

SEVENTY-THIRD DAY - APRIL 27, 2017

LEGISLATIVE JOURNAL

**ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION**

SEVENTY-THIRD DAY

Legislative Chamber, Lincoln, Nebraska
Thursday, April 27, 2017

PRAYER

The prayer was offered by Pastor Jason Dowell, Freedom Baptist Church, Stamford.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., President Foley presiding.

The roll was called and all members were present except Senator Wayne who was excused; and Senators Bolz, Kuehn, Murante, and Watermeier who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the seventy-second day was approved.

AMENDMENT(S) - Print in Journal

Senator McDonnell filed the following amendment to LB578:
AM1172

(Amendments to AM917)

- 1 1. On page 1, line 18, after "(3)" insert "Capitation payment means
- 2 the per-member per-month payment agreed upon between the Department of
- 3 Health and Human Services and a medicaid managed care plan.
- 4 (4)"; in line 22 strike "(4)" and insert "(5)"; and in line 26
- 5 strike "(5)" and insert "(6)".
- 6 2. On page 2, line 3, strike "(6)" and insert "(7)"; and in line 7
- 7 strike "(7)" and insert "(8)".

NOTICE OF COMMITTEE HEARING(S)

Agriculture

Room 2102

Tuesday, May 9, 2017 1:00 p.m.

Beth Smith - Nebraska State Fair Board

(Signed) Lydia Brasch, Chairperson

REPORT OF REGISTERED LOBBYISTS

Following is a list of all lobbyists who have registered as of April 26, 2017, in accordance with Section 49-1481, Revised Statutes of Nebraska. Additional lobbyists who have registered will be filed weekly.

(Signed) Patrick J. O'Donnell
Clerk of the Legislature

Abboud, Chris - Public Affairs Group
FanDuel, Inc.
Bredenkamp, Troy
Nebraska Rural Electric Association (Withdrawn 04/21/2017)

REPORTS

Agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website at:
<http://www.nebraskalegislature.gov/agencies/view.php>

RESOLUTION(S)

Pursuant to Rule 4, Sec. 5(b), LRs 106, 107, and 108 were adopted.

PRESIDENT SIGNED

While the Legislature was in session and capable of transacting business, the President signed the following: LRs 106, 107, and 108.

SELECT FILE

LEGISLATIVE BILL 409. ER60, found on page 1135, was adopted.

Senator Kolowski offered his amendment, AM1015, found on page 1142.

Pending.

RESOLUTION(S)

LEGISLATIVE RESOLUTION 115. Introduced by Brasch, 16; Albrecht, 17.

WHEREAS, Trevor Hasenkamp and Nick Svoboda read about the tragic fires in Kansas, Oklahoma, and Texas and responded by organizing help for the ranchers in need; and

WHEREAS, Bill Hasenkamp, Mark Dinslage, Robert Snyder, and Taron Hasenkamp joined the effort to deliver fencing materials and cattle feeding products to the ranchers near Ashland in southwest Kansas; and

WHEREAS, the farming community came together to donate two flatbeds of supplies and eight semis loaded with hay; and

WHEREAS, the young farmers are continuing to accept donations for ongoing expenses and plan to return to Kansas to provide more help.

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

1. That the Legislature honors Trevor Hasenkamp, Nick Svoboda, Bill Hasenkamp, Mark Dinslage, Robert Snyder, Taron Hasenkamp and all those who donated to their efforts to assist ranchers facing unimaginable losses.

2. That copies of this resolution be sent to Trevor Hasenkamp, Nick Svoboda, Bill Hasenkamp, Mark Dinslage, Robert Snyder, and Taron Hasenkamp.

Laid over.

LEGISLATIVE RESOLUTION 116. Introduced by Harr, 8; Baker, 30; Blood, 3; Chambers, 11; Craighead, 6; Crawford, 45; Hilkemann, 4; Howard, 9; Kolowski, 31; Krist, 10; Lindstrom, 18; McCollister, 20; McDonnell, 5; Murante, 49; Riepe, 12; Scheer, 19; Smith, 14; Vargas, 7; Wayne, 13.

WHEREAS, John E. Christensen, Ph.D., is recognized and honored for his years of service as the Chancellor of the University of Nebraska at Omaha (UNO); and

WHEREAS, Chancellor Christensen is planning to retire from UNO at the end of June, pending the announcement of his successor; and

WHEREAS, Chancellor Christensen attended Omaha Benson High School and has been inducted into the Benson High School Hall of Fame; and

WHEREAS, Chancellor Christensen was the first in his family to receive a college degree, earning a Bachelor of Science in speech communications and drama from Dana College, a Master of Science in special education and speech pathology from UNO, and a Ph.D. in speech pathology and audiology from the University of Kansas; and

WHEREAS, Chancellor Christensen began his career at UNO in 1978 in the College of Education and later served as chair of the department, Dean of the College of Education, and Vice Chancellor for Academic and Student Affairs; and

WHEREAS, in September 2006, Dr. Christensen was named interim Chancellor before being named Chancellor in May 2007; and

WHEREAS, Chancellor Christensen has presented at many conferences around the world, published numerous articles, and focused on community engagement and education; and

WHEREAS, Chancellor Christensen served as president of the Coalition of Urban and Metropolitan Universities from 2010-2012; and

WHEREAS, during his tenure, Chancellor Christensen led UNO to achieve three of the University's strategic plan goals by serving the mission of strong academic values and building a strong relationship with the community; and

WHEREAS, Chancellor Christensen has been honored with several awards including, most recently, the Omaha World-Herald 2016 Midlander of the Year Award; and

WHEREAS, Chancellor Christensen found ways to collaborate with Dr. John Langan, former dean of the UNO College of Education and president of the Omaha Public Schools Board of Education.

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

1. That the Legislature honors Chancellor John E. Christensen for his years of service to the University of Nebraska at Omaha and congratulates him on his retirement.

2. That a copy of this resolution be sent to Chancellor John E. Christensen.

Laid over.

AMENDMENT(S) - Print in Journal

Senator Schumacher filed the following amendment to LB327:

AM1233

(Amendments to Standing Committee amendments, AM590)

1 1. On page 54, lines 24 and 25 strike "up to".

2 2. On page 55, strike beginning with "prioritize" in line 8 through

3 "entities" in line 13 and insert "disburse available funds in a manner

4 consistent with this section".

SELECT FILE

LEGISLATIVE BILL 409. The Kolowski amendment, AM1015, found on page 1142 and considered in this day's Journal, was renewed.

Senator Linehan moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 25 ayes, 0 nays, and 24 not voting.

Senator Kolowski moved for a call of the house. The motion prevailed with 37 ayes, 1 nay, and 11 not voting.

Senator Kolowski requested a roll call vote, in reverse order, on his amendment.

Voting in the affirmative, 14:

Baker	Hansen	Kolowski	McDonnell	Walz
Blood	Hilkemann	Krist	Quick	Wishart
Chambers	Howard	McCollister	Schumacher	

Voting in the negative, 24:

Albrecht	Clements	Halloran	Larson	Smith
Bostelman	Erdman	Hilgers	Lindstrom	Stinner
Brasch	Friesen	Hughes	Lowe	Watermeier
Brewer	Geist	Kolterman	Murante	Williams
Briese	Groene	Kuehn	Riepe	

Present and not voting, 10:

Bolz	Crawford	Harr	Morfeld	Scheer
Craighead	Ebke	Linehan	Pansing Brooks	Vargas

Excused and not voting, 1:

Wayne

The Kolowski amendment lost with 14 ayes, 24 nays, 10 present and not voting, and 1 excused and not voting.

The Chair declared the call raised.

Senator Friesen withdrew his amendment, AM1163, found on page 1200.

Senator Friesen offered the following amendment:

AM1236

(Amendments to Standing Committee amendments, AM955)

1 1. Insert the following new sections:

2 Section 1. Section 77-2716, Revised Statutes Cumulative Supplement,
3 2016, is amended to read:

4 77-2716 (1) The following adjustments to federal adjusted gross
5 income or, for corporations and fiduciaries, federal taxable income shall
6 be made for interest or dividends received:

7 (a)(i) There shall be subtracted interest or dividends received by
8 the owner of obligations of the United States and its territories and
9 possessions or of any authority, commission, or instrumentality of the
10 United States to the extent includable in gross income for federal income
11 tax purposes but exempt from state income taxes under the laws of the
12 United States; and

13 (ii) There shall be subtracted interest received by the owner of
14 obligations of the State of Nebraska or its political subdivisions or
15 authorities which are Build America Bonds to the extent includable in
16 gross income for federal income tax purposes;

17 (b) There shall be subtracted that portion of the total dividends
18 and other income received from a regulated investment company which is

19 attributable to obligations described in subdivision (a) of this
20 subsection as reported to the recipient by the regulated investment
21 company;

22 (c) There shall be added interest or dividends received by the owner
23 of obligations of the District of Columbia, other states of the United
24 States, or their political subdivisions, authorities, commissions, or
25 instrumentalities to the extent excluded in the computation of gross
26 income for federal income tax purposes except that such interest or
1 dividends shall not be added if received by a corporation which is a
2 regulated investment company;

3 (d) There shall be added that portion of the total dividends and
4 other income received from a regulated investment company which is
5 attributable to obligations described in subdivision (c) of this
6 subsection and excluded for federal income tax purposes as reported to
7 the recipient by the regulated investment company; and

8 (e)(i) Any amount subtracted under this subsection shall be reduced
9 by any interest on indebtedness incurred to carry the obligations or
10 securities described in this subsection or the investment in the
11 regulated investment company and by any expenses incurred in the
12 production of interest or dividend income described in this subsection to
13 the extent that such expenses, including amortizable bond premiums, are
14 deductible in determining federal taxable income.

15 (ii) Any amount added under this subsection shall be reduced by any
16 expenses incurred in the production of such income to the extent
17 disallowed in the computation of federal taxable income.

18 (2) There shall be allowed a net operating loss derived from or
19 connected with Nebraska sources computed under rules and regulations
20 adopted and promulgated by the Tax Commissioner consistent, to the extent
21 possible under the Nebraska Revenue Act of 1967, with the laws of the
22 United States. For a resident individual, estate, or trust, the net
23 operating loss computed on the federal income tax return shall be
24 adjusted by the modifications contained in this section. For a
25 nonresident individual, estate, or trust or for a partial-year resident
26 individual, the net operating loss computed on the federal return shall
27 be adjusted by the modifications contained in this section and any
28 carryovers or carrybacks shall be limited to the portion of the loss
29 derived from or connected with Nebraska sources.

30 (3) There shall be subtracted from federal adjusted gross income for
31 all taxable years beginning on or after January 1, 1987, the amount of
1 any state income tax refund to the extent such refund was deducted under
2 the Internal Revenue Code, was not allowed in the computation of the tax
3 due under the Nebraska Revenue Act of 1967, and is included in federal
4 adjusted gross income.

5 (4) For taxable years beginning or deemed to begin before January 1,
6 2018, federal ~~Federal~~ adjusted gross income, or, for a fiduciary, federal
7 taxable income shall be modified to exclude the portion of the income or
8 loss received from a small business corporation with an election in
9 effect under subchapter S of the Internal Revenue Code or from a limited
10 liability company organized pursuant to the Nebraska Uniform Limited

11 Liability Company Act that is not derived from or connected with Nebraska
12 sources as determined in section 77-2734.01.

13 (5) There shall be subtracted from federal adjusted gross income or,
14 for corporations and fiduciaries, federal taxable income dividends
15 received or deemed to be received from corporations which are not subject
16 to the Internal Revenue Code.

17 (6) There shall be subtracted from federal taxable income a portion
18 of the income earned by a corporation subject to the Internal Revenue
19 Code of 1986 that is actually taxed by a foreign country or one of its
20 political subdivisions at a rate in excess of the maximum federal tax
21 rate for corporations. The taxpayer may make the computation for each
22 foreign country or for groups of foreign countries. The portion of the
23 taxes that may be deducted shall be computed in the following manner:

24 (a) The amount of federal taxable income from operations within a
25 foreign taxing jurisdiction shall be reduced by the amount of taxes
26 actually paid to the foreign jurisdiction that are not deductible solely
27 because the foreign tax credit was elected on the federal income tax
28 return;

29 (b) The amount of after-tax income shall be divided by one minus the
30 maximum tax rate for corporations in the Internal Revenue Code; and

31 (c) The result of the calculation in subdivision (b) of this
1 subsection shall be subtracted from the amount of federal taxable income
2 used in subdivision (a) of this subsection. The result of such
3 calculation, if greater than zero, shall be subtracted from federal
4 taxable income.

5 (7) Federal adjusted gross income shall be modified to exclude any
6 amount repaid by the taxpayer for which a reduction in federal tax is
7 allowed under section 1341(a)(5) of the Internal Revenue Code.

8 (8)(a) Federal adjusted gross income or, for corporations and
9 fiduciaries, federal taxable income shall be reduced, to the extent
10 included, by income from interest, earnings, and state contributions
11 received from the Nebraska educational savings plan trust created in
12 sections 85-1801 to 85-1814 and any account established under the
13 achieving a better life experience program as provided in sections
14 77-1401 to 77-1409.

15 (b) Federal adjusted gross income or, for corporations and
16 fiduciaries, federal taxable income shall be reduced by any contributions
17 as a participant in the Nebraska educational savings plan trust or
18 contributions to an account established under the achieving a better life
19 experience program made for the benefit of a beneficiary as provided in
20 sections 77-1401 to 77-1409, to the extent not deducted for federal
21 income tax purposes, but not to exceed five thousand dollars per married
22 filing separate return or ten thousand dollars for any other return. With
23 respect to a qualified rollover within the meaning of section 529 of the
24 Internal Revenue Code from another state's plan, any interest, earnings,
25 and state contributions received from the other state's educational
26 savings plan which is qualified under section 529 of the code shall
27 qualify for the reduction provided in this subdivision. For contributions
28 by a custodian of a custodial account including rollovers from another

29 custodial account, the reduction shall only apply to funds added to the
30 custodial account after January 1, 2014.

31 (c) Federal adjusted gross income or, for corporations and
1 fiduciaries, federal taxable income shall be increased by:

2 (i) The amount resulting from the cancellation of a participation
3 agreement refunded to the taxpayer as a participant in the Nebraska
4 educational savings plan trust to the extent previously deducted under
5 subdivision (8)(b) of this section; and

6 (ii) The amount of any withdrawals by the owner of an account
7 established under the achieving a better life experience program as
8 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
9 extent previously deducted under subdivision (8)(b) of this section.

10 (9)(a) For income tax returns filed after September 10, 2001, for
11 taxable years beginning or deemed to begin before January 1, 2006, under
12 the Internal Revenue Code of 1986, as amended, federal adjusted gross
13 income or, for corporations and fiduciaries, federal taxable income shall
14 be increased by eighty-five percent of any amount of any federal bonus
15 depreciation received under the federal Job Creation and Worker
16 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
17 under section 168(k) or section 1400L of the Internal Revenue Code of
18 1986, as amended, for assets placed in service after September 10, 2001,
19 and before December 31, 2005.

20 (b) For a partnership, limited liability company, cooperative,
21 including any cooperative exempt from income taxes under section 521 of
22 the Internal Revenue Code of 1986, as amended, limited cooperative
23 association, subchapter S corporation, or joint venture, the increase
24 shall be distributed to the partners, members, shareholders, patrons, or
25 beneficiaries in the same manner as income is distributed for use against
26 their income tax liabilities.

27 (c) For a corporation with a unitary business having activity both
28 inside and outside the state, the increase shall be apportioned to
29 Nebraska in the same manner as income is apportioned to the state by
30 section 77-2734.05.

31 (d) The amount of bonus depreciation added to federal adjusted gross
1 income or, for corporations and fiduciaries, federal taxable income by
2 this subsection shall be subtracted in a later taxable year. Twenty
3 percent of the total amount of bonus depreciation added back by this
4 subsection for tax years beginning or deemed to begin before January 1,
5 2003, under the Internal Revenue Code of 1986, as amended, may be
6 subtracted in the first taxable year beginning or deemed to begin on or
7 after January 1, 2005, under the Internal Revenue Code of 1986, as
8 amended, and twenty percent in each of the next four following taxable
9 years. Twenty percent of the total amount of bonus depreciation added
10 back by this subsection for tax years beginning or deemed to begin on or
11 after January 1, 2003, may be subtracted in the first taxable year
12 beginning or deemed to begin on or after January 1, 2006, under the
13 Internal Revenue Code of 1986, as amended, and twenty percent in each of
14 the next four following taxable years.

15 (10) For taxable years beginning or deemed to begin on or after

16 January 1, 2003, and before January 1, 2006, under the Internal Revenue
17 Code of 1986, as amended, federal adjusted gross income or, for
18 corporations and fiduciaries, federal taxable income shall be increased
19 by the amount of any capital investment that is expensed under section
20 179 of the Internal Revenue Code of 1986, as amended, that is in excess
21 of twenty-five thousand dollars that is allowed under the federal Jobs
22 and Growth Tax Act of 2003. Twenty percent of the total amount of
23 expensing added back by this subsection for tax years beginning or deemed
24 to begin on or after January 1, 2003, may be subtracted in the first
25 taxable year beginning or deemed to begin on or after January 1, 2006,
26 under the Internal Revenue Code of 1986, as amended, and twenty percent
27 in each of the next four following tax years.

28 (11)(a) For taxable years beginning or deemed to begin before
29 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
30 federal adjusted gross income shall be reduced by contributions, up to
31 two thousand dollars per married filing jointly return or one thousand
1 dollars for any other return, and any investment earnings made as a
2 participant in the Nebraska long-term care savings plan under the Long-
3 Term Care Savings Plan Act, to the extent not deducted for federal income
4 tax purposes.

5 (b) For taxable years beginning or deemed to begin before January 1,
6 2018, under the Internal Revenue Code of 1986, as amended, federal
7 adjusted gross income shall be increased by the withdrawals made as a
8 participant in the Nebraska long-term care savings plan under the act by
9 a person who is not a qualified individual or for any reason other than
10 transfer of funds to a spouse, long-term care expenses, long-term care
11 insurance premiums, or death of the participant, including withdrawals
12 made by reason of cancellation of the participation agreement, to the
13 extent previously deducted as a contribution or as investment earnings.

14 (12) There shall be added to federal adjusted gross income for
15 individuals, estates, and trusts any amount taken as a credit for
16 franchise tax paid by a financial institution under sections 77-3801 to
17 77-3807 as allowed by subsection (5) of section 77-2715.07.

18 (13) For taxable years beginning or deemed to begin on or after
19 January 1, 2015, under the Internal Revenue Code of 1986, as amended,
20 federal adjusted gross income shall be reduced by the amount received as
21 benefits under the federal Social Security Act which are included in the
22 federal adjusted gross income if:

23 (a) For taxpayers filing a married filing joint return, federal
24 adjusted gross income is fifty-eight thousand dollars or less; or

25 (b) For taxpayers filing any other return, federal adjusted gross
26 income is forty-three thousand dollars or less.

27 (14) For taxable years beginning or deemed to begin on or after
28 January 1, 2015, under the Internal Revenue Code of 1986, as amended, an
29 individual may make a one-time election within two calendar years after
30 the date of his or her retirement from the military to exclude income
31 received as a military retirement benefit by the individual to the extent
1 included in federal adjusted gross income and as provided in this
2 subsection. The individual may elect to exclude forty percent of his or

3 her military retirement benefit income for seven consecutive taxable
4 years beginning with the year in which the election is made or may elect
5 to exclude fifteen percent of his or her military retirement benefit
6 income for all taxable years beginning with the year in which he or she
7 turns sixty-seven years of age. For purposes of this subsection, military
8 retirement benefit means retirement benefits that are periodic payments
9 attributable to service in the uniformed services of the United States
10 for personal services performed by an individual prior to his or her
11 retirement.

12 Sec. 2. Section 77-2734.01, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 77-2734.01 (1)(a) For taxable years beginning or deemed to begin
15 before January 1, 2018, residents ~~(1) Residents~~ of Nebraska who are
16 shareholders of a small business corporation having an election in effect
17 under subchapter S of the Internal Revenue Code or who are members of a
18 limited liability company organized pursuant to the Nebraska Uniform
19 Limited Liability Company Act shall include in their Nebraska taxable
20 income, to the extent includable in federal gross income, their
21 proportionate share of such corporation's or limited liability company's
22 federal income adjusted pursuant to this section. Income or loss from
23 such corporation or limited liability company conducting a business,
24 trade, profession, or occupation shall be included in the Nebraska
25 taxable income of a shareholder or member who is a resident of this state
26 to the extent of such shareholder's or member's proportionate share of
27 the net income or loss from the conduct of such business, trade,
28 profession, or occupation within this state, determined under subsection
29 (2) of this section. A resident of Nebraska shall include in Nebraska
30 taxable income fair compensation for services rendered to such
31 corporation or limited liability company. Compensation actually paid
1 shall be presumed to be fair unless it is apparent to the Tax
2 Commissioner that such compensation is materially different from fair
3 value for the services rendered or has been manipulated for tax avoidance
4 purposes.

5 (b) For taxable years beginning or deemed to begin on or after
6 January 1, 2018, residents of Nebraska who are shareholders of a small
7 business corporation having an election in effect under subchapter S of
8 the Internal Revenue Code or who are members of a limited liability
9 company organized pursuant to the Nebraska Uniform Limited Liability
10 Company Act shall include in their Nebraska taxable income, to the extent
11 includable in federal gross income, their proportionate share of such
12 corporation's or limited liability company's federal income without any
13 adjustments pursuant to this section.

14 (2) The income of any small business corporation having an election
15 in effect under subchapter S of the Internal Revenue Code or limited
16 liability company organized pursuant to the Nebraska Uniform Limited
17 Liability Company Act that is derived from or connected with Nebraska
18 sources shall be determined in the following manner:

19 (a) If the small business corporation is a member of a unitary
20 group, the small business corporation shall be deemed to be doing

21 business within this state if any part of its income is derived from
22 transactions with other members of the unitary group doing business
23 within this state, and such corporation shall apportion its income by
24 using the apportionment factor determined for the entire unitary group,
25 including the small business corporation, under sections 77-2734.05 to
26 77-2734.15;

27 (b) If the small business corporation or limited liability company
28 is not a member of a unitary group and is subject to tax in another
29 state, it shall apportion its income under sections 77-2734.05 to
30 77-2734.15; and

31 (c) If the small business corporation or limited liability company
1 is not subject to tax in another state, all of its income is derived from
2 or connected with Nebraska sources.

3 (3) Nonresidents of Nebraska who are shareholders of such
4 corporations or members of such limited liability companies shall file a
5 Nebraska income tax return and shall include in Nebraska adjusted gross
6 income their proportionate share of the corporation's or limited
7 liability company's Nebraska income as determined under subsection (2) of
8 this section.

9 (4) The nonresident shareholder or member shall execute and forward
10 to the corporation or limited liability company before the filing of the
11 corporation's or limited liability company's return an agreement which
12 states he or she will file a Nebraska income tax return and pay the tax
13 on the income derived from or connected with sources in this state, and
14 such agreement shall be attached to the corporation's or limited
15 liability company's Nebraska return for such taxable year.

16 (5) For taxable years beginning or deemed to begin before January 1,
17 2013, in the absence of the nonresident shareholder's or member's
18 executed agreement being attached to the Nebraska return, the corporation
19 or limited liability company shall remit with the return an amount equal
20 to the highest individual income tax rate determined under section
21 77-2715.02 multiplied by the nonresident shareholder's or member's share
22 of the corporation's or limited liability company's income which was
23 derived from or attributable to this state. For taxable years beginning
24 or deemed to begin on or after January 1, 2013, in the absence of the
25 nonresident shareholder's or member's executed agreement being attached
26 to the Nebraska return, the corporation or limited liability company
27 shall remit with the return an amount equal to the highest individual
28 income tax rate determined under section 77-2715.03 multiplied by the
29 nonresident shareholder's or member's share of the corporation's or
30 limited liability company's income which was derived from or attributable
31 to this state. The amount remitted shall be allowed as a credit against
1 the Nebraska income tax liability of the shareholder or member.

2 (6) The Tax Commissioner may allow a nonresident individual
3 shareholder or member to not file a Nebraska income tax return if the
4 nonresident individual shareholder's or member's only source of Nebraska
5 income was his or her share of the small business corporation's or
6 limited liability company's income which was derived from or attributable
7 to sources within this state, the nonresident did not file an agreement

8 to file a Nebraska income tax return, and the small business corporation
9 or limited liability company has remitted the amount required by
10 subsection (5) of this section on behalf of such nonresident individual
11 shareholder or member. The amount remitted shall be retained in
12 satisfaction of the Nebraska income tax liability of the nonresident
13 individual shareholder or member.

14 (7) A small business corporation or limited liability company return
15 shall be filed only if one or more of the shareholders of the corporation
16 or members of the limited liability company are not residents of the
17 State of Nebraska or if such corporation or limited liability company has
18 income derived from sources outside this state.

19 (8) For purposes of this section, any shareholder or member of the
20 corporation or limited liability company that is a grantor trust of a
21 nonresident shall be disregarded and this section shall apply as though
22 the nonresident grantor was the shareholder or member.

23 Sec. 4. Section 79-1005.01, Revised Statutes Cumulative Supplement,
24 2016, is amended to read:

25 79-1005.01 (1) Not later than November 15 of each year, the Tax
26 Commissioner shall certify to the department for the preceding tax year
27 the income tax liability of resident individuals for each local system.

28 (2) For school fiscal years prior to 2017-18, one hundred two
29 million two hundred eighty-nine thousand eight hundred seventeen dollars
30 which is equal to the amount appropriated to the School District Income
31 Tax Fund for distribution in school fiscal year 1992-93 shall be
1 disbursed as option payments as determined under section 79-1009 and as
2 allocated income tax funds as determined in this section and sections
3 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in
4 section 79-1008.02 for school fiscal years prior to school fiscal year
5 2017-18. For school fiscal years prior to school fiscal year 2017-18,
6 funds not distributed as allocated income tax funds due to minimum levy
7 adjustments shall not increase the amount available to local systems for
8 distribution as allocated income tax funds.

9 (3) Using the data certified by the Tax Commissioner pursuant to
10 subsection (1) of this section, the department shall calculate the
11 allocation percentage and each local system's allocated income tax funds.
12 The allocation percentage shall be the amount stated in subsection (2) of
13 this section minus the total amount paid for option students pursuant to
14 section 79-1009, with the difference divided by the aggregate statewide
15 income tax liability of all resident individuals certified pursuant to
16 subsection (1) of this section. For school fiscal years prior to 2017-18,
17 each ~~Each~~ local system's allocated income tax funds shall be calculated
18 by multiplying the allocation percentage times the local system's income
19 tax liability certified pursuant to subsection (1) of this section.

20 (4) For school fiscal year 2017-18 ~~and each school fiscal year~~
21 ~~thereafter~~, each local system's allocated income tax funds shall be
22 calculated by multiplying the local system's income tax liability
23 certified pursuant to subsection (1) of this section by two and twenty-
24 three hundredths percent.

25 (5) For school fiscal year 2018-19 and each school fiscal year

26 thereafter, each local system's allocated income tax funds shall be
27 calculated by multiplying the local system's income tax liability
28 certified pursuant to subsection (1) of this section by twenty percent.
29 Sec. 9. The following sections are outright repealed: Sections
30 77-2715.09, Reissue Revised Statutes of Nebraska, and section 77-2715.08,
31 Revised Statutes Cumulative Supplement, 2016.
1 2. Renumber the remaining sections and correct the repealer
2 accordingly.

Senator Baker offered the following amendment to the Friesen amendment:
AM1238

(Amendments to Friesen amendments, AM1236)

1 1. Strike amendment 1 and insert the following new amendment:
2 1. Insert the following new section:
3 Section 1. The Education Committee of the Legislature shall review
4 the Tax Equity and Educational Opportunities Support Act and shall
5 develop a new system for financing school districts. The committee may
6 ask members of other committees of the Legislature to assist in the
7 process. The committee shall report electronically the results of such
8 review and prepare legislation to implement the new system for financing
9 school districts to the Legislative Council or Legislature on or before
10 December 31, 2017.

Senator Baker withdrew his amendment.

SENATOR LINDSTROM PRESIDING

SPEAKER SCHEER PRESIDING

Senator Harr moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 27 ayes, 0 nays, and 22 not voting.

Senator Friesen moved for a call of the house. The motion prevailed with 26 ayes, 0 nays, and 23 not voting.

The Friesen amendment lost with 11 ayes, 22 nays, 14 present and not voting, and 2 excused and not voting.

Advanced to Enrollment and Review for Engrossment.

The Chair declared the call raised.

COMMITTEE REPORT(S)
Enrollment and Review

LEGISLATIVE BILL 268. Placed on Final Reading.
LEGISLATIVE BILL 268A. Placed on Final Reading.

(Signed) Anna Wishart, Chairperson

SPEAKER'S MAJOR PROPOSALS

April 27, 2017

Patrick O'Donnell
Clerk of the Legislature
State Capitol
Lincoln, NE 68509

Dear Mr. O'Donnell:

Please be advised that pursuant to Rule 1, Section 17, the Executive Board met and approved Speaker Scheer's request that LB327, LB330, LB331, and LB332 be designated as 2017 Speaker Major Proposals.

Respectfully,
(Signed) Senator Dan Watermeier
Chairperson, Executive Board

C: Speaker Jim Scheer

AMENDMENT(S) - Print in Journal

Senator Pansing Brooks filed the following amendment to LB517:
AM1221

- 1 1. Strike original section 5.
- 2 2. On page 5, line 28, strike "(i)(1) A" and insert "(i)(1)(A)
- 3 Except as provided in subdivision (i)(1)(B) of this section, a".
- 4 3. On page 6, line 3, after the period insert:
- 5 "(B) Liability of a payor or other third party which is a financial
- 6 institution making payment on a jointly owned account or to a beneficiary
- 7 pursuant to the terms of a governing instrument on an account with a POD
- 8 designation shall be governed by section 30-2732.
- 9 (C)"; in line 5 after "forfeiture" insert "severance"; in line 8
- 10 strike "(i)(1)" and insert "(i)(1)(A)"; in line 10 after the second "or"
- 11 insert "in the case of written notice to a person other than a
- 12 financial institution"; and in line 11 after the period insert "Written
- 13 notice to a financial institution with respect to a jointly owned account
- 14 or an account with a POD designation shall be governed by section
- 15 30-2732".
- 16 4. On page 15, line 22, strike "30-2723".
- 17 5. Renumber the remaining sections accordingly.

Senator Harr filed the following amendment to LB492:
AM1234

(Amendments to Standing Committee amendments, AM310)

- 1 1. Insert the following new sections:

2 Sec. 10. Section 37-1278, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 37-1278 (1) Application for a certificate of title shall be
5 presented to the county treasurer, shall be made upon a form prescribed
6 by the Department of Motor Vehicles, and shall be accompanied by the fee
7 prescribed in section 37-1287. The owner of a motorboat for which a
8 certificate of title is required shall obtain a certificate of title
9 prior to registration required under section 37-1214. The buyer of a
10 motorboat sold pursuant to section 7 of this act shall present
11 documentation that such sale was completed in compliance with such
12 section.

13 (2)(a) If a certificate of title has previously been issued for the
14 motorboat in this state, the application for a new certificate of title
15 shall be accompanied by the certificate of title duly assigned. If a
16 certificate of title has not previously been issued for the motorboat in
17 this state, the application shall be accompanied by a certificate of
18 number from this state, a manufacturer's or importer's certificate, a
19 duly certified copy thereof, proof of purchase from a governmental agency
20 or political subdivision, a certificate of title from another state, or a
21 court order issued by a court of record, a manufacturer's certificate of
22 origin, or an assigned registration certificate, if the motorboat was
23 brought into this state from a state which does not have a certificate of
24 title law. The county treasurer shall retain the evidence of title
25 presented by the applicant on which the certificate of title is issued.

26 When the evidence of title presented by the applicant is a certificate of
1 title or an assigned registration certificate issued by another state,
2 the department shall notify the state of prior issuance that the
3 certificate has been surrendered. If a certificate of title has not
4 previously been issued for the motorboat in this state and the applicant
5 is unable to provide such documentation, the applicant may apply for a
6 bonded certificate of title as prescribed in section 37-1278.01.

7 (b) This subdivision applies beginning on an implementation date
8 designated by the Director of Motor Vehicles. The director shall
9 designate an implementation date which is on or before January 1, 2020.
10 In addition to the information required under subdivision (2)(a) of this
11 section, the application for a certificate of title shall contain (i) the
12 full legal name as defined in section 60-468.01 of each owner and (ii)(A)
13 the motor vehicle operator's license number or state identification card
14 number of each owner, if applicable, and one or more of the
15 identification elements as listed in section 60-484 of each owner, if
16 applicable, and (B) if any owner is a business entity, a nonprofit
17 organization, an estate, a trust, or a church-controlled organization,
18 its tax identification number.

19 (3) The county treasurer shall use reasonable diligence in
20 ascertaining whether or not the statements in the application for a
21 certificate of title are true by checking the application and documents
22 accompanying the same with the records of motorboats in his or her
23 office. If he or she is satisfied that the applicant is the owner of the
24 motorboat and that the application is in the proper form, the county

25 treasurer shall issue a certificate of title over his or her signature
26 and sealed with his or her seal.

27 (4) In the case of the sale of a motorboat, the certificate of title
28 shall be obtained in the name of the purchaser upon application signed by
29 the purchaser, except that for titles to be held by husband and wife,
30 applications may be accepted by the county treasurer upon the signature
31 of either spouse as a signature for himself or herself and as an agent
1 for his or her spouse.

2 (5) In all cases of transfers of motorboats, the application for a
3 certificate of title shall be filed within thirty days after the delivery
4 of the motorboat. A dealer need not apply for a certificate of title for
5 a motorboat in stock or acquired for stock purposes, but upon transfer of
6 a motorboat in stock or acquired for stock purposes, the dealer shall
7 give the transferee a reassignment of the certificate of title on the
8 motorboat or an assignment of a manufacturer's or importer's certificate.
9 If all reassignments printed on the certificate of title have been used,
10 the dealer shall obtain title in his or her name prior to any subsequent
11 transfer.

12 Sec. 11. Section 37-1283, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 37-1283 (1) In the event of the transfer of ownership of a motorboat
15 by operation of law as upon inheritance, devise, or bequest, order in
16 bankruptcy, insolvency, replevin, or execution sale, (2) whenever a
17 motorboat is sold to satisfy storage or repair charges or under section 7
18 of this act, or (3) whenever repossession is had upon default in
19 performance of the terms of a chattel mortgage, trust receipt,
20 conditional sales contract, or other like agreement, the county treasurer
21 of any county or the Department of Motor Vehicles, upon the surrender of
22 the prior certificate of title or the manufacturer's or importer's
23 certificate, or when that is not possible, upon presentation of
24 satisfactory proof of ownership and right of possession to the motorboat,
25 and upon payment of the fee prescribed in section 37-1287 and the
26 presentation of an application for certificate of title, may issue to the
27 applicant a certificate of title thereto. If the prior certificate of
28 title issued for the motorboat provided for joint ownership with right of
29 survivorship, a new certificate of title shall be issued to a subsequent
30 purchaser upon the assignment of the prior certificate of title by the
31 surviving owner and presentation of satisfactory proof of death of the
1 deceased owner. Only an affidavit by the person or agent of the person to
2 whom possession of the motorboat has so passed, setting forth facts
3 entitling him or her to such possession and ownership, together with a
4 copy of the journal entry, court order, or instrument upon which such
5 claim of possession and ownership is founded shall be considered
6 satisfactory proof of ownership and right of possession, except that if
7 the applicant cannot produce such proof of ownership, he or she may
8 submit to the department such evidence as he or she may have and the
9 department may thereupon, if it finds the evidence sufficient, issue the
10 certificate of title or authorize any county treasurer to issue a
11 certificate of title, as the case may be. If from the records of the

12 county treasurer or the department there appear to be any liens on the
13 motorboat, the certificate of title shall comply with section 37-1282
14 regarding the liens unless the application is accompanied by proper
15 evidence of their satisfaction or extinction.

16 Sec. 12. Section 60-149, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

18 60-149 (1)(a) If a certificate of title has previously been issued
19 for a vehicle in this state, the application for a new certificate of
20 title shall be accompanied by the certificate of title duly assigned
21 except as otherwise provided in the Motor Vehicle Certificate of Title
22 Act.

23 (b) Except for manufactured homes or mobile homes as provided in
24 subsection (2) of this section, if a certificate of title has not
25 previously been issued for the vehicle in this state or if a certificate
26 of title is unavailable pursuant to subsection (4) of section 52-1801,
27 the application shall be accompanied by:

28 (i) A manufacturer's or importer's certificate except as otherwise
29 provided in subdivision (vii) of this subdivision;

30 (ii) A duly certified copy of the manufacturer's or importer's
31 certificate;

1 (iii) An affidavit by the owner affirming ownership in the case of
2 an all-terrain vehicle, a utility-type vehicle, or a minibike;

3 (iv) A certificate of title from another state;

4 (v) A court order issued by a court of record, a manufacturer's
5 certificate of origin, or an assigned registration certificate, if the
6 law of the state from which the vehicle was brought into this state does
7 not have a certificate of title law;

8 (vi) Documentation prescribed in section 60-142.01, 60-142.02,
9 60-142.04, or 60-142.05 or documentation of compliance with section 7 of
10 this act; or

11 (vii) A manufacturer's or importer's certificate and an affidavit by
12 the owner affirming ownership in the case of a minitruck.

13 (c) If the application for a certificate of title in this state is
14 accompanied by a valid certificate of title issued by another state which
15 meets that state's requirements for transfer of ownership, then the
16 application may be accepted by this state.

17 (d) If a certificate of title has not previously been issued for the
18 vehicle in this state and the applicant is unable to provide such
19 documentation, the applicant may apply for a bonded certificate of title
20 as prescribed in section 60-167.

21 (2)(a) If the application for a certificate of title for a
22 manufactured home or a mobile home is being made in accordance with
23 subdivision (4)(b) of section 60-137 or if the certificate of title for a
24 manufactured home or a mobile home is unavailable pursuant to section
25 52-1801, the application shall be accompanied by proof of ownership in
26 the form of:

27 (i) A duly assigned manufacturer's or importer's certificate;

28 (ii) A certificate of title from another state;

29 (iii) A court order issued by a court of record;

30 (iv) Evidence of ownership as provided for in section 30-24,125,
31 52-601.01 to 52-605, 60-1901 to 60-1911, ~~or~~ 60-2401 to 60-2411, or
1 documentation of compliance with section 7 of this act; or
2 (v) Assessment records for the manufactured home or mobile home from
3 the county assessor and an affidavit by the owner affirming ownership.
4 (b) If the applicant cannot produce proof of ownership described in
5 subdivision (a) of this subsection, he or she may submit to the
6 department such evidence as he or she may have, and the department may
7 thereupon, if it finds the evidence sufficient, issue the certificate of
8 title or authorize the county treasurer to issue a certificate of title,
9 as the case may be.
10 (3) For purposes of this section, certificate of title includes a
11 salvage certificate, a salvage branded certificate of title, or any other
12 document of ownership issued by another state or jurisdiction for a
13 salvage vehicle. Only a salvage branded certificate of title shall be
14 issued to any vehicle conveyed upon a salvage certificate, a salvage
15 branded certificate of title, or any other document of ownership issued
16 by another state or jurisdiction for a salvage vehicle.
17 (4) The county treasurer shall retain the evidence of title
18 presented by the applicant and on which the certificate of title is
19 issued.
20 Sec. 13. Section 60-166, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:
22 60-166 (1) In the event of (a) the transfer of ownership of a
23 vehicle by operation of law as upon inheritance, devise, or bequest,
24 order in bankruptcy, insolvency, replevin, or execution sale or as
25 provided in sections 30-24,125, 52-601.01 to 52-605, 60-1901 to 60-1911,
26 and 60-2401 to 60-2411, (b) the engine of a vehicle being replaced by
27 another engine, (c) a vehicle being sold to satisfy storage or repair
28 charges or under section 7 of this act, or (d) repossession being had
29 upon default in performance of the terms of a chattel mortgage, trust
30 receipt, conditional sales contract, or other like agreement, the county
31 treasurer of any county or the department, upon the surrender of the
1 prior certificate of title or the manufacturer's or importer's
2 certificate, or when that is not possible, upon presentation of
3 satisfactory proof of ownership and right of possession to such vehicle,
4 and upon payment of the appropriate fee and the presentation of an
5 application for certificate of title, may issue to the applicant a
6 certificate of title thereto. If the prior certificate of title issued
7 for such vehicle provided for joint ownership with right of survivorship,
8 a new certificate of title shall be issued to a subsequent purchaser upon
9 the assignment of the prior certificate of title by the surviving owner
10 and presentation of satisfactory proof of death of the deceased owner.
11 Only an affidavit by the person or agent of the person to whom possession
12 of such vehicle has so passed, setting forth facts entitling him or her
13 to such possession and ownership, together with a copy of the journal
14 entry, court order, or instrument upon which such claim of possession and
15 ownership is founded, shall be considered satisfactory proof of ownership
16 and right of possession, except that if the applicant cannot produce such

17 proof of ownership, he or she may submit to the department such evidence
 18 as he or she may have, and the department may thereupon, if it finds the
 19 evidence sufficient, issue the certificate of title or authorize any
 20 county treasurer to issue a certificate of title, as the case may be.

21 (2) If from the records of the county treasurer or the department
 22 there appear to be any liens on such vehicle, such certificate of title
 23 shall comply with section 60-164 or 60-165 regarding such liens unless
 24 the application is accompanied by proper evidence of their satisfaction
 25 or extinction.

26 Sec. 14. Original sections 37-1278 and 37-1283, Reissue Revised
 27 Statutes of Nebraska, and sections 60-149 and 60-166, Revised Statutes
 28 Cumulative Supplement, 2016, are repealed.

29 2. On page 5, line 31, after the period insert "If the property is a
 30 vehicle, watercraft, or trailer, such sale shall extinguish any lien or
 31 security interest in the property of any holder of such lien or security
 1 interest to whom notice of the sale was sent in compliance with this
 2 section.".

RESOLUTION(S)

LEGISLATIVE RESOLUTION 117. Introduced by Stinner, 48.

WHEREAS, Maurie Deines received the Distinguished Citizen Award in recognition of his excellent work in serving the community, as well as the youth in the community; and

WHEREAS, this award was presented by the Longs Peak Council of the Boy Scouts of America, Tri-Trails District, during the Tri-Trails Distinguished Citizen Dinner fundraiser; and

WHEREAS, Maurie Deines earned this award because of his leadership and years of devotion and service in various community groups including the Gering Pathways Project, Leadership Scotts Bluff, the TeamMates Mentoring Program, and as the Scoutmaster for Troop 3 in Gering; and

WHEREAS, Maurie Deines is highly respected in his community and a wonderful mentor to many people.

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

1. That the Legislature congratulates Maurie Deines for receiving the Distinguished Citizen Award.
2. That a copy of this resolution be sent to Maurie Deines.

Laid over.

LEGISLATIVE RESOLUTION 118. Introduced by Stinner, 48.

WHEREAS, Jace Demeranville received a Distinguished Scout Award in recognition of his outstanding achievements in the Boy Scouts of America; and

WHEREAS, this award was presented by the Longs Peak Council of the Boy Scouts of America, Tri-Trails District, during the Tri-Trails Distinguished Citizen Dinner fundraiser; and

WHEREAS, this award recognizes and honors Jace's leadership, dedication, and commitment to the Boy Scouts of America; and

WHEREAS, Jace has served as Senior Patrol Leader, Assistant Senior Patrol Leader, Patrol Leader, and Historian and is currently the Junior Assistant Scoutmaster of Scottsbluff Troop 5; and

WHEREAS, Jace Demeranville is the first Scout of the Longs Peak Council to be inducted into the Boy Scouts of America National Youth Leadership Society.

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

1. That the Legislature congratulates Jace Demeranville for receiving the Distinguished Scout Award.

2. That a copy of this resolution be sent to Jace Demeranville.

Laid over.

LEGISLATIVE RESOLUTION 119. Introduced by Geist, 25.

WHEREAS, the Villa Marie Eagles won the 2017 Special Olympics state basketball tournament; and

WHEREAS, the Eagles' victory came at the conclusion of the fourth overtime against the previously undefeated Norris Titans in front of a crowd of over 150 basketball fans; and

WHEREAS, Luke Bartek also earned first place in the individual skills competition by demonstrating excellence in passing, dribbling, and shooting baskets; and

WHEREAS, Coaches Matt Jilek and Greg Gibney provided the leadership, always asking the players for "one more," whether it was a lap, made free-throw, or act of kindness; and

WHEREAS, the Legislature recognizes the academic, athletic, and artistic achievements of the youth of our state.

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

1. That the Legislature congratulates the Villa Marie Eagles on winning the 2017 Special Olympics state basketball tournament.

2. That a copy of this resolution be sent to the Eagles and Coaches Matt Jilek and Greg Gibney.

Laid over.

VISITORS

Visitors to the Chamber were members of Freedom Baptist Church from Stamford; Nick Brdicko from Omaha; 75 fourth-grade students and sponsors from Dodge Elementary, Grand Island; 92 fourth-grade students, teachers, and sponsors from Aurora Elementary; 50 fourth-grade students from Norfolk Catholic School; students, teachers, and sponsors from Legislative District 7; 12 fourth-grade students from St. Joseph Catholic School, York; and 39 first- through twelfth-grade students and sponsors on Take Our Daughters and Sons to Work Day from Lincoln.

The Doctor of the Day was Dr. Brian Buhlke from Central City.

ADJOURNMENT

At 12:00 p.m., on a motion by Senator Albrecht, the Legislature adjourned until 9:00 a.m., Tuesday, May 2, 2017.

Patrick J. O'Donnell
Clerk of the Legislature

