TAX INCENTIVE TO CERTAIN MANUFACTURERS IN MISSOURI AND COLORADO AND ACROSS THIS COUNTRY BECAUSE THEY USE SUCH A LARGE PORTION, AND THAT WAS GOING TO DRIVE THE FISCAL NOTE UP TO...OF SENATOR SCHILZ'S BILL UP TO CLOSE TO

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\$300,000. BY LIMITING THE CORN AND WHEAT AND STRIKING THE OTHER GRAINS AND JUST LIMITING IT TO THE BARLEY AND HOPS, IT KEEPS THE FISCAL NOTE WHERE IT IS, I'VE BEEN ASSURED BY THE FISCAL OFFICE. SO AS MUCH AS I'D LIKE TO HELP SENATOR HUGHES AS A FORMER MEMBER OF THE WHEAT BOARD HELP PROMOTE WHEAT AND GET OUR ALCOHOLIC MANUFACTURERS ACROSS THIS COUNTRY TO USE MORE NEBRASKA WHEAT, FISCALLY IT IS NOT PRUDENT. MAYBE HE WILL STAND UP AND SAY THAT THAT'S WORTH THE MONEY TO THE WHEAT GROWERS IN THE STATE OF NEBRASKA, BUT I'M TRYING TO BE AS RESPONSIBLE AS POSSIBLE AND LIMIT THIS DIRECTLY TO BARLEY AND HOPS. THANK YOU, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: IS THERE ANYONE WISHING TO SPEAK? SENATOR LARSON WAIVES CLOSING. THE QUESTION IS, SHALL THE AMENDMENT TO THE COMMITTEE AMENDMENT TO LB320 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. [LB330]

CLERK: 25 AYES, 1 NAY, MR. PRESIDENT, ON THE ADOPTION OF THE AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB330]

SPEAKER HADLEY: THE AMENDMENT TO THE COMMITTEE AMENDMENT IS ADOPTED. MR. CLERK. [LB330]

CLERK: I HAVE NOTHING FURTHER TO THE COMMITTEE AMENDMENTS AT THIS TIME, MR. PRESIDENT. [LB330]

SPEAKER HADLEY: SEEING NO ONE IN THE QUEUE, SENATOR LARSON, DO YOU WISH TO CLOSE ON THE COMMITTEE AMENDMENTS? SENATOR LARSON WAIVES CLOSING. THE QUESTION IS THE ADOPTION OF THE COMMITTEE AMENDMENTS TO LB330. ALL THOSE IN FAVOR SIGNIFY BY VOTING AYE; OPPOSED, NAY. HAVE ALL THOSE VOTED THAT WISH? RECORD, MR. CLERK. [LB330]

CLERK: 27 AYES, 1 NAY, MR. PRESIDENT, ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB330]

SPEAKER HADLEY: THE COMMITTEE AMENDMENTS TO LB330 ARE ADOPTED. MR. CLERK. [LB330]

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CLERK: MR. PRESIDENT, SENATOR KOLTERMAN WOULD MOVE TO AMEND THE BILL WITH, SENATOR, THE AMENDMENT YOU JUST GAVE ME, AM1316. (LEGISLATIVE JOURNAL PAGE 1227.) [LB330]

SPEAKER HADLEY: SENATOR KOLTERMAN, YOU'RE RECOGNIZED. [LB330]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. COLLEAGUES, AS I SAID EARLIER, I'M VERY SUPPORTIVE OF THE ENTIRE BILL OTHER THAN THE SECTION THAT DEALS WITH POWDERED ALCOHOL. WHEN THIS FIRST CAME TO THE COMMITTEE WHEN WE WERE TALKING ABOUT THE FIRST BREACH OF ALL THESE DIFFERENT AMENDMENTS AND THE WAY THIS BILL WAS PRESENTED, WE WERE LOOKING AT A LOT OF DIFFERENT THINGS. WE LOOKED AT THE 24/7, WE LOOKED AT POWDERED ALCOHOL, WE LOOKED AT THE CHANGES THAT WE'VE ALREADY APPROVED. AND FROM THE VERY GET GO, IF YOU'D ASK ANYBODY ON THE COMMITTEE, THEY WOULD TELL YOU THAT I WAS ADAMANTLY OPPOSED TO HAVING POWDERED ALCOHOL IN THE STATE OF NEBRASKA. BUT I DID VOTE TO BRING IT OUT OF COMMITTEE AND I DID SO BECAUSE IF WE WERE TO LEAVE POWDERED ALCOHOL IN THERE IT WOULD HAVE BEEN REGULATED BY THE LIQUOR CONTROL COMMISSION. AT THE TIME THAT THIS WAS GOING ON BACK IN FEBRUARY AND MARCH WHEN WE WERE HAVING THE HEARINGS, POWDERED ALCOHOL WAS NOT AVAILABLE TO BE SOLD IN ANY STATE IN THE UNION, IT HAD NOT BEEN APPROVED IN THE UNITED STATES. HOWEVER, ON APRIL...I BELIEVE IT WAS MARCH 10 OF 2015, THE FEDERAL GOVERNMENT ALLOWED THIS TO BE MARKETED IN THE UNITED STATES. AND SO SINCE THEN I'VE BEEN THINKING VERY SERIOUSLY ABOUT THIS. AND I SEE POWDERED ALCOHOL AS A REAL CHALLENGE TO OUR STATE AND THE YOUTH AND EVEN ADULTS IN THE STATE. THERE HAVE BEEN...WELL, FIRST OF ALL, THE LIQUOR CONTROL COMMISSION HAS IMPLEMENTED A VOLUNTARY MORATORIUM ON THE IMPORT AND SALE OF POWDERED ALCOHOL UNTIL IT COULD BE FULLY INVESTIGATED. AND I HAVE VISITED WITH SEVERAL MEMBERS OF THE LIQUOR CONTROL COMMISSION AND THEY'VE INDICATED THEY WOULD NOT BE AGAINST BANNING IT. THERE HAVE BEEN SIX STATES THAT HAVE BANNED THIS ALREADY: SOUTH CAROLINA, LOUISIANA, VIRGINIA, VERMONT, UTAH, AND ALASKA. THERE ARE ALSO...OUT OF THOSE, THERE ARE 23 TOTAL STATES THAT ARE LOOKING AT THIS THROUGH THE NCSL. SO THE LEGISLATURES ARE TAKING A HARD LOOK AT THIS AND THEY'RE BANNING IT. AND THERE'S BILLS TO BAN IT IN MANY OTHER STATES, IT JUST HAS NOT OCCURRED YET. SO MY AMENDMENT WOULD BAN THE USE AND SALE OF POWDERED ALCOHOL IN THE STATE OF NEBRASKA. IT'S AM1316. I'VE GOT A COPY COMING TO EVERYBODY'S DESK SO YOU CAN LOOK AT IT. AS I LOOKED AT THIS, I DON'T TAKE THIS LIGHTLY, I JUST SEE ALL KINDS OF

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PROBLEMS WITH THIS. FOR EXAMPLE, FROM AN ACCESS PERSPECTIVE, IT WOULD BE EASY TO SMUGGLE THIS INTO SCHOOLS OR SCHOOL-SPONSORED EVENTS. IF THE PRODUCT IS ON THE SHELF, JUST IMAGINE A KOOL-AID TYPE OF CONTAINER WITH A BOURBON OR A GIN OR A VODKA OR A PINA COLADA, WHATEVER YOU WANT. IT COULD BE EASY TO STEAL THAT. PROCURING LAWS WOULD BE MORE DIFFICULT TO ENFORCE BECAUSE OF THE SIZE AND THE WEIGHT OF THE CONTAINERS. I ALSO THINK IT WOULD BE NOT GOOD FROM THE PERSPECTIVE OF THE UTILIZATION OF STUDENTS. AND I WOULD TELL YOU THAT I'M NOT A TEETOTALER. I'VE BEEN KNOWN TO HAVE A DRINK OR TWO. IN MY DAYS WE WORRIED ABOUT HOW WE WERE GOING TO SNEAK OUR FLASK INTO THE FOOTBALL GAMES OR THE SPORTING EVENTS OR THE DANCE OR WHATEVER. THIS WOULD MAKE IT MUCH EASIER THAN EVEN THAT. I JUST THINK THIS IS A CAN OF WORMS THAT WE DON'T NEED IN THE STATE OF NEBRASKA RIGHT NOW. AND I WOULD ENCOURAGE YOU TO SUPPORT MY AMENDMENT TO BAN POWDERED ALCOHOL IN THE STATE OF NEBRASKA FOR SALE AND DISTRIBUTION. WITH THAT, I'D BE OPEN TO SOME QUESTIONS, THANK YOU. [LB330]

SPEAKER HADLEY: YOU'VE HEARD THE OPENING. THOSE IN THE QUEUE ARE SENATORS BOLZ, BRASCH, LARSON, HUGHES, AND OTHERS. SENATOR BOLZ, YOU ARE RECOGNIZED. [LB330]

SENATOR BOLZ: THANK YOU, MR. PRESIDENT. I RISE JUST TO EXPRESS SOME CONCERN ABOUT POWDERED ALCOHOL AND I WILL ADMIT THAT I'M STILL GETTING TO KNOW THE ISSUE MYSELF. I DO BELIEVE THAT THE LIQUOR CONTROL COMMISSION WILL DO THEIR DUE DILIGENCE IN TERMS OF THE REGULATORY PIECE OF THIS PUZZLE, BUT I REMAIN CONCERNED ABOUT THE HEALTH AND WELLNESS SIDE OF THE PICTURE. MY UNDERSTANDING IS THAT THOUGH THE FDA HAS APPROVED POWDERED ALCOHOL, BASICALLY THAT TELLS US THAT IT'S NOT POISON. WE DON'T REALLY KNOW WHAT THE IMPACTS ON THE HUMAN BODY WOULD BE OR THE IMPACTS OF DIFFERENT TYPES OF USAGE OF POWDERED ALCOHOL MIGHT BE. I HAD LEGISLATIVE RESEARCH LOOK INTO IT AND THEY TOLD ME THAT THERE HAS NOT YET BEEN A PEER-REVIEWED STUDY OF THIS ISSUE. AND EVEN THOUGH THE POWDERED ALCOHOL IS REGULATED BY THE FDA IT DOESN'T HAVE TO ADHERE TO FDA PACKAGING RULES. I GUESS MY FUNDAMENTAL CONCERN IS THAT THERE ARE TOO MANY QUESTIONS THAT ARE UNANSWERED ABOUT WHAT THE HEALTH IMPACT, ESPECIALLY FOR YOUNG PEOPLE WHO MIGHT USE THIS PRODUCT, MIGHT BE. IT'S VERY UNCLEAR AT THIS POINT. AND SO I WONDER IF NOW IS THE RIGHT TIME TO MOVE FORWARD WITH THE SALE. AND SO I RISE TO RAISE THAT CONCERN. I

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WILL YIELD THE REMAINDER OF MY TIME TO SENATOR LARSON TO ADDRESS THAT CONCERN AND OTHER ISSUES. BUT I WONDER IF IT'S NOT TIME FOR STUDY AND ASSESSMENT RATHER THAN APPROVAL OF THE SALE. SO I'LL YIELD THE REMAINDER OF MY TIME TO SENATOR LARSON. [LB330]

SENATOR WATERMEIER PRESIDING

SENATOR WATERMEIER: SENATOR LARSON, 3:30. [LB330]

SENATOR LARSON: THANK YOU, SENATOR BOLZ. I'D LIKE TO IMPRESS ON MY COLLEAGUES, WE ARE ESSENTIALLY DEFINING IT IN LB330 AND REGULATING THE POSSIBLE SALE. JUST BECAUSE WE APPROVE LB330 DOES NOT NECESSARILY MEAN THAT POWDERED ALCOHOL WILL BE ON EVERY SHELF IN EVERY CONVENIENCE STORE OR EVERY LIQUOR STORE ACROSS THE STATE. THEY WILL STILL HAVE TO GO THROUGH SHIPPING LICENSES, SELLING LICENSES, DISTRIBUTION. THE LIQUOR CONTROL COMMISSION WILL...HAS TO APPROVE PACKAGING--I THINK THAT WAS BROUGHT UP--SO THE PACKAGING ISN'T CATERED TOWARDS KIDS. OFTENTIMES, I KNOW FOR A FACT THAT THE LIQUOR CONTROL COMMISSION HAS DISAPPROVED PACKAGING FOR CERTAIN ALCOHOLIC ITEMS. AND THAT'S SOMETHING THAT WE HAVE TO UNDERSTAND. THIS ISN'T NECESSARILY GOING TO BE ON EVERY SHELF ACROSS THE STATE. I CAN APPRECIATE SENATOR BOLZ'S COMMENTS ABOUT THE HEALTH IMPACTS OR THE POSSIBLE HEALTH IMPACTS THAT POWDERED ALCOHOL MAY HAVE. BUT I WOULD URGE MY COLLEAGUES TO UNDERSTAND IN THE SIMPLE FACT THAT IF WE STRIP IT OUT OF LB330, POWDERED ALCOHOL, THAT WOULD LEAVE US WITHOUT A DEFINITION AND ANY REGULATORY FRAMEWORK. WHAT LB330 DOES IS GIVES THE LIQUOR CONTROL COMMISSION THE ABILITY TO REGULATE IT. IT DOESN'T MEAN THAT THEY WILL APPROVE EVERYTHING. IT DOESN'T MEAN THAT IT WILL EVEN EVER MAKE IT ONTO THE SHELVES. WE DON'T WANT TO MICROMANAGE THE LIQUOR CONTROL COMMISSION. AND TO ME THAT'S A CONCERN. AND THEY CAN HOLD IT OFF TO WHERE THERE IS PEER-REVIEWED STUDIES IF THEY SHOULD CHOOSE TO DO THAT. I DON'T WANT TO BAN IT ON THE SAME FACT ON THE SENSE THAT WE DON'T, IN THE STATE OF NEBRASKA, I'M NOT AWARE OF ANY ALCOHOL THAT WE BAN. WE LEAVE IT UP TO THE LIQUOR CONTROL COMMISSION TO MAKE THOSE CORRECT DECISIONS. WE LEAVE IT UP TO A LOT OF STATE AGENCIES TO REGULATE AND MANAGE THE SALES OF CERTAIN PRODUCTS. I MENTIONED EARLIER IT'S LIKE WE'RE FLYING AT 35,000 FEET. WE ARE THE OVERALL REGULATORS OF THE STATE AND STATE STATUTES ARE SUPPOSED TO BE BROAD AND COVER A LOT. AND WE THEN PUT IT DOWN INTO OUR STATE AGENCIES TO DRILL INTO THE WEEDS... [LB330]

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SENATOR WATERMEIER: ONE MINUTE. [LB330]

SENATOR LARSON: ...AND SET UP THE RULES AND REGS AND REALLY UNDERSTAND THE INS AND OUTS OF THE ISSUE BECAUSE I CAN'T SAY THAT ANY 1 OF THE 49 OF US PROBABLY WILL EVER UNDERSTAND POWDERED ALCOHOL AS WELL AS THE THREE LIQUOR CONTROL COMMISSIONERS AND THE HEAD OF THE LIQUOR CONTROL COMMISSION. THAT IS THEIR JOB. WE CAN HAVE A VERY BROAD UNDERSTANDING OF IT, BUT THEY DEAL WITH IT DAY IN AND DAY OUT. WE DON'T WANT TO START MICROMANAGING STATE AGENCIES. THAT IS NOT HOW THINGS WORK OR GOVERNMENT WORKS WELL. SO I WOULD URGE MY COLLEAGUES TO VOTE AGAINST AM1316. IT IS WHAT IS CONSIDERED A SEMIPOISON PILL TO LB330 IN THE SENSE OF MOVING TOWARDS THAT PROHIBITIONIST MODEL. AND I WILL TALK ABOUT THAT MORE MY NEXT TIME ON THE MIKE IN TERMS OF THE CONCERNS THAT YOU HEAR FROM THE INDUSTRY IF WE DO THIS ONCE. SO THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR LARSON, SENATOR BOLZ. SENATOR BRASCH, YOU ARE RECOGNIZED. [LB330]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT. AND GOOD AFTERNOON, COLLEAGUES. I DO SUPPORT AM1316. AND IF YOU HAVE NOT BEEN FOLLOWING CLOSELY, THIS IS WHEN YOU SHOULD BE FOLLOWING VERY CLOSELY. I WOULD SUPPORT SENATOR BOLZ'S SUGGESTION THAT THERE IS A STUDY. IF YOU PULL UP THE WEB PAGE FOR THE NATIONAL CONFERENCE OF STATE LEGISLATURES FROM THEIR FALL FORUM, THERE IS SPECIFIC REFERENCE TO POWDERED ALCOHOL. IT IS VERY PROBLEMATIC FOR CHILD ACCESS, FOR OVERUSE, MULTIPLE PACKETS ARE USED TOGETHER, POTENTIAL FOR AN OVERDOSE. IT CAN BE COMBINED WITH OTHER LIQUID SPIRITS, EASY TO HIDE IN PROHIBITED EVENTS. IT'S COMBINED OFTEN WITH ENERGY DRINKS. THERE ARE HUGE CONCERNS RAISED. AND, IN FACT, OVER 55 STATES HAVE HAD BILLS ADDRESSING POWDERED ALCOHOL. FIFTY-FIVE OF THE STATES, THEIR LEGISLATION HAS PROHIBITED THE USE OR PROHIBITED IT FOR A SHORT TIME UNTIL A STUDY CAN BE MADE. ONLY 13 STATES OUT OF THE 50 STATES ARE PERMITTING ITS USE. I WOULD ENCOURAGE A STUDY. I DO ENCOURAGE VOTING GREEN ON AM1316. AND SENATOR LARSON'S REFERENCE ON GIVING CONTROL TO THE AGENCY HERE, AS LEGISLATORS AND A LEGISLATURE WE HAVE RESPONSIBILITY OF OVERSIGHT AND OVER AGENCIES AND WHAT POWER THAT WE HAVE WE CAN DIVEST TO THEM. I WOULD RECOMMEND A STUDY ON THIS ISSUE AS SENATOR BOLZ HAS SUGGESTED. AND OTHER STATES ARE ALSO CONSIDERING A STUDY AS WELL, ESPECIALLY ON ISSUES THAT CONCERN

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HEALTH AND SAFETY. AND OF 39 STATES, THERE HAVE BEEN THE 55 BILLS THAT ARE IN PROGRESS. SO I DO WANT TO ENCOURAGE YOU TO LOOK CLOSELY. EVERYONE ON THEIR COMPUTERS HERE, DO A LITTLE RESEARCH QUICKLY. I BELIEVE AM1316 IS A VERY IMPORTANT PIECE OF LEGISLATION AT THIS POINT, AT THIS TIME. THERE'S ARTICLES THAT PROVE IT IS PROBLEMATIC. QUESTIONS ON PALCOHOL, FOR EXAMPLE, IT SAYS THAT THE IDEA IS YOU JUST ADD WATER TO POWDERED ALCOHOL THAT'S INSIDE OF A METALLIC POUCH THAT LOOKS LIKE IT'S A KID'S JUICE POUCH. IT LOOKS LIKE IT'S A KID'S JUICE POUCH. WE NEED TO BE ON WATCH FOR SOMETHING LIKE THAT. AGAIN, SUPPORT AM1316. THANK YOU, COLLEAGUES. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR BRASCH. THOSE IN THE QUEUE WISHING TO SPEAK: SENATOR LARSON, SENATOR HUGHES, SENATOR COASH, AND SENATOR PANSING BROOKS, AND OTHERS. SENATOR LARSON, YOU ARE RECOGNIZED. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. WE, AS A STATE, ARE ALWAYS WHAT I WOULD SAY VERY CAUTIOUS BUT ALSO USUALLY VERY FREE MARKET ORIENTED. I CAN UNDERSTAND THE CONCERNS THAT SENATOR KOLTERMAN HAS AND SOME MEMBERS OF THIS BODY IN TERMS OF THE FACT THAT THIS IS A VERY NEW PRODUCT. BUT I WOULD ASK MY COLLEAGUES TO UNDERSTAND THIS ISN'T A TIME TO SHOOT FROM THE HIP. THIS IS A TIME TO MAKE SMART DECISIONS ON HOW WE NEED TO CONTINUE TO PROGRESS FAR INTO THE FUTURE. TECHNOLOGY, I'M SURE, WILL CONTINUE TO CHANGE THE ALCOHOL INDUSTRY MOVING FORWARD AS IT CHANGES EVERY OTHER INDUSTRY. AND EVERY TIME A NEW INNOVATION OR A NEW PRODUCT COMES THAT WE DON'T KNOW ANYTHING ABOUT BECAUSE IT'S NEW, THIS SETS A PRECEDENT OF STRAIGHT-OUT BANNING IT BECAUSE WE DON'T UNDERSTAND IT ENOUGH. THE PEOPLE THAT DO UNDERSTAND IT ARE THE LIQUOR CONTROL COMMISSION, AND THEY HAVE THE ABILITY IN LB330 TO REGULATE IT. NOW, REGULATE MEANS THAT THEY MIGHT NOT SELL IT, THEY MIGHT NOT ALLOW IT IN THE STATE IF THEY FEEL IT IS DANGEROUS. THEY HAVE THAT ABILITY. BUT IF THE 49 OF US BELIEVE THAT WE KNOW BETTER AND KNOW MORE THAN THEY DO BECAUSE WE ARE SCARED OF THIS NEW PRODUCT, WHAT MESSAGE DOES THAT SEND TO ANY OTHER BREWERY, MANUFACTURER, OR INVENTOR ACROSS THIS COUNTRY? DON'T INVENT NEW PRODUCTS, WE MIGHT OUTLAW THEM. AND IF WE DO OUTLAW POWDERED ALCOHOL, I CAN GUARANTEE YOU THAT IT WILL PROBABLY TAKE 33 VOTES TO OVERCOME A FILIBUSTER TO MAKE IT LEGAL AGAIN. AND WE'LL BE ANOTHER ONE OF THOSE STATES THAT IS AN ODD MAN OUT OF A PRODUCT THAT, IF YOU WANT TO SAY WE DON'T KNOW MUCH ABOUT

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IT YET, THEN WHY ARE WE BANNING IT? THE LIQUOR CONTROL COMMISSION CAN MAKE THESE DECISIONS AND HOLD IT UNTIL THEY DO KNOW MORE. THE SIMPLE FACT IS, IS WE CANNOT BE RASH. AM1316 IS A RASH DECISION. WE TRUST THOSE IN THE COMMISSIONS THAT WE SET UP TO MAKE THE RIGHT DECISIONS BECAUSE WE MAY NOT HAVE ALL THE INFORMATION RIGHT OFFHAND. THIS IS A NEW PRODUCT, IT NEEDS TO BE DEFINED. IN THE SENSE THAT YOU COULD CALL THIS A SEMIPOISON PILL IS THE FACT THAT THIS MAKES EVERYBODY MORE WORRIED THAT NEBRASKA IS GOING TO BE THE NEXT STATE THAT STARTS LEADING US TOWARD THOSE PROHIBITIONIST METHODS. THE LEGISLATURE SHOULDN'T DO THAT. WE HAVE THE LIQUOR CONTROL COMMISSION FOR A REASON. LET THEM REGULATE IT, LET THEM MAKE THESE DECISIONS, LET THEM BECOME THE MOST EDUCATED INDIVIDUALS IN THE STATE ON THIS ISSUE. IF THEY DO NOT FEEL COMFORTABLE WITH THE SALE OR DISTRIBUTION OF THIS PRODUCT IN THE STATE, THEY WILL NOT LET IT BE SOLD OR DISTRIBUTED IN THE STATE. I HAVE A QUESTION FOR SENATOR KOLTERMAN, IF HE'D YIELD. [LB330]

SENATOR WATERMEIER: SENATOR KOLTERMAN, WOULD YOU YIELD TO A QUESTION? [LB330]

SENATOR KOLTERMAN: YES, I WOULD. [LB330]

SENATOR LARSON: SENATOR KOLTERMAN, IN SECTION (3) OF YOUR AMENDMENT, YOU MADE THIS A CLASS I MISDEMEANOR. MOST VIOLATIONS OF THE LIQUOR CONTROL ACT ARE CLASS III MISDEMEANORS. [LB330]

SENATOR WATERMEIER: ONE MINUTE. [LB330]

SENATOR LARSON: AND A CLASS I DOES INCLUDE THE POSSIBILITY OF JAIL TIME. WHY ARE YOU MOVING THIS CLEAR UP TO A CLASS I? [LB330]

SENATOR KOLTERMAN: WE TOOK A LOOK AT SOME OF THE OTHER STATES AND THAT'S WHAT THEY HAD RECOMMENDED, SO WE JUST FOLLOWED THEIR LEAD. [LB330]

SENATOR LARSON: WELL, THAT'S OBVIOUSLY ANOTHER BIG CONCERN. IF YOU'RE GOING TO PUT JAIL TIME OR THE POSSIBILITY OF JAIL TIME TO BE IN VIOLATION OF THE ACT, WHETHER THAT'S JUST POSSESSING IT, IS SOMETHING

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THAT WE'RE WORKING TOWARD IN THE PRISON REFORM BILLS TO WORK AGAINST. AND THAT IS A POSSIBILITY IN YOUR AMENDMENT IN AM1316. SO IT JUST SEEMS A LITTLE COUNTERINTUITIVE AS WE MOVE FORWARD WITH EVERYTHING ELSE THAT WE'RE DOING, NOT TO MENTION THE FACT THAT THE LIQUOR CONTROL COMMISSION, AS I SAID, SHOULD HAVE THE ABILITY TO REGULATE AND IS THE BEST ENTITY IN THIS STATE TO DEAL WITH IT. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: TIME, SENATORS. THANK YOU, SENATOR LARSON AND SENATOR KOLTERMAN. SENATOR HUGHES, YOU ARE RECOGNIZED. [LB330]

SENATOR HUGHES: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON, COLLEAGUES. AS A MEMBER OF THE GENERAL AFFAIRS COMMITTEE, WHEN WE HAD THE HEARING ON THIS, LB330, THERE'S A LOT OF STUFF IN THERE. WE DISCUSSED ALL OF THESE THINGS. AND I CERTAINLY WOULD ENCOURAGE YOU TO SUPPORT LB330. AS FAR AS AM1316, I HAVE THE SAME RESERVATIONS THAT SENATOR KOLTERMAN DOES ABOUT POWDERED ALCOHOL. I THINK THIS IS A VERY DANGEROUS PRODUCT THAT WE CERTAINLY DO NOT WANT IN NEBRASKA. HAVING SAID THAT, I AM OPPOSED TO AM1316. I FEEL THERE IS A PROCESS THAT WE HAVE IN THE STATE OF NEBRASKA. WE HAVE THE LIQUOR CONTROL COMMISSION. WE HAVE INDIVIDUALS WHO LOOK AT THESE ISSUES, STUDYING THEM IN DEPTH. AND THAT IS THEIR JOB, TO MAKE DECISIONS ON THE UNKNOWNNS FOR US. BEING IN THE LEGISLATURE IS ALSO ANOTHER PROCESS THAT WE CAN GO THROUGH IN ORDER TO BAN THIS PRODUCT. I GUESS I AM MORE COMFORTABLE WITH ALLOWING THE LIQUOR CONTROL COMMISSION, THE INDIVIDUALS THAT WE HAVE DESIGNATED AS BEING RESPONSIBLE FOR CONTROLLING THE LIQUOR ISSUES IN THE STATE OF NEBRASKA, TO MAKE THIS DECISION. I HAVE NO DOUBT THAT ONCE THEY HAVE THE OPPORTUNITY TO LOOK AT THIS, THAT IT WILL NOT BE FOR SALE IN NEBRASKA. BUT I WOULD URGE MY COLLEAGUES TO VOTE AGAINST AM1316, PASS LB330, AND LET THE INSTITUTION THAT WE HAVE IN PLACE DO ITS JOB. THANK YOU. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR HUGHES. SENATOR COASH, YOU ARE RECOGNIZED. [LB330]

SENATOR COASH: THANK YOU, MR. PRESIDENT. I DID WANT TO WEIGH IN A LITTLE BIT ON AM1316. I UNDERSTAND WHAT SENATOR KOLTERMAN IS TRYING TO DO WITH THIS AMENDMENT. HE'S WORRIED ABOUT WHAT'S GOING TO HAPPEN IF OUR LIQUOR CONTROL COMMISSION DOESN'T LOOK AT THIS IN THE

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WAY THAT WE THINK THEY SHOULD. I CAN TELL YOU, AS A SEVEN-YEAR MEMBER AND VICE CHAIR OF GENERAL AFFAIRS COMMITTEE, THEY PAY ATTENTION TO WHAT WE SAY IN HERE AND THEY LISTEN TO THE WILL OF THIS BODY. THEY ARE A DELIBERATIVE GROUP, SMALL GROUP. THEY UNDERSTAND THEIR MISSION, WHICH ABOVE ALL IS PUBLIC SAFETY. AND THEY HAVE TOOLS AT THEIR DISPOSAL WITH REGARD TO REGULATION THAT I HAVE NO DOUBT THAT THEY WILL USE. WHEN WE TALKED ABOUT THIS IN THE COMMITTEE THERE WAS...AT THE TIME I BELIEVE WE DIDN'T HAVE SOME FINALITY ON WHETHER OR NOT THE FEDS WOULD APPROVE OR NOT THIS PARTICULAR...WE'RE NOT TALKING ABOUT ALCOHOL HERE, COLLEAGUES. WE'RE TALKING ABOUT THE MECHANISM THAT CAN BE USED, RIGHT? AND SO AT THE TIME WHEN WE TALKED ABOUT THIS, THERE WASN'T ANY FINALITY ON IT. I HAD CONVERSATIONS WITH COMMISSIONERS, THE EXECUTIVE DIRECTOR OF THE COMMISSION AND I SAID, WHAT'S GOING TO HAPPEN IF THEY APPROVE THIS? AND HE SAID, WELL, IF THIS PRODUCT IS APPROVED, WE'RE GOING TO LOOK AT IT. AND I HOPE THAT YOU GIVE--YOU, AS IN THE LEGISLATURE--GIVE US THE ABILITY TO REGULATE IT BECAUSE THAT'S WHAT WE DO. AND I'M OKAY...I WAS COMFORTABLE WITH THAT ANSWER. BUT WHAT I WOULD LIKE TO TALK ABOUT IS ONE OF THE THINGS WE HAVE TO DO HERE IS WE HAVE TO TAKE A STEP BACK, TRY TO LOOK AT OUR POLICY, NOT WITHIN THE CONTEXT OF WHAT'S HAPPENED THIS YEAR, BUT LET'S LOOK AT ALCOHOL POLICY OVER A LARGE NUMBER OF YEARS. AND IN THE AGE OF TERM LIMITS, WE ONLY HAVE ONE OF US HERE THAT'S GOING TO BE ABLE TO GIVE US THE KIND OF HISTORICAL PERSPECTIVE OF WHAT'S HAPPENED OVER A LONG-RANGE PERIOD OF YEARS. BUT I DO REMEMBER, PRIOR TO MY TIME HERE, A BIG DEBATE GOING ON VERY SIMILAR TO THIS, WHICH WAS THE VERY SMALL TWO-OUNCE BOTTLES--A LOT OF PEOPLE CALL THEM AIRPLANE BOTTLES, RIGHT?--AND WHETHER OR NOT WE OUGHT TO BAN THOSE. AND THERE WAS DISCUSSION ABOUT THE SIZE OF THOSE, HOW THEY MIGHT FIND ITSELF INTO THE HANDS OF PEOPLE WHO SHOULDN'T HAVE THEM, I.E., CHILDREN. AND LO AND BEHOLD, THE SKY WAS GOING TO FALL AND EVERY CHILD IN NEBRASKA WAS GOING TO GO TO SCHOOL WITH AN AIRPLANE BOTTLE IN THEIR BACKPACK AND WE WOULD HAVE DRUNK SIXTH GRADERS ACROSS THE STATE. WELL, THAT DIDN'T BEAR OUT TO BE TRUE. THEY BECAME REGULATED IN THE WAY THAT I BELIEVE THIS PRODUCT WILL BE. AND, AT THE END OF THE DAY, WE HAVE A SYSTEM IN PLACE THAT CAN TAKE CARE OF THIS. AND THAT'S WHY I AM OPPOSED TO THIS AMENDMENT. I DON'T THINK IT'S NECESSARY. BUT I WON'T IMPUGN SENATOR KOLTERMAN'S MOTIVES FOR THIS. HE UNDERSTANDS WHAT HE'S DOING. HE'S NOT AN ENEMY, HE'S AN OPPONENT. AND I DO APPRECIATE HIM BRINGING THIS BECAUSE WE SHOULD...IF NOTHING ELSE, THIS IS ELEVATING THE DISCUSSION AND WE SHOULD BE KEEPING AN EYE

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ON THIS. AND WE'RE BUILDING A RECORD AND WE'RE SAYING TO THE COMMISSION, YOU BETTER TAKE A LOOK AT THIS PRODUCT AND YOU BETTER REGULATE IT AND YOU BETTER KEEP IT OUT OF THE HANDS OF PEOPLE WHO SHOULDN'T HAVE IT AND YOU BETTER HOLD RETAILERS ACCOUNTABLE TO THAT END. AND AT THE END OF THE DAY, I BELIEVE THAT THEY WILL. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR COASH. SENATOR PANSING BROOKS, YOU ARE RECOGNIZED. [LB330]

SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT. I RISE IN SUPPORT OF AM1316. I WAS APPROACHED A COUPLE OF WEEKS AGO BY OUR 18-YEAR-OLD DAUGHTER WHO SAID, MOM, DID YOU REALIZE THAT THERE IS A BILL THAT'S GOING TO ALLOW POWDERED ALCOHOL TO BE SOLD IN NEBRASKA? AND I SAID, WELL, I'D HEARD A LITTLE BIT ABOUT IT BUT I HADN'T REALLY READ THE WHOLE THING YET. AND SHE EXPRESSED CONCERN AS A YOUNG WOMAN ABOUT THE FACT THAT, AS SHE'S GETTING OLDER AND PLANNING TO GO TO SCHOOL AND TO COLLEGE, THAT IT WILL BE MUCH EASIER FOR PEOPLE TO SPIKE DRINKS THAT THEY HAVE AT EVENTS, AND ALSO THE EASE OF ACCESS WHICH UNDERAGE DRINKERS SUCH AS HIGH SCHOOL KIDS...HOW IT WOULD BE MUCH EASIER TO PUT THAT POWDERED ALCOHOL INTO A CUP OF WATER. SO I RISE WITH THOSE CONCERNS STATED BY MY OWN 18-YEAR-OLD DAUGHTER; OUT OF THE MOUTHS OF BABES COMES SOME WISDOM. AGAIN WE'RE TALKING ABOUT PALCOHOL, WHICH IS A NEW WORD TO ME, AND POWDERED ALCOHOL, PALCOHOL, AND IT'S INTERESTING BECAUSE SOME OF THE THINGS I'VE BEEN READING ABOUT IT...THE EXECUTIVE DIRECTOR OF THE NEBRASKA LIQUOR COMMISSION, HOBERT RUPE, HAS STATED THAT HE HAS SERIOUS CONCERNS AND THEY HAVE CURRENTLY ASKED WHOLESALERS TO REFRAIN FROM SELLING THAT ALCOHOL. WELL, IF THE HEAD OF THE NEBRASKA LIQUOR COMMISSION HAS SERIOUS CONCERNS, I HAVE SERIOUS CONCERNS. WE HAVEN'T STUDIED IT. WE DON'T KNOW THE FULL RAMIFICATIONS OF IT. WE DON'T UNDERSTAND THE FULL SCOPE OF ITS POTENCY. AND THERE'S A QUOTE THAT...THE COMMISSION OUTLINED ITS CONCERN OVER POWDERED ALCOHOL IN A LETTER TO LAWMAKERS AND THE GOVERNOR'S OFFICE SAYING THAT, "TECHNOLOGY ADVANCEMENTS WILL RESULT IN AN INCREASE OF PRODUCTS THAT ARE CLEARLY NOT DEFINED AS BEVERAGE ALCOHOL BUT RESULT IN THE SAME TYPE OF USAGE." THE COMMISSION IN AN ARTICLE THAT WAS...THERE WAS A LINCOLN JOURNAL STAR ARTICLE WHERE THEY TALKED TO PEOPLE AT THE COMMISSION. AND IT SAYS THAT THE COMMISSION WANTS THE LEGISLATURE TO MAKE CLEAR ITS ABILITY TO REGULATE POWDERED ALCOHOL. RUPE SAID THE COMMISSION

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IS LEAVING THE ISSUE AS TO WHETHER TO BAN OR TIGHTLY REGULATE POWDERED ALCOHOL UP TO THE LEGISLATURE, UP TO THE LEGISLATURE. WE'RE ALL SAYING, OH, JUST GIVE IT OVER TO THEM. WE ARE POLICYMAKERS AND I BELIEVE THAT WE HAVE SOME DUTY AND AUTHORITY TO MAKE SOME POLICY HERE. AND WE HAVE ALL SORTS OF PEOPLE SAYING WE DON'T KNOW ENOUGH ABOUT IT, WE HAVE CONCERNS ABOUT THE POTENCY, WE HAVE CONCERNS ABOUT HOW IT WILL BE USED, WE HAVE CONCERNS ABOUT UNDERAGE DRINKERS, WE HAVE CONCERNS ABOUT IT BEING BROUGHT INTO SCHOOLS. I'M SURE THAT THE SCHOOLS, IF THEY WERE ASKED THEIR OPINION ACROSS NEBRASKA, WOULD BE HEARTILY AGAINST THIS KIND OF PRODUCT. YOU CAN BRING IT INTO ANY STADIUM AND NOT...RIGHT NOW, THEY ARE LOOKING INTO OUR PURSES AS WE ENTER MEMORIAL STADIUM AND IT'S GOING TO BE PRETTY EASY TO HIDE A LITTLE PACKET OF POWDER. AGAIN, THIS IS EXPERIMENTAL ALCOHOL. SENATOR LARSON TALKED ABOUT, DON'T MAKE A RASH DECISION, DON'T MAKE A RASH DECISION AND PASS SENATOR KOLTERMAN'S AMENDMENT. I WOULD ARGUE THAT THE RASH DECISION, INSTEAD, IS MAKING POWDERED ALCOHOL LEGAL. AND SO I WOULD HOPE THAT...THE OTHER THING THAT I WANT TO MENTION IS THAT BILL AUSTIN, WHO IS A FORMER CITY ATTORNEY IN LINCOLN AND IS ALSO ON THE NEBRASKA LIQUOR COMMISSION BOARD... [LB330]

SENATOR WATERMEIER: ONE MINUTE. [LB330]

SENATOR PANSING BROOKS: THANK YOU, MR. PRESIDENT...AND HE HAS EXPRESSED HIS CONCERN. HE TALKED ABOUT HOW HARD IT WILL BE TO REGULATE AND THE PRODUCT'S APPEAL TO CHILDREN. AGAIN, I RISE IN SUPPORT OF SENATOR KOLTERMAN'S AMENDMENT AND HOPE THAT YOU WILL VOTE GREEN ON AM1316. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR PANSING BROOKS. (VISITORS INTRODUCED.) THOSE IN THE QUEUE WISHING TO SPEAK: SENATOR CHAMBERS, SENATOR JOHNSON, SENATOR RIEPE, SENATOR BRASCH, AND OTHERS. SENATOR CHAMBERS, YOU ARE RECOGNIZED. [LB330]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, SENATOR KOLTERMAN HAS A VERY GOOD AMENDMENT. FIRST OF ALL, BY ADOPTING HIS AMENDMENT, YOU ARE NOT CUTTING OFF ANY OUTLET THAT EXISTS NOW FOR LIQUOR, YOU'RE NOT RESTRICTING ANY TYPE OF LIQUOR THAT IS NOW AVAILABLE, BUT YOU ARE MOVING INTO UNCHARTED TERRITORY

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FOR NO REASON WHATSOEVER. I'D LIKE TO ASK SENATOR LARSON A QUESTION OR TWO. [LB330]

SENATOR WATERMEIER: SENATOR LARSON, DO YOU YIELD? [LB330]

SENATOR LARSON: YES. [LB330]

SENATOR CHAMBERS: SENATOR LARSON, IS THERE A CHEMIST ON THE LIQUOR COMMISSION? [LB330]

SENATOR LARSON: I DON'T THINK SO. [LB330]

SENATOR CHAMBERS: IS THERE A RESEARCH SCIENTIST? [LB330]

SENATOR LARSON: I DON'T THINK SO. [LB330]

SENATOR CHAMBERS: IS THERE...THANK YOU, THAT'S ENOUGH. MEMBERS OF THE LEGISLATURE, EVEN THOSE PEOPLE WHO HAVE EXPERTISE IN THIS AREA HAVE NOT GIVEN ANY DEFINITIVE ANSWERS ABOUT WHAT THE IMPACT OF THIS SUBSTANCE WILL BE. MORE THAN JUST ALLOWING MORE TYPES OF LIQUOR TO BE AVAILABLE TO MORE PEOPLE IN MORE FASHIONS IS NOT A WISE THING TO DO. WE ARE NOT, AS SENATOR...WELL, I WON'T SAY WHICH SENATOR SAID IT BECAUSE MORE THAN ONE BUT SENATOR LARSON IS ONE OF THEM, THAT YOU'RE TALKING ABOUT REGULATION. NO, WE'RE TALKING ABOUT POLICY. THIS IS SOMETHING THAT CURRENTLY IS NOT LEGAL. A POLICY DECISION HAS TO BE MADE. THAT SHOULD NOT BE LEFT TO A COMMISSION. THERE ARE NO GUIDELINES THAT THE LEGISLATURE IS GIVING AS TO WHAT THE LIQUOR COMMISSION SHOULD USE AS A BASIS FOR LEGALIZING THIS SUBSTANCE OR ALLOWING ITS SALE. WHEN A CERTAIN NUMBER OF STATES...THERE IS NOTHING. I DON'T TRUST THESE COMMISSIONS. WE WERE JUST SLAPPED DOWN BY THE OIL AND GAS COMMISSION. THERE WAS EXTENSIVE, ROBUST--TO USE THAT TERM--DEBATE ABOUT ALLOWING THAT FRACKING WATER TO BE DUMPED INTO THIS STATE, WHICH WOULD MAKE NEBRASKA A LATRINE. AND AFTER KNOWING ALL OF THAT FROM THE DEBATE, AFTER A LETTER WAS SUBMITTED THE COMMISSION SAID WHAT YOU CAN DO TO YOURSELF BECAUSE THEY ARE GOING TO GO ON AND MAKE A DECISION ANYWAY. THESE COMMISSIONS DON'T HAVE TO CARE ABOUT THIS LEGISLATURE BECAUSE THE LEGISLATURE IS NOT GOING TO ASSERT ITSELF. AND WITH THE NEW PEOPLE WHO ARE HERE NOW, THERE IS

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A GREATER TENDENCY TO SEE THE LEGISLATURE AS AN ADJUNCT TO EVERY COMMISSION, EVERY AGENCY, TO THE GOVERNOR'S OFFICE, TO THE OFFICE OF THE ATTORNEY GENERAL AND WE'RE ABDICATING OUR RESPONSIBILITY, OUR DUTY AS POLICYMAKERS. I THINK WE OUGHT TO ADOPT THIS AMENDMENT AND IT WOULD BE IN THE PUBLIC INTEREST. SENATOR...I THINK IT WAS SENATOR PANSING BROOKS WHO SAID THEY CALL THIS "TALCOHOL." AND YOU KNOW THE REAL REASON THEY WOULD CALL IT THAT, SENATOR SCHEER? BECAUSE YOU CAN SPRINKLE IT IN YOUR SHOES AND EVERYBODY WOULD THEN HAVE HAPPY FEET AND IT WOULD BE "TALCOHOL" IN THE SAME WAY AS TALCUM POWDER. BUT IN REALITY AND IN ALL SERIOUSNESS, THIS BILL WILL NOT BE HURT IF YOU ADOPT SENATOR KOLTERMAN'S AMENDMENT. AND THOSE SUPPORTING THIS BILL NEED TO BE CAREFUL THAT THEY DON'T PUT A JOCKEY ON THIS HORSE THAT IS BIGGER THAN THE HORSE. I SEE THIS AS A VERY SERIOUS MATTER. I SEE ALCOHOL OBTAINED AND USED BY JUVENILES, BY UNDERAGED DRINKERS AS A SERIOUS MATTER. I SEE ADULTS PROVIDING LIQUOR AT THESE KEG PARTIES. SO YOU CANNOT RELY ON ADULTS TO BE THE REGULATORS THEY OUGHT TO BE. [LB330]

SENATOR WATERMEIER: ONE MINUTE. [LB330]

SENATOR CHAMBERS: I THINK IT IS THE HEIGHT OF IRRESPONSIBILITY FOR THE LEGISLATURE TO PUT SOMETHING OUT THERE WHICH COULD BE DANGEROUS. IT IS UNTESTED. AND YOU MEAN TO TELL ME WE'RE GOING TO GIVE UP OUR DUTY AND JUST TURN THIS OVER TO THREE PEOPLE WHO DON'T HAVE ANY EXPERTISE IN THE AREA NEEDED TO DETERMINE THE SAFETY AND PROPRIETY OF IT? I WOULD ADVISE SENATOR...WELL, I DON'T SEE HIM. I'M NOT SAYING IT JUST BECAUSE HE'S NOT HERE. DON'T MAKE THIS HORSE CARRY A JOCKEY THAT'S BIGGER THAN THE HORSE. THIS POWDER ALCOHOL HAS GIVEN ME AN INTEREST IN THIS BILL THAT I DIDN'T HAVE BEFORE. I'M NOT GOING TO TRY TO STOP THE LIQUOR THAT YOU ALL HAVE BEEN TALKING ABOUT. BUT TO PUT THIS OUT THERE MAKES THE BILL A TARGET FOR ME TO DO WHAT I CAN TO PERSUADE THOSE WHO SUPPORT THE BILL TO CHANGE THEIR MIND AND LEAVE THIS POWDERED ALCOHOL OUT. [LB330]

SENATOR WATERMEIER: TIME, SENATOR. [LB330]

SENATOR CHAMBERS: THANK YOU, MR. PRESIDENT. [LB330]

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SENATOR WATERMEIER: THANK YOU, SENATOR CHAMBERS. SENATOR JOHNSON, YOU ARE RECOGNIZED. [LB330]

SENATOR JOHNSON: THANK YOU, MR. PRESIDENT. VOTING TO SUPPORT POWDERED ALCOHOL IS KIND OF LIKE VOTING AND THEN WE'LL FIND OUT THE REGULATIONS LATER. I THINK I HAVE BEEN TO THAT ROAD ONCE. I DON'T LIKE IT. I THINK A LOT OF THINGS HAVE CHANGED AND NEW INFORMATION HAS COME SINCE WE HAD OUR PUBLIC HEARING. NOW THE FEDERAL GOVERNMENT IS SAYING IT LOOKS OKAY. I THINK WE HAVE MIXED FEELINGS ON THE COMMISSION. I DON'T THINK THE SECOND HOUSE HAS HAD A CHANCE, REALLY, TO DISCUSS THAT BECAUSE I DON'T KNOW THAT IT WAS THAT BIG AN ISSUE BECAUSE THE FEDERAL GOVERNMENT HADN'T DONE ANYTHING YET. NOW THEY HAVE. I FEEL THAT WE SHOULD...I SUPPORT AM1316. LET'S WAIT AND SEE IF THE LIQUOR COMMISSION MAKES SOME REGULATIONS. OR MAYBE IT'S BETTER YET, LET'S INTRODUCE A BILL TO DISCUSS POWDERED ALCOHOL NEXT YEAR. SENATOR LARSON SAYS THEY LISTEN TO US ON THE FLOOR. BUT THEY LISTEN AND ACT THE WAY THE LEGISLATIVE SENATORS AND THE WAY THE SECOND HOUSE SPEAKS WHEN WE HAVE A PUBLIC HEARING. I SUPPORT AM1316. I BELIEVE IT'S TIME NEXT YEAR TO INTRODUCE A NEW BILL. IF THE LIQUOR COMMISSION SAYS IT'S OKAY, I THINK WE STILL NEED TO HAVE A HEARING TO LOOK AT THE REGULATIONS AND HEAR THE SECOND HOUSE. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR JOHNSON. SENATOR BRASCH, YOU ARE RECOGNIZED. [LB330]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT. AND THANK YOU FOR YOUR PATIENCE, COLLEAGUES. ONCE AGAIN, I DO WANT TO REPEAT THAT WE HAVE 50 STATES AND OUT OF THOSE 50, 39 OF THEM ARE CURRENTLY INTRODUCING, REVIEWING, DISCUSSING, LOOKING AT CONCERNS. THERE'S A TOTAL OF 55 BILLS WITHIN THOSE 39 STATES. FIFTY-FIVE OF THE BILLS ARE TO PROHIBIT ITS USE; ONLY 13 PERMIT IT; 5 STATES WANT TO STUDY THIS. THERE IS A PROBLEM HERE. THE LIQUOR COMMISSION WOULD NEED TO HAVE HEARINGS. HOW DO THEY REGULATE THIS? IT'S EASY TO REGULATE SOMETHING BY THE GALLON, PERHAPS, OR EASIER. NOW THEY'RE GOING TO HAVE TO WEIGH AND MEASURE. I DO SUPPORT THE BILL, LB330. I DO SUPPORT AND ENCOURAGE PASSING OF AM1316. AND I WILL, IF AM1316 DOES NOT GET THE GREEN LIGHT--WHICH IT SHOULD--THEN I WILL OFFER AN AMENDMENT FOR A ONE-YEAR BAN WHILE WE STUDY THE ISSUE OVER THE INTERIM. THERE ARE A LOT OF ISSUES: TAXING, THE COMMISSION'S REGULATIONS, PUBLIC HEARINGS. HOW WILL THIS BE

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REGULATED? THIS IS NOT A SIMPLE GREEN OR RED MATTER HERE, WHEN WE'RE TALKING ABOUT INTRODUCING A WHOLE NEW PROBLEM THAT COULD BE AFFECTING OUR YOUTH. AGAIN, I WANT TO REPEAT WHAT THE NCSL HAS PRINTED. THEIR CONCERNS ARE ACCESS TO CHILDREN. THEY INCLUDED SNORTING, OVERUSE, USING MULTIPLE PACKETS TOGETHER, IT COULD BE USED IN FOODS, COMBINED WITH OTHER ALCOHOL-INFUSED PRODUCTS, THEY COULD COMBINE IT WITH LIQUOR SPIRITS. IT'S EASY TO HIDE IN PROHIBITED AREAS AND EVENTS. THERE'S BEEN COMBINED USE WITH ENERGY DRINKS. WE HAVE, AS A LEGISLATURE, PASSED LEGISLATION TO PROHIBIT DANGEROUS SUBSTANCES FROM OUR YOUTH. THIS IS ONE MORE THAT SHOULD NOT BE WITHIN LB330, WHICH IS A GOOD BILL. AM1316 WOULD BE THE RIGHT THING TO DO. AND, IF ANYONE HERE IS HESITATION OF SUPPORTING AM1316, THEN I WILL OFFER AN AMENDMENT FOR A ONE-YEAR BAN WHILE WE STUDY THE ISSUE OVER THE INTERIM. THANK YOU, MR. PRESIDENT. AND THANK YOU, COLLEAGUES. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR BRASCH. THOSE IN THE QUEUE WISHING TO SPEAK: SENATOR BOLZ, SENATOR KOLTERMAN, SENATOR CAMPBELL, AND SENATOR HOWARD, AND OTHERS. SENATOR BOLZ, YOU ARE RECOGNIZED. SENATOR KOLTERMAN, YOU ARE RECOGNIZED. [LB330]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. I WANT TO TALK JUST A LITTLE...FIRST OF ALL, I HAVE FULL FAITH IN THE LIQUOR CONTROL COMMISSION. I'M NOT TRYING TO DO THIS TO RUN AN END RUN AROUND THE LIQUOR CONTROL COMMISSION. AND I HAVE TALKED TO SOME OF THE MEMBERS OF THAT COMMITTEE. I'VE ALSO TALKED TO THEIR EXECUTIVE DIRECTOR. I DIDN'T BRING THIS JUST ON A WHIM. I WAS AGAINST THIS FROM DAY ONE. BUT THERE'S ALSO SOME ECONOMIC THINGS THAT PLAY INTO THIS THAT I THINK THAT WE NEED TO CONSIDER. YOUNG PEOPLE WHO BEGIN DRINKING BEFORE AGE 15 ARE FOUR TIMES MORE LIKELY TO DEVELOP ALCOHOL DEPENDENCIES AND TWO AND A HALF TIMES MORE LIKELY TO BECOME ABUSERS OF ALCOHOL THAN THOSE WHO BEGIN TO DRINK AT AGE 21. IN 2010, ALCOHOL RELATED MOTOR VEHICLE CRASHES FOR TEEN DRIVERS AGED 16 TO 20 COST NEBRASKA AN ESTIMATED \$29.7 MILLION WHEN COUNTING DEATH, INJURY, AND PROPERTY DAMAGE. AND UNDERAGE DRINKING COST THE CITIZENS OF NEBRASKA \$423 MILLION IN 2010. THESE COSTS INCLUDE MEDICARE, MEDICAL COSTS, WORK LOSS, PAIN AND SUFFERING ASSOCIATED WITH MULTIPLE PROBLEMS RESULTING FROM THE USE OF ALCOHOL BY YOUTH. THIS TRANSLATES TO A COST OF \$2,309 FOR EACH YOUTH IN THE STATE, BRINGING NEBRASKA'S RANKING TO 20th HIGHEST AMONG THE 50 STATES FOR

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THE COST PER YOUTH OF UNDERAGE DRINKING. THAT COMES FROM A REPORT THAT WAS PUT OUT BY PROJECT EXTRA MILE. ALL I'M SAYING HERE, FOLKS, IS I WANT TO STOP THIS BEFORE IT BECOMES A PROBLEM. LET'S HEAD IT OFF AT THE PASS. YOU'VE ALREADY HEARD FROM SENATOR BRASCH OF ALL THE STATES THAT ARE RESEARCHING THIS. YOU'VE HEARD TESTIMONY FROM PEOPLE THAT HAVE TALKED WITH PAST LIQUOR CONTROL COMMISSIONERS, AND THEIR CONCERNS. YEAH, IT WOULD MAKE SENSE THAT IF WE DO PASS THIS BILL AND THIS AMENDMENT DOESN'T PASS, THAT IT WOULD BE REGULATED BY THE NEBRASKA LIQUOR CONTROL COMMISSION. AND I DON'T HAVE A PROBLEM WITH THAT. I'M JUST SAYING, WHY LET IT GET THERE? WE ARE HERE TO PROTECT OUR MOST VULNERABLE CITIZENS, OUR YOUTH. AND SO I WOULD ENCOURAGE YOU TO VOTE GREEN ON OR APPROVE AM1316 AND THEN SUPPORT LB330. I THINK IT'S GOOD LEGISLATION. I JUST WANT TO REITERATE THAT THIS JUST DIDN'T COME, BY THE WAY, I THINK WE NEED TO BAN ALCOHOL. THERE'S BEEN A LOT OF RESEARCH THAT'S GONE INTO THIS AND WE THINK WE HAVE A GOOD, JUST CAUSE TO DO SO. SO I ENCOURAGE YOU TO VOTE AM1316. THANK YOU. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR KOLTERMAN. SENATOR CAMPBELL, YOU ARE RECOGNIZED. [LB330]

SENATOR CAMPBELL: THANK YOU, MR. PRESIDENT. COLLEAGUES, THIS HAS BEEN AN INTERESTING ISSUE FOR ME. AND I MUST SAY, BEFORE LUNCH SENATOR LARSON SAID TO ME, DO YOU SUPPORT POWDERED ALCOHOL? AND SO I LISTENED TO HIM AND HE SAID, YOU KNOW, WE'VE NEVER BANNED ANYTHING IN THE STATE. I WENT, OKAY. AND I HADN'T PAID VERY MUCH ATTENTION TO THIS UNTIL OVER THE NOON HOUR I STARTED LOOKING INTO THE ISSUE, AND THEN I STARTED TALKING TO PEOPLE. AND, IN PARTICULAR, I WANT TO ALSO REFER TO THE ARTICLE THAT WAS IN THE LINCOLN JOURNAL IN DECEMBER 31 OF 2014. AND IT WAS THAT ARTICLE THAT REALLY STARTED SPURRING IN ME QUESTIONS ABOUT WHAT WE'RE DOING HERE, AND PRIMARILY BECAUSE BILL AUSTIN IS QUOTED IN THE PAPER, THE LINCOLN JOURNAL, "I THINK THE STATE OUGHT TO MAKE EVERY EFFORT TO BAN IT," SAID BILL AUSTIN, A NEBRASKA LIQUOR CONTROL COMMISSION MEMBER WHO STEPPED DOWN IN OCTOBER." AND, COLLEAGUES, I SPENT 16 YEARS WORKING WITH BILL AUSTIN. BILL AUSTIN WAS THE CITY ATTORNEY FOR THE CITY OF LINCOLN AND WE OFTEN WORKED BETWEEN THE CITY AND THE COUNTY. I HAVE THE GREATEST RESPECT FOR BILL AUSTIN. AND IT REALLY WAS THIS ARTICLE AND HIS COMMENTS THAT BEGAN FOR ME TO CALL INTO QUESTION, WHY WOULD WE NOT TAKE A HARD LOOK AT THIS? IT IS THE POLICY AND IT IS OUR DUTY TO LOOK AT THAT POLICY.

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I BELIEVE THAT THIS PRODUCT IS NOT ONE THAT'S TRIED AND TRUE, WE KNOW A LOT ABOUT. OBVIOUSLY, THE FEDERAL GOVERNMENT HAD SOME RESERVATIONS AND THEN BANNED IT, THEN CAME BACK AND FORTH. I BELIEVE IT IS OUR DUTY TO TAKE A VERY HARD LOOK AT THIS, AND PARTICULARLY WITH THE FACT WHEN PEOPLE WHO SERVED ON THE LIQUOR COMMISSION SAY, LEGISLATURE, PAY ATTENTION, YOU NEED TO BAN THIS. I, THEREFORE, AM SUPPORTING SENATOR KOLTERMAN'S AMENDMENT BECAUSE I THINK THAT WE OUGHT TO JUST OUTRIGHT BAN THIS PRODUCT. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR CAMPBELL. MR. CLERK, FOR AN ANNOUNCEMENT. [LB330]

CLERK: MR. PRESIDENT, JUST A FEW ITEMS, IF I MAY. ENROLLMENT AND REVIEW REPORTS LB89A IS CORRECTLY ENGROSSED. ENROLLMENT AND REVIEW REPORTS LB268, LB72, LB72A, LB469, LB85, LB348 ALL TO SELECT FILE, SOME HAVING ENROLLMENT AND REVIEW AMENDMENTS. SENATOR SULLIVAN, AN AMENDMENT TO LB519. SENATOR DAVIS, NEW RESOLUTION, LR199. TWO NEW A BILLS. (READ LB547A AND LB519A BY TITLE FOR THE FIRST TIME.) (LEGISLATIVE JOURNAL PAGES 1227-1230.) [LB89A LB268 LB72 LB72A LB469 LB85 LB348 LB519 LR199 LB547A LB519A]

MR. PRESIDENT, WITH RESPECT TO LB330, SENATOR CHAMBERS OFFERS A PRIORITY MOTION. HE WOULD MOVE TO BRACKET THE BILL UNTIL JUNE 5 OF 2015. [LB330]

SENATOR WATERMEIER: THANK YOU, MR. CLERK. SENATOR CHAMBERS, YOU ARE RECOGNIZED TO OPEN ON YOUR BRACKET MOTION. [LB330]

SENATOR CHAMBERS: THANK YOU. MR. PRESIDENT, MEMBERS OF THE LEGISLATURE, I DON'T WANT TO HAVE TO FIGHT THIS BILL. I TOLD SENATOR LARSON I DON'T WANT TO HAVE TO FIGHT IT. I STAYED DOWN IN MY OFFICE AND LET MESS GO THROUGH THAT I OPPOSED LAST YEAR. AND IF YOU DON'T REMEMBER, TALK TO THE SENATOR WHO NOW WORKS WITH THE AUDITOR. I DON'T EVEN WANT TO SAY SENATOR KARPISEK'S NAME HERE TODAY AND INJECT HIM IN IT, SO I'LL SAY, "THE SENATOR." SENATOR LARSON HAS ALREADY GOTTEN MORE OUT OF ME THAN ANYBODY ON THESE KIND OF BILLS. SO NOW I GUESS HE FEELS THAT I'M OLD AND I'M TIRED AND I'LL LET HIM GET EVERYTHING. THIS IS SOMETHING THAT IS NOT NEEDED. IT SHOULD BE BANNED. SENATOR

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KOLTERMAN'S AMENDMENT SHOULD HAVE BEEN ADOPTED. I DON'T KNOW WHETHER YOU'D VOTE TO ADOPT IT OR NOT. BUT I TOLD SENATOR LARSON THAT I GUESS WE'VE BOTH DRAWN A LINE. HE'S GOING TO TAKE EVERYTHING IN THE BILL THAT HE'S GOT AND THEN WE'LL FIGHT FOR SIX HOURS ON THIS ITEM. HOW MANY OF YOU ALL WANT TO FIGHT THE SIX HOURS? YOU DON'T HAVE TO SAY A WORD. IF YOU THINK I CANNOT TALK ABOUT MY OPPOSITION TO ALCOHOL FOR SIX HOURS, THEN YOU'VE GOT ANOTHER THINK COMING. I WILL MAKE THE PURITANS LOOK LIKE WILD-EYED RADICALS BY COMPARISON. I SEE ALCOHOL AS AN EVIL SUBSTANCE. YOU ALL ARE GOING TO HEAR ME USE THAT WORD. EVEN SOLOMON TALKED ABOUT IT, HOW BAD IT WAS. AND HE WAS JUST TALKING ABOUT WINE. SO, SENATOR BLOOMFIELD, WE'LL TELL THEM TO BUCKLE UP THEIR HELMETS AND GET READY. THIS IS THE TIME WHEN SENATOR LARSON SHOULD HAVE SHOWN SOME LEADERSHIP. THOSE PEOPLE WHO ADVISE HIM SHOULD HAVE COUNSELED HIM. AND I'M SAYING THIS ON THE RECORD NOW. I SEE THIS LEGISLATURE BEING TURNED INTO SOMETHING THAT IS VERY DISTASTEFUL TO ME. OUTSIDE ENTITIES CONTROL WHAT HAPPENS IN THIS LEGISLATURE. THERE ARE 48 OTHER PEOPLE HERE WHO CAN OUTVOTE ME ON EVERYTHING. BUT THEY CANNOT STOP ME FROM EXPRESSING MY VIEW AND USING SOME TIME AND COMPILING A RECORD TO SHOW HOW THE LEGISLATURE IS ABDICATING ITS RESPONSIBILITIES. IF THESE PROSECUTORS, IF THIS BRAND-NEW ATTORNEY GENERAL WHO DOESN'T UNDERSTAND STATE GOVERNMENT OR WHAT IT MEANS TO BE AN ATTORNEY GENERAL AT ALL, IF THIS GOVERNOR WHO, AS A RICH MAN'S KID, WAS PUT IN A POSITION TO DICTATE TO PEOPLE AND THEY HAD TO DO IT, THINK THAT THEY CAN BRING THOSE ATTITUDES AND MAKE THE LEGISLATURE INTO AN ADJUNCT TO THEIR RESPECTIVE OFFICES, THEY MIGHT MAKE 48 LEGISLATORS FALL INTO THAT CATEGORY BUT NOT ME. THE INSTITUTION TRANSCENDS ANY ONE OF US, AND I WILL ADD, ANY ONE ISSUE, ANY ONE ISSUE, EVEN IF IT IS MINE. THERE ARE SOME THINGS WHICH ARE SO IMPORTANT THAT THEY CANNOT BE SWEEP ASIDE OR SWEEP UNDER THE RUG. WHAT OUTSIDE ENTITY IS SO EAGER TO HAVE THIS LEGISLATURE TAKE A FAVORABLE POSITION ON POWDERED ALCOHOL? NOBODY CAN SAY WHAT THE ULTIMATE CONSEQUENCES WILL BE. I LOOK AT ALL OF THE OPPOSITION AROUND HERE TO THE AFFORDABLE CARE ACT, ALL THE QUESTIONS RAISED ABOUT THIS, THAT, AND THE OTHER, THE REFUSAL TO EXTEND THE REACH OF MEDICAID TO 54,000 OF OUR BROTHERS AND SISTERS WHO COULD HAVE MEDICAL COVERAGE, BUT THEY DON'T BECAUSE PEOPLE SAY THEY DON'T KNOW WHAT THE FEDERAL GOVERNMENT MIGHT DO. WELL, NOW, WE'RE NOT TALKING ABOUT WHAT ANOTHER ENTITY WILL DO. WE'RE TALKING ABOUT A SUBSTANCE THAT WE KNOW, EVERYONE ON THIS FLOOR KNOWS, IS GOING TO FALL INTO THE HANDS OF OUR CHILDREN. AND I HEAR PEOPLE TALK ABOUT

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FAMILY VALUES. YOU TALK ABOUT IT EXCEPT WHEN FAMILY VALUES REALLY ARE AT STAKE AND FAMILY VALUES ARE COUNTERPOSED AGAINST SOME ECONOMIC INTEREST BY SOME OUTSIDE FORCE, THEN FAMILY VALUES DON'T MEAN ANYTHING. OUR CHILDREN DON'T MEAN ANYTHING. THE CORRUPTION OF THE SOCIETY MEANS NOTHING. WHO ELSE IN HERE WOULD HAVE A BILL LIKE LB330 WHERE YOU GET SO MUCH OF WHAT YOU WANT? AND THE MAIN ANTAGONIST LEAVES THE BILL ALONE. THEN YOU DON'T HAVE SENSE ENOUGH TO TAKE WHAT YOU'VE GOT AND SAY, I'VE GOT THREE BIRDS IN THE HAND THAT I NEVER HAD BEFORE. BUT I LIKE THAT ONE OVER THERE IN THE BUSH AND I'M WILLING TO OPEN MY HANDS AND THESE THREE FLY AWAY SO I CAN GET THE ONE IN THE BUSH. BUT WHEN I GET THE ONE IN THE BUSH, I DON'T HAVE THOSE THREE AND I DON'T HAVE THE ONE IN THE BUSH, EITHER. WHAT KIND OF SENSE DOES THAT MAKE? WITH AGE THERE CAN COME WISDOM, BUT NOT ALWAYS. WITH YOUTH, THERE CAN BE WISDOM, BUT THAT IS RARE. AND YOU'VE GOT A YOUNG MAN WHO MEANS WELL AND HE HAS POTENTIAL. BUT I THINK HE'S SQUANDERING IT. HE DOESN'T KNOW HOW TO PICK HIS BATTLES. HE DOESN'T KNOW HOW TO PICK HIS FIGHTS AND HE DOESN'T KNOW WHERE TO DRAW THE LINE. SO HE HAS NOW AWAKENED ME. HE HAS CALLED ME OUT OF MY STUDY. HE HAS DERAILED ME FROM THE WORK THAT I WAS DOING, WHICH I CONSIDER TO BE VERY IMPORTANT. SO I'M NOT GOING TO SUFFER ALONE. AS OLD LUCIFER WAS MADE TO SAY IN PARADISE LOST, IT IS A SOLACE TO THE WRETCHED TO HAVE COMPANIONS IN GRIEF, OR, MISERY LOVES COMPANY. HOW MANY OF YOU ALL WANT TO KEEP SENATOR LARSON COMPANY ON THIS FOOL'S ERRAND? A SUBSTANCE WHICH I BELIEVE IS HARMFUL, WE JUST DON'T KNOW THE EXTENT OF THE HARM. YOU KNOW HOW YOUNG PEOPLE WILL TEND TO EXPERIMENT. THEY SNIFF GLUE. THEY SNIFF PAINT. ANYTHING THEY HEAR MIGHT GIVE THEM A HIGH, THEY WILL SNIFF IT. ANYTHING THEY THINK MIGHT GIVE THEM A BUZZ, THEY WILL DRINK IT. WE KNOW THAT. SENATOR LARSON POINTED OUT WHEN HE WAS TALKING TO SENATOR KOLTERMAN THAT HE WAS CLOSER TO THE AGE OF THESE YOUNG PEOPLE THAN SENATOR KOLTERMAN. YES, I LISTEN EVEN TO SENATOR LARSON. HE HAS A VOTE, HE'S THE CHAIR OF THE COMMITTEE, AND I PAY ATTENTION TO WHAT IS SAID ON THIS FLOOR. EVEN WHEN I'M DOWN IN MY OFFICE, I LISTEN TO YOU ALL. BUT HE IS PERHAPS SO YOUNG, SO LACKING IN EXPERIENCE AND UNDERSTANDING OF THE WORLD THAT HE DISREGARDS THE CONCERN THAT SOME OF US, SUCH AS MYSELF, WHO ARE WAY NEAR THE TOP OF THE HILL AND ABOUT TO GO OVER TO THE OTHER SIDE, KNOW THE DAMAGE THAT CAN BE DONE TO YOUNG PEOPLE AND HOW IT CAN CARRY ON FROM THE TIME THEY'RE YOUNG UNTIL THEY'RE AS OLD AS I AM IF THEY LIVE TO GET TO BE AS OLD AS I AM. WHICH ONE OF YOU CARES SO MUCH ABOUT THIS POWDERED ALCOHOL? WHY DON'T WE BAN IT? WHO IS HARMED BY IT? WHAT

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FINANCIAL INTERESTS THAT EXIST NOW IS HURT BY IT? WHEN THE GUY WHO'S WITH THE LIQUOR CONTROL GROUP INDICATES THEY DON'T WANT TO BE BOTHERED WITH IT, SO YOU'RE GOING TO FORCE IT ON THEM, HOW WISE IS THAT? NOW IS THE TIME FOR WISDOM THAT YOU SHOULD FIND IN THE HEADS COVERED BY ALL THIS GRAY HAIR... [LB330]

SENATOR WATERMEIER: ONE MINUTE. [LB330]

SENATOR CHAMBERS: ...AND THE HEADS THAT MIGHT NOT HAVE MUCH HAIR AT ALL. DO WHAT WE KNOW WE OUGHT TO DO. LOOK HOW MUCH YOU'VE GOT IN THIS BILL ALREADY. TAKE IT AND RUN WITH IT. SOMEBODY GIVE ME A MESSAGE, SHOW ME A SIGN. SEND ME THAT MESSAGE AND I'LL THROW YOU A LINE. I WANT PEACE. THAT'S WHAT I WANT. AND THAT'S WHAT I'M MAKING AN APPEAL TO MY COLLEAGUES TO GIVE ME. SENATOR LARSON MANAGED TO KEEP ME FROM ATTACKING THIS BILL. NOW ALL BETS WILL BE OFF AND WE CAN START ALL OVER AGAIN BECAUSE IT DOESN'T MATTER TO ME. WE CAN DO IT IN A RATIONAL WAY OR WE CAN DO IT IN A FOOLISH WAY. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR CHAMBERS. MEMBERS, YOU'VE HEARD THE OPENING TO BRACKET LB330 TILL JUNE 5. THOSE IN THE QUEUE WISHING TO SPEAK ARE SENATOR LARSON, SENATOR DAVIS, SENATOR SCHILZ, AND SENATOR PANSING BROOKS. SENATOR LARSON, YOU ARE RECOGNIZED. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. I RISE IN OPPOSITION TO THE BRACKET MOTION. FRANKLY, LET ME REPLY TO A FEW THINGS FROM SENATOR CHAMBERS. I'M HAPPY TO LET SENATOR KOLTERMAN HAVE AN UP OR DOWN VOTE ON AM1316. I DO NOT LIKE THE AMENDMENT. I THINK THE POSSIBILITY OF A CLASS I MISDEMEANOR FOR SOMEONE JUST IN POSSESSION OF POWDERED ALCOHOL AND THAT POSSIBILITY OF A YEAR IN PRISON, JUST THE POSSIBILITY IS SOMETHING THAT ISN'T...THE CRIME ISN'T WORTH THE PUNISHMENT. IF YOU MOVED IT TO A CLASS III MISDEMEANOR IN THE SENSE OF WHAT EVERY OTHER...MOST OTHER VIOLATIONS OF THE LIQUOR CONTROL ACT ARE, THAT WOULD BE MORE IN LINE WITH WHERE WE SHOULD BE. SENATOR CHAMBERS TALKS ABOUT WHAT ENTITY IS OUT THERE THAT IS PUSHING THIS SO HARD. I DON'T THINK THAT THERE IS AN ENTITY. IT'S THE BASIC BELIEF THAT THE GOVERNMENT SHOULDN'T BE...I SHOULD SAY THE STATE LEGISLATURE SHOULDN'T BE OVERREGULATING THIS PRODUCT. WE HAVE AN ENTITY THAT

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REGULATES ALCOHOL AND IT'S THE LIQUOR CONTROL COMMISSION. NOW I UNDERSTAND THAT SENATOR CHAMBERS MAY NOT TRUST THE LIQUOR CONTROL COMMISSION AND I CAN APPRECIATE THAT CONCERN. BUT IN THE TRUTH OF THE MATTER, THESE ARE THE INDIVIDUALS THAT DO KNOW THE MOST ABOUT THE PRODUCTS. AND AS WE FACE DAUNTING PRISON REFORMS, DAUNTING BACKUPS IN OUR COURT SYSTEM, WHY DO WE WANT TO PUT CLASS I MISDEMEANORS ON INDIVIDUALS THAT MAY JUST POSSESS POWDERED ALCOHOL? IT DOESN'T MAKE SENSE. NOW I'M HAPPY TO GIVE SENATOR KOLTERMAN AN UP OR DOWN ON AM1316. I THINK IT'S WRONG. I THINK IT GOES AGAINST THE CORE OF MY CONSERVATIVE BELIEFS THAT IT IS NOT THE STATE'S RESPONSIBILITY TO TELL AN INDIVIDUAL WHAT HE OR SHE SHOULD NOT BE ABLE TO DO. AND ESPECIALLY WHEN THE FEDERAL GOVERNMENT HAS JUST LEGALIZED IT AND BEGUN TO REGULATE IT, WHY SHOULD WE BE MORE STRICT THAN THE FEDERAL GOVERNMENT? WE SHOULDN'T. THAT'S NOT HOW A MAJORITY OF NEBRASKANS THINK. IF THE FEDS WANT TO LOOK AT THIS AND SAY, HEY, WE CAN REGULATE THIS, WE CAN SAFELY LOOK AT THE PACKAGING, WE CAN GO THROUGH THE MEDICAL SIDE OF THINGS, I DON'T UNDERSTAND WHY WE WANT TO SHOOT FROM THE HIP AND BAN IT AND THEN PUT A CLASS I MISDEMEANOR ON IT JUST TO POSSESS IT. WE TALK ABOUT DRUG CRIMES. WE TALK ABOUT HOW WE NEED TO TAKE PEOPLE OUT OF THE PRISON SYSTEM, MOVE THEM TO PROBATION. WE DON'T KNOW WHAT A JUDGE MAY DO. WE JUST KNOW WHAT THE SENTENCES ARE FOR A CLASS I AND THAT IS A POSSIBILITY. IF WE ARE LOOKING TO RELIEVE THE PRISON POPULATION, HOW ON EARTH COULD YOU VOTE FOR AM1316 BECAUSE THIS COULD SEND MORE PEOPLE TO PRISON, AND YET WE HAVE THE OVERCROWDING PROBLEM. I SAID LET'S TALK ABOUT A CLASS III MISDEMEANOR INSTEAD OF A CLASS I. LET'S HAVE THAT DISCUSSION. BUT IN THE SAME TIME I AM HAPPY TO GIVE SENATOR KOLTERMAN AN UP OR DOWN VOTE ON AM1316. AND IF IT FAILS, HE'S ASSURED ME--MAYBE I TOOK IT WRONG AND HE CAN STAND UP ON THE MIKE AND SAY DIFFERENTLY--BUT IF IT FAILS I THINK HE'S GOING TO SUPPORT LB330 AS A WHOLE. [LB330]

SENATOR WATERMEIER: ONE MINUTE. [LB330]

SENATOR LARSON: AND I'D HOPE THE REST OF THE BODY WILL AS WELL. NOW, IF IT PASSES, THEN WE'LL HAVE TO MOVE ON. BUT THE CONCEPT IS, COLLEAGUES, WE SHOULDN'T BE SPENDING THIS MUCH TIME. AND I APPRECIATE SENATOR CHAMBERS NOT GOING OFF ON THE REST OF THE BILL. I FEEL LIKE SENATOR CHAMBERS AND I HAVE DONE WELL TO CREATE SOME UNDERSTANDINGS THIS YEAR AND THIS WILL NEVER CHANGE THOSE...THE...I WON'T CALL IT FRIENDSHIP, BECAUSE I DON'T KNOW IF HE LIKES ME. I KNOW HE GOES OFF ON

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ME AND IT WILL NEVER CHANGE ANYTHING THAT WE'VE ALREADY TALKED ABOUT. BUT AT THE SAME TIME, I THINK HE'S WRONG ON THE ISSUE AND I WISH HE'D PULL THE BRACKET MOTION SO WE CAN MOVE FORWARD AND HAVE THE UP OR DOWN VOTE. IF IT FAILS, I'D HOPE THAT THE REST OF MY COLLEAGUES WOULD MOVE IT FORWARD. IF HE GOES EIGHT, THEN THAT'S GOING TO BE A LITTLE MORE MISERABLE FOR ME BUT I'LL STAND HERE AND TAKE IT. THANK YOU, MR. PRESIDENT. [LB330]

SENATOR WATERMEIER: THANK YOU, SENATOR LARSON. SENATOR DAVIS, YOU ARE RECOGNIZED. SENATOR PANSING BROOKS, YOU ARE RECOGNIZED. [LB330]

SENATOR PANSING BROOKS: THANK YOU. I JUST WANTED TO ADD A COUPLE BRIEF COMMENTS, MR. PRESIDENT. SENATOR LARSON TALKED ABOUT LEAVING THIS TO THE ALCOHOL COMMISSION BECAUSE THAT'S THEIR JOB. WELL, I WOULD RESPECTFULLY DISAGREE. WE HAVE 112 PAGES IN OUR NEBRASKA STATUTES THAT RELATE TO LIQUOR LAWS. NOT ONLY IS IT OUR DUTY, IT'S OUR RESPONSIBILITY. WE REGULATE ALL SORTS OF LAWS REGARDING ALCOHOL AND LIQUOR. AND SO OUR DUTY IS TO CREATE POLICY; THEIR DUTY, AS UNELECTED OFFICIALS, IS TO HELP CREATE RULES AND REGULATIONS. SO, AGAIN, I KNOW WE'RE TRYING TO SORT OF ZIP ALONG THROUGH THIS AND GET OFF OF THIS, BUT I THINK THIS IS A VERY IMPORTANT TOPIC FOR US TO DISCUSS. I THINK IT IS HIGHLY IMPORTANT FOR US TO THINK ABOUT WHAT WE MIGHT MAKE AVAILABLE TO OUR KIDS. AND TO JUST...TO GIVE YOU AN EXAMPLE OF WHAT THE NEBRASKA REVISED STATUTES TALK ABOUT, IT GOES FROM EVERYTHING FROM FARM WINERIES TO ALCOHOL TO BEER TO THE CAMPUS TO BREWPUBS TO CIGAR BARS TO FARM WINERY TO GENERIC LABELS TO THE MANUFACTURER AND MICRODISTILLERIES AND MICROBREWERIES AND NONPROFIT CORPORATIONS AND CORPORATIONS AND NONBEVERAGE USERS AND MINORS AND PRIVATE LABELS AND RESTAURANTS AND SALES AND SAMPLING AND SHIPPING LICENSES AND SPIRITS AND SELLING RETAIL AND CANDY AND CONFECTIONERY USAGES, BOAT LICENSES AND ALCOHOL, TRAINS, CARS, THE IMPORTATION OF ALCOHOL, BEER WHOLESAL, FINE WINERY LICENSES. SO TO SAY...AND IT GOES ON AND ON, IF YOU WOULD LOOK AT CHAPTER 53 IN OUR NEBRASKA STATUTES. IT GOES ON AND ON BECAUSE OUR DUTY IS TO CREATE POLICY FOR OUR STATE REGARDING ALCOHOL. AND SO I WOULD HOPE THAT WE WILL VOTE FOR THIS AMENDMENT AND I NOW GIVE THE REST OF MY TIME TO SENATOR CHAMBERS, WHO I THINK IS GOING TO MAKE ANOTHER IDEA...HAVE ANOTHER IDEA. THANK YOU. [LB330]

SENATOR GLOOR PRESIDING

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SENATOR GLOOR: THANK YOU, SENATOR PANSING BROOKS. SENATOR CHAMBERS, YOU ARE NEXT IN THE QUEUE. [LB330]

SENATOR CHAMBERS: HOW MUCH TIME DO I HAVE, MR. PRESIDENT? [LB330]

SENATOR GLOOR: WE HAVE 5:00, SENATOR. [LB330]

SENATOR CHAMBERS: HOW LONG? [LB330]

SENATOR GLOOR: FIVE MINUTES, SENATOR. [LB330]

SENATOR CHAMBERS: NO. NO. OH, I THOUGHT SHE WAS YIELDING ME TIME. ALL RIGHT. WELL, ANYWAY, WHAT I INTEND TO DO, BECAUSE OF THE WAY THINGS HAVE DEVELOPED, IS PULL THAT MOTION AND THEN YOU ALL CAN GO ON AND APPRECIATE THE FRUITS OF YOUR LABORS EXPENDED WHILE I WAS NOT HERE. BUT BEFORE I PULL THAT MOTION AND SIT DOWN--WELL, I STAND UP, A FIGURE OF SPEECH FOR ME--IF I'M LEAVING YOU ALONE, DON'T ANTAGONIZE ME. IF YOU'VE GOT EVERYTHING ROLLING ALONG SMOOTHLY, TAKE ADVANTAGE OF IT WHILE YOU HAVE IT. MAKE HAY WHILE THE SUN SHINES. IF YOU ARE GOING TO CALL ME UP HERE, HAVE THE WISDOM OF SENATOR BLOOMFIELD AND DO IT IN A WAY WHERE IT'S NOT GOING TO HINDER OR DERAILED WHAT YOU'RE TRYING TO GET DONE. SENATOR LARSON THINKS I DON'T LIKE HIM. SENATOR LARSON IS NOT A MIND READER. I LIKE ALL CHILDREN. I DO, AND AT MY AGE, AT MY AGE. BUT, SEE, I SEE POTENTIAL IN HIM THAT HE DOESN'T SEE HIMSELF, OBVIOUSLY. AND SOMETIMES PEOPLE NEED TO REALIZE THAT WHEN THEY PUT THEMSELVES IN A HIGH-PROFILE POSITION, THERE ARE BARBS THAT WILL BE DIRECTED AT THEM WHICH WOULDN'T OTHERWISE BE THE CASE. SENATOR SCHNOOR, FROM ALL HIS YEARS IN THE MILITARY, WILL LET YOU KNOW THAT IF THE ENEMY HAS SNIPERS, THE HEAD THAT COMES UP ABOVE THE GROUND IS THE ONE THAT'S GOING TO BE SHOT. SO THIS MIGHT BE A LESSON NOT JUST FOR SENATOR LARSON, BUT FOR THE LEGISLATURE, INCLUDING MYSELF. IF EVERYTHING IS GOING MY WAY, I'M NOT GOING TO DO ANYTHING INTENTIONALLY TO MAKE IT GO THE OTHER WAY. AND IF THERE ARE PEOPLE IN HERE WHO ARE WORKING WITH ME ON SOMETHING AND THEY BECOME AWARE OF A PITFALL THAT HAS ESCAPED MY NOTICE, THEY SHOULD BRING IT TO MY ATTENTION. AND THAT'S WHAT I HOPE WOULD HAPPEN. SO NOW THAT THERE'S PEACE IN THE VALLEY AND WE'RE ALL GETTING ALONG AND THE LION WILL LIE DOWN WITH THE LAMB, WHERE THE LITTLE BABY INNOCENT CAN PUT ITS HAND OVER THE WHOLE OF THE VENOMOUS VIPER AND NOT BE BITTEN, BROTHERS AND SISTERS,

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WE SHOULD ENJOY THIS MOMENT. AND TO ADD TO THAT, MR. PRESIDENT, I'M WITHDRAWING MY MOTION. [LB330]

SENATOR GLOOR: THANK YOU, SENATOR CHAMBERS. SEEING NO OBJECTION, SO ORDERED. MEMBERS, WE NOW RETURN TO DEBATE ON AM1316. ARE THERE SENATORS WISHING TO SPEAK? SEEING NONE, SENATOR KOLTERMAN, YOU'RE RECOGNIZED TO CLOSE ON AM1316. [LB330]

SENATOR KOLTERMAN: THANK YOU, MR. PRESIDENT. AND THANK YOU, COLLEAGUES, FOR THE VERY GOOD DISCUSSION THAT WE'VE HAD THIS AFTERNOON. MY AMENDMENT, AM1316, IS DESIGNED TO MAKE THIS A SAFER PLACE IN THE STATE OF NEBRASKA FOR THE YOUTH OF OUR STATE. IF THERE'S ANY PROBLEMS THAT NEED TO BE CORRECTED, AS AN EXAMPLE, THE MISDEMEANOR AND THINGS OF THAT NATURE, I'LL WORK ON THAT WITH THE COMMITTEE. BUT I WOULD ASK THAT YOU VOTE GREEN ON AM1316 AND THEN VOTE GREEN ON LB330. LET'S MOVE THESE FORWARD TO SELECT FILE. WITH THAT, I WOULD ALSO ASK FOR A CALL OF THE HOUSE AND A ROLL CALL VOTE. [LB330]

SENATOR GLOOR: THANK YOU. THERE HAS BEEN A REQUEST TO PLACE THE HOUSE UNDER CALL. THE QUESTION IS, SHALL THE HOUSE GO UNDER CALL? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB330]

CLERK: 30 AYES, 0 NAYS TO PLACE THE HOUSE UNDER CALL. [LB330]

SENATOR GLOOR: THE HOUSE IS UNDER CALL. SENATORS PLEASE RECORD YOUR PRESENCE. THOSE UNEXCUSED SENATORS OUTSIDE THE CHAMBER PLEASE RETURN TO THE CHAMBER AND RECORD YOUR PRESENCE. ALL UNAUTHORIZED PERSONNEL PLEASE LEAVE THE FLOOR. THE HOUSE IS UNDER CALL. SENATOR SCHUMACHER, WOULD YOU PLEASE CHECK IN? SENATOR KOLTERMAN. MEMBERS, THE QUESTION BEFORE US IS THE ADOPTION OF AM1316 TO LB330. ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL VOTED WHO CARE TO? RECORD, MR. CLERK. [LB330]

CLERK: 27 AYES, 8 NAYS, MR. PRESIDENT, ON THE ADOPTION OF SENATOR KOLTERMAN'S AMENDMENT. [LB330]

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SENATOR GLOOR: THE AMENDMENT IS ADOPTED. [LB330]

CLERK: I HAVE NOTHING FURTHER ON THE BILL, MR. PRESIDENT. [LB330]

SENATOR GLOOR: WE RETURN TO DISCUSSION. RAISE THE CALL. WE RETURN TO DISCUSSION ON LB330. ARE THERE SENATORS WISHING TO SPEAK? SEEING NONE, SENATOR LARSON, YOU ARE RECOGNIZED TO CLOSE ON LB330. [LB330]

SENATOR LARSON: THANK YOU, MR. PRESIDENT. JUST SO THE BODY KNOWS, YOU JUST BANNED DEODORANT IN THE STATE OF NEBRASKA WITH THAT AMENDMENT. SO THERE'S OBVIOUSLY GOING TO BE A LITTLE BIT OF A NEED TO FIX THIS BETWEEN GENERAL AND SELECT FILE. WHEN YOU LOOK AT THE CHEMICAL COMPOSITION OF DEODORANT AND THE STERILE ALCOHOL AND HOW IT'S CONSIDERED A POWDERED FORM, YES, WE JUST VOTED TO BAN DEODORANT. SO WE'RE GOING TO HAVE TO CONTINUE TO WORK ON THIS AS WE MOVE FORWARD. THERE WAS ALSO A FEW CONSTITUTIONAL CONCERNS WITH AM1316. SO WE'RE PROBABLY GOING TO PUT A SEVERABILITY CLAUSE MOVING FORWARD HOPEFULLY ON LB330 AS WELL, JUST IN CASE BECAUSE THE REST OF THE BILL IS OBVIOUSLY VERY IMPORTANT. I'LL WORK WITH THE LEGAL COUNSEL AND OBVIOUSLY THERE WILL BE AN AMENDMENT ON SELECT FILE, HOPEFULLY, SO THIS PLACE DOESN'T SMELL NEAR AS BAD AS IT WILL IF WE DON'T FIX IT MOVING FORWARD. SO THANK YOU, MR. PRESIDENT. AND I'D URGE A GREEN VOTE ON LB330. [LB330]

SENATOR GLOOR: THANK YOU, SENATOR LARSON. THE QUESTION IS ADVANCEMENT OF LB330 TO E&R INITIAL. THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. HAVE ALL VOTED WHO CARE TO? RECORD, MR. CLERK. [LB330]

CLERK: 32 AYES, 3 NAYS ON THE ADVANCEMENT OF THE BILL. [LB330]

SENATOR GLOOR: THE BILL ADVANCES. CONTINUING WITH THE AGENDA, GENERAL FILE. MR. CLERK. [LB330]

CLERK: MR. PRESIDENT, LB253 IS A BILL BY SENATOR MORFELD. (READ TITLE.) INTRODUCED ON JANUARY 14, REFERRED TO JUDICIARY, ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS PENDING. (AM278, LEGISLATIVE JOURNAL PAGE 568.) [LB253]

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SENATOR GLOOR: THANK YOU, MR. CLERK. SENATOR MORFELD, YOU'RE RECOGNIZED TO OPEN. [LB253]

SENATOR MORFELD: THANK YOU, MR. PRESIDENT. I INTRODUCED LB253 AT THE REQUEST OF THE NEBRASKA REALTORS ASSOCIATION IN RESPONSE TO TECHNICAL ISSUES THEY ENCOUNTER WHEN GETTING A PURCHASE AGREEMENT FROM A HUSBAND AND WIFE. I'D LIKE TO THANK SENATOR JONI CRAIGHEAD FOR PRIORITIZING THIS LEGISLATION AS WELL. LB253 AMENDS SECTION 40-104 TO ALLOW A PURCHASE AGREEMENT OR A CONTRACT OF SALE OF A HOMESTEAD PROPERTY SIGNED BY BOTH SPOUSES TO NOT REQUIRE ACKNOWLEDGMENT OR NOTARIZATION TO BE ENFORCEABLE. THIS BILL DOES NOT REMOVE THE REQUIREMENT FOR BOTH SPOUSES TO SIGN THE DOCUMENT, ONLY THAT IT WOULD NO LONGER NEED TO BE NOTARIZED. FURTHERMORE, LB253 IS LIMITED TO CONTRACTS FOR A PURCHASE AGREEMENT ONLY AND NOT FOR THE DEED, SO THE DEED OF SALE STILL NEEDS TO BE NOTARIZED. BOTH SPOUSES WOULD STILL NEED TO ATTEND AND SIGN THE FINAL CONVEYANCE DOCUMENTS WHICH MUST BE NOTARIZED. PURCHASE AGREEMENTS FOR A HOMESTEAD ARE THE ONLY REMAINING REAL ESTATE PURCHASE AGREEMENT THAT REQUIRES ACKNOWLEDGMENT OR NOTARIZATION, AS IT'S COMMONLY KNOWN. THIS CAUSES DIFFICULTY IN A WORLD THAT IS MOVING FORWARD TOWARD THE USE OF ELECTRONIC DOCUMENTS FOR THE INITIAL STAGE OF THE SALE OF PROPERTY AND ALSO CAUSES A LOT OF PROBLEMS FOR COUPLES THAT HAVE MOVED OUT OF STATE AND ARE TRYING TO SELL THEIR HOME IN A TIMELY MANNER. IN ADDITION, THE COMMITTEE AMENDMENT IS A HARMONIZING AMENDMENT THAT MAKES THE STATUTE MORE UNIFORM. I URGE YOUR FAVORABLE CONSIDERATION OF THIS BILL AND WOULD BE HAPPY TO ANSWER ANY QUESTIONS. THANK YOU. [LB253]

SENATOR GLOOR: THANK YOU, SENATOR MORFELD. AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE JUDICIARY COMMITTEE. SENATOR SEILER, AS CHAIR OF THAT COMMITTEE, YOU'RE RECOGNIZED TO OPEN ON THOSE AMENDMENTS. [LB253]

SENATOR SEILER: MR. PRESIDENT AND MEMBERS OF THE UNICAMERAL, AM278 IS THE SIMPLEST BILL I THINK I'VE PRESENTED TO YOU AND IT'S THE AMENDMENT TO LB253. IT'S FROM THE JUDICIARY COMMITTEE ON AN 8-0 VOTE. THE AMENDMENT SIMPLY IS A CLEANUP AND CHANGES HUSBAND AND WIFE TO SPOUSES. THERE WERE TWO DIFFERENT SHOWINGS. PART OF THE BILL HAD HUSBAND AND WIFE AND THE OTHER USED SPOUSES. ALL WE'RE DOING IS

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SAYING, STRIKE THE HUSBAND AND WIFE AND ADD SPOUSE. THANK YOU, MR. PRESIDENT. [LB253]

SENATOR GLOOR: THANK YOU, SENATOR SEILER. MEMBERS, YOU'VE HEARD THE OPENING ON LB253 AND THE COMMITTEE AMENDMENT. WE NOW MOVE TO FLOOR DEBATE. ARE THERE SENATORS WHO WISH TO BE RECOGNIZED? SEEING NONE, SENATOR SEILER, YOU'RE RECOGNIZED TO CLOSE ON THE COMMITTEE AMENDMENT. SENATOR SEILER WAIVES. THE QUESTION IS, SHALL THE COMMITTEE AMENDMENT TO LB253 BE ADOPTED? ALL THOSE IN FAVOR VOTE AYE; ALL THOSE OPPOSED VOTE NAY. HAVE ALL VOTED WHO CARE TO? RECORD, MR. CLERK. [LB253]

CLERK: 26 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADOPTION OF COMMITTEE AMENDMENTS. [LB253]

SENATOR GLOOR: THE AMENDMENT IS ADOPTED. DISCUSSION ON THE ADVANCEMENT OF LB253 TO E&R INITIAL. SEEING NO ONE IN THE QUEUE, SENATOR MORFELD, YOU'RE RECOGNIZED TO CLOSE. [LB253]

SENATOR MORFELD: THANK YOU, MR. PRESIDENT. I URGE ALL OF YOUR FAVORABLE CONSIDERATION ON THIS BILL. [LB253]

SENATOR GLOOR: MEMBERS, YOU'VE HEARD THE CLOSING ON LB253. THE QUESTION IS THE ADVANCEMENT TO E&R INITIAL. THOSE IN FAVOR VOTE AYE; THOSE OPPOSED VOTE NAY. RECORD, MR. CLERK. [LB253]

CLERK: 29 AYES, 0 NAYS, MR. PRESIDENT, ON THE ADVANCEMENT OF LB253. [LB253]

SENATOR GLOOR: THE BILL ADVANCES. CONTINUING WITH GENERAL FILE, MR. CLERK. [LB253]

CLERK: MR. PRESIDENT, LB423 IS A BILL BY SENATOR NORDQUIST. (READ TITLE.) INTRODUCED ON JANUARY 16, REFERRED TO THE REVENUE COMMITTEE, ADVANCED TO GENERAL FILE. THERE ARE COMMITTEE AMENDMENTS, MR. PRESIDENT. (AM1103, LEGISLATIVE JOURNAL PAGE 1049.) [LB423]

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SENATOR GLOOR: THANK YOU, MR. CLERK. SENATOR NORDQUIST, YOU'RE RECOGNIZED TO OPEN. [LB423]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. LB423 IS A BILL THAT PROVIDES TAX CREDITS FOR RENEWABLE ENERGY PRODUCERS IN NEBRASKA. THIS IS AN EXCITING TIME TO BE DISCUSSING RENEWABLE ENERGY DEVELOPMENT IN OUR STATE BECAUSE, AS OUR NATION SEEKS TO BECOME MORE ENERGY INDEPENDENT, THERE ARE SOME UNIQUE OPPORTUNITIES FOR OUR STATE TO BECOME A LEADER IN THE INDUSTRY RESULTING IN JOB CREATION, INCREASING REVENUE, AND ECONOMIC DEVELOPMENT ALL ACROSS OUR STATE. LAST SESSION SENATOR DAVIS PASSED LB1115 WHICH STUDIED NEBRASKA'S EXISTING TRANSMISSION INFRASTRUCTURE. IN DECEMBER, THE RESULTS OF THE STUDY WERE PRESENTED TO THE LEGISLATURE AND IT SHOWED THERE IS SIGNIFICANT GROWTH POTENTIAL, BOTH SHORT TERM AND LONG TERM, FOR RENEWABLE ELECTRIC GENERATION IN NEBRASKA. THE STUDY ALSO SHOWED THAT FURTHER EXPANSION OF STATE AND REGIONAL TRANSMISSION SYSTEM COULD MAKE ROOM FOR RENEWABLE ELECTRIC GENERATING CAPACITY UP TO A MAXIMUM OF 10,000 MEGAWATTS AND THAT NEBRASKA HAS THE CAPACITY TO BUILD AND EXPORT MORE RENEWABLE ENERGY GENERATED BY WINDFARMS THAN IT DOES NOW. CURRENT STATUTE PROVIDES FOR A TAX CREDIT EQUAL TO 0.05 PER KILOWATT HOUR FOR ANY PRODUCER OF ELECTRICITY GENERATED BY RENEWABLE ENERGY SOURCES. LB423 PROVIDES FOR A TAX CREDIT THAT IS EITHER, BUT NOT BOTH OF, THE TWO FOLLOWING OPTIONS. A TAXPAYER WOULD CHOOSE ONE OF THESE TWO OPTIONS AS INITIALLY INTRODUCED: A CREDIT OF 1.5 CENTS PER EACH KILOWATT HOUR OF ELECTRICITY GENERATED BY A FACILITY THAT BEGINS OPERATION AFTER THE EFFECTIVE DATE OF THE ACT--THIS CREDIT CAN BE EARNED FOR THE FIRST TEN YEARS OF OPERATIONS--OR THE TAXPAYER MAY CHOOSE A ONE-TIME CREDIT EQUAL TO 30 PERCENT OF THE TOTAL COST OF CONSTRUCTION OF A RENEWABLE ENERGY ELECTRIC-GENERATING FACILITY THAT BEGINS OPERATION AFTER THE EFFECTIVE DATE OF THE ACT. BUT THIS PORTION IS CAPPED AT \$2 MILLION. IN ORDER TO ADDRESS THE FISCAL NOTE, THIS BILL HAS BEEN AMENDED BY THE COMMITTEE WHICH WOULD PROVIDE A CREDIT THAT BEGINS, RATHER THAN 1.5 CENTS, AT 1 CENT PER KILOWATT HOUR FOR THE FIRST TWO YEARS AND THEN IS PHASED DOWN TO 0.6 OF A CENT PER KILOWATT HOUR BY 2019-20. SO EVERY TWO YEARS, IT FALLS 0.1 OF A CENT. AS I SAID, THE TAXPAYER MUST CHOOSE WHICH OPTION THEY WERE GOING TO USE AND NOTIFY THE DEPARTMENT OF REVENUE OF THEIR SELECTION. FOR THE FIRST OPTION, THE SELECTION MUST BE MADE BEFORE THE FACILITY COMPLETES ITS FIRST TEN YEARS OF OPERATION; FOR THE SECOND, IT MUST BE

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MADE WITHIN ONE YEAR OF THE FACILITY BEGINNING OPERATION. REPORTS SHOW THAT THE ECONOMIC BENEFITS OF WIND IN NEBRASKA INCLUDE CURRENTLY BETWEEN 500 AND 1,000 TOTAL DIRECT AND INDIRECT JOBS, APPROXIMATELY \$1 BILLION IN CAPITAL INVESTMENT, AND ANNUAL LAND LEASE PAYMENTS OF OVER \$1.3 MILLION. I'VE BEEN ASKED A COUPLE TIMES TALKING TO COLLEAGUES ABOUT THIS BILL, HAVEN'T WE DONE ENOUGH FOR WIND? AND THE ANSWER IS, NOT YET. THE TWO MAJOR PIECES OF LEGISLATION THAT WE'VE PASSED IN RECENT YEARS HAVE BEEN RETROACTIVE TO RENEWABLE ENERGY, SUCH AS WIND, WHICH HAS ONLY REMOVED BARRIERS THAT WE HAD IN PLACE AND ESSENTIALLY PUT RENEWABLE ENERGY ON A LEVEL PLAYING FIELD. THIS BILL IS PROACTIVE AND WOULD INCENTIVIZE PRODUCERS TO BUILD HERE IN NEBRASKA. AS THE FEDERAL EPA RECENTLY ANNOUNCED ITS PLAN TO REDUCE EMISSIONS AND CUT COAL USE, A SIGNIFICANT NUMBER OF COAL PLANTS HAVE ANNOUNCED THEY'LL BE CLOSING ACROSS THE COUNTRY. WHETHER WE AGREE WITH THE ACTIONS OF THE EPA OR NOT, THERE IS NO DOUBT THAT UTILITIES ACROSS THE COUNTRY ARE MOVING THEIR PORTFOLIOS TO RENEWABLE ENERGY. AS I MENTIONED, IN 2014, THERE WERE 66 COAL PLANTS RETIRED AND 28 THAT ARE...THAT WILL BE RETIRING IN 2015 ACROSS THE COUNTRY. THIS IS A ONCE-IN-A-LIFETIME OPPORTUNITY AS UTILITIES ARE MAKING THEIR DECISIONS ABOUT WHERE TO INVEST. AND IF WE ARE NOT COMPETITIVE WITH STATES LIKE KANSAS, IOWA, AND OKLAHOMA, WE WILL LOSE OUT ON THIS ONCE-IN-A-LIFETIME OPPORTUNITY. THIS BILL WOULD NOT ONLY HELP PUT US IN COMPETITION AND GIVE US COMPETITIVE ADVANTAGES, BUT IT ALSO PROVIDES BENEFIT TO OUR STATE, UNLIKE MANY INCENTIVES, GENERATING REVENUE TO LOCAL COMMUNITIES, PROVIDING TAXPAYER RELIEF, AND REDUCING RATES FOR NEBRASKA RATEPAYERS. WE HAVE HEARD OUR GOVERNOR AND NEARLY EVERY MEMBER OF THE LEGISLATURE TALK ABOUT THE IMPORTANCE OF PROPERTY TAX REDUCTION. INVESTING IN WIND ENERGY DEVELOPMENT WILL HELP RELIEVE THAT BURDEN AND SIGNIFICANTLY...AND PROVIDE SIGNIFICANT PROPERTY TAX REVENUE BY SUSTAINABLY INCREASING PROPERTY TAX BASE, THE PROPERTY TAX BASE, WITHOUT INCREASING THE CURRENT TAX RATE LEVIED ON LANDOWNERS, RESULTING IN SIGNIFICANT INCREASES IN DEMAND FOR SERVICES. AS WIND DEVELOPERS INVEST IN RURAL NEBRASKA, THEY SUPPLEMENT COUNTY REVENUES BY PAYING TAXES ON WIND FACILITIES RELATED TO IMPROVEMENTS ON THE PROPERTY THAT THE WIND STRUCTURES ARE LOCATED ON. FOR INSTANCE, WE HAD A REPORT RELEASED ABOUT A YEAR AGO THAT SHOWED THAT ONE 200-MEGAWATT PROJECT WOULD GENERATE ABOUT \$1.3 MILLION IN PROPERTY TAX REVENUE ANNUALLY. THIS MEANS THAT IN SOME OF OUR MOST RURAL COUNTIES, THIS PROJECT, A PROJECT OF THIS

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SIZE, COULD REDUCE PROPERTY TAXES IN THOSE...IN OUR SMALLER COUNTIES BY 39 PERCENT. ON AVERAGE, FOR THE AVERAGE NEBRASKA COUNTY, IF A PROJECT LIKE THAT LOCATED, IT WOULD REDUCE PROPERTY TAXES BY 20 PERCENT. THIS IS A SIGNIFICANT BENEFIT TO LOCAL GOVERNMENTS, RESIDENTS. AND IT LASTS EVEN NOT JUST FOR THE DECADE OF THE CREDIT. BUT THESE WIND TURBINES AND THE INFRASTRUCTURE, ONE WIND TURBINE PUT IN THE GROUND TODAY PROBABLY LASTS FOR 25 TO 30 YEARS, BUT THE TOWER, THE INFRASTRUCTURE, THE ROADS STAY THERE AND CAN BE...THE GENERATING MECHANISM ITSELF CAN BE REPLACED AND CONTINUE FOR ANOTHER 25 OR 30 YEARS. SO THIS, THE PROPERTY TAXES AND THE LAND LEASE PAYMENTS THAT ARE MADE GO ON LONG BEYOND THE LENGTH OF THIS CREDIT THAT WE ARE UTILIZING TO GET THIS OFF THE GROUND. WE KNOW THAT WE HAVE THE WIND RESOURCES TO MEET OUR NEEDS AND STILL CAPITALIZE ON WHAT'S LEFT OVER BY EXPORTING TO OTHER STATES. WE SEE OUR NEIGHBORING STATE OF WYOMING EXPORTING COAL TO US AND IMPORTING OUR DOLLARS AND IT'S, NO DOUBT, WHY THEY HAVE NO STATE INCOME TAX. THIS PRODUCTION TAX CREDIT IS NECESSARY TO HELP US COMPETE. AND AS I SAID, IT IS REALLY A ONCE-IN-A-LIFETIME OPPORTUNITY. WITH SO MUCH TRANSITION HAPPENING RIGHT NOW IN THE UTILITIES BUSINESS, WE HAVE TO BE COMPETITIVE, AND THIS IS THE VEHICLE THAT WILL HELP US BE COMPETITIVE IN THE LONG RUN. THANK YOU, MR. PRESIDENT. [LB423]

SPEAKER HADLEY PRESIDING

SPEAKER HADLEY: AS THE CLERK STATED, THERE ARE AMENDMENTS FROM THE REVENUE COMMITTEE. SENATOR GLOOR, AS CHAIR OF THE COMMITTEE, YOU ARE RECOGNIZED TO OPEN ON THE AMENDMENTS. [LB423]

SENATOR GLOOR: THANK YOU, MR. PRESIDENT. GOOD AFTERNOON AGAIN, MEMBERS. SENATOR NORDQUIST HAS DONE, I THINK, A GOOD JOB OF COVERING NOT ONLY THE BILL ITSELF BUT ALSO THE AMENDMENT. BUT I THINK REDUNDANCY IN THE CASE OF A COMPLICATED BILL AND FOR THE RECORD BY WAY OF CLARIFICATION IS ALWAYS A GOOD IDEA. SO HERE ARE THE DIFFERENCES BETWEEN THE GREEN COPY AND AM1103, THE COMMITTEE AMENDMENT: CLARIFIES THE DEPARTMENT OF REVENUE MUST APPROVE THE PROJECT UNDER THE REQUIREMENTS FOR A RURAL C-BED PROJECT, RATHER THAN ALLOWING THE CREDIT FOR PROJECTS THAT MEET THE CRITERIA FOR C-BED. IT CHANGES THE CALCULATION OF THE CREDIT BASED ON PER KILOWATT FROM THE PROPOSED 1.5 CENTS PER KILOWATT TO A SLIDING SCALE OVER TEN YEARS, 1 CENT PER...FOR YEARS ONE AND TWO, 0.9 CENTS FOR YEARS THREE

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AND FOUR, 0.8 CENTS FOR YEARS FIVE AND SIX, 0.7 CENTS FOR YEARS SEVEN AND EIGHT, AND 0.6 CENTS FOR THE FINAL YEARS, NINE AND TEN. IT REDUCES THE FISCAL NOTE BY APPROXIMATELY \$14.7 MILLION OVER THE BIENNIUM FROM \$31,360,000 TO \$16,620,000. IT CLARIFIES THAT THE CREDIT MUST BE CLAIMED FOR THE FIRST TIME IN THE YEAR THAT THE PROJECT BEGINS COMMERCIAL PRODUCTION AND ANY UNUSED CREDITS MAY BE CARRIED FORWARD FOR UP TO FIVE YEARS AFTER THAT FIRST YEAR. IT LIMITS TRANSFERABILITY OF THE CREDITS TO PROJECTS THAT HAVE A NAMEPLATE CAPACITY OF 20 MEGAWATTS OR LESS. AND, MEMBERS, IT'S WORTH STATING, BY WAY OF DEBATE WITHIN THE COMMITTEE ITSELF, 20 MEGAWATTS IS THE EQUIVALENT WE WOULD CALCULATE ROUGHLY TO ANYWHERE FROM 10 TO MAYBE 13 OR 14 MEGAWATTS...EXCUSE ME, 10 TO 14 TURBINES IF YOU'RE TALKING WIND ENERGY, THAT BY WAY OF EMPHASIZING THAT THIS BILL IN MANY WAYS IS GEARED TOWARDS SMALL PRODUCERS, ASSOCIATIONS. AND IF YOU LOOK AT THE COMMITTEE STATEMENT, YOU'LL SEE SOME OF THOSE ASSOCIATIONS, PLACES LIKE BURT AND CHERRY COUNTY THAT CAME IN TO TESTIFY IN SUPPORT OF PROJECTS LIKE THIS. IT DEFINES SUCH PROJECTS TO INCLUDE ALL GENERATING EQUIPMENT LOCATED WITHIN ONE MILE OF ANY OTHER GENERATING EQUIPMENT USING THE SAME FUEL SOURCE AND INTERCONNECTING TO SUCH OTHER GENERATING EQUIPMENT AS A SINGLE FACILITY. THIS WAS LANGUAGE TAKEN FROM FEDERAL REGULATIONS FOR PUBLIC UTILITY REGULATORY POLICIES ACT. IF A CREDIT IS TRANSFERRED, THEY MUST NOTIFY THE DEPARTMENT OF REVENUE WITHIN 15 DAYS. IT REQUIRES THE OPERATOR TO MAKE THE CREDIT ELECTION PER KILOWATT VERSUS 30 PERCENT OF COST OF CONSTRUCTION PRIOR TO PLACING THE PROJECT INTO COMMERCIAL OPERATION. THE GREEN COPY ALLOWED THEM TO MAKE THAT ELECTION AT A LATER DATE. IT REQUIRES AN ANNUAL REPORT OF ACTUAL PRODUCTION IF CLAIMING THE PER-KILOWATT CREDIT. IT CLARIFIES THAT FLOW-THROUGH ENTITIES SUCH PARTNERSHIPS, S CORPORATIONS, LLCs, MAY DISTRIBUTE CREDITS TO THE PARTNERS OR SHAREHOLDERS TO USE AGAINST THEIR TAX LIABILITY. IT CLARIFIES THAT INSURANCE COMPANIES WHO OBTAIN A CREDIT AND USE IT AGAINST THEIR PREMIUMS OF TAX LIABILITY RECEIVE A CREDIT AS A TAX PAID AGAINST THEIR CORPORATE INCOME TAX LIABILITY. AND FINALLY, IT CLARIFIES CREDIT MAY NOT BE CLAIMED FOR TAX YEARS BEGINNING PRIOR TO JANUARY 1, 2017. AND THAT IS THE COMMITTEE AMENDMENT. THANK YOU, MR. PRESIDENT. [LB423]

SPEAKER HADLEY: SENATOR McCOLLISTER, YOU ARE RECOGNIZED. [LB423]
[LB423]

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SENATOR McCOLLISTER: THANK YOU, MR. SPEAKER. GOOD AFTERNOON, COLLEAGUES. I CURRENTLY RISE IN OPPOSITION TO LB423. WHY IS THAT? PRIMARILY THE FISCAL IMPACT, AND TO THAT END I WOULD ASK SENATOR GLOOR A FEW QUESTIONS ABOUT THE FISCAL IMPACT. [LB423]

SPEAKER HADLEY: SENATOR GLOOR, WILL YOU YIELD? [LB423]

SENATOR GLOOR: CERTAINLY. [LB423]

SENATOR McCOLLISTER: SENATOR GLOOR, YOU GAVE THE NUMBERS OF THE REVISED FISCAL IMPACT. COULD YOU REPEAT THOSE AGAIN, PLEASE? [LB423]

SENATOR GLOOR: YES, I'D BE GLAD TO. IT REDUCES THE FISCAL NOTE...THE COMMITTEE AMENDMENT REDUCES THE FISCAL NOTE BY APPROXIMATELY \$14.7 MILLION OVER THE BIENNIUM FROM \$31,360,000 TO \$16,620,200. I BELIEVE THE IMPACT ON THE BUDGET IS A REDUCTION OF \$4-POINT-SOME MILLION DOWN TO ABOUT \$2 MILLION. SENATOR NORDQUIST WOULD HAVE THE EXACT NUMBER AND I THINK REFERENCED IT IN HIS OPENING COMMENTS. [LB423]

SENATOR McCOLLISTER: SO THE FISCAL IMPACT IS REDUCED BY ROUGHLY 50 PERCENT. [LB423]

SENATOR GLOOR: CORRECT. [LB423]

SENATOR McCOLLISTER: OKAY. I DO NOT DISPUTE THAT THE...THIS IS GOOD FOR A DEVELOPER. I DO NOT DISPUTE THAT IT'S GOOD FOR THE COUNTY IN TERMS OF THEIR TAX REVENUES. I DON'T DISPUTE THAT IT'S GREAT FOR THE LANDOWNER OR EVEN THE SCHOOL DISTRICT. BUT HOW THE STATE OF NEBRASKA IS AFFECTED IS SOMETHING I HAVEN'T...I'M NOT QUITE CLEAR ON. WE HAVE NOT SEEN GOOD DOCUMENTATION ON WHAT THE PAYOUT IS FOR THE STATE OF NEBRASKA. FOR MAKING INVESTMENT OF ROUGHLY \$2 MILLION, WHAT DOES THE STATE GET OUT OF THE PROCESS? CAN WE SEE EXTRA INCOME TAX? DO WE SEE EXTRA SALES TAX? I WOULD APPRECIATE BETTER DOCUMENTATION. AND IF WE WERE PROVIDED THAT INFORMATION, I THINK WE COULD BE PERSUADED THIS IS IN THE BEST INTEREST OF THE STATE. BUT UNTIL THAT OCCURS, I RISE IN OPPOSITION TO LB423 AND THE AMENDMENT. THANK YOU, MR. PRESIDENT. [LB423]

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SPEAKER HADLEY: SENATOR DAVIS, YOU ARE RECOGNIZED. [LB423]

SENATOR DAVIS: THANK YOU, MR. PRESIDENT AND MEMBERS. I'M IN STRONG SUPPORT OF THIS BILL. THESE C-BED PROJECTS ARE VERY WORTHY PROJECTS. WE'RE SHARING OUR PROFITS...THOSE ENTITIES ARE SHARING THEIR PROFITS WITH FELLOW NEBRASKANS. THIS IS NOT SOMETHING THAT'S GOING TO BE GOING TO SOMEBODY WHO IS OUT OF STATE AND WANTS TO OFFSET THEIR INCOME TAX IN THE STATE WITH NO INVESTMENT HERE AND NO REAL INTEREST IN IT. IT'S A GREAT PROJECT. ECONOMIC DEVELOPMENT IN RURAL NEBRASKA NEEDS TO BE DONE AND IT NEEDS TO BE DONE NOW. THIS IS ONE TOOL THAT WE HAVE THAT WILL BENEFIT RURAL NEBRASKA IN A SIGNIFICANT WAY IN TERMS OF JOBS, IN TERMS OF PROPERTY TAX GENERATED TO SUPPORT OUR SCHOOLS, OUR COUNTIES, OUR COMMUNITY COLLEGES, OUR NRDs. WE HEAR ABOUT PROPERTY TAXES EVERY DAY ON THIS FLOOR. THIS IS A FIX. JUST A FEW WEEKS AGO, WE EXEMPTED SOME SALES TAX FROM THE ZOO IN OMAHA BECAUSE WE THOUGHT THAT WAS GOOD BUSINESS, AND I THINK IT WAS. THIS IS EQUALLY GOOD BUSINESS. I WAS AT AN AG CONFERENCE THE FIRST OF JANUARY AND WE DISCUSSED SOME OF THE RAMIFICATIONS OF THE EPA REGULATIONS AND CHANGES THAT MIGHT TAKE PLACE. AND I MENTIONED THIS AT A PRESS CONFERENCE THAT WE DID A FEW MONTHS AGO, BUT I WAS TALKING TO SOME PEOPLE FROM FLORIDA POWER AND LIGHT AND I SAID, SO TELL ME WHAT YOUR RAMIFICATIONS ARE WITH THE EPA REGULATIONS IF AND WHICH THEY COME THROUGH. SHE SAID, WELL, WE'RE GOING TO HAVE TO REDUCE OUR CARBON FOOTPRINT BY 30 PERCENT IN FLORIDA. SO THINKING THAT FLORIDA WAS A GREAT PLACE WHERE THE SUN SHINES ALL THE TIME, I SAID, WELL, THAT SHOULD BE EASY TO DO WITH YOUR SOLAR BENEFIT HERE. AND SHE SAID, OH, NO, YOU KNOW, THIS ISN'T A SOLAR STATE. "SOLARS" ARE OTHER PLACES. WELL, YOU KNOW, NEBRASKA IS A PLACE, BELIEVE IT OR NOT, WHERE SOLAR WOULD WORK. I THINK THAT THIS BILL WILL DO A LOT FOR NEBRASKA. IF WE DON'T HAVE SOME KIND OF PRODUCTION TAX CREDIT, WE'RE NOT GOING TO HAVE THE REVENUE ANYWAY, SO, YOU KNOW, HOW IS THERE GOING TO BE REVENUE LOST TO THE STATE OF NEBRASKA IF THE PROJECTS DON'T TAKE PLACE BECAUSE THERE ISN'T AN INCENTIVE THERE? SO, COLLEAGUES, I'D URGE YOU TO PASS THE BILL. IT'S A GOOD BILL. THE AMENDMENT REDUCED THE FISCAL NOTE. WE NEED IT FOR RURAL NEBRASKA. IT'LL BE HELPFUL FOR US. THANK YOU. [LB423]

SPEAKER HADLEY: SENATOR WILLIAMS, YOU ARE RECOGNIZED. [LB423]

SENATOR WILLIAMS: THANK YOU, MR. SPEAKER. AND GOOD AFTERNOON, COLLEAGUES. AND I ALSO RISE IN SUPPORT OF LB423 AS AMENDED BY AM1103.

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AND THERE HAS BEEN A LOT OF TALK ABOUT WIND ENERGY AND, TO LET YOU KNOW, IN MY DISTRICT WE ALREADY HAVE 100 TOWERS NORTHEAST OF BROKEN BOW THAT ARE IN PRODUCTION AT THIS POINT IN TIME, SHOWING THE VIABILITY OF THIS SOURCE OF GREEN POWER. BUT I ALSO WANTED TO MENTION THAT I KNOW SENATOR NORDQUIST MENTIONED MOSTLY THE WIND SIDE. SENATOR DAVIS ALSO INTRODUCED THE IDEA OF SOLAR, AND THAT'S WHAT I WANTED TO TALK ABOUT FOR A MINUTE HERE. THERE ARE TWO COMMUNITIES IN MY DISTRICT, BOTH GOTHENBURG AND LEXINGTON, THAT PRESENTLY HAVE ON THE PLANS BUILDING \$5 MILLION SOLAR FACILITIES. THOSE FACILITIES WILL NOT BE BUILT IF WE DO NOT PASS LB423 BECAUSE THEY NEED THAT EXTRA LITTLE BIT OF INCENTIVE THAT WOULD BRING THAT PORTION OF GREEN ENERGY TO THE TABLE. NOW WHY ARE CITIES LOOKING AT THIS LIKE GOTHENBURG AND LEXINGTON? AND I WOULD CONTEST THAT OTHER CITIES WILL CONTINUE TO LOOK AT THIS ALSO. THE REASON IS IT'S A GREAT HEDGE AGAINST THE FUTURE OF WHAT THEY BELIEVE TO BE RISING ENERGY COSTS, AND THE INVESTMENT NOW THAT THEY CAN FIND INVESTORS TO USE BECAUSE THEY CAN BUY THE TAX CREDITS. AND AS SENATOR NORDQUIST FIXED IN THE REVENUE AMENDMENT, USING THE ABILITY OF INSURANCE COMPANIES NOW AS AN INVESTOR TO PURCHASE THESE TAX CREDITS, THIS JUST PLAIN MAKES SENSE. OFTENTIMES, WE TALK ABOUT WHAT CAN WE CONTINUE TO DO TO BUILD ECONOMIC DEVELOPMENT ACTIVITIES, WHAT CAN WE CONTINUE TO DO TO ADDRESS THE ISSUE OF RISING REAL ESTATE PRICES AND COSTS AND TAXES. THESE ISSUES, EVEN THOUGH THEY SEEM SMALL, ADDRESS THOSE ISSUES AS WE MOVE FORWARD. I WOULD STRONGLY ENCOURAGE YOU TO SUPPORT LB423. THANK YOU. [LB423]

SPEAKER HADLEY: MR. CLERK. [LB423]

CLERK: MR. PRESIDENT, SENATOR SCHUMACHER WOULD MOVE TO AMEND THE COMMITTEE AMENDMENTS WITH FA48. (LEGISLATIVE JOURNAL PAGE 1231.) [LB423]

SPEAKER HADLEY: SENATOR SCHUMACHER, YOU'RE RECOGNIZED TO OPEN ON YOUR AMENDMENT TO THE COMMITTEE AMENDMENTS. [LB423]

SENATOR SCHUMACHER: THANK YOU, MR. SPEAKER AND MEMBERS OF THE BODY. THIS PARTICULAR AMENDMENT DOES NOT DEAL WITH THE MEAT OF THE MERITS OF WIND ENERGY AND SOLAR ENERGY AND WHETHER IT'S ECONOMICAL AND WHETHER WE SHOULD NOT BE FOCUSING OUR ATTEMPTS AT

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ALTERNATIVE ENERGY ON DIFFERENT FORMS OF ENERGY. WHAT THIS AMENDMENT ADDRESSES IS A MECHANISM BY WHICH LB423 PROPOSES TO GIVE STATE SUBSIDIES TO WIND ENERGY. THE MECHANISM IS NOT A GRANT. IT IS NOT SOMETHING THAT WE BUDGET FOR. IT IS A TAX CREDIT AND, AS A TAX CREDIT, CERTAIN PERCENTAGE OR CERTAIN CALCULATION WILL BE ABLE TO BE TAKEN OFF OF THE PERSON'S TAXES. WELL, THE AMENDMENT ON PAGE 12 PROVIDES THAT THESE TAX CREDITS DO NOT HAVE TO BE TAKEN OFF OF THE WIND ENERGY PRODUCER'S TAX BILL IF IT HAS A CAPACITY OF LESS THAN 20 MEGAWATTS. THE TAX CREDITS CAN BE SOLD AND APPLIED AGAINST SOMEBODY ELSE'S TAXES. SO IF ONE OF THESE WIND OPERATIONS HAS A MILLION DOLLARS' WORTH OF CREDITS AND THEY SELL THOSE CREDITS TO A COMPANY THAT OWES A MILLION DOLLARS IN TAXES, THEN THE STATE COMES UP A MILLION DOLLARS SHORT ON THE TAX REVENUE IT COLLECTS. NOW, THE PROBLEM THAT THIS FLOOR AMENDMENT ADDRESSES IS THAT WHEN THE WIND COMPANY GOES OUT AND TRIES TO FIND SOMEBODY TO BUY THOSE CREDITS, IT PAYS A COMMISSION OR IT SELLS THEM AT A DISCOUNT, AND WHAT THE COMMITTEE WAS TOLD WAS THAT THAT CAN RANGE AS HIGH AS 15 PERCENT. SO THE STATE IS PAYING OUT A MILLION DOLLARS AND THE WIND COMPANY IS ONLY GETTING \$850,000 WORTH OF BENEFIT FROM IT. THE MIDDLEMAN MAKES A DIFFERENCE, THE ATTORNEY, THE BROKER, THE SOMEBODY WHO'S IN THE MIDDLE OF THESE TRANSACTIONS THAT IS SELLING THEM AT A DISCOUNT. EVERYBODY LOSES. EVEN IF...AND THERE WAS SOME SPECULATION IN SOME CASES THAT COMMISSION MIGHT BE AS LITTLE AS 7 PERCENT. WELL, OUT OF A MILLION DOLLARS, THE MIDDLEMAN GETS \$70,000. MOST LIKELY, IT'S CLOSER TO THE 15 PERCENT. THAT WAS THE FIRST FIGURE WE WERE GIVEN. SO WHAT THIS AMENDMENT DOES, IT SAYS, FINE, 3 PERCENT IS ALL YOU CAN GIVE AWAY TO THE MIDDLEMAN, THE LAWYER, THE BROKER, THE GUY WHO'S SELLING THESE PARTICULAR CREDITS AND PURCHASING THEM. SO THAT WAY, IF THE STATE HAS A MILLION DOLLARS IN LOSS, IT'S ONLY \$30,000 THAT THE WIND ENERGY COMPANY LOSES. THESE THINGS SHOULD NOT BE FOR SUBSIDIES TO BROKERS. IT SHOULD NOT BE FOR SUBSIDIES TO ATTORNEYS IN THE MIDDLE OF THESE TRANSACTIONS. IF WE'RE REALLY GOING TO SUBSIDIZE WIND ENERGY, IF WE'RE REALLY CONVINCED THAT IT'S THE GREAT IDEA AND THAT IT CAN'T EXIST WITHOUT SUBSIDIES AND THE TAXPAYER'S GOT TO PAY THE SUBSIDIES, THEN, FOR GOSH SAKE, LET'S GIVE THE WIND ENERGY COMPANY THE BENEFIT OF THIS TAXPAYER'S EXPENDITURES, NOT A MIDDLEMAN WHO'S GOING TO MAKE \$150,000 OFF A MILLION DOLLARS IN CREDITS. THIS IS A SIMPLE PROPOSITION. THREE PERCENT IS ALL YOU GET FOR "MIDDLEMANNING" THESE CREDITS OR ALL THE DISCOUNT THAT WILL BE ALLOWED. AND I THINK THAT IS FAIR. THERE...IF THIS SYSTEM IS SUCH A GREAT SYSTEM, INSTEAD OF USING

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GRANTS OR THE TAXPAYER WRITING OUT SOME TYPE OF A CHECK DIRECTLY THAT WE CAN ACCOUNT FOR IN OUR BUDGET PROCESS, IF THIS IS SUCH A GREAT SYSTEM, THEN LET'S NOT BUILD IN A 7-, 10-, 15-PERCENT LOSS TO A MIDDLEMAN AND A BROKER. AND SO THIS SIMPLY SAYS, 3 PERCENT, BOYS, THAT'S ALL YOU GET FOR "MIDDLEMANNING" THESE CREDITS. AND IF THEY NEED MORE TO MIDDLEMAN THESE CREDITS, THEN MAYBE CREDITS ARE A WRONG WAY TO SUBSIDIZE A QUESTIONABLE INDUSTRY. THANK YOU, MR. SPEAKER. [LB423]

SPEAKER HADLEY: SENATOR KEN HAAR, YOU'RE RECOGNIZED. [LB423]

SENATOR HAAR: MR. PRESIDENT, MEMBERS OF THE BODY, I RISE IN SUPPORT OF LB423. AND I WANT TO TALK ABOUT THE POTENTIAL ADVANTAGE OF RENEWABLE ENERGY. I PASSED OUT A GRAPH AND I WANT TO GO OVER THAT. AND IT'S REALLY IMPORTANT WE LOOK AT THESE NUMBERS. FIRST OF ALL, THE COLORED GRAPH THAT SAYS "FIGURE 19" COMES FROM THE BRATTLE REPORT. THE BRATTLE REPORT WAS COMMISSIONED BY THE LEGISLATURE LAST YEAR. IT WAS SPONSORED BY SENATOR AL DAVIS, LB1115, AND THE QUESTION IS, HOW CAN WE EXPORT MORE WIND, BASICALLY, OR SOLAR? SOLAR WOULD WORK AS WELL. AND SO THAT FIGURE SHOWS, AS OF 2014, THE WIND GENERATION OPERATING AND UNDER CONSTRUCTION BY STATE. AND YOU NOTICE IOWA...WELL, FIRST OF ALL, TO SAY THAT NEBRASKA--AND YOU PROBABLY KNOW THIS ALREADY--IS NUMBER THREE IN TERMS OF WIND POTENTIAL. IOWA IS NUMBER 12 IN TERMS OF WIND POTENTIAL. BUT I WANT YOU TO CONCENTRATE ON THE DEVELOPMENT. IN IOWA, IT'S OVER 6,000 MEGAWATTS. AND THE SHOW-AND-TELL OF THAT IS, ANYTIME YOU DRIVE TO DES MOINES OR YOU DRIVE NORTH FROM DES MOINES, YOU SEE TONS AND TONS OF WIND TURBINES. THEN YOU COMPARE TO THAT NEBRASKA, WHICH HAS ABOUT 1,000 MEGAWATTS AT THIS POINT. AT THE BOTTOM OF THE PAGE, TO SHOW SOME OF THE BREAKDOWN OF THE BENEFITS OF EXPORTING WIND...THIS COMES FROM TRADEWIND ENERGY BUT I'LL PASS OUT A LITTLE BIT LATER SOMETHING THAT COMES FROM NREL, THE NATIONAL RENEWABLE ENERGY LAB, THAT GIVES VERY SIMILAR NUMBERS. AND IF YOU SEE THAT THE...IN THE YELLOW THERE, FUTURE WIND EXPANSION OF 1,000 MEGAWATTS, AND THE TOTAL PROJECT INVESTMENT IS \$1.7 BILLION FOR 1,000 MEGAWATTS. SO IF YOU FLIP TO THE SECOND PAGE, TO MY HANDWRITING, AND LOOK AT IOWA, WITH 6,200 MEGAWATTS TIMES \$1.7 BILLION, THERE HAS BEEN ABOUT \$10.5 BILLION OF WIND INVESTMENT IN IOWA, \$10.5 BILLION. NEBRASKA WITH ITS 900 MEGAWATTS, AS OF THAT GRAPH, FIGURE 19, 900 MEGAWATTS IS \$1.5 BILLION. SO EVEN THOUGH NEBRASKA IS NUMBER 3 IN TERMS OF POTENTIAL AND IOWA IS NUMBER 12, IOWA HAS ALREADY SEEN \$10.5 BILLION OF INVESTMENT AND

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WE'VE SEEN ABOUT \$1.5 BILLION. NOW THAT INVESTMENT COMES IN ACTUAL BUYING MATERIALS. WE SEE IN IOWA THAT WHEN YOU BUILD WIND, YOU ALSO HAVE MANUFACTURING, SO ALL THE WIND BLADES THAT YOU SEE GOING ACROSS I-80 ARE BEING MANUFACTURED IN IOWA AND THEY'RE GOING SOMEWHERE. IF WE HAD THE SAME KIND OF WIND DEVELOPMENT IN NEBRASKA, YOU'D SEE MANUFACTURING IN NEBRASKA, FOR GOSH SAKES, BECAUSE TRANSPORTATION IS AN IMPORTANT, EXPENSIVE PART OF BUILDING WIND TURBINES. BUT THE REST OF THE BOX THERE SHOWING...IN TERMS OF PERSONAL INCOME TAX, FOR EVERY 1,000 MEGAWATTS, OVER 20 YEARS YOU HAVE ABOUT \$550 MILLION IN INCOME TAX FOR NEBRASKA. NOW MULTIPLY THAT AGAIN BY SIX FOR IOWA. YOU CAN SEE THE DIFFERENCE BETWEEN THAT AND WHAT'S HAPPENING IN NEBRASKA. THE ANNUAL PROPERTY TAX INCREASE, \$1.5 MILLION PER YEAR IN ANNUAL PROPERTY TAX INCREASE. [LB423]

SPEAKER HADLEY: ONE MINUTE. [LB423]

SENATOR HAAR: THANK YOU. THE NAMEPLATE CAPACITY TAX REVENUE, \$3.5 MILLION AND, AS YOU CAN SEE, THE 20-YEAR NEBRASKA REVENUE INCREASE FOR EACH 1,000 MEGAWATTS IS \$111 MILLION. THE ADDITIONAL NEW JOBS FOR EVERY 1,000 MEGAWATTS IS 480 JOBS. AND THEN ON THE RIGHT-HAND SIDE, IT SHOWS WHAT GOES TO THE LANDOWNER, ABOUT \$8,000 PER WIND TURBINE PER YEAR WHICH, OVER 20 YEARS, FOR 1,000 MEGAWATTS OF WIND WOULD BE \$160 MILLION OF ADDITIONAL REVENUE TO NEBRASKA LANDOWNERS. SO THIS IS THE CASE FOR... [LB423]

SPEAKER HADLEY: TIME, SENATOR. [LB423]

SENATOR HAAR: THANK YOU. [LB423]

SPEAKER HADLEY: SENATORS IN THE QUEUE ARE SENATORS SCHILZ, NORDQUIST, GROENE, BLOOMFIELD, AND OTHERS. SENATOR SCHILZ, YOU ARE RECOGNIZED. [LB423]

SENATOR SCHILZ: THANK YOU, MR. PRESIDENT. MEMBERS OF THE BODY, GOOD AFTERNOON. AND I STAND IN SUPPORT OF AM1103, THE AMENDMENT, AM1103, AND THE BILL, LB423. I THINK THAT IN ALL THE YEARS THAT I'VE BEEN IN THE LEGISLATURE, WE'VE DEALT WITH WIND ISSUES AND RENEWABLE OPPORTUNITIES OUT THERE AND WHAT WE CAN DO TO FURTHER THOSE OPPORTUNITIES AND MAKE MORE OF THAT HAPPEN HERE IN THE STATE OF

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NEBRASKA. YOU KNOW, WHEN YOU LOOK AT AND YOU GO OUT AND YOU VISIT THOSE PLACES WHERE THIS DEVELOPMENT HAS TAKEN HOLD AND WHAT'S HAPPENED, YOU SEE REVITALIZED COMMUNITIES. YOU SEE PROPERTY TAX RELIEF. YOU SEE JOBS FOR RURAL AREAS THAT DON'T OVERWHELM THE COMMUNITY BUT FIT IN WITH THE COMMUNITY. YOU SEE HUGE, HUGE OPPORTUNITIES TO REDUCE THE PROPERTY TAXES. IN THE COUNTIES WHERE THERE IS DEVELOPMENT, IT REALLY IS SIGNIFICANT. AND THE LEGISLATURE SET IT UP THAT WAY BECAUSE WE WANTED TO MAKE SURE THAT THE COUNTIES WHERE ALL THIS HAPPENED WERE THE ONES THAT GOT THE ADVANTAGE FOR IT. SO WE PURPOSEFULLY DID IT SO THAT THE COUNTIES GOT THE ENTIRE BENEFIT OF ANY DEVELOPMENT THAT WENT ON THERE. I THINK IT'S...I THINK IT MAKES SENSE. I THINK WHEN YOU LOOK AT THIS AS WHAT IT IS, AS AN ECONOMIC DEVELOPMENT OPPORTUNITY, I ALSO THINK IT MAKES SENSE FOR LB423 TO BE THERE. ONE THING ABOUT THIS BILL IS WE'RE GOING TO BE ABLE TO MEASURE WHAT GOES ON. WE'RE GOING TO BE ABLE TO MEASURE WHAT ACTUALLY HAPPENS AND WE'RE GOING TO SEE IF THIS LAW, IF THIS BILL ACTUALLY INCREASES THE NUMBER OF DEVELOPMENTS THAT ARE OUT THERE. AND I CAN TELL YOU THIS, THERE IS INTEREST IN WIND PROJECTS FOR THE STATE OF NEBRASKA. THE QUESTION IS, IS THE INFRASTRUCTURE THERE TO MAKE SURE THAT WE CAN GET IT WHERE WE NEED IT TO GO? AND THAT'S WHAT WE DEAL WITH ALL THE TIME. SO, YOU KNOW, AS PEOPLE HAVE TOLD ME, YEAH, WE'VE WORKED ON THIS ISSUE AGAIN AND AGAIN AND AGAIN, BUT WHAT MORE CAN WE DO TO SEE THAT? AND I THINK THAT IT'S GOING TO HAVE TO BE A CONTINUATION OF WORKING, TAKING ONE STEP AT A TIME, UNTIL WE FIND THAT THAT WORKS TO PUT THIS STUFF IN PLACE. WILL IT WORK EVERYWHERE? SHOULD IT WORK EVERYWHERE? NO, NOT NECESSARILY, BUT WHERE THE RESOURCE MAKES SENSE AND WHERE WE HAVE THOSE OPPORTUNITIES, WHICH IN NEBRASKA IT'S INTERESTING BECAUSE WE COULD HAVE OPPORTUNITIES TO SEND IT BOTH ON THE EASTERN GRID AND/OR THE WESTERN GRID, WHICH NOT MANY STATES CAN SAY THEY HAVE THOSE OPPORTUNITIES. SO THE BILL, THE PRODUCTION TAX CREDIT THAT'S BROUGHT UP HERE TODAY ISN'T A HUGE NUMBER, BUT IT WILL GIVE US A GAUGE AS TO WHETHER OR NOT THESE TYPES OF THINGS WORK. AND I THINK WE SHOULD BE MINDFUL THAT WE DO ECONOMIC DEVELOPMENT BILLS ALL THE TIME WHERE WE'RE LOOKING AT GIVING BACK CREDITS, WHERE WE'RE LOOKING AT GIVING GRANTS, WHERE WE'RE LOOKING AT ALL OF THESE THINGS. AND IF YOU'VE GOT AN OPPORTUNITY FOR A BILLION-DOLLAR INVESTMENT, I THINK IT'S PROBABLY WORTH GOING AFTER BECAUSE WE'VE ALL HEARD THE NEED FOR PROPERTY TAX RELIEF. [LB423]

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SPEAKER HADLEY: ONE MINUTE. [LB423]

SENATOR SCHILZ: AND AS I LOOK AT THESE THINGS, I'M MORE IN THE CORNER OF FINDING ECONOMIC DEVELOPMENT FOR OUR SMALL, RURAL COMMUNITIES. THE RENEWABLE THING IS FINE, THAT'S OKAY, BUT I'M LOOKING FOR INVESTMENT AND JOBS AND TAX RELIEF. THAT'S WHY I'M SUPPORTING LB423. THANK YOU, MR. PRESIDENT. [LB423]

SPEAKER HADLEY: SENATOR NORDQUIST, YOU ARE RECOGNIZED. [LB423]

SENATOR NORDQUIST: THANK YOU, MR. PRESIDENT AND MEMBERS. WANT TO RESPOND TO A COUPLE OF THINGS THAT HAVE BEEN SAID. I PROBABLY DIDN'T DO A GOOD JOB IN MY OPENING ABOUT TALKING ABOUT C-BED AND THE REQUIREMENT OF THE INVESTMENT THAT MUST BE MADE IN NEBRASKA. AND I THINK SENATOR DAVIS DID A FINE JOB, SENATOR SCHILZ DID A FINE JOB TALKING ABOUT THAT. BUT 25 PERCENT OF THE INVESTMENT HAS TO BE HERE IN NEBRASKA. THAT MEANS THOSE DOLLARS ARE GENERATING ECONOMIC ACTIVITY HERE. THERE IS NO OTHER TAX CREDIT THAT HAS A PROVISION LIKE THAT WHERE WE'RE REQUIRING THOSE DOLLARS TO BE SPENT HERE IN NEBRASKA. THAT'S BUILDING NEBRASKA BUSINESSES, CREATING INCOME TAX REVENUE. THAT'S WHY THERE IS A STATE PAYBACK. SO WE'RE BUILDING THE PROPERTY TAX BASE IN COUNTIES. WE'RE REQUIRING ON THE INITIAL INVESTMENT THAT...THE SPENDING IN NEBRASKA TO CREATE INCOME TAX REVENUE. WE KNOW THERE'S LAND LEASE PAYMENTS TO FARMERS. IF YOU LOOK AT AN 80-MEGAWATT PROJECT WHICH WILL QUALIFY FOR ABOUT A \$2.9 MILLION CREDIT, ON AN ANNUAL BASIS THEY'RE GOING TO BE PAYING ABOUT \$600,000 IN PROPERTY TAXES, \$600,000 ON INCOME TAXES, \$800,000 IN LAND LEASE PAYMENTS, AND ABOUT AN ADDITIONAL \$1.5 MILLION OF INVESTMENT IN NEBRASKA BECAUSE OF THE C-BED REQUIREMENT ON AN ONGOING BASIS. AND AGAIN, THE TAX CREDIT IS GOOD FOR TEN YEARS, BUT THEIR INVESTMENT AND THE TAXES THEY'RE GOING TO BE PAYING ON THE NAMEPLATE CAPACITY TAX AND THE PROPERTY TAXES, THAT MONEY WILL CONTINUE WELL BEYOND THE 10 YEARS, PROBABLY UPWARD AT LEAST 25 TO 30 YEARS, PROBABLY FOR MAYBE ANOTHER 25, 30 YEARS BEYOND THAT BECAUSE THE INFRASTRUCTURE, THE TOWERS, EVERYTHING ARE IN PLACE. AFTER 25 OR 30 YEARS, PEOPLE AREN'T JUST GOING TO WALK AWAY FROM THOSE ENTITIES BUT, RATHER, RENEW THEM, AND IT WILL BE THE GIFT THAT KEEPS ON GIVING. AS FAR AS SENATOR SCHUMACHER'S AMENDMENT, I CERTAINLY DON'T HAVE ANY PROBLEM WITH ELIMINATING THE COMMISSION ON THE SALE, THE TRANSFERABILITY. THE REASON WE NEED TRANSFERABILITY FOR SMALL

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PROJECTS IS THAT THESE DEVELOPERS NEED THE FUNDING UP-FRONT. SO THEY QUALIFY FOR THE CREDIT. THEY THEN TAKE THOSE CREDITS AND MARKET THOSE, SELL THOSE CREDITS, GET THE CASH SO THEY CAN ACTUALLY COMPLETE THE PROJECT. IT'S PART OF THEIR FINANCING STRUCTURE. IT REALLY DOESN'T MATTER FOR BIG PROJECTS--BIG PROJECTS CAN GO OUT AND FIND THE FUNDING TO PULL OFF THEIR PROJECTS--BUT ESPECIALLY FOR SMALL PROJECTS, AND THAT'S WHY WE HAVE THAT 20-MEGAWATT THRESHOLD IN THERE THAT THOSE PROJECTS NEED TO GO GET THE CASH. WELL, THE PRACTICAL MATTER IS, IF I HAVE A CREDIT THAT I NEED TO SELL AND I'M GOING TO SELL IT TO SENATOR GLOOR, HE'S NOT GOING TO PAY ME DOLLAR FOR DOLLAR OR EVEN QUITE CLOSE TO DOLLAR FOR DOLLAR FOR WHAT THAT CREDIT IS, I MEAN THAT'S JUST THE FACT OF THE MATTER, BECAUSE THERE IS SOME PROCESSING COST OF IT. AND YOU KNOW, YOU WOULDN'T GO THROUGH THAT PROCESS IF IT WAS A DOLLAR-FOR-DOLLAR OR EVEN CLOSE TO A DOLLAR-FOR-DOLLAR SWAP. SO THERE IS SOME PREMIUM THAT IS PAID ON THAT, AND THAT IS A FACT OF THE MATTER. AND I THINK FOR THE TIME BEING I PROPOSE VOTING DOWN HIS AMENDMENT AND JUST REFILE THE COMMISSION PORTION AND MOVE FORWARD WITH LB423 IN THAT REGARD. THANK YOU. [LB423]

SPEAKER HADLEY: SENATOR GROENE, YOU'RE RECOGNIZED. [LB423]

SENATOR GROENE: THANK YOU, MR. PRESIDENT. AND, NEBRASKANS, HELLO. I STAND IN OPPOSITION OF LB423. WE HAVE PUBLIC POWER IN THIS STATE AND WE TAKE PRIDE IN IT. AND THEY ARE VERY EFFECTIVE AND VERY EFFICIENT WITH THE POWER PLANTS THEY HAVE, THE COAL BURNING, NATURAL GAS. WE JUST HEARD ABOUT HYDROGEN-BURNING SOURCES. THE PURPOSE FOR SEEKING ENERGY IS TO MAKE SURE OUR CITIZENS HAVE LOW-COST ENERGY. WINDMILL WIND ENERGY IS NOT LOW COST. IT TAKES A LOT OF MAINTENANCE OVER TIME. AND, QUITE FRANKLY--I'M GOING TO TURN INTO AN ENVIRONMENTALIST--IT'S ONE OF THE UGLIEST THINGS THAT CAN RUIN THE VISTAS THAT WE'RE SO PROUD OF IN NEBRASKA, OUR HORIZONS. I APPRECIATE AGAIN THE URBAN SENATORS TAKING CARE OF US RURAL FOLKS AND OUR PROPERTY TAXES, BUT I DIDN'T MOVE TO LINCOLN. I STILL LIVE OUT WEST. I GET UP AT SUNRISE AND I WATCH THE SUNRISE. I DON'T WANT TO LOOK AT WINDMILLS. IF YOU WANT TO TALK ABOUT PROPERTY TAXES AND ENERGY, LET'S TALK ABOUT A PIPELINE THAT WOULD AFFECT MORE COUNTIES, BRING IN TONS MORE PROPERTY TAXES, WOULD NOT RUIN OUR VISUAL SIGHT, WOULD BE MORE CONSERVATIONS BECAUSE IT TAKES LESS TIME, DOESN'T KILL OUR BIRDS, DOESN'T KILL OUR WILDLIFE. BTUs OUT OF THE OIL, FOR WHAT ENERGY WE GET, ARE A LOT MORE EFFICIENT THAN WHAT WE GET OUT OF WIND. THIS IS FOOLISHNESS. I HAVEN'T

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HEARD NPPD COME FORWARD AND SAY OR OPPD TO SAY THAT THEY WANT THIS. HAS ANYBODY ADDRESSED THE PROBLEM OF HOW DO WE TIE THESE WINDMILLS IN FROM THESE SMALL OPERATIONS INTO OUR PRESENT GRID? NO. THIS IS FEEL-GOOD LEGISLATION. IT'S ABSOLUTELY MEANINGLESS. ALL IT DOES IS SELL OFF SOME TAXES TO SOMEBODY WHO PROBABLY DOESN'T EVEN LIVE HERE, AND IT IS NO REASON FOR THEM TO MAKE THE THING LONG TERM, TO MAKE SURE IT WORKS ONCE THE TAX CREDITS ARE GONE. ALSO, I MADE A COMMITMENT, WHICH I'VE SAID ON THE FLOOR BEFORE, TO MY CONSTITUENTS. I WILL NOT SUPPORT ANY TAX CUTS, TAX CREDITS, UNLESS WE ALL GET IT, EVERY MIDDLE-CLASS NEBRASKAN WHO IS STRUGGLING WITH PROPERTY TAXES GETS A TAX BREAK. THIS IDEA WHERE WE DIVIDE AND CONQUER, GIVE A LITTLE HERE, GIVE A LITTLE THERE, BRIBE SOMEBODY TO DO SOMETHING DOESN'T WORK. IT'S PROBABLY WHY THE REASON IS WE'RE ONE OF THE HIGHEST-TAX STATES IN THE NATION. BUT THIS, THIS THING IS ABSOLUTELY MEANINGLESS, AND IT'S GOING TO BE FOR A FEW COUNTIES AND A FEW LANDOWNERS. LET'S BUILD A PIPELINE. A LOT MORE FOLKS WOULD BE AFFECTED AND A LOT MORE PEOPLE WOULD BE ABLE TO HAVE LOWER-COST ENERGY BECAUSE OF IT, BECAUSE IT'S VERY EFFICIENT, OIL IS. AND WE HAVE VERY EFFICIENT POWER, AND WE HAVE AN OVERABUNDANCE OF POWER PRODUCTION IN THE STATE OF NEBRASKA ALREADY, AS FAR AS ELECTRICAL. THIS IS UNNECESSARY. AS I...ONE OF MY FAVORITE SAYINGS, IT'S PIE IN THE SKY. I DON'T WANT A WINDMILL ANYWHERE NEAR ME, WHERE I LIVE. I LOVE THE VISTAS OF NEBRASKA. I LOVE THE HORIZONS. IF YOU PUT AN AMENDMENT ON THIS THAT THEY HAVE TO BE BUILT WITHIN 30 MILES OF OMAHA OR LINCOLN, I'M ALL FOR IT. [LB423]

SPEAKER HADLEY: ONE MINUTE. [LB423]

SENATOR GROENE: HOW ABOUT MEMORIAL PARK IN OMAHA? LET'S PUT A COUPLE THERE. YOU GUYS WANT TO LOOK AT THEM, YOU GO RIGHT AHEAD. YOU WANT TO SAVE THE PLANET, YOU GO RIGHT AHEAD. YOU PUT THEM IN DOUGLAS AND LANCASTER COUNTY, I'LL SUPPORT THAT. I DON'T WANT THEM, DON'T WANT THEM NEAR ME. AND THAT'S WHAT MY FOLKS WHO LIVE OUT IN THE RURAL AREAS TELL ME. SO, PLEASE, I WOULD APPRECIATE YOU URBAN SENATORS WHO WANT TO HELP RURAL NEBRASKA, VOTE NO ON LB423 AND YES ON SENATOR SCHUMACHER'S AMENDMENT BECAUSE IT MIGHT HELP TO RUIN LB423. THANK YOU. I APPRECIATE IT. [LB423]

SPEAKER HADLEY: SENATOR BLOOMFIELD, YOU ARE RECOGNIZED. [LB423]

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SENATOR BLOOMFIELD: THANK YOU, MR. PRESIDENT. I WONDER IF SENATOR NORDQUIST WOULD YIELD TO A QUESTION OR TWO. [LB423]

SPEAKER HADLEY: SENATOR NORDQUIST, WILL YOU YIELD? [LB423]

SENATOR NORDQUIST: YES. [LB423]

SENATOR BLOOMFIELD: THANK YOU, SENATOR NORDQUIST. THERE WERE SOME QUESTIONS ASKED OF SENATOR GLOOR EARLIER ON THE FISCAL NOTE, AND HE SAID THAT IT DROPPED DOWN TO ABOUT \$2 MILLION THIS YEAR WITH THE AMENDMENT. I'M LOOKING AT THE ORIGINAL COPY HERE, AND I SEE GOING OUT TO FISCAL YEAR '19 AND '20 WE'RE LOOKING AT \$27 MILLION. HOW FAR DOES THAT DROP WITH THE AMENDMENT? DO WE HAVE ANY IDEA? [LB423]

SENATOR NORDQUIST: I'M TRYING TO FIND IT IN MY BINDER RIGHT NOW, BUT IT IS...THE FIRST YEAR IS, YOU'RE RIGHT, \$2.9 MILLION. IT'S...THAT'S IN THE SECOND YEAR OF THE BIENNIUM. SO THE BIENNIAL INCREASE IS \$2.9 MILLION. IT IS A...THE OUT YEARS IN '19-20 WOULD FALL TO \$14.9 MILLION. [LB423]

SENATOR BLOOMFIELD: THAT'S \$15 MILLION WE'RE NOT GOING TO TAKE INTO THE STATE. [LB423]

SENATOR NORDQUIST: THAT'S RIGHT, AND THAT WOULD ASSUME A NUMBER OF PROJECTS COMING ON BOARD EVERY YEAR, SO IT WOULD BE A SIGNIFICANT DEVELOPMENT OF...THE FISCAL ASSUMPTION IS, I BELIEVE, 80-MEGAWATT PROJECTS, ONE-AND-A-HALF TO TWO OF THEM EVERY YEAR. SO THOSE ARE SIGNIFICANT PROJECTS. AND AGAIN, TYING IT TO C-BED, WE KNOW THAT 25 PERCENT OF THE INVESTMENT IS GOING TO BE SPENT IN NEBRASKA. THAT ISN'T LIKE ANY OTHER TAX CREDIT WE HAVE. WE KNOW THIS IS REAL NEBRASKA SPENDING. [LB423]

SENATOR BLOOMFIELD: OKAY. THANK YOU, SENATOR. I HAVEN'T DECIDED FOR SURE WHERE I'M GOING TO GO ON THIS. BUT I SEEM TO REMEMBER, AND IF SENATOR NORDQUIST WILL ANSWER AGAIN AND I MAY HAVE TO GO TO SENATOR MELLO, IT SEEMS LIKE EVERY YEAR WE TALK ABOUT GIVING TAX CREDITS TO THESE WIND PEOPLE OR THEY WON'T COME IN AND BUILD SOMETHING. IT SEEMED LIKE LAST YEAR, AND IT MAY BE LB104 IF I WAS RIGHT, THAT IF WE PASSED LB104 AND GAVE A HUGE TAX CREDIT TO THIS OUTFIT THAT

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WANTED TO EXPORT POWER TO KANSAS OR SOMEPLACE FAR AWAY, THEY WERE GOING TO BUILD THIS WONDERFUL THING UP IN DIXON COUNTY, BUT IF WE DIDN'T, WE WOULD NEVER SEE THEM. WELL, WE GAVE THEM THE CREDIT AND, LO AND BEHOLD, I HAVEN'T SEEN A TOWER SPROUT ROOTS UP THERE ANYWHERE YET. I'M A LITTLE TIRED OF GIVING THESE GUYS CREDITS AND HAVING THEM NOT SHOW UP. SO AGAIN, I DON'T KNOW WHERE I'M GOING TO GO ON THIS. I DO LIKE SENATOR SCHUMACHER'S AMENDMENT. I WILL BE SUPPORTING THAT. AND IF SENATOR SCHUMACHER WOULD LIKE ANY TIME, HE CAN HAVE THE REMAINDER. [LB423]

SPEAKER HADLEY: SENATOR SCHUMACHER, 2:10. [LB423]

SENATOR SCHUMACHER: THANK YOU, MR. SPEAKER, AND THANK YOU, SENATOR BLOOMFIELD, FOR THE TIME. THIS FLOOR AMENDMENT IS NOT FILED AS PART OF A FILIBUSTER. WHAT IT IS, IT IS TO ADDRESS GENUINE TAX POLICY AND THE WISDOM OF USING TRANSFERABLE OR SALABLE CREDITS AS A MECHANISM TO SUBSIDIZE BUSINESS. CAN YOU IMAGINE THE MESS WE'D BE IN RIGHT NOW IF THE ADVANTAGE ACT CREDITS WERE TRANSFERABLE? THAT BILLION DOLLARS' WORTH OF CREDITS OUT THERE THAT WE HOPE MOST OF WHICH WON'T BE CLAIMED, BECAUSE IT WILL REALLY PUT A CRUNCH IN OUR STYLE IF THEY ARE, WOULD ALL BE CLAIMED, SOLD AT A DISCOUNT TO A TAXPAYER WHO OWED MONEY WHO MAY NOT HAVE ANYTHING TO DO WITH THE BUILDING AND ADVANTAGE ACT BUSINESS OR, IN THIS CASE, EVER SEEN A WINDMILL, SOLD AT A DISCOUNT AND COMING OUT OF OUR HIDE. IT IS TERRIBLE TAX POLICY TO HAVE A TRANSFERABLE CREDIT. [LB423]

SPEAKER HADLEY: ONE MINUTE. [LB423]

SENATOR SCHUMACHER: IT MEANS THAT THE PERSON YOU TRANSFER OR WHO GETS THE CREDIT ISN'T EARNING MONEY TO...AND ENOUGH TO PAY INCOME TAXES ON, SO IT'S PROBABLY A PLOT VENTURE. BUT ALSO, WHAT IT MEANS IS THAT CREDIT IS GOING TO BE USED AND IT'S GOING TO BE SOLD AT A DISCOUNT. SO WHATEVER WORTHY CAUSE WE HAVE OUT THERE TO GIVE A MILLION DOLLARS IN CREDITS TO--AND IN THIS CASE IT LOOKS LIKE A FEW YEARS DOWN THE ROAD THIS IS GOING TO BE \$15 MILLION--WE'RE NOT GETTING A MILLION DOLLARS' WORTH OF VALUE FOR IT. WE'RE GETTING 85 PERCENT THAT VALUE FOR IT, AND A MIDDLEMAN IS MAKING 15 PERCENT--WOW!--FOR "MIDDLEMANNING" THE THING. IS THAT THE FUNCTION OF THIS? THAT'S NOT

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CREATING ANY PROPERTY TAX BENEFIT. IT'S NOT MAKING A SHINING STAR ON THE MAP. IT'S CREATING A MIDDLEMAN... [LB423]

SPEAKER HADLEY: TIME, SENATOR. [LB423]

SENATOR SCHUMACHER: THANK YOU. [LB423]

SPEAKER HADLEY: SENATOR MELLO, YOU ARE RECOGNIZED. [LB423]

SENATOR MELLO: THANK YOU, MR. PRESIDENT, MEMBERS OF THE LEGISLATURE. I CAN'T QUITE SPEAK TO FA48 YET, BUT I CAN SPEAK A LITTLE BIT TO AM1103 AND TO THE UNDERLYING BILL. AS YOU CAN SEE FROM YOUR FISCAL NOTE, IN THE UNDERLYING BILL, LB423, IT HAS A FISCAL NOTE THE SECOND YEAR OF THE BIENNIUM OF ROUGHLY \$4,380,000. AND AS SENATOR NORDQUIST JUST STATED WITH A CONVERSATION WITH SENATOR BLOOMFIELD, THE FISCAL NOTE NOW WITH THE ADOPTION OF THE COMMITTEE AMENDMENT WILL REDUCE THAT ROUGHLY \$4.4 MILLION DOWN TO ROUGHLY \$3 MILLION THE SECOND YEAR OF THE BIENNIUM. I'VE DISCUSSED THIS WITH SENATOR NORDQUIST OFF THE MIKE THAT OBVIOUSLY LB423 WILL NEED TO BE FLEXIBLE IN RESPECTS TO THE TAX POLICY COMPONENTS THAT ARE INVOLVED IN THE UNDERLYING BILL IN REGARDS TO THE ACTUAL PRODUCTION TAX CREDIT THAT WOULD BE GIVEN TO THE PROJECT IN CASE, OBVIOUSLY, THE BILL MOVES FORWARD AND WE NEED TO BE ABLE TO MAKE IT MORE "SPONGEABLE," SO TO SPEAK, TO WORK IN A BIGGER PICTURE FISCAL FRAMEWORK AS THE SESSION MOVES ON IN LIGHT OF OTHER BILLS THAT HAVE FISCAL NOTES OR REVENUE IMPACTS. SO SENATOR NORDQUIST AND I HAVE TALKED ABOUT THAT ALREADY. I THINK HE DISCUSSED, AS WELL, IF THE BILL FULLY GETS IMPLEMENTED WITH THE COMMITTEE AMENDMENT, THE FIFTH YEAR OUT IT DOES HAVE A FISCAL POTENTIAL IMPACT OF ROUGHLY \$15 MILLION. THAT'S SOMETHING THAT OBVIOUSLY WE DON'T CONSIDER IN REGARDS TO THE BIENNIAL BUDGET THAT WE HAVE IN FRONT OF US, BUT THAT IS THE CHANGE COMPARISON TO THE ROUGHLY \$27 MILLION THAT'S ON THE CURRENT FISCAL NOTE RIGHT NOW. SO I'D URGE THE BODY...OBVIOUSLY, WE HAVE TO ADOPT THE COMMITTEE AMENDMENT, AM1103, IN THE EFFORTS OF SENATOR NORDQUIST AND THE REVENUE COMMITTEE TO REDUCE THE FISCAL NOTE WHILE STILL KEEPING THE UNDERLYING POLICY OF TRYING TO INCENTIVIZE RENEWABLE ENERGY DEVELOPMENT. AND SENATOR BLOOMFIELD DID JUST START TO GO THERE A LITTLE BIT, FOR SOME OF THE NEW MEMBERS MAYBE, THAT THE LAST COUPLE OF YEARS RENEWABLE ENERGY GENERATION AND DEVELOPMENT HAS BEEN A

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PRIORITY OF THIS LEGISLATURE THROUGH INCENTIVIZING IT THROUGH THE TAX CODE AND/OR THROUGH EXISTING TAX INCENTIVE PROGRAMS LIKE THE NEBRASKA ADVANTAGE PROGRAM, WHICH WE PASSED IN LB104 BACK IN 2013, OR UTILIZING IT THROUGH THE C-BED PROGRAM, WHICH WAS A BILL OF MINE THAT WE PASSED LAST YEAR, WHICH MADE SOME CHANGES TO THE C-BED PROGRAM TO INCENTIVIZE THE USE OF THAT SALES TAX EXEMPTION BY MAKING IT MORE FLEXIBLE FOR IN-STATE TAX INVESTMENT AND IN-STATE SPENDING AND PROCUREMENT FOR THESE LOCAL RENEWABLE ENERGY PROJECTS. SO I KNOW SENATOR BLOOMFIELD WAS JUST STARTING TO GO THERE WITH SENATOR NORDQUIST, SO I'LL TRY TO CLARIFY WHAT I THOUGHT...WHAT I THINK HE WAS TRYING TO EXPLAIN AND GO, WHICH IS, YES, THE LEGISLATURE HAS BEEN PRIORITIZING RENEWABLE ENERGY GENERATION. AND I THINK THE REASON, COLLEAGUES, WE'VE BEEN TRYING TO PRIORITIZE RENEWABLE ENERGY GENERATION IS BECAUSE WHAT YOU SAW, FROM THE HANDOUT AND FROM SENATOR HAAR, IS THAT NEBRASKA IS LAST IN THE MIDWEST IN REGARDS TO OUR RENEWABLE ENERGY GENERATION, BUT WE RANK ONE OF THE TOP STATES IN THE MIDWEST IN REGARDS TO POTENTIAL FOR RENEWABLE ENERGY GENERATION. AND THE ARGUMENT THAT, COLLEAGUES, I SAY EVERY YEAR ON THE FLOOR WHEN IT COMES TO THIS GENERAL POLICY NATURE, WHICH IS, IF NEBRASKA HAD THE SAME POTENTIAL THAT WE DO FOR WIND RIGHT NOW AS...IF WE HAVE THE SAME POTENTIAL FOR OIL EXPLORATION AS WE DO FOR WIND, WE WOULD BE TRIPPING OVER OURSELVES RIGHT NOW TO TRY TO INCENTIVIZE OIL EXPLORATION IN OUR STATE AS WE ARE TRYING TO DO RIGHT NOW FOR RENEWABLE ENERGY GENERATION, BECAUSE WE KNOW THE IMPACTS THAT ENERGY EXPLORATION AND ENERGY DEVELOPMENT HAS ON THE STATE'S OVERALL ECONOMY, THE BENEFITS THAT IT CAN PROVIDE IN REGARDS TO PRIVATE INVESTMENT THAT ASSISTS OUR PUBLIC POWER DISTRICTS. AND WHAT WE HAVE IN FRONT OF US IN LB423 WITH THE COMMITTEE AMENDMENT I THINK IS A REASONABLE, RESPONSIBLE STEP IN REGARDS TO CREATING A PRODUCTION TAX CREDIT. NOW WE MAY HAVE TO MAKE SOME MORE TWEAKS ALONG THE WAY TO MAKE THIS WORK. [LB423]

SPEAKER HADLEY: ONE MINUTE. [LB423]

SENATOR MELLO: BUT I THINK WHAT SENATOR NORDQUIST AND THE REVENUE COMMITTEE HAS DONE PROVIDES US I THINK A RESPONSIBLE PATH TO CREATE THIS PRODUCTION TAX CREDIT. I KNOW SENATOR SCHUMACHER HAS RAISED SOME ISSUES AND CONCERNS ABOUT THE TRANSFERABILITY NATURE, WHICH IS SOMETHING THAT WE RARELY DO. IN THIS CASE, THE REVENUE COMMITTEE HAD MADE AN ALTERATION TO THE BILL TO REDUCE THAT TRANSFERABILITY

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TO MUCH SMALLER PROJECTS SO THEY CAN UTILIZE THAT TRANSFERABILITY FOR THE INVESTMENT UP-FRONT, WHICH IS SOMETHING THAT WE HAVE DONE IN OTHER TAX-RELATED BILLS FOR VERY TARGETED APPROACHES. BUT OTHERWISE, I GENERALLY SUPPORT THE AM1103 AND SUPPORT THE UNDERLYING CONCEPTS OF THE BILL AND WANT THE BODY TO KNOW THAT THIS, EVEN IF WE MOVE THIS FORWARD TO SELECT FILE, WE KNOW WE STILL MAY HAVE SOME WORK AHEAD OF US IN REGARDS TO TIGHTENING UP THE BILL ALONG THE WAY. THANK YOU, MR. PRESIDENT. [LB423]

SPEAKER HADLEY: SENATOR BRASCH, YOU ARE RECOGNIZED. [LB423]

SENATOR BRASCH: THANK YOU, MR. PRESIDENT, MR. SPEAKER. AND GOOD LATE IN THE AFTERNOON, FELLOW COLLEAGUES. I AM IN SUPPORT OF LB423 AND THE FOLLOWING AMENDMENT. MY BASIS IS THAT BURT COUNTY, THEY HAVE AN ENTREPRENEURIAL GROUP OF FARMERS, 40 OF THEM, AND THEY HAVE...AND, IN FACT, EXCUSE ME, THERE ARE...THERE'S 20 AND THEY'RE UNDER THE AGE OF 40. AND THEY HAVE CHIPPED IN EVERY PENNY THEY CAN, THEY'VE WORKED WITH MULTIPLE GENERATIONS, AND THEY HAVE SIX WIND TURBINES JUST WAITING TO GET UP AND RUNNING, LOOKING FOR THAT OPPORTUNITY. IT'S A VERY SMALL, 12-MEGAWATT WINDFARM OPERATION THAT THEY HAVE. AND THEY ARE HOPEFUL, BECAUSE OPPD HAS BOUGHT WIND ENERGY. IN...IS IT LA VISTA? I BELIEVE THAT YAHOO! WAS LOOKING AT FORMS OF RENEWABLE ENERGY. I KNOW AT ONE POINT KEARNEY WAS HOPEFUL OF A "DOT-COM" COMPANY MOVING IN THERE. THEY ARE KEYPAD READY FOR SOMEONE TO LAUNCH A BUSINESS. AND UNFORTUNATELY, WHAT I...MEMORY SERVES ME, THEY WENT OVER TO COUNCIL BLUFFS THAT WAS MORE RENEWABLE. I KNOW CARGILL IS USING RENEWABLE ENERGY. THERE ARE OTHERS THAT HAVE ALSO USED NOT JUST WIND ENERGY BUT A COMBINATION OF ALL OF THE ABOVE. IN MY DISTRICT, WE HAVE A NUCLEAR POWER PLANT AT FORT CALHOUN. I BELIEVE THAT ALL FORMS OF ENERGY SHOULD BE CONSIDERED, THAT COAL IS FINE, METHANE IS FINE. THERE ARE OTHER CONSIDERATIONS AND THAT ENERGY MOVING FORWARD WILL BE MORE AND MORE VALUABLE, NOT ONLY IN NEBRASKA BUT ACROSS THE NATION AND GLOBALLY. WE WILL BE LOOKING FOR ENERGY, JUST AS WE WILL HAVE WATER AND FOOD AS VALUABLE COMMODITIES THAT HUMANS NEED AND WILL REQUIRE MORE OF. THE BURT COUNTY WIND HAS DONE ABOUT EVERYTHING POSSIBLE TO VISIT WITH COMPANIES, WITH INVESTORS, AND MOVE FORWARD BECAUSE THEY REALIZE THE TAX SAVINGS THAT THEY WILL EXPERIENCE FROM BURT COUNTY WIND. AND IT WILL HELP BUILD SCHOOLS; IT'LL HELP LOWER PROPERTY TAX. THEY HAVE A CHART THAT I COULD HAVE COPIES OF AND SENT OUT IN THE MORNING

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FOR EACH OF YOU TO REVIEW. BUT THIS HAS BEEN THOROUGHLY LOOKED AT. IT'S HELPING THE SMALL COMMUNITIES. THOSE WHO WANT TO LOOK THE OTHER WAY, THAT'S FINE. I BELIEVE IN OPTIONS, THAT THERE SHOULD BE AN OPTION. WE INVEST IN A LOT OF THINGS IN THE STATE OF NEBRASKA, FOR INDIVIDUALS BEING ABLE TO GO BACK TO WORK, FOR INDIVIDUALS ON TAX INCENTIVES, NEW JOBS CREATED. AND IT'S THE TAXPAYERS' DOLLARS. WHEN WE TALK ABOUT OUR BUDGET, THAT IS THEIR MONEY. THOSE ARE TAXES COLLECTED FROM THOSE BURT COUNTY FARMERS... [LB423]

SPEAKER HADLEY: ONE MINUTE. [LB423]

SENATOR BRASCH: ...AND OTHERS ACROSS THE STATE, WHETHER THEY'RE IN ANY INDUSTRY. BUT WE ARE TALKING ABOUT HOW THE SECOND HOUSE WOULD LIKE TO INVEST THEIR MONEY, AND THIS INVESTMENT WOULD BE FOR GROWTH, GROWTH FOR SOME TAX RELIEF. THANK YOU, MR. SPEAKER, AND THANK YOU, COLLEAGUES. [LB423]

SPEAKER HADLEY: MR. CLERK. [LB423]

CLERK: MR. PRESIDENT, SOME ITEMS. LR200, SENATOR MELLO, CALLING FOR AN INTERIM STUDY, THAT WILL BE REFERRED TO THE EXECUTIVE BOARD. SENATOR SULLIVAN AND OTHERS OFFER LR201. I HAVE A COMMUNIQUE FROM THE SPEAKER DIRECTING THAT THAT BE REFERRED TO REFERENCE FOR REFERRAL TO STANDING COMMITTEE FOR PUBLIC HEARING PURPOSES. SENATOR MORFELD, AMENDMENT TO LB294 TO BE PRINTED. (LEGISLATIVE JOURNAL PAGES 1231-1234.) [LR200 LR201 LB294]

SENATOR HUGHES WOULD MOVE TO ADJOURN THE BODY UNTIL WEDNESDAY, APRIL 22, AT 9:00 A.M.

SPEAKER HADLEY: YOU'VE HEARD THE MOTION TO ADJOURN. ALL IN FAVOR SIGNIFY BY SAYING AYE. OPPOSED, NAY. MOTION PASSES.