

**SIXTY-FIRST DAY - APRIL 17, 2019**  
**LEGISLATIVE JOURNAL**  
**ONE HUNDRED SIXTH LEGISLATURE**  
**FIRST SESSION**

**SIXTY-FIRST DAY**

Legislative Chamber, Lincoln, Nebraska  
Wednesday, April 17, 2019

**PRAYER**

The prayer was offered by Pastor Matt Erikson, Mercy City Church, Lincoln.

**ROLL CALL**

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

The roll was called and all members were present except Senators Bolz, B. Hansen, Lindstrom, Morfeld, Stinner, and Wishart who were excused until they arrive.

**CORRECTIONS FOR THE JOURNAL**

The Journal for the sixtieth day was approved.

**GENERAL FILE**

**LEGISLATIVE BILL 550.** Senator Wayne withdrew his motion, MO65, found on page 1188, to bracket until June 6, 2019.

Senator Vargas withdrew his amendment, AM1373, found on page 1188.

Committee AM530, found on page 946 and considered on page 1188, was renewed.

Senator Wayne offered the following amendment to the committee amendment:

AM1393

(Amendments to Standing Committee amendments, AM530)

- 1 1. Strike amendment 1 and insert the following new amendment:
- 2 1. Strike the original sections and insert the following new
- 3 section:
- 4 Section 1. No municipality shall adopt a new occupation tax on
- 5 wireless and prepaid wireless services or increase the rate of an

6 existing occupation tax on such services on or after the effective date  
 7 of this act unless and until the question of whether to adopt or increase  
 8 such tax has been submitted at a primary or general election held within  
 9 the municipality and in which all registered voters shall be entitled to  
 10 vote on such question. The officials of the municipality shall order the  
 11 submission of the question by submitting a certified copy of the  
 12 resolution proposing the tax or tax increase to the election commissioner  
 13 or county clerk by March 1 for a primary election or by September 1 for a  
 14 general election. The election shall be conducted in accordance with the  
 15 Election Act. If a majority of the votes cast upon such question are in  
 16 favor of such tax or tax increase, then the governing body of such  
 17 municipality shall be empowered to impose such tax or tax increase. If a  
 18 majority of those voting on the question are opposed to such tax or tax  
 19 increase, then the governing body of the municipality shall not impose  
 20 such tax or tax increase.

### SENATOR WILLIAMS PRESIDING

Pending.

### AMENDMENT(S) - Print in Journal

Senator Wayne filed the following amendment to LB85:  
 AM1377

(Amendments to Standing Committee amendments, AM66)

1 1. Strike amendment 1 and insert the following new amendment:  
 2 1. Strike the original sections and insert the following new  
 3 sections:  
 4 Section 1. The Legislature finds that the enforcement of local  
 5 building and construction codes is a matter of state concern,  
 6 particularly in larger cities which contain a large number of residential  
 7 rental properties. The state provides guidelines for the adoption of  
 8 local building and construction codes under the Building Construction Act  
 9 and regulates the landlord and tenant relationship through the Uniform  
 10 Residential Landlord and Tenant Act. Recognizing the need to safeguard  
 11 life, health, property, and the public welfare through the appropriate  
 12 enforcement of local building and construction codes, the Legislature  
 13 hereby declares the necessity of establishing minimum requirements for  
 14 cities of the metropolitan class to enforce such codes through a  
 15 proactive rental housing inspection program.  
 16 Sec. 2. For purposes of sections 1 to 7 of this act:  
 17 (1) City means any city of the metropolitan class;  
 18 (2) Housing agency has the same meaning as in section 71-1575; and  
 19 (3) Newly constructed residential rental property means (a) a  
 20 single-family or multi-unit residential rental property that was  
 21 constructed within the past five years or (b) a non-residential rental  
 22 property that was converted into multi-unit residential rental property  
 23 within the past five years. For purposes of this subdivision, a rental  
 24 property shall be considered constructed or converted on the date of

25 issuance of an occupancy permit by the city.  
26 Sec. 3. Any city which enacts and administers a local building or  
1 construction code under section 71-6406 shall adopt a rental housing  
2 inspection program to enforce the relevant provisions of such local  
3 building or construction code for all residential rental property within  
4 the corporate limits of the city. The enforcement procedures for a rental  
5 housing inspection program adopted pursuant to this section shall be  
6 designed to improve housing conditions. The city shall make reasonable  
7 efforts to prevent unreasonable displacement of tenants from residential  
8 rental property when enforcing such program.  
9 Sec. 4. (1) A rental housing inspection program adopted under  
10 section 3 of this act shall include:  
11 (a)(i) A requirement that all residential rental property within the  
12 corporate limits of the city be registered with the city. Such  
13 registration shall include:  
14 (A) The name, street address, telephone number, email address, and  
15 identification of the type of entity if applicable, of the owner of the  
16 residential rental property;  
17 (B) If different than the owner of the residential rental property,  
18 the name, street address, telephone number, email address, and  
19 identification of the type of entity if applicable, of the local property  
20 manager of the residential rental property;  
21 (C) If applicable, the name, street address, telephone number, and  
22 email address of any other alternate contact person acting on behalf of  
23 the owner of the residential rental property;  
24 (D) The identity of the residential rental property, including  
25 parcel number, physical street address or addresses, and full mailing  
26 address or addresses if different than the physical street address or  
27 addresses;  
28 (E) The number of separate rental dwelling units, if applicable, on  
29 the residential rental property; and  
30 (F) Any such other information required by the city;  
31 (ii) Registration information shall be made publicly available in  
1 both printed and electronic form; and  
2 (iii) The city shall not charge a fee for such registration;  
3 (b) A requirement that all residential rental property within the  
4 corporate limits of the city be inspected at least once within a four-  
5 year cycle, except as provided in section 5 of this act, and except for  
6 any such property that is:  
7 (i) Newly constructed residential rental property;  
8 (ii) Owned or managed by a housing agency;  
9 (iii) Inspected or caused to be inspected by a housing agency to  
10 enforce housing quality standards required by the United States  
11 Department of Housing and Urban Development for properties rented under a  
12 voucher program or other rental assistance program under section 8 of the  
13 United States Housing Act of 1937; or  
14 (iv) A qualified low-income building or buildings, as such term is  
15 defined in section 42 of the Internal Revenue Code of 1986, as amended;  
16 (c) A supplemental system of inspections of residential rental

17 property upon receipt of any complaints;  
18 (d) A procedure for owners of residential rental property to appeal  
19 adverse decisions under the rental housing inspection program; and  
20 (e) An educational component to educate owners of residential rental  
21 property on issues related to rental property ownership, including, but  
22 not limited to, their responsibilities under the rental housing  
23 inspection program and a tenant's rights under the Uniform Residential  
24 Landlord and Tenant Act.  
25 (2)(a) The city shall comply with the requirements of subdivisions  
26 (1)(a), (c), (d), and (e) of this section no later than one year  
27 following the effective date of this act.  
28 (b) For residential rental property which has had a code violation  
29 within the three years prior to the effective date of this act that was  
30 not remedied, the city shall comply with the requirements of subdivision  
31 (1)(b) of this section no later than two years following the effective  
1 date of this act.  
2 (c) For residential rental property with three or more rental units  
3 that has not had a code violation within the three years prior to the  
4 effective date of this act that was not remedied, the city shall comply  
5 with the requirements of subdivision (1)(b) of this section no later than  
6 three years following the effective date of this act.  
7 (d) For residential rental property with less than three rental  
8 units that has not had a code violation within the three years prior to  
9 the effective date of this act that was not remedied, the city shall  
10 comply with the requirements of subdivision (1)(b) of this section no  
11 later than four years following the effective date of this act.  
12 Sec. 5. A rental housing inspection program adopted under section 3  
13 of this act may include:  
14 (1) A schedule of inspection fees for any inspections or  
15 reinspections required in any residential rental property;  
16 (2) A schedule of fines for failure to comply with local building  
17 and construction code requirements, including fines and interest for late  
18 payments; and  
19 (3) A provision allowing for a one-time, three-year waiver of  
20 regular inspections as required under subdivision (1)(b) of section 4 of  
21 this act for residential rental properties which have had no code  
22 violations within the three years prior to the effective date of this  
23 act.  
24 Sec. 6. For multi-unit residential rental properties, a rental  
25 housing inspection program adopted under section 3 of this act may  
26 provide for inspections to be conducted on a random sampling of all units  
27 of such property instead of inspecting all units of such property.  
28 Sec. 7. (1) A city may enforce the collection of unpaid fees and  
29 unpaid fines assessed or levied under any schedule adopted pursuant to  
30 section 5 of this act by filing a civil action in any court of competent  
31 jurisdiction.  
1 (2) Unpaid fees and unpaid fines assessed or levied under any  
2 schedule adopted pursuant to section 5 of this act shall become a lien on  
3 the applicable property upon the recording of a notice of such lien in

4 the office of the register of deeds of the county in which the applicable  
 5 property is located. The lien created under this subsection shall be  
 6 subordinate to all other prior recorded liens on the applicable property.  
 7 Sec. 8. The Revisor of Statutes shall assign sections 1 to 7 of  
 8 this act to Chapter 14.

### GENERAL FILE

**LEGISLATIVE BILL 155.** Considered.

Senator Brewer offered his amendment, AM1380, found on page 1188.

The Brewer amendment was adopted with 37 ayes, 1 nay, 8 present and not voting, and 3 excused and not voting.

Advanced to Enrollment and Review Initial with 40 ayes, 1 nay, 5 present and not voting, and 3 excused and not voting.

### COMMITTEE REPORT(S)

Enrollment and Review

**LEGISLATIVE BILL 538.** Placed on Select File with amendment.  
 ER84

1 1. In the Lathrop amendment, AM1278, on page 2, line 9, strike  
 2 "are", show as stricken, and insert "is".  
 3 2. On page 1, strike beginning with "gambling" in line 1 through  
 4 line 7 and insert "gambling; to amend sections 28-1107, 77-3001, 77-3006,  
 5 77-3007, 77-3008, 77-3010, and 77-3011, Reissue Revised Statutes of  
 6 Nebraska; to change provisions relating to possession of a gambling  
 7 device; to define and redefine terms under the Mechanical Amusement  
 8 Device Tax Act; to provide for approval of certain mechanical amusement  
 9 devices by, and provide duties and powers for, the Department of Revenue  
 10 as prescribed; to provide fees; to harmonize provisions; to provide an  
 11 operative date; and to repeal the original sections."

**LEGISLATIVE BILL 323.** Placed on Select File with amendment.  
 ER85

1 1. In the Standing Committee amendments, AM678, on page 3, lines 17  
 2 and 24, strike "subsection" and insert "subdivision".

(Signed) Julie Slama, Chairperson

### AMENDMENT(S) - Print in Journal

Senator McDonnell filed the following amendment to LB641:  
 AM1397

(Amendments to Standing Committee amendments, AM724)

1 1. On page 1, after line 26 insert the following new subsection:  
 2 "(5) There is hereby created the 211 Cash Fund. The fund shall be

3 used solely for the purpose of providing grants pursuant to this section  
4 and associated administrative costs. All money received by the Public  
5 Service Commission for such grants shall be remitted to the State  
6 Treasurer for credit to such fund. Any money in the fund available for  
7 investment shall be invested by the state investment officer pursuant to  
8 the Nebraska Capital Expansion Act and the Nebraska State Funds  
9 Investment Act."

10 2. On page 3, lines 26 and 27, strike "Public Service Commission"  
11 and insert "211 Cash Fund".

#### **GENERAL FILE**

**LEGISLATIVE BILL 424.** Title read. Considered.

Committee AM509, found on page 705, was offered.

Pending.

#### **VISITOR(S)**

Visitors to the Chamber were students from Elgin Public Schools; students and teachers from Wayne Elementary School; Senator Kolterman's brother and sister-in-law, Clark and Linda Kolterman, from Seward, and Monica Duran Gabella, from Chile; and students from Oakland-Craig Elementary School.

#### **RECESS**

At 11:57 a.m., on a motion by Senator Bolz, the Legislature recessed until 1:30 p.m.

#### **AFTER RECESS**

The Legislature reconvened at 1:30 p.m., Speaker Scheer presiding.

#### **ROLL CALL**

The roll was called and all members were present except Senator Bostelman who was excused; and Senators Bolz, Brewer, Geist, Morfeld, Slama, and Vargas who were excused until they arrive.

#### **RESOLUTION(S)**

Pursuant to Rule 4, Sec. 5(b), LR83 was adopted.

#### **SPEAKER SIGNED**

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LR83.

**GENERAL FILE**

**LEGISLATIVE BILL 424.** Committee AM509, found on page 705 and considered in this day's Journal, was renewed.

**SENATOR LINDSTROM PRESIDING**

Senator Hilgers offered the following amendment to the committee amendment:

AM1401

(Amendments to Standing Committee amendments, AM509)

- 1 1. Insert the following new amendments:
- 2 1. Strike original section 9 and insert the following new section:
- 3 Sec. 23. The following section is outright repealed: Section
- 4 19-5209, Revised Statutes Cumulative Supplement, 2018.
- 5 3. On page 29, line 7, strike "19-5209,".
- 6 4. Renumber the remaining sections and correct internal references
- 7 accordingly.

Pending.

**COMMITTEE REPORT(S)**

Revenue

**LEGISLATIVE BILL 560.** Placed on General File with amendment.

AM1414

- 1 1. Strike the original sections and insert the following new
- 2 sections:
- 3 Section 1. Section 77-2715.07, Reissue Revised Statutes of Nebraska,
- 4 is amended to read:
- 5 77-2715.07 (1) There shall be allowed to qualified resident
- 6 individuals as a nonrefundable credit against the income tax imposed by
- 7 the Nebraska Revenue Act of 1967:
- 8 (a) A credit equal to the federal credit allowed under section 22 of
- 9 the Internal Revenue Code; and
- 10 (b) A credit for taxes paid to another state as provided in section
- 11 77-2730.
- 12 (2) There shall be allowed to qualified resident individuals against
- 13 the income tax imposed by the Nebraska Revenue Act of 1967:
- 14 (a) For returns filed reporting federal adjusted gross incomes of
- 15 greater than twenty-nine thousand dollars, a nonrefundable credit equal
- 16 to twenty-five percent of the federal credit allowed under section 21 of
- 17 the Internal Revenue Code of 1986, as amended, except that for taxable
- 18 years beginning or deemed to begin on or after January 1, 2015, such
- 19 nonrefundable credit shall be allowed only if the individual would have
- 20 received the federal credit allowed under section 21 of the code after
- 21 adding back in any carryforward of a net operating loss that was deducted
- 22 pursuant to such section in determining eligibility for the federal
- 23 credit;

24 (b) For returns filed reporting federal adjusted gross income of  
25 twenty-nine thousand dollars or less, a refundable credit equal to a  
26 percentage of the federal credit allowable under section 21 of the  
27 Internal Revenue Code of 1986, as amended, whether or not the federal  
1 credit was limited by the federal tax liability. The percentage of the  
2 federal credit shall be one hundred percent for incomes not greater than  
3 twenty-two thousand dollars, and the percentage shall be reduced by ten  
4 percent for each one thousand dollars, or fraction thereof, by which the  
5 reported federal adjusted gross income exceeds twenty-two thousand  
6 dollars, except that for taxable years beginning or deemed to begin on or  
7 after January 1, 2015, such refundable credit shall be allowed only if  
8 the individual would have received the federal credit allowed under  
9 section 21 of the code after adding back in any carryforward of a net  
10 operating loss that was deducted pursuant to such section in determining  
11 eligibility for the federal credit;

12 (c) A refundable credit as provided in section 77-5209.01 for  
13 individuals who qualify for an income tax credit as a qualified beginning  
14 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
15 for all taxable years beginning or deemed to begin on or after January 1,  
16 2006, under the Internal Revenue Code of 1986, as amended;

17 (d) A refundable credit for individuals who qualify for an income  
18 tax credit under the Angel Investment Tax Credit Act, the Nebraska  
19 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
20 and Development Act, or the Volunteer Emergency Responders Incentive Act;  
21 and

22 (e) A refundable credit equal to ten percent of the federal credit  
23 allowed under section 32 of the Internal Revenue Code of 1986, as  
24 amended, except that for taxable years beginning or deemed to begin on or  
25 after January 1, 2015, such refundable credit shall be allowed only if  
26 the individual would have received the federal credit allowed under  
27 section 32 of the code after adding back in any carryforward of a net  
28 operating loss that was deducted pursuant to such section in determining  
29 eligibility for the federal credit.

30 (3) There shall be allowed to all individuals as a nonrefundable  
31 credit against the income tax imposed by the Nebraska Revenue Act of  
1 1967:

2 (a) A credit for personal exemptions allowed under section  
3 77-2716.01;

4 (b) A credit for contributions to certified community betterment  
5 programs as provided in the Community Development Assistance Act. Each  
6 partner, each shareholder of an electing subchapter S corporation, each  
7 beneficiary of an estate or trust, or each member of a limited liability  
8 company shall report his or her share of the credit in the same manner  
9 and proportion as he or she reports the partnership, subchapter S  
10 corporation, estate, trust, or limited liability company income;

11 (c) A credit for investment in a biodiesel facility as provided in  
12 section 77-27,236;

13 (d) A credit as provided in the New Markets Job Growth Investment  
14 Act;

15 (e) A credit as provided in the Nebraska Job Creation and Mainstreet



16 Revitalization Act;

17 (f) A credit to employers as provided in section 77-27,238; and

18 (g) A credit as provided in the Affordable Housing Tax Credit Act.

19 (4) There shall be allowed as a credit against the income tax

20 imposed by the Nebraska Revenue Act of 1967:

21 (a) A credit to all resident estates and trusts for taxes paid to

22 another state as provided in section 77-2730;

23 (b) A credit to all estates and trusts for contributions to

24 certified community betterment programs as provided in the Community

25 Development Assistance Act; and

26 (c) A refundable credit for individuals who qualify for an income

27 tax credit as an owner of agricultural assets under the Beginning Farmer

28 Tax Credit Act for all taxable years beginning or deemed to begin on or

29 after January 1, 2009, under the Internal Revenue Code of 1986, as

30 amended. The credit allowed for each partner, shareholder, member, or

31 beneficiary of a partnership, corporation, limited liability company, or

1 estate or trust qualifying for an income tax credit as an owner of

2 agricultural assets under the Beginning Farmer Tax Credit Act shall be

3 equal to the partner's, shareholder's, member's, or beneficiary's portion

4 of the amount of tax credit distributed pursuant to subsection ~~(6)~~ (4) of

5 section 77-5211.

6 (5)(a) For all taxable years beginning on or after January 1, 2007,

7 and before January 1, 2009, under the Internal Revenue Code of 1986, as

8 amended, there shall be allowed to each partner, shareholder, member, or

9 beneficiary of a partnership, subchapter S corporation, limited liability

10 company, or estate or trust a nonrefundable credit against the income tax

11 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the

12 partner's, shareholder's, member's, or beneficiary's portion of the

13 amount of franchise tax paid to the state under sections 77-3801 to

14 77-3807 by a financial institution.

15 (b) For all taxable years beginning on or after January 1, 2009,

16 under the Internal Revenue Code of 1986, as amended, there shall be

17 allowed to each partner, shareholder, member, or beneficiary of a

18 partnership, subchapter S corporation, limited liability company, or

19 estate or trust a nonrefundable credit against the income tax imposed by

20 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,

21 member's, or beneficiary's portion of the amount of franchise tax paid to

22 the state under sections 77-3801 to 77-3807 by a financial institution.

23 (c) Each partner, shareholder, member, or beneficiary shall report

24 his or her share of the credit in the same manner and proportion as he or

25 she reports the partnership, subchapter S corporation, limited liability

26 company, or estate or trust income. If any partner, shareholder, member,

27 or beneficiary cannot fully utilize the credit for that year, the credit

28 may not be carried forward or back.

29 (6) There shall be allowed to all individuals nonrefundable credits

30 against the income tax imposed by the Nebraska Revenue Act of 1967 as

31 provided in section 77-3604 and refundable credits against the income tax

1 imposed by the Nebraska Revenue Act of 1967 as provided in section

2 77-3605.

3 Sec. 2. Section 77-5203, Reissue Revised Statutes of Nebraska, is

4 amended to read:

5 77-5203 For purposes of the Beginning Farmer Tax Credit Act:

6 (1) Agricultural assets means agricultural land, livestock, farming,  
7 or livestock production facilities or buildings and machinery used for  
8 farming or livestock production located in Nebraska;

9 (2) Board means the Beginning Farmer Board created by section  
10 77-5204;

11 (3) Cash rent agreement means a rental agreement in which the  
12 principal consideration given to the owner of agricultural assets is a  
13 predetermined amount of money. A flex or variable rent agreement is an  
14 alternative form of a cash rent agreement in which a predetermined base  
15 rent is adjusted for actual crop yield, crop price, or both according to  
16 a predetermined formula;

17 (4) ~~(3)~~ Farm means any tract of land over ten acres in area used for  
18 or devoted to the commercial production of farm products;

19 (5) ~~(4)~~ Farm product means those plants and animals useful to man  
20 and includes, but is not limited to, forages and sod crops, grains and  
21 feed crops, dairy and dairy products, poultry and poultry products,  
22 livestock, including breeding and grazing livestock, fruits, and  
23 vegetables;

24 (6) ~~(5)~~ Farming or livestock production means the active use,  
25 management, and operation of real and personal property for the  
26 production of a farm product;

27 (7) ~~(6)~~ Financial management program means a program for beginning  
28 farmers or livestock producers which includes, but is not limited to,  
29 assistance in the creation and proper use of record-keeping systems,  
30 periodic private consultations with licensed financial management  
31 personnel, year-end monthly cash flow analysis, and detailed enterprise  
1 analysis;

2 (8) ~~(7)~~ Owner of agricultural assets means:

3 (a) An individual or a trustee having an ownership interest in an  
4 agricultural asset located within the State of Nebraska who meets any  
5 qualifications determined by the board;

6 (b) A spouse, child, or sibling who acquires an ownership interest  
7 in agricultural assets as a joint tenant, heir, or devisee of an  
8 individual or trustee who would qualify as an owner of agricultural  
9 assets under subdivision (8)(a) ~~(7)(a)~~ of this section; or

10 (c) A partnership, corporation, limited liability company, or other  
11 business entity having an ownership interest in an agricultural asset  
12 located within the State of Nebraska which meets any additional  
13 qualifications determined by the board;

14 (9) ~~(8)~~ Qualified beginning farmer or livestock producer means an  
15 individual who is a resident individual as defined in section 77-2714.01,  
16 who has entered farming or livestock production or is seeking entry into  
17 farming or livestock production, who intends to farm or raise crops or  
18 livestock on land located within the state borders of Nebraska, and who  
19 meets the eligibility guidelines established in section 77-5209 and such  
20 other qualifications as determined by the board; and

21 (10) ~~(9)~~ Share-rent agreement means a rental agreement in which the  
22 principal consideration given to the owner of agricultural assets is a

23 predetermined portion of the production of farm products from the rented  
24 agricultural assets.

25 Sec. 3. Section 77-5209, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 77-5209 (1) The board shall determine who is qualified as a  
28 beginning farmer or livestock producer based on the qualifications found  
29 in this section. A qualified beginning farmer or livestock producer shall  
30 be an individual who: (a) Has a net worth of not more than two hundred  
31 thousand dollars, including any holdings by a spouse or dependent, based  
1 on fair market value; (b) provides the majority of the day-to-day  
2 physical labor and management of his or her farming or livestock  
3 production operations; (c) has, by the judgment of the board, adequate  
4 farming or livestock production experience or demonstrates knowledge in  
5 the type of farming or livestock production for which he or she seeks  
6 assistance from the board; (d) demonstrates to the board a profit  
7 potential by submitting board-approved projected earnings statements and  
8 agrees that farming or livestock production is intended to become his or  
9 her principal source of income; (e) demonstrates to the board a need for  
10 assistance; (f) participates in a financial management program approved  
11 by the board; (g) submits a nutrient management plan and a soil  
12 conservation plan to the board on any applicable agricultural assets  
13 purchased or rented from an owner of agricultural assets; and (h) has  
14 such other qualifications as specified by the board. The qualified  
15 beginning farmer or livestock producer net worth thresholds in  
16 subdivision (a) of this subsection shall be adjusted annually beginning  
17 October 1, 2009, and each October 1 thereafter, by taking the average  
18 Producer Price Index for all commodities, published by the United States  
19 Department of Labor, Bureau of Labor Statistics, for the most recent  
20 twelve available periods divided by the Producer Price Index for 2008 and  
21 multiplying the result by the qualified beginning farmer's or livestock  
22 producer's net worth threshold. If the resulting amount is not a multiple  
23 of twenty-five thousand dollars, the amount shall be rounded to the next  
24 lowest twenty-five thousand dollars.

25 (2) A qualified beginning farmer or livestock producer who has  
26 participated in a board approved and certified three-year rental  
27 agreement with an owner of agricultural assets shall be eligible to file  
28 subsequent applications for different assets.

29 ~~(2) A qualified beginning farmer or livestock producer who has~~  
30 ~~participated in a board approved and certified three year rental~~  
31 ~~agreement with an owner of agricultural assets shall not be eligible to~~  
1 ~~file a subsequent application with the board but may refer to the board~~  
2 ~~for additional support and participate in programs, including educational~~  
3 ~~and financial programs and seminars, established or recommended by the~~  
4 ~~board that are applicable to the continued success of such farmer or~~  
5 ~~livestock producer.~~

6 Sec. 4. Section 77-5209.01, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 77-5209.01 A qualified beginning farmer or livestock producer in the  
9 first, second, or third year of a qualifying three-year rental agreement  
10 shall be allowed a one-time refundable credit to be applied against the

11 ~~income tax imposed by the Nebraska Revenue Act of 1967 state income tax~~  
12 ~~liability of such individual~~ for the cost of participation in the  
13 financial management program required for eligibility under section  
14 77-5209. The amount of the credit shall be the actual cost of  
15 participation in an approved program incurred during the tax year for  
16 which the credit is claimed, up to a maximum of five hundred dollars.  
17 Sec. 5. Section 77-5211, Reissue Revised Statutes of Nebraska, is  
18 amended to read:  
19 77-5211 (1) Except as otherwise disallowed under subsection (4) ~~(5)~~  
20 of this section, an owner of agricultural assets shall be allowed a  
21 refundable credit ~~to be applied~~ against the ~~income tax imposed by the~~  
22 ~~Nebraska Revenue Act of 1967 state income tax liability of such owner~~ for  
23 agricultural assets rented on a rental agreement basis, including cash  
24 rent of agricultural assets or cash equivalent of a share-rent rental, to  
25 qualified beginning farmers or livestock producers. Such asset shall be  
26 rented at prevailing community rates as determined by the board.  
27 (2) An owner of agricultural assets who has participated in a board  
28 approved and certified three-year rental agreement with a beginning  
29 farmer or livestock producer shall be eligible to file subsequent  
30 applications for different assets.  
31 (3) Except as allowed pursuant to subsection (5) of this section,  
1 tax credits for an agricultural asset may be issued for a maximum of  
2 three years.  
3 (4) ~~(2)~~ The credit allowed shall be for renting agricultural assets  
4 used for farming or livestock production. Such credit shall be granted by  
5 the Department of Revenue only after approval and certification by the  
6 board and a written three-year rental agreement for such assets is  
7 entered into between an owner of agricultural assets and a qualified  
8 beginning farmer or livestock producer. An owner of agricultural assets  
9 or qualified beginning farmer or livestock producer may terminate such  
10 agreement for reasonable cause upon approval by the board. If an  
11 agreement is terminated without fault on the part of the owner of  
12 agricultural assets as determined by the board, the tax credit shall not  
13 be retroactively disallowed. If an agreement is terminated with fault on  
14 the part of the owner of agricultural assets as determined by the board,  
15 any prior tax credits claimed by such owner shall be disallowed and  
16 recaptured and shall be immediately due and payable to the State of  
17 Nebraska.  
18 (5) ~~(3)~~ A credit may be granted to an owner of agricultural assets  
19 for renting agricultural assets, including cash rent of agricultural  
20 assets or cash equivalent of a share-rent agreement, to any qualified  
21 beginning farmer or livestock producer for a period of three years. An  
22 owner of agricultural assets shall ~~not~~ be eligible for further credits  
23 for such assets under the Beginning Farmer Tax Credit Act when unless the  
24 rental agreement is terminated prior to the end of the three-year period  
25 through no fault of the owner of agricultural assets. If the board finds  
26 that such a termination was not the fault of the owner of the  
27 agricultural assets, it may approve the owner for credits arising from a  
28 subsequent qualifying rental agreement on the same asset with a different  
29 qualified beginning farmer or livestock producer.

30 (6) (4) Any credit allowable to a partnership, a corporation, a  
 31 limited liability company, or an estate or trust may be distributed to  
 1 the partners, members, shareholders, or beneficiaries. Any credit  
 2 distributed shall be distributed in the same manner as income is  
 3 distributed.

4 (7) (5) The credit allowed under this section shall not be allowed  
 5 to an owner of agricultural assets for a rental agreement with a  
 6 beginning farmer or livestock producer who is a relative, as defined in  
 7 section 36-702, of the owner of agricultural assets or of a partner,  
 8 member, shareholder, or trustee of the owner of agricultural assets  
 9 unless the rental agreement is included in a written succession plan.  
 10 Such succession plan shall be in the form of a written contract or other  
 11 instrument legally binding the parties to a process and timetable for the  
 12 transfer of agricultural assets from the owner of agricultural assets to  
 13 the beginning farmer or livestock producer. The succession plan shall  
 14 provide for the transfer of assets to be completed within a period of no  
 15 longer than thirty years, except that when the asset to be transferred is  
 16 land owned by an individual, the period of transfer may be for a period  
 17 up to the date of death of the owner. The owner of agricultural assets  
 18 shall be allowed the credit provided for qualified rental agreements  
 19 under this section if the board certifies the plan as providing a  
 20 reasonable manner and probability of successful transfer.

21 Sec. 6. Section 77-5212, Reissue Revised Statutes of Nebraska, is  
 22 amended to read:

23 77-5212 In evaluating a rental agreement between an owner of  
 24 agricultural assets and a qualified beginning farmer or livestock  
 25 producer, the board shall not approve and certify credit for an owner of  
 26 agricultural assets who ~~(4)~~ has, with fault, terminated a prior board  
 27 approved and certified rental agreement with a qualified beginning farmer  
 28 or livestock producer or if the agricultural assets have previously been  
 29 approved in a qualifying rental agreement (2) is proposing a rental  
 30 agreement of agricultural assets which, if rented to a qualified  
 31 beginning farmer or livestock producer, would cause the lessee to be  
 1 responsible for managing or maintaining a farm which, based on the  
 2 discretion of the board, is of greater scope and scale than necessary for  
 3 a viably sized farm as established by the guidelines implemented by the  
 4 board in order to adequately support a beginning farmer or livestock  
 5 producer. Any person aggrieved by a decision of the board may appeal the  
 6 decision, and the appeal shall be in accordance with the Administrative  
 7 Procedure Act.

8 Sec. 7. Original sections 77-2715.07, 77-5203, 77-5209, 77-5209.01,  
 9 77-5211, and 77-5212, Reissue Revised Statutes of Nebraska, are repealed.

(Signed) Lou Ann Linehan, Chairperson

**AMENDMENT(S) - Print in Journal**

Senator Linehan filed the following amendment to LB289:  
 AM1381 is available in the Bill Room.

**NOTICE OF COMMITTEE HEARING(S)**  
Revenue/Nebraska Retirement Systems/Education

Room 1510

Wednesday, April 24, 2019 4:00 p.m.

AM1381

Note: Amendment to LB289

(Signed) Lou Ann Linehan, Chairperson

**COMMITTEE REPORT(S)**  
Enrollment and Review

**LEGISLATIVE BILL 657.** Placed on Select File with amendment.

ER87

1 1. In the Standing Committee amendments, AM988:

2 a. On page 3, line 30, strike "Substance" and insert "Substances";

3 b. On page 6, line 31; and page 9, line 5, strike "85-712.09" and

4 insert "84-712.09";

5 c. On page 9, line 31; page 15, line 16; and page 18, line 14;

6 strike "of" and insert "after";

7 d. On page 16, line 1, strike "lab" and insert "testing facility";

8 and in line 20 after the first two commas insert "the"; and

9 e. On page 18, line 1, strike "and".

10 2. On page 1, strike beginning with "28-401" in line 1 through line

11 5 and insert "2-5701, Revised Statutes Cumulative Supplement, 2018; to

12 adopt the Nebraska Hemp Farming Act; to change provisions relating to the

13 industrial hemp agricultural pilot program; to define and redefine terms;

14 to provide severability; to repeal the original section; and to declare

15 an emergency."

**LEGISLATIVE BILL 693.** Placed on Select File.

**LEGISLATIVE BILL 237.** Placed on Select File with amendment.

ER88

1 1. On page 1, strike beginning with "section" in line 1 through line

2 4 and insert "sections 77-2703 and 77-5601, Reissue Revised Statutes of

3 Nebraska; to change provisions relating to sales and use tax collection

4 fees; to authorize the use of certain fees for revenue enforcement; to

5 harmonize provisions; to provide an operative date; and to repeal the

6 original sections."

**LEGISLATIVE BILL 237A.** Placed on Select File.

**LEGISLATIVE BILL 496.** Placed on Select File.

**LEGISLATIVE BILL 375.** Placed on Select File.

(Signed) Julie Slama, Chairperson

**GENERAL FILE**

**LEGISLATIVE BILL 424.** The Hilgers amendment, AM1401, found in this day's Journal, to the committee amendment, was renewed.

Pending.

**AMENDMENT(S) - Print in Journal**

Senator Friesen filed the following amendment to LB585:  
AM1419

- 1 1. Strike the original sections and all amendments thereto and
- 2 insert the following new sections:
- 3 Section 1. For purposes of sections 1 to 7 of this act:
- 4 (1) Department means the Department of Environment and Energy;
- 5 (2) E-15 means a blend of ethanol and gasoline in which ethanol
- 6 comprises fifteen percent of the blend by volume;
- 7 (3) E-85 means a blend of ethanol and gasoline in which ethanol
- 8 comprises seventy percent or more of the blend by volume;
- 9 (4) Motor fuel pump means a meter or similar commercial weighing and
- 10 measuring device used to measure and dispense motor fuel originating from
- 11 a motor fuel storage tank;
- 12 (5) Program means the Renewable Fuel Infrastructure Program created
- 13 in section 2 of this act;
- 14 (6) Retail dealer means a person engaged in the business of storing
- 15 and dispensing motor fuel from a motor fuel pump for sale on a retail
- 16 basis; and
- 17 (7) Retail motor fuel site means a geographic location in this state
- 18 where a retail dealer sells and dispenses motor fuel from a motor fuel
- 19 pump on a retail basis.
- 20 Sec. 2. The Renewable Fuel Infrastructure Program is created. The
- 21 purpose of the program is to improve retail motor fuel sites by
- 22 installing, replacing, or converting ethanol infrastructure to be used to
- 23 store, blend, or dispense renewable fuel. The program shall function as a
- 24 grant program administered by the department. Grant applications shall be
- 25 made on a form prescribed by the department. Grant funds shall be
- 26 distributed to eligible persons for eligible ethanol infrastructure
- 27 projects under the requirements in section 3 of this act.
- 1 Sec. 3. (1) A person shall be eligible to apply for a grant under
- 2 the program if the person is an owner or operator of a retail motor fuel
- 3 site.
- 4 (2) An ethanol infrastructure project shall be eligible for a grant
- 5 under the program if such project is:
- 6 (a) Designed and used exclusively to store and dispense E-15
- 7 gasoline or E-85 gasoline or a blend of ethanol and gasoline from a motor
- 8 fuel pump designed to blend such motor fuels together in blends higher
- 9 than E-15. Such E-15 gasoline shall be a registered fuel recognized by
- 10 the United States Environmental Protection Agency;

11 (b) On the premises of a retail motor fuel site; and  
12 (c) Subject to a cost-share agreement as described in section 5 of  
13 this act.  
14 (3) An ethanol infrastructure project shall not be eligible for a  
15 grant under the program if such infrastructure includes a tank vehicle.  
16 Sec. 4. Any eligible person applying for a grant under the program  
17 shall include the following information in the application:  
18 (1) The name of the person and the address of the retail motor fuel  
19 site to be improved;  
20 (2) A detailed description of the infrastructure to be installed,  
21 replaced, or converted, including, but not limited to, the model number  
22 of each motor fuel storage tank to be installed, replaced, or converted,  
23 if available;  
24 (3) A statement describing how the retail motor fuel site is to be  
25 improved, the estimated cost of the planned improvement, and the date  
26 when the infrastructure will be first used; and  
27 (4) A statement certifying the infrastructure project complies with  
28 section 3 of this act and will comply with a cost-share agreement entered  
29 into with the department pursuant to section 5 of this act unless granted  
30 a waiver by the department.  
31 Sec. 5. (1) The department shall determine the amount of the grants  
1 to be awarded under the program. The department shall award grants to the  
2 maximum number of qualified applicants and may approve up to one million  
3 dollars in grants in any calendar year.  
4 (2) The department shall approve and execute a cost-share agreement  
5 according to terms and conditions set by the department with an eligible  
6 person whose application is approved by the department for such grant.  
7 Such cost-share agreement shall state the total costs related to  
8 improving a retail motor fuel site, the amount of the grant, and whether  
9 the agreement is for a three-year or five-year period.  
10 (3) In awarding grants under the program, an award shall not exceed  
11 (a) fifty percent of the estimated cost of the improvement or thirty  
12 thousand dollars, whichever is less, for a three-year cost-share  
13 agreement, or (b) seventy percent of the estimated costs of making the  
14 improvement or fifty thousand dollars, whichever is less, for a five-year  
15 cost-share agreement. The department may approve multiple improvements to  
16 the same retail motor fuel site so long as the total amount of the grants  
17 does not exceed the limitations in this subsection.  
18 Sec. 6. A retail motor fuel site that is improved using grants  
19 under the program shall comply with federal and state standards governing  
20 new or upgraded motor fuel storage tanks used to store and dispense  
21 renewable fuels. A retail motor fuel site that is improved using grants  
22 under the program shall not use such infrastructure to store and dispense  
23 motor fuel other than the type of renewable fuel approved by the  
24 department in the cost-share agreement, unless granted a waiver by the  
25 department.  
26 Sec. 7. The Renewable Fuel Infrastructure Fund is created. The fund  
27 shall consist of appropriations made by the Legislature, transfers  
28 authorized by the Legislature, grants, and any contributions designated



29 for the purpose of the fund. Any money in the fund available for  
 30 investment shall be invested by the state investment officer pursuant to  
 31 the Nebraska Capital Expansion Act and the Nebraska State Funds  
 1 Investment Act. The fund shall be administered by the department and used  
 2 to award grants under the program. No more than ten percent of the fund  
 3 shall be used for administration of the program.

4 Sec. 8. This act becomes operative on January 1, 2020.

Senator McDonnell filed the following amendment to LB641:

AM1421

(Amendments to Standing Committee amendments, AM724)

1 1. Strike section 2 and insert the following new section:

2 Sec. 2. Section 71-761 1, Reissue Revised Statutes of Nebraska, is  
 3 amended to read:

4 71-7611 (1) The Nebraska Health Care Cash Fund is created. The State  
 5 Treasurer shall transfer (a) sixty million three hundred thousand dollars  
 6 on or before July 15, 2014, (b) sixty million three hundred fifty  
 7 thousand dollars on or before July 15, 2015, (c) sixty million three  
 8 hundred fifty thousand dollars on or before July 15, 2016, (d) sixty  
 9 million seven hundred thousand dollars on or before July 15, 2017, (e)  
 10 five hundred thousand dollars on or before May 15, 2018, (f) sixty-one  
 11 million six hundred thousand dollars on or before July 15, 2018, (g)  
 12 sixty-one million ~~six~~ ~~three~~ hundred fifty thousand dollars on or before  
 13 July 15, 2019, ~~and~~ (h) sixty million seven hundred fifty thousand dollars  
 14 on or before July 15, 2020, and (i) sixty million four hundred ~~five~~  
 15 thousand dollars on or before every July 15 thereafter from the Nebraska  
 16 Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement  
 17 Trust Fund to the Nebraska Health Care Cash Fund, except that such amount  
 18 shall be reduced by the amount of the unobligated balance in the Nebraska  
 19 Health Care Cash Fund at the time the transfer is made. The state  
 20 investment officer shall advise the State Treasurer on the amounts to be  
 21 transferred first from the Nebraska Medicaid Intergovernmental Trust Fund  
 22 until the fund balance is depleted and from the Nebraska Tobacco  
 23 Settlement Trust Fund thereafter in order to sustain such transfers in  
 24 perpetuity. The state investment officer shall report electronically to  
 25 the Legislature on or before October 1 of every even-numbered year on the  
 26 sustainability of such transfers. The Nebraska Health Care Cash Fund  
 1 shall also include money received pursuant to section 77-2602. Except as  
 2 otherwise provided by law, no more than the amounts specified in this  
 3 subsection may be appropriated or transferred from the Nebraska Health  
 4 Care Cash Fund in any fiscal year.

5 The State Treasurer shall transfer ten million dollars from the  
 6 Nebraska Medicaid Intergovernmental Trust Fund to the General Fund on  
 7 June 28, 2018, and June 28, 2019.

8 Except as otherwise provided in subsection (6) of this section, it  
 9 is the intent of the Legislature that no additional programs are  
 10 funded through the Nebraska Health Care Cash Fund until funding for all  
 11 programs with an appropriation from the fund during FY2012-13 are  
 12 restored to their FY2012-13 levels.

13 (2) Any money in the Nebraska Health Care Cash Fund available for  
 14 investment shall be invested by the state investment officer pursuant to  
 15 the Nebraska Capital Expansion Act and the Nebraska State Funds  
 16 Investment Act.

17 (3) The University of Nebraska and postsecondary educational  
 18 institutions having colleges of medicine in Nebraska and their affiliated  
 19 research hospitals in Nebraska, as a condition of receiving any funds  
 20 appropriated or transferred from the Nebraska Health Care Cash Fund,  
 21 shall not discriminate against any person on the basis of sexual  
 22 orientation.

23 (4) The State Treasurer shall transfer fifty thousand dollars on or  
 24 before July 15, 2016, from the Nebraska Health Care Cash Fund to the  
 25 Board of Regents of the University of Nebraska for the University of  
 26 Nebraska Medical Center. It is the intent of the Legislature that these  
 27 funds be used by the College of Public Health for workforce training.

28 (5) It is the intent of the Legislature that the cost of the staff  
 29 and operating costs necessary to carry out the changes made by Laws 2018,  
 30 LB439, and not covered by fees or federal funds shall be funded from the  
 31 Nebraska Health Care Cash Fund for fiscal years 2018-19 and 2019-20.

1 (6) It is the intent of the Legislature to fund the grants to be  
 2 awarded pursuant to section 1 of this act with the Nebraska Health Care  
 3 Cash Fund for FY2019-20 and FY2020-21.

4 2. On page 1, after line 26 insert the following new subsection:

5 "(5) There is hereby created the 211 Cash Fund. The fund shall be  
 6 used solely for the purpose of providing grants pursuant to this section  
 7 and associated administrative costs. All money received by the Public  
 8 Service Commission for such grants shall be remitted to the State  
 9 Treasurer for credit to such fund. Any money in the fund available for  
 10 investment shall be invested by the state investment officer pursuant to  
 11 the Nebraska Capital Expansion Act and the Nebraska State Funds  
 12 Investment Act."

Senator Hilgers filed the following amendment to LB424:

AM1403

(Amendments to Standing Committee amendments, AM509)

1 1. Insert the following new amendments:

2 2. On page 9, strike beginning with "(a)" in line 27 through line 31  
 3 and insert "A member of the board may be removed for any reason by the  
 4 chief executive officer of the municipality that created the land bank  
 5 or, in the case of a land bank created pursuant to subsection (2) or (3)  
 6 of section 4 of this act, the chief executive officer of the municipality  
 7 where the member resides."

8 3. On page 12, strike lines 1 through 21.

Senator Erdman filed the following amendment to LB177:

AM1408

1 1. Insert the following new section:

2 Section 1. Section 2-3226.11, Reissue Revised Statutes of Nebraska,  
 3 is amended to read:

4 2-3226.11 (1) The proceeds of bonds issued pursuant to section  
5 2-3226.10 shall be used to pay costs of design, rights-of-way  
6 acquisition, and construction of multipurpose projects and practices for  
7 storm water management within the natural resources district issuing such  
8 bonds, including flood control and water quality. For purposes of this  
9 section, flood control and water quality projects and practices include,  
10 but are not limited to, low-impact development best management measures,  
11 flood plain buyout, dams, reservoir basins, and levees. The proceeds of  
12 bonds issued pursuant to section 2-3226.10 shall not be used to fund  
13 combined sewer separation projects in a city of the metropolitan class.  
14 No project for which bonds are issued under section 2-3226.10 shall  
15 include a reservoir or water quality basin having a permanent pool  
16 greater than four hundred surface acres. Any project having a permanent  
17 pool greater than twenty surface acres shall include multiple public  
18 access points to any recreational area including, but not limited to, any  
19 hiking trail, fishing area, picnic area, or playground at or near such  
20 pool provide for public access.  
21 (2) A district shall only convey real property that is acquired for  
22 a project described in subsection (1) of this section by eminent domain  
23 proceedings pursuant to sections 76-704 to 76-724 to a political  
24 subdivision or an agency of state or federal government.  
25 (3)(a) Prior to the issuing of bonds pursuant to section 2-3226.10  
26 or expending funds of a natural resources district encompassing a city of  
27 the metropolitan class to pay costs of a reservoir or water quality basin  
1 project or projects greater than twenty surface acres, a county board of  
2 the affected county may pass a resolution stating that it does not  
3 approve of the construction of such reservoir or water quality basin  
4 project or projects within its ~~exclusive~~ zoning jurisdiction. The county  
5 board shall hold a public hearing and shall vote on the resolution within  
6 ninety days after notice from the board of directors of the natural  
7 resources district of its intent to issue bonds.  
8 (b) No proceeds from bonds issued pursuant to section 2-3226.10 or  
9 funds of a natural resources district encompassing a city of the  
10 metropolitan class may be used to pay costs of a reservoir or water  
11 quality basin project or projects greater than twenty surface acres if  
12 the county board of the affected county passes such a resolution.  
13 (c) Sections 2-3226.10 to 2-3226.14 do not (i) limit the authority  
14 of a natural resources district with regard to reservoirs, water quality  
15 basin projects, or other projects of less than twenty surface acres or  
16 (ii) prohibit use of funds of a natural resources district for  
17 preliminary studies or reports necessary, in the discretion of the board  
18 of directors of the natural resources district, to determine whether a  
19 reservoir or water quality basin project should be presented to a county  
20 board pursuant to this section.  
21 (4) Proceeds of bonds issued pursuant to section 2-3226.10 shall not  
22 be used to fund any project in any city or county (a) located within a  
23 watershed in which is located a city of the metropolitan class and (b)  
24 which is party to an agreement under the Interlocal Cooperation Act,  
25 unless such city or county has adopted a storm water management plan

26 approved by the board of directors of the natural resources district  
27 encompassing a city of the metropolitan class.  
28 (5) A natural resources district encompassing a city of the  
29 metropolitan class shall only issue bonds for projects in cities and  
30 counties that have adopted zoning regulations or ordinances that comply  
31 with state and federal flood plain management rules and regulations.  
1 2. Renumber the remaining sections and correct the repealer  
2 accordingly.

### **BILLS ON FIRST READING**

The following bills were read for the first time by title:

**LEGISLATIVE BILL 460A.** Introduced by Howard, 9.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 460, One Hundred Sixth Legislature, First Session, 2019; and to declare an emergency.

**LEGISLATIVE BILL 641A.** Introduced by McDonnell, 5.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 641, One Hundred Sixth Legislature, First Session, 2019.

### **SPEAKER SCHEER PRESIDING**

#### **CEREMONIES**

The Speaker introduced a group from the Nebraska Association of Former State Legislators.

#### **VISITOR(S)**

Visitors to the Chamber were students from Grant Elementary School, Norfolk; and students from Niobrara.

The Doctor of the Day was Dr. Patrick Hotovy from York.

### **ADJOURNMENT**

At 4:04 p.m., on a motion by Senator Kolterman, the Legislature adjourned until 9:00 a.m., Thursday, April 18, 2019.

Patrick J. O'Donnell  
Clerk of the Legislature