

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate February 03, 2020

**FOLEY:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the seventeenth day of the One Hundred Sixth Legislature, Second Session. Our pastor for today is Pastor Dan Wiese of St. Paul's Lutheran Church in Cambridge, Nebraska, Senator Hughes's district. Please rise.

**PASTOR WIESE:** Let's begin our day in prayer. Almighty God, we thank you and praise you for the gift of this glorious day. We ask your blessing as we work together for the betterment of those whom we represent, guide us and grant us patience in wisdom. As James writes, help us to be quick to listen, slow to speak, and slow to anger. Lead us to decisions and actions that benefit others and bring glory to you. Holy Father, this morning we pray for all Nebraska law enforcement officers and emergency care workers, keep them and their families safe, give them endurance and wisdom in their training, help their communities to show them honor and respect, and to supply them with the resources they need to serve in ways that reflect your loving care. We ask these things not because we deserve them, but only through your son, Jesus Christ, our Lord. Amen.

**FOLEY:** Thank you, Pastor Wiese. I call to order the seventeen day of the One Hundred Sixth Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** I have a quorum present, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Are there any corrections for the Journal?

**CLERK:** I have no corrections.

**FOLEY:** Thank you, sir. Are there any messages, reports or announcements?

**CLERK:** Mr. President, just one item this morning, Senator Lindstrom has selected LB242 as his priority bill for this session, and that's all that I have.

**FOLEY:** Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following four legislative resolutions: LR301, LR302, LR303, and LR304. Senator Albrecht recognizes some guests visiting with us today. We have with us Reverend Michael Holder, who is the Chaplain General of the Librarian Senate. And we have with his Pastor Jason Kirsch,

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who's a Lincoln pastor. Both of those gentlemen are with us under the north balcony. Men, if you could please rise, we'd like to welcome you to the Nebraska Legislature. We'll now proceed to the agenda, legislative confirmation reports. Mr. Clerk.

**CLERK:** Mr. President, the first report is offered by the Retirement Systems Committee, Chaired by Senator Kolterman. The committee reports on three appointments to the Public Employees Retirement Board, Kelli Ackerman, Michael Jahnke and Allen Simpson.

**FOLEY:** Senator Kolterman, you're recognized to open on the first of two retirement reports. Senator Kolterman.

**KOLTERMAN:** Thank you, Mr. President, and good morning, colleagues. The Retirement Committee held confirmation hearings on January 27 for three Public Employees Retirement Board members and one member of the Nebraska Investment Council. Kelli Ackerman is the first conferee who has been reappointed by the Governor to fill the school administration position of the Public Employees Retirement Board. This is Ms. Ackerman's second appointment to the board, which-- and she was originally appointed to the board in 2015. In 2018, Ms. Ackerman began her service at Lincoln Public Schools as a director of accounting and payroll. She previously served for 11 years as a business manager at Holdrege Public Schools. She received a bachelor of science degree in business administration from Kearney State College and has completed additional educational work at UNL and Doane College. She has a great deal of experience in school finance and has worked with school employees as they work towards retirement. She has served as a past president of the Nebraska Association of School Business Officials, and serves as executive board of NASBO. She also has been a board member of the National Association of School Business Officials. In addition, she is on the executive board of the Nebraska Council School Administrators. Since her appointment to the PERB in 2015, she has participated in the National Council of Teacher Retirement. Her experience and background make her a valuable member of the Nebraska Public Employees Retirement Board, which oversees all the state retirement plans. The Retirement Committee unanimously voted to move Kelli Ackerman's appointment to the Legislature for confirmation. I ask for your support in confirming the appointment to the Public Employees Retirement Board. Mr. Speaker, do you want me to take all four, the first three all at once?

**FOLEY:** You have two separate reports, I believe, is that correct?

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**KOLTERMAN:** I do, but I have three under the first report.

**FOLEY:** We'll take those under one vote on the first report. Is there any discussion of the first report from the Retirement Committee? I see none, Senator Koltelrman, you're recognized to close on your first report.

**KOLTERMAN:** Well, actually, I have two more under that report.

**FOLEY:** Oh, I'm sorry. Yeah, proceed then, please.

**KOLTERMAN:** Thank you. Allen Simpson is the second conferee and he's been reappointed by the Governor to serve as the state employees representative of the Public Employees Retirement Board. Mr. Simpson was originally appointed to this position last year to complete the final year of the former state employee representative term because the former appointee resigned last April. Interestingly, Mr. Simpson also served briefly on the board in the public-at-large seat. This reappointment is for the full 5-year term. Mr. Simpson graduated from Northwest Missouri State University with a bachelors in office administration and secondary education. He was previously employed as a comptroller commander of the Nebraska Air National Guard, where he worked from 1995 until he retired in 2017. He formerly served as a budget analyst with Nebraska Air National Guard for three years and as an accounting technician for the Missouri Air National Guard. He received the certified defense financial manager level 3 certification from the Department of Defense, which is the highest financial certification of the DOD. His background and training make him a valuable member of the Nebraska Public Employees Retirement Board which oversees all state retirement plans. Retirement Committee unanimously voted to move Allen Simpson's appointment to the Legislature for confirmation. Finally, Mr. Jahnke, Michael Jahnke is the third conferee. That's Michael Jahnke, who was reappointed by the Governor to serve as the State Patrol representative on the Public Entire-- Employees Retirement Board. He was originally appointed last year to complete the final year of the former State Patrol representative who resigned. The current appointment is for a full 5-year term. He holds a B.A. in public administration from Doane University and graduated from the Federal Bureau of Investigation National Academy in 2010. He holds a certificate of achievement from the University of Virginia in criminal justice education. Mr. Jahnke is a member of the Nebraska State Patrol and currently serves as a western operations commander. His 25-year service with the patrol has included duties and responsibilities in operational, investigative,

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and administrative functions. Prior to joining the Nebraska State Patrol in 1994, he served in the United States Air Force, serving the majority of his time stationed overseas. His 30-plus years of service included deployment to the Persian Gulf in defense-- in support of Desert Storm. Since Mr. Jahnke's appointment, he has made education of the fellow State Patrol members a priority. He has worked with NPER's education team to provide numerous retirement one-on-one sessions to current officers to ensure they have received factual information about their retirement plans. His background and commitment make him a valuable member of the Nebraska Employees Retirement Board, which oversees all the state retirement plans. The committee unanimously voted to move Mr. Jahnke's appointment to the Legislature for confirmation. I ask for your support in confirming all three of these appointments to Nebraska Public Employees Retirement Board. Thank you, Mr. President.

**FOLEY:** Thanks, Senator Kolterman. Members, you've heard the introduction to the appointment of three new members to the Retirement Board. Is there any discussion of that report? I see none. Senator Kolterman waives closing. The question for the body is the adoption of the report. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 38 ayes, 0 nays on adoption of the Retirement System's confirmation report.

**FOLEY:** Confirmation report is adopted. Senator Kolterman, you're recognized to open on your second confirmation report.

**KOLTERMAN:** Thank you, Mr. President. The second report deals with the Nebraska Investment Council. John Dinkel has been reappointed by the Governor to serve a fourth term on the Nebraska Investment Council. He was originally appointed to the Council in July of 2006. The Nebraska Investment Council manages the investments is over-- of over 30 different entities for the state of Nebraska, including the Omaha School Employees Retirement Plan, the state administered retirement plans, state operating investment pool, the Nebraska Educational Savings Plan Trust, several endowment funds and several trusts. Mr. Dinkel lives in Norfolk. He's a successful business-- businessman and owner and manager of Dinkel Implement Company. He is-- he's dedicated 14 years to his work at the Nebraska Investment Council, and has been praised by his fellow council members as a hardworking individual. One of Mr. Dinkel's stated priorities is keeping investment fees as low as possible. He noted that the NIC's fees are 33 basis points, compared

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to 40 to 50 basis points for the other state-based investment boards around the country. He brings real world business experience to a strong-- and strong work ethic to the Nebraska Investment Council regarding the investment of private funds and public funds. The Retirement Committee unanimously voted to move Mr. Dinkel's appointment to the Legislature for confirmation. I would ask for your support in confirming this appointment to the Nebraska Investment Council.

**FOLEY:** Thank you, Senator Kolterman. Discussion is now open on the second report from the Retirement Systems Committee. Speaker Scheer.

**SCHEER:** Thank you, Mr. President. I rise to support Mr. Dinkel's nomination for confirmation. He's a personal friend. He is indeed a hardworking, very successful person that just happened to graduate high school with me and with-- by all means, I think he is an excellent addition to that committee and will continue to be so. Thank you.

**FOLEY:** Thank you, Mr. Speaker. I see no further discussion. Senator Kolterman, you're recognized to close. He waives closing. The question for the body is the adoption of the confirmation report from the Retirement Systems Committee. Those in favor of vote aye; those opposed vote nay. Have you all voted who care to? Record, please

**CLERK:** 38 ayes, 0 nays on adoption on the confirmation report.

**FOLEY:** The confirmation report is adopted. Mr. Clerk.

**CLERK:** Mr. President, confirmation report offered by the General Affairs Committee, Chaired by Senator Briese, involves the appointment of Cameron Arch to the Commission on Problem Gambling.

**FOLEY:** Senator Briese, you're recognized to open on the first of two confirmation reports.

**BRIESE:** Thank you, Mr. President. Good morning, colleagues. I present for your approval today the appointment of Cameron Arch to the Commission on Problem Gambling. This appointment was heard before the committee on Monday, January 27. The Nebraska Commission on Problem Gambling was established in 2013 with the passage of LB6. The commission aims to counter the negative impact of gambling addiction with effective evidence-based prevention and treatment services for Nebraskans and their families. Cameron Arch came before the committee

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seeking reappointment to the Commission on Problem Gambling. Mr. Arch currently lives in Sarpy County and serves as legal counsel at Blue Cross Blue Shield. Mr. Arch indicated his desire to seek reappointment to the commission to continue playing a role in the successful work being done by the program in the area of treatment and prevention of problem gambling. The committee appreciated Mitch-- Mr. Arch's willingness to continue to help complete the work of the commission. The committee approved the confirmation of Cameron Arch on a 7-0 vote. I urge the body to support the reappointment of Mr. Cameron Arch to the Commission on Problem Gambling. Thank you, Mr. President.

**FOLEY:** Thanks, Senator Briese. Is there any discussion of the confirmation report? I see none, and Senator Briese, you're recognized to close. He waives closing. The question for the body is the adoption of the first of two confirmation reports from the General Affairs Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 36 ayes, 0 nays, on adoption of the confirmation report.

**FOLEY:** The confirmation report is adopted. Second confirmation report from General Affairs Committee. Senator Briese.

**BRIESE:** Thank you, Mr. President. Good morning, colleagues. I present for your approval today two additional appointments to the Commission on Problem Gambling, Ms. Claudia Barthold and Mr. Mark Canada. These appointments were heard before the committee on March-- Monday, January 27. Claudia Barthold came before the committee January 27 seeking appointment to the Commission on Problem Gambling. Dr. Barthold is a physician and resident of Omaha. This would be Dr. Barthold's first appointment to the Commission. She will be joining-- joining an addiction medicine fellowship in July and plans to refocus her practice on treating patients with addiction issues. The committee was impressed with Dr. Barthold's background in medicine and her ability to use her unique skills and insight with treating addiction to help with the mission of the Nebraska Commission on Problem Gambling. The committee approved the confirmation of Claudia Barthold unanimously to the Commission on Problem Gambling. Mark Canada came before the committee on February-- excuse me, January 27 for reappointment to the Commission on Problem Gambling. Mr. Canada is a loan officer for Five Points Bank and lives in Hastings. Mr. Canada has served on the Commission since 2013 and has served twice as chairman. Mr. Canada has served on additional boards and commissions, including the Head Start Child and Family Development Program Board.

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The committee appreciated Mr. Canada's previous work on the Commission and continued desire to help combat the issue of problem gambling. The committee approved the appointment of Mr. Canada unanimously. I urge the body to support the appointment of Claudia Barthold and Mark Canada to the Commission on Problem Gambling. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Briese. Is there any discussion on the second confirmation report from the General Affairs Committee? I see none. Senator Briese, you're recognized to close. He waives closing. The question for the body is the adoption of the second confirmation report from the General Affairs Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 36 ayes, 0 nays on adoption on the confirmation report.

**FOLEY:** The confirmation report is adopted. Next confirmation report. Mr. Clerk.

**CLERK:** Mr. President, the Transportation Committee, Chaired by Senator Friesen, reports on three appointments to the State Highway Commission.

**FOLEY:** Senator Friesen, you're recognized to open on your confirmation report.

**FRIESEN:** Thank you, Mr. President, and members of the Legislature. I'm pleased to recommend the confirmation of three reappointments to the State Highway Commission. All three appointees appeared at a public hearing and the committee voted unanimously with one abstention to recommend their reappointments. Jerome Fagerland is from Atkinson, represents District 8 on the Commission. Mr. Fagerland is a former bank president, now retired, and served on the Highway Commission since 1999. James Hawks, a resident of North Platte, representative from District 6. Mr. Hawks was confirmed just two years ago to fill an unexpired term. He recently retired as the city administrator for the city of North Platte. Mr. Hawks was a former Lincoln County Highway superintendent and was elected four times as the Lincoln County surveyor. He also serves as a member of the Natural Resources Environmental Quality Council. Douglas Leafgreen is from Gering and has also served on the Highway Commission since 1999. He represents District 5 on the Commission. He served as a member of the Gering City Council, mayor of Gering, and as Scotts Bluff County Commissioner. He

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is now retired from the insurance business. As I said, the committee recommended these reappointments to the Nebraska Highway Commissioner. I'd be happy to answer any questions if you have any. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Is there any discussion on the report? I see none. Senator Friesen, you're recognized to close. He waives closing. The question for the body is the adoption of the confirmation report from the Transportation and Telecommunications Committee. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 37 ayes, 0 nays on adoption of the confirmation report.

**FOLEY:** The confirmation report is adopted. Items for the record, please.

**CLERK:** Thank you, Mr. President. Senator Blood would like to print an amendment to LB752; Senator Chambers to LB518. I have two confirmation reports from the Education Committee, those signed by Senator Groene as Chair. I also have notice of hearing from the Education Committee. A reminder, Mr. President, the Education Committee will meet in Executive Session at 10:00 this morning in Room 2022. Education at 10:00 a.m. in Room 2022. That's all that I have.

**FOLEY:** Thank you, Mr. Clerk. We'll now proceed to General File. Mr. Clerk.

**CLERK:** Mr. President, L7-- or excuse me, LB267, a bill originally introduced by Senator Bolz relates to county government, provides a duty for the county board relating to deficient bridges, and authorize a tax levy. Introduced in January of last year. Senator Bolz presented her bill on Friday of last week. There are committee amendments from the Government, Military and Veterans Affairs Committee that are pending. That's what I have, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Before proceeding to debate on the bill, I'll offer Senator Bolz and Senator Brewer a couple of minutes each just to refresh us on where we left off, and then we'll pick up on the debate. Senator Bolz, you're recognized.

**BOLZ:** Thank you, Mr. President. LB267 is a bill that would provide an option to counties all across the state to utilize an existing authority to address an increasing number of bridges across the state



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that are growing older and less safe, as well as a number of bridges damaged by recent flooding. Under existing statute, a county has the authority to bond for courthouses, jails and other county buildings. The bill diversifies this authority for counties to utilize bonding for the repair, retrofitting, reconstruction or replacement for bridges that are deemed deficient or scour-critical pursuant-- pursuant to Department of Transportation standards. The ability to bond at a capped threshold, according to the county's size, already exists. This adds and diversifies the purposes for which that authority can be used to include bridges. The reason that bridges is include-- included is because they are critical transportation infrastructure, especially when we are responding to an emergency situation, we are both protecting the safety of the public and protecting important routes for farm products and other goods. So that is it in a nutshell. And I will let Senator Brewer discuss the amendment.

**FOLEY:** Thanks, Senator Bolz. Senator Brewer.

**BREWER:** Thank you, Mr. President. We heard LB6-- 267 in the Government Committee on March 7, 2019. Keep in mind, this was a little over a week into the floods so we were very focused on this particular bill because of what it-- the subject of it is. Again, the amendment tightens up the original bill. It was talked about a need for both the presidential disaster declaration and the need for them to be scour-critical or structurally deficient. I believe that AM1247 does make the bill better, but even with the limits added in the committee amendment, this gives permission to local government to raise property tax without a vote of the people. So I would engage you-- encourage you to vote green on AM1245. I believe it does make the bill better, but for me personally I'm going to have to vote against LB267 because of it not giving a vote to the people. Thank you, Mr. President.

**FOLEY:** Thanks, Senator Brewer. Now proceed to debate on the bill, we have Senator Albrecht, Erdman, Lowe, Moser, and La Grone in the speaking queue. Senator Albrecht, you're recognized.

**ALBRECHT:** Thank you, Lieutenant Governor Foley, and good morning, colleagues. I rise in opposition of LB267 and the amendment. This is a property tax vote without the vote of the people. Counties can already issue bonds for bridge repair and construction with a vote of the people with the Nebraska State Statute 23-397. This bill, LB267, is solely to eliminate the voice of those paying for these projects and allows the county boards to circumvent the people on the bonding.

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Again, when I look at the history of this, LB267 before the AM was drafted, changes to statute created in 19-- in 1890, or 1879 for county boards to construct and maintain their county buildings such as the courthouses or jails. LB267 just adds repairing and replacing the bridges to that list. LB267 when it was introduced in 2019 before the flooding and the disasters, there are counties out there that will, you know, when there is a disaster, you know, sometimes there might be a bridge that was in need of repair before that, FEMA looks very closely at all of the bridges. They know the bridges that they had in the state of Nebraska before, during, and after those floods. So, again, I just don't believe that this is something that the people should not have a vote of multimillion dollar projects that could certainly add up very quickly. So I yield my time back to the President and thank you.

**FOLEY:** Thank you, Senator Albrecht. Senator Erdman.

**ERDMAN:** Thank you, Lieutenant Governor. Good morning. You know, as you're out and about in the community and you visit with people about their last week and they say, been watching the Legislature, and I ask them, are you watching for entertainment purposes or why do you watch? And they say, it is a way to keep informed about what happens in Lincoln. So there are many of you out there watching this morning and I say good morning to you for that and I appreciate it. It is something that more people should do to get informed as to what happens here, because where I live, we get zero coverage of what happens on a daily basis. So thank you for watching this morning. And I am in opposition to LB267. This is a property tax increase, plain and simple. And I was wondering if Senator Brewer would answer a question.

**FOLEY:** Senator Brewer, would you yield, please?

**ERDMAN:** Maybe Senator Brewer stepped off. I'd ask Senator Bolz then, if I could.

**FOLEY:** Senator Brewer is here.

**BREWER:** I'm here.

**ERDMAN:** OK, thank you, Senator.

**BREWER:** Yes.

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**ERDMAN:** Senator, you made a comment in your opening on the amendment that the hearing was held on March 7, which was about a week into the flood, is that true?

**BREWER:** It is true.

**ERDMAN:** OK. I think the flood happened on March 17, but I'm not quite sure on that, but I think-- but-- so in the committee, when-- when the hearing was held, you had several people testify in support of the bill and only one person spoke in opposition and that was the Independent Business Association. As you went through that list, were any of those people testifying in support, did they ever mention or be concerned about the people who pay the taxes?

**BREWER:** Negative. There was primary-- primarily Lincoln. I'll take a quick look here. Looks like they were all either Lincoln or Lancaster County that testified. Obviously, it is specifically about Lancaster County, but those were the ones that--

**ERDMAN:** OK. All right. Thank you for answering that, I appreciate that. So you look at the list, and I went through those last week and and I looked at them again today, those in favor were Lancaster Board of Commissioners, Lancaster County Engineering, Lincoln Chamber of Commerce, NACO, Association of General Contractors, the Nebraska chapter, and the Nebraska Chamber of Commerce. All those people that are involved with the hearing on the support side are people who have a dog in the fight, have an opportunity to make more money, have an opportunity to tax people more without a vote of the people. And that's exactly what this is. So now this bill was introduced way, long time-- two months before the flood, so you never want to let a crisis go unused so now the flood happened. So now all of a sudden, this bill is very important because a flood happened. I understand that. I also understand that last year when I introduced my bill for destroyed property, the flood hadn't happened as well. But my bill was a reduction in property tax, not an increase. And so the amendment says that when there's a natural disaster declared, then the board, a majority vote of the board, can approve bonding to replace the bridge. One of the things you need to keep in mind is when that disaster happened where that bridge was, those people in that area had a disaster as well. Counties have an opportunity to get FEMA money, NEMA money. They get help from the feds and from the state and so those people who have suffered a natural disaster as well individually--

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**FOLEY:** One minute.

**ERDMAN:** --thank you-- get no help at all. So at some point in time in this body, we have to change our focus. Our focus needs to be on the people who pay the taxes, but our focus has always been on the people who spend the taxes. And I was a county commissioner at one time. I understand the pressure and the need to do certain things. I do. I also understand there is a need for county boards to manage their bridges and their roads in a way that they don't get completely run down and have to be rebuilt. And I will speak about that more on my next opportunity. Thank you.

**FOLEY:** Thanks, Senator Erdman. Senator Lowe.

**LOWE:** Thank you, Lieutenant Governor. LB267 was heard shortly before Nebraska's worst month. And our emotions were running high once we went back and we execed on it. We wanted recovery fast and quick for all of our counties, all of our bridges, for the people who had to travel across those bridges. AM1245 was meant to make the bill better. Our emotions were running high. You should never use emotions when you vote on things, you should use your head and your heart. And after review, I come back and I think, yes, we do want those bridges fixed. Yes, we do want safety for all of our people to travel over the top of those bridges, whether they're in a car or by foot or driving a grain truck or combine, but we know about those bridges long before they're in bad shape. And we need to place the responsibility on the county roads departments and on our road department to get those fixed in a timely manner. They know they're going to wear out. The floods just made them worse. But they were in bad shape beforehand. There's some responsibility for the counties to maintain those and to keep them in good working order. We can get by for a while. If we drive a heavy truck and we know that bridge is no longer safe, we can travel four or five miles out of our way to go around the section to get where we need to go just on the other side of that bridge, because we don't want to ruin our equipment if that bridge fails. So there is some responsibility that our counties must take to maintain those and we must do it on a timely manner and not because of LB267 and AM1245. I voted for LB267 and AM1245 out of committee because of my emotions. I'm going to have to reverse that on this vote and vote against it because now I'm using my head and my heart. Thank you, Mr. President.

**FOLEY:** Thanks, Senator Lowe. Senator Moser.

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**MOSER:** Thank you, Mr. President. I was wondering if Senator Bolz would answer a couple of questions for me.

**FOLEY:** Senator Bolz, would you yield, please?

**BOLZ:** I'd be happy to.

**MOSER:** [RECORDER MALFUNCTION]

**BOLZ:** Challenge with that is that if you dedicate your highway allocation formula to bonding, it ties your hands. You're not able to flexibly continue projects and plans related to highway construction and you may not be able to quickly respond to an emergency situation as is contemplated in this bill. So, yes, there is some limited authority. I'm not sure it fits every situation.

**MOSER:** OK, those bonds don't require voter approval, I don't think.

**BOLZ:** They do.

**MOSER:** They do? Because we-- I talked to our county board chair and they-- we have a couple of bond issues in force at the time, right now that they're making payments on and I don't believe-- I don't think that they were approved by the voters. I think they are being paid from federal highway allocation money and so I'll have to talk to them again and make sure.

**BOLZ:** We can-- we can get to the bottom of it. I would say, if I may, representing a county like Lan-- Lancaster County, you know, a vote of the people can be really important. Having the people weigh in can be very helpful. But if you have a specific bridge, say in Lancaster County that helps farmers bring their products to market, you might not actually get the people to vote for that because they don't fully understand why one bridge has an economic impact. So I think what our county elected officials have to do is weigh what's best for the county with the tools that they have in their toolbox.

**MOSER:** Yeah. I-- I get what you're saying but I think that the-- you know, I don't think the voters are going to be-- I don't think the voters usually make bad decisions. And so from that standpoint, I-- I think that the voter approval is-- is the way to go. But I'll try to do a little bit more research so I can get better educated on that and I'll get back to you. I appreciate your responding to the questions. Thank you.

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**FOLEY:** Thank you, Senator Moser and Senator Bolz. Senator La Grone.

**La GRONE:** Thank you, Mr. President. And I'm in a similar position as Senator Lowe and Senator Brewer having heard the bill in Government Committee and then now as we're discussing it in a different light and under different circumstances. One thing that I found really enlightening was Senator Albrecht's comments about the statute did occur-- that currently allows counties to bond for bridge repair, but that requires a vote of the people. And I think that's pertinent because when we talk about-- so in the Government Committee, we hear a lot of bills regarding special elections and they can be special elections to bond for school. They can be special elections to bond for a bridge. They can be special elections to bond for a number of different things. And often the reason given for needing to use a special election rather than have an election held at a primary or general election, is that that allows the entity, whatever entity we're talking about, whether it be a school district, county board or whatever, more flexibility and they can more agilely respond to immediate circumstances rather than having to wait for a certain election. And here what we're hearing is that that's not even fast enough, that they may need to react faster than that would allow. And I would-- I'm having difficulty imagine-- imagining a circumstance where that might actually be the case, where the short timeline that we allow for a special election wouldn't be fast enough to respond to something, and they already have the authority to do that. If you look at the language in 23-397, it discusses very similar language to the language used in the committee amendment that allows bridge repair in any one of these issues. And so when we're looking at whether or not to allow bonding without the vote, a vote of the people, I did-- I would think that if a vote-- a special election is agile enough to be-- handle other bonding issues that we deal with on an everyday basis, it should also be agile enough to handle these bridge repair issues. And otherwise, I would think that this would, as Senator Erdman pointed out, be an issue that hopefully a county or a political subdivision, or whoever we're talking about here, in this case the county, would plan for the upkeep of that infrastructure in their normal everyday budget. Now, if we're talking about bridges that are deemed scour-critical by the Department of Transportation, we're talking about something that has been a problem for a while. And if that's the case, these are issues that a county board should have been planning for and budgeting for to be able to fix those situations as they arise. So that's why, while I voted for it in committee under the same circumstances Senator Lowe and Senator Brewer, I cannot support

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the bill now. With that, I'll yield the remainder of my time to Senator Erdman.

**FOLEY:** Thanks, Senator La Grone. Senator Erdman, 1:45.

**ERDMAN:** Thank you, Lieutenant Governor. Thank you, Senator La Grone. So as I was sitting here and contemplating the situation that we find ourselves in, this bill was introduced long before the flood happened. And so I was wondering if Senator Bolz would answer a question.

**FOLEY:** Senator, Bolz, would you yield please?

**BOLZ:** Sure.

**ERDMAN:** Senator Bolz, so when Lancaster County brought you this bill, and I believe that's what you told me last Friday, is that correct?

**BOLZ:** Yes.

**ERDMAN:** OK. When they brought you this bill, what was their reasoning and what did they say about their bridges? What was the-- the reason they gave you that they needed to have bonding authority without the vote of the people?

**BOLZ:** They brought me a report from 2014 that showed some challenges with Nebraska's bridges, and some of them were--

**FOLEY:** One minute.

**BOLZ:** --scour-critical and cultural-- sorry, structurally deficient. And that was part of the motivation here, that we needed more flexibility to repair dangerous bridges.

**ERDMAN:** So do you know, and maybe you don't, but I'll ask this question. Do you know what Lancaster County's mill levy is?

**BOLZ:** Total mill levy, not off the top of my head.

**ERDMAN:** OK. Say that again.

**BOLZ:** Not off the top of my head.

**ERDMAN:** OK, thank you. All right. So Lancaster County supervisors or commissioners, they're charged with keeping the roads and bridges in good repair and if they had the mill levy authority to levy enough dollars to fix these over a period of years, it wouldn't be an all of

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a sudden crisis situation we find ourself in. So obviously they hadn't been maintaining the bridges or taking care of what they were charged to do. And so they wouldn't--

**FOLEY:** That's time, Senator.

**ERDMAN:** OK. Thank you.

**FOLEY:** Thanks, Senator Erdman. Senator Bolz, you're next in the queue.

**BOLZ:** Oh, thank you, Mr. President. I want to address a few of the issues that have been brought up today and just provide a little bit of perspective and commentary. The first is as Senator Erdman was-- was discussing, there is a county responsibility for maintaining bridges. What I think is-- is a big challenge is managing the burden of the taxpayer with the increasing demand for structurally critical and scour-critical bridges. Because of the timeframe that a number of our bridges were built, a lot of those bridges are wearing out now. So sort of all of the checks are coming due now and that can be really hard for a county commission to manage when you have bridges deteriorating all at once. That's exacerbated when you have a situation like a flood or another emergency, which makes a bad situation worse. So we really are focused on trying to manage the resources that we have while keeping an eye towards taxpayer best interest. I would note a couple of things about the taxpayer. The first is that when we have low interest rates, it's actually a better deal for the taxpayer to bond because we can manage the cost of those bridges and not have to respond to an emergency situation when costs might be high. The second is, it is the responsibility of the county and therefore the taxpayer to keep up bridges, whether they happen to be financed through a direct allocation or through bonding authority. So one way or another, these are taxpayer dollars and taxpayer responsibilities. And so why not use the bonding authority to respond to increased demand due to aging bridges and flooding in a more fiscally responsible way by using bonding when you have low interest rates? The second thing I wanted to bring up is that while we did have one testifier in opposition, the Lincoln Independent Business Association did switch their position to neutral after the adoption of the amendment, after the high standards that were set for emergency response and the accountability of the county commissioners. And one of the reasons they did that, as my-- as I understand it, is because they understand the value of our infrastructure in moving business products around. So one bridge might not seem that important to someone who lives in the heart of Lancaster County, but it sure



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matters a lot when you're trying to bring your-- your products to market. I would also like to note that while I appreciate the interest in the vote of the people, there are a couple of points to bring up about that. One is that the bonding authority is set in statute. So we already have very limited bonding authority for larger counties like mine of 2 million dollars and much less for smaller counties. So there are already cost controls to-- to keep limits on the county commissioners. I would also like to remind the body that those county commissioners are elected and they are subject to open meeting laws. And so those folks can be held accountable for the resources that they are allocating for different purposes. The last thing I would like to say is that it is important that we keep up with our-- with our bridges and infrastructure. And that is one of the reasons that we're bringing this bill forward so that we can give more tools in the toolbox to counties all across the state. I would remind you that agricultural products, according to the 2014 report that I referenced, agricultural products account for 20 billion of the state's economy. So the last thing that we want to do is limit our farmers' ability to move those products where they need to go during those very important times of the year, whether it's harvest time for farmers or whether it's when-- when a-- a steel manufacturer has to get their product to market for a certain customer, we've got to keep the economy moving and that means we support our infrastructure needs.

**FOLEY:** One minute.

**BOLZ:** So I would also mention that I've been to a few different communities recently who've been impacted by the floods. And I would say my reflection after having conversations with those folks is that sometimes the wheels turn slow in terms of getting those emergency management dollars back, not from anybody's fault, but because we have to have good checks and balances and those communities are reeling. They're still building back after the floods. Giving them additional resources and flexibility really can help them put the whole picture together. So I encourage your support for AM1246 and your vote for the bill, LB267. Thank you, Mr. President.

**FOLEY:** Thanks, Senator Bolz. Senator Friesen.

**FRIESEN:** Thank you, Mr. President. Would Senator Bolz yield to some questions?

**FOLEY:** Senator Bolz, would you yield, please?

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**BOLZ:** Yes.

**FRIESEN:** Thank you, Senator Bolz. I've been reading through the statutes already, and I started last week and I finished up kind of studying it now, and I'm-- I'm kind of confused. And so I'm going to ask a series of questions and see once if I can clarify in my mind where we're at. So basically what you are after is you wanted to make it more dollars available to fix roads and bridges in counties, is that your general direction?

**BOLZ:** More flexibility for existing bonding authority to use that bonding authority to repair roads and bridges.

**FRIESEN:** So do you know what bonding authority the counties have currently, because I know some counties out in my way have bonded some projects before.

**BOLZ:** Sure.

**FRIESEN:** And I know there's like a 5.2 percent lid limit or something or a lid or a cap on their bonding.

**BOLZ:** Sure.

**FRIESEN:** Is that the cap, or is it two million dollars like for Lancaster County?

**BOLZ:** So if a county initiates a project, no bonded-- and I'm reading from the statute here, no bonded indebtedness payable from the General Fund levy, the county board may make an annual levy not to exceed five and two-tenths cents on each \$100 of the taxable value of all the taxable property of the county for any of the purposes specified in the subsection that-- as exists now, the jails and the-- the-- the county courthouses. And doing it the way that we want to do it, allowing the county board to take this action, no levy exceeding \$2 million in counties having an excess of 250,000 inhabitants, \$1 million in counties having no excess of 100,000 inhabitants, and \$300,000 for counties having an excess of 30,000 inhabitants.

**FRIESEN:** So in Lancaster County here, how much is the cap, 5.2 cents or is it \$2 million per year?

**BOLZ:** It's both.

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**FRIESEN:** So you could do \$2 million a year to a number of years until you get to five point two cents.

**BOLZ:** Right.

**FRIESEN:** So have they used any of that bonding authority yet?

**BOLZ:** I don't know.

**FRIESEN:** OK. Do you know how many counties are up against their lid limits?

**BOLZ:** I don't know.

**FRIESEN:** OK. So if the way this is drafted, take, for instance, Lancaster County, they could without a vote of the people have up to \$2 million of bonding so that would allow them to borrow quite a bit of money because the bond payment would only be \$2 million, is that right?

**BOLZ:** Over time.

**FRIESEN:** Over time. So over the life of the loan?

**BOLZ:** Sorry?

**FRIESEN:** Would it be over the life of the bond?

**BOLZ:** Did you say loan or bond?

**FRIESEN:** The bond?

**BOLZ:** Yes. Yeah.

**FRIESEN:** So if it was a 10-year bond, you would add that up and it couldn't exceed \$2 million?

**BOLZ:** Well, let me double-check with NACO. That's my understanding.

**FRIESEN:** OK. Because I mean, the way I was reading it, they-- I don't know what the valuation is in Lancaster County, but it was a pretty substantial sum of money if you could be bonded up to five point two cents in total because you can each year do a \$2 million and have subsequent years until you get to that 5.2. So that was my question is, they-- it seems like they have a fair amount of bonding authority depending on how much valuation they had. And so, again, it talks

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about expanding this further, I think, because it doesn't talk about just flood damage or scouring, it talks about federally deficient bridges. You know, we have lots of deficient bridges. That isn't-- a deficient bridge isn't necessarily a bad bridge. It's not-- it's structurally deficient maybe because it's not wide enough for current equipment. It's not structurally deficient in that you can't drive across it. So it opens it up. It isn't just about flood damage or--

**FOLEY:** One minute.

**FRIESEN:** --trying to repair things that have happened. I know there's counties out there and I-- you know, I look at my county all the time, they've got a lot of bridges they need to do, but they've always been on a plan of doing them, they're working through them. We at least didn't experience the flood damage. I know there's counties out there that did experience flood damage and I know they have somehow bonded and I haven't found out quite how they're doing it or what their limits are, but I know there's some bonds being done out there for that purpose. Now they know they're gonna get reimbursed in a year or two, but I'm-- I need to look into that further because it seems as though they have more bonding authority than what I think they do. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Senator Brandt.

**BRANDT:** Thank you, Mr. President. I'd like to thank Senator Bolz for bringing in this bill. This bill includes providing local government with the resources needed to recover from a natural disaster like the one Nebraska experienced in March of 2019. Counties across Nebraska manage important farm to market routes that provide access for the agricultural industry. Keeping bridges open to facilitate that access continues to be an important component of our support for economic development in rural Nebraska. These transportation routes also facilitate movement for residents between home and work and school. As for a vote of the people, there's a lot of people, senators standing up today talking about a vote of the people. Last time I checked we're a representative democracy. The people elect senators, county commissioners, school board members, NRD board members to represent them on funding decisions. For these reasons, I would urge your support for AM1245 and LB267. Counties across Nebraska would benefit from additional resources to assist them in recovering from natural disasters. Thank you.

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**FOLEY:** Thanks, Senator Brandt. Senator Erdman.

**ERDMAN:** Did you say me?

**FOLEY:** Yes, Senator.

**ERDMAN:** Thank you, Lieutenant Governor. So in the last-- from the last time I was up here until-- till now, I've reviewed what Lancaster County's mill levy is. The county mill levy is .2815760, 28 cents. The county is eligible or is-- is-- has an opportunity to go to 50 cents. So Senator Bolz had made a comment about all these bridges that are aging, all came due at the same time. But the point is this. Those county commissioners knew the age of the bridges. They knew that that was going to come due and they knew when it was because they had been inspecting the bridges. This wasn't new information that they finally got one day in 2019, that said, oh, oh, wait a minute, we got all these bridges that are getting to be a certain age that we're going to have to replace. They knew that. So what do you do when you understand that and you know about it for a period of years, you figure out a way to do one, two, or whatever, a few at a time. And with a mill levy of 28 cents, you have an opportunity to pick up a little money, a little mill levy here and one or so there to make a difference. So I was wondering if Senator Bolz would yield to a question.

**FOLEY:** Senator Bolz, would you yield, please?

**BOLZ:** Sure.

**ERDMAN:** Senator Bolz, did you hear the fact that I said the Morrill or Morrill County-- Lancaster County's mill levy is 28 cents?

**BOLZ:** I-- I heard you just now.

**ERDMAN:** OK. So they have-- they have room of 22 cents over a period of years if they would like to use that. So my question is this. Is this bill, with its amendment, raising property tax without a vote of the people?

**BOLZ:** I think it depends on how you decide to discern that. It's using existing bonding authority. So if you have bonding authority and you want to use it, it's your judgment call as to whether or not you decide that that's increasing taxes. If you think about it in terms of taking responsibility for keeping up roads and bridges and using a low

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interest rate, I think that would be perceived as keeping taxes lower by using good financial strategies.

**ERDMAN:** OK. Let me ask it in a different way then. If this bill passes and the majority-- supermajority vote of the commissioners approve a bond issue, is that raising property tax?

**BOLZ:** They'll have to pay that bond issue over time. But that-- that is, I would say, part of their obligations as-- as you have said. So, you know, as long as they're-- they're being fiscally responsible, I-- I don't know that it necessarily is. I think it is using a different financial tool.

**ERDMAN:** I'm trying to-- I'm trying to understand how you answer the question. I think the question is a yes or a no question. The question was, if a supermajority of the county votes to do a bond to build a bridge, and they then collect property tax to pay the bond, is this raising property tax, yes or no?

**BOLZ:** Well, if you decide that the bond is a responsibility of the-- if-- if you think that repairing bridges is a responsibility of your county, you're-- you're using those taxpayer dollars, whether you're using it to immediately repair the bridge or whether you're using it to pay off the bond.

**ERDMAN:** OK. All right. So if you if you pass a bond issue by a supermajority vote of the commissioners--

**FOLEY:** One minute.

**ERDMAN:** --how does that bond get paid back?

**BOLZ:** Well, certainly those are taxpayer dollars just like a direct repair would be.

**ERDMAN:** So then you would agree that it's property tax that pays back the bonds?

**BOLZ:** Property taxes are uses-- used to repair county bridges, yes.

**ERDMAN:** OK. So then to answer my question then, if a supermajority of the board votes to do bonding and that money then is reimbursed or paid by property tax, a supermajority of the board-- board voting would raise property tax, correct?

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**BOLZ:** I mean-- not if you're not spending more than you previously were. I mean, if you were-- if you were spending more on the immediate direct repair of bridges and you had a better negotiation by using the bonding authority, you might actually be paying less for that responsibility than if you didn't bond for it and didn't have a long-term fiscal plan.

**ERDMAN:** Wow! Oh, OK. Well, maybe my next time I'll try to see if I can get an answer that I can understand. Thank you.

**FOLEY:** Thank you, Senator Erdman and Senator Bolz. Senator Blood.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I sit here in disbelief as I hear people standing at the mike saying that they made decisions based on emotions, because that is not good policymaking and that they voted incorrectly based on that emotion at the time. So I went back through my notes from the hearing because when I make decisions, I do that based on facts and the facts that I went to in support of LB267 and also AM1245, I found that Nebraska had a long history of structurally deficient and function-- functionally obsolete bridges. And so available to me, as it is available to all senators on this floor who would want to prepare before they vote on something, is the National Bridge Inventory, which was done before the floods, by the way. So that data is created locally here in Nebraska, but it's compiled by the FHA. So it's not Big Brother coming in and telling us what we need to do in Nebraska, it's Nebraska telling the federal government what's needed done and needed to be done in our states. And so to be fair, I kind of just went around and randomly picked a few counties. And I want you to hear these counties and how they compared to the national average. So the national average of bridges that are in need of repair, to say it bluntly, is only 9.4 percent. But here are some counties that are much higher than the national average. So my county, which would only be fair to say that as well, is 11.6 percent of our bridges are structurally deficient; Stanton County, 21.5 percent; Thayer County, 17.6 percent; Sherman County, 11.9 percent; Red Willow, 14.8 percent; Otoe County, 44 percent; Keya Paha, 17.4 percent; Hitchcock, 25.5 percent; Blaine, 25 percent. And those are just some I randomly picked out, but I encourage you to go to the report and look at where the bridges were at before the floods. My decision to support this bill was not emotional. My decision was based on facts as all decisions should be based on facts. Now, it's also a fact that not all bonds raise property taxes. I thought it was really interesting when Senator

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Erdman tried a gotcha question at Senator Bolz saying, should the board to decide to utilize property taxes to pay that bond would it not then raise property taxes? Well, duh. Right? But here's the thing, I don't know about what counties you live in, but the Sarpy County Board is very responsible and there are a lot of intelligent people on our county board, and to assume that they aren't smart enough to know how to utilize an additional tool that is gifted to them, should they choose to use it, is insulting. The thing that confuses me the most on this floor is when we fight for local control and when we fight for state control and also federal government. We have people on this floor that are huge supporters of convention estates, but the first opportunity they had to try and trash somebody's bill, that we try and do something here locally--

**FOLEY:** One minute.

**BLOOD:** --all of a sudden they don't care about the federal government. When we talk and fight for local control, but then we have a bill that we think is going to help us in our reelection cycle, we want to fight against that local control. This is a tool. It's a tool that can or cannot be used, but there is definitely a need for it. And I encourage you to do the research, because there are some of us on that committee who did not vote based on emotion, we voted based on facts. Thank you, Mr. President.

**FOLEY:** Thanks, Senator Blood. Senator Briese.

**BRIESE:** Thank you, Mr. President. Good morning, colleagues. Wasn't gonna say anything on this bill, it's kind of a tough issue, and I appreciate Senator Brandt's comments earlier about the importance of infrastructure to the ag community and keeping that infrastructure in good shape and replacing that infrastructure when needed. You know, those are good points. But it did occur to me that here we have a bill allowing locals to bond for this without a vote of the people and it advanced out of committee 8-0. I understand there are some folks, you know, thinking that maybe they wouldn't vote it out 8-0 at this point, but it's still advanced 8-0, not necessarily for capital improvements, but bonding nonetheless. And I got to thinking, last year I introduced a bill, LB20 was heard before the Government Committee and LB20 was an effort to create additional transparency and accountability in the expenditures of property tax dollars by requiring a public vote on election of the people before public building commissions in our urban areas could issue bonds. I tried to get that bill out of committee last year, got tied up 4-4. I tried again this year. I got tied up 4-4



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and I thank Chairman Brewer for his efforts in trying to get it out and even Senator Chambers tried to help me get it out this year. And I thank them for their help there, but it seems to be still locked up in committee 4-4. And we have a property tax crisis in this state. We-- we all know it, we all talk about. We all have heard about it and we agree that we do, but yet we're talking about passing a bill that came out of Committee 8-0 to make it easier for local governments to levy property taxes. And at the same time, we have a bill that would have protected property taxpayers and tried to protect them by requiring a public election before bonds were issued by a public building commission still locked up in committee. And folks, that's not a good look. You know, what's the message were sending here? If we pass this bill, is the message that maybe we're not as serious about property tax relief as we all like to say we are. Not sure. Again, this is a tough issue. And I thank Senator Bolz for bringing this and some of the nice-- nice comments in support of the bill. And I understand where some of these folks are coming from, but it's not a good look if we move something like this, something to protect the pack-- property taxpayers by requiring a bond or remaining locked up in committee. I also looked on page 1 of the bill and we often talk about unfunded mandates in this body. And I think it's page 1, line 18, we essentially talk about the the county shall keep these-- keep their bridges and infrastructure maintained and repaired. Well, sometimes counties don't have the money to do everything they want to do. Yeah, we need to keep them in decent shape so they're usable, but they're-- sometimes there's decisions to be made at the local level that maybe would be made differently if everybody had plenty of money, so I'm a little concerned about requiring that of counties. I think it increases their obligations in that regard. Thank you, Mr. President.

**FOLEY:** Thanks, Senator Briese. Senator Dorn.

**DORN:** Thank you, Mr. President. Good morning, colleagues. I wanted to just get on the mike a little bit this morning and clarify a little bit some of the comments that have been going around about county budgets and the levy and so on. County budgets are limited, first off, by a two and a half percent increase in their tax asking or their taxes they collect. They're limited by a two and a half percent. Then they're also can do another 1 percent by a supermajority vote of the board. So they're limited by three and a half percent increase each year in their tax asking or the property tax they collect. The only time the 50-cent levy lid comes into play, and right now there's only one county that has a 50-cent levy lid in play, and that's Gage County

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because of a federal judgment. The two and a half percent increase limits the amount of additional property tax you can collect. There's only nine things that override that two and a half percent. One of those is a federal judgment. So if-- I'll take a county that they would have a \$10 million tax asking or taxes they collect this year, next year the maximum amount they can increase their tax collection, their property tax collection, is by three and a half percent, or they could be \$10,350,000. So the next year after that, three and a half percent again. It doesn't matter what their levy is, they back into the levy after they set the budget. So the levy from 30-cents up to 50-cents doesn't matter unless you are Gage County and at the 50-cent levy lid. The reason this is kind of important is, Gage County has approximately 300 bridges. Lancaster is in that neighborhood. Sarpy County has the most in the state. This has been an issue that's built up over years, the condition of the bridges. Today or the last day, or the last year I was on the Gage County Board, we did a box culvert. That box culvert cost you \$275,000. That was a project for Gage County. Today, if you do a box culvert, it's around \$275,000 to \$400,000. So if you are a county the size of Gage County, and there's a lot of smaller counties in the state, and now you can increase your budget by \$350,000 and you're going to do a box culvert, it would take all of that. That doesn't leave you any room for salaries, health insurance, replacing equipment or any of that. So, yes, you can build up some room in the budget, but it's not just let's go out and collect an additional three or five cents a levy, you don't get to do that. If you wanted to replace a bridge, if you had a bridge with any length at all today, it may cost you \$500,000 to \$750,000 to replace that bridge. So if you're Gage County, I do know they have a bridge, it has been on a list to replace for five years now. The estimate to replace that bridge is \$900,000. They can only increase their tax asking, without the Beatrice Six judgment on it, they could only increase their tax asking by approximately 250 to 275,000 a year. So it would have took three-plus years of tax asking or property tax collection to pay for that bridge. So it's not a quick fix out there. This has been a problem that's built up over years with our bridges in the state of Nebraska. When we have problems with flooding and so on, it really compounds the problem. FEMA will help pay for a lot of bridges that did get washed out or have those issues, but there is still an amount, twelve and a half percent by the county and twelve and a half percent by the state. So a bridge is not just a quick fix, get it done and not worry about it. One other thing, it does say in the bill, there is a 5.2 cents of levy limit in this bill. That is outside of-- Gage County has a bond on a road project passed in 2010. It's a three cent levy on

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that bond. That is outside of what you would include in your 50-cent limit or outside of your other limit for bonding in the county. So this does limit that. You do run into some issues with that. There are certain things in statute that if you have a bond and are using part of this 5.2 cents for that bond, which would be for the roads, you now can't just have other bonds that the county board could pass. There are certain requirements to be met. You cannot just keep adding on top and adding on top. There are those guidelines in state statutes.

**FOLEY:** That's time, Senator. That's time.

**DORN:** Thank you.

**FOLEY:** Thanks, Senator Dorn. Senator Hilgers.

**HILGERS:** Thank you, Mr. President. Good morning, colleagues. One principle I've tried to apply since I've been in the body is that I don't think I've ever supported a bill that would raise property tax increase without a vote of the people. It's one of the reasons why I voted against Senator Dorn's bill last year relating to Gage County. Now I did vote for this in committee because I thought there was a logical exception to that, which is, in the instance of which there is no other choice. In other words, if you have a true emergency and there isn't time to have a vote of the people, then maybe you ought to give the commissioners the authority to act quickly. In other words, if you don't have time to have the vote and you need to be able to act before that-- that vote could occur, then maybe we ought to give some authority. That's why I voted for it in committee. Now, I've heard conversation on the floor today and last week is that there may be least restrictive means or other means by which we could accomplish this same thing. For instance, you could actually have a special election. Some information we didn't have in our committee at the time was that we might be able to have a special election. There might be other ways to do it. Would Senator La Grone yield to a question, Mr. President?

**FOLEY:** Senator La Grone, would you yield, please?

**La GRONE:** Yes.

**HILGERS:** Senator LaGrone, I thought I heard you talk a little bit about special elections earlier. Would you recap what you stated?

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**La GRONE:** Right. So as Senator Albrecht pointed out, there is a statute that allows for special elections. Excuse me-- for bonding to be used for these type of projects. And one of the allowable ways to accomplish that in that statute is through a special election. What that--

**HILGERS:** Sure. Oh, go ahead. No, finish your--

**La GRONE:** I was just going to say that now if we're talking about the need to accomplish things, accomplish something quickly, the general special election statute applies to political subdivisions when they're going to hold a special election on a particular issue. In this case, a bond issue allows them to submit that to the voters 50 days after submitting the question to the county clerk or the election commissioner, depending on the county.

**HILGERS:** So you could have a special election, within two months have an answer as to whether-- in this instance you could have bonding authority to replace a bridge or--

**La GRONE:** Correct. The limit would be 50 days, would be the fastest you could do it.

**HILGERS:** Yeah. Thank you, Senator La Grone. Colleagues, I think that's an important data point for those of you who maybe like me thought, or have thought that this was without this authority, we couldn't act quickly. Now I'm going to continue to listen to debate, but 50 days strikes me as fast and quick enough and that-- in that instance, I can't support a bill that will allow property taxes to be raised without a vote. We have a mechanism to allow it. I'm going to continue to listen. But ultimately, that's a data point we didn't have in committee. It's one we have on the floor now, and that's where I'm leaning at this moment. So how much time do I have left, Mr. President?

**FOLEY:** 2:00.

**HILGERS:** I would yield my time to Senator Erdman.

**FOLEY:** Senator Erdman, 2:00.

**ERDMAN:** Thank you, Lieutenant Governor. Thank you, Senator Hilgers. Senator Dorn explained the limits on increases. I understood those. I didn't say that I didn't. And I believe in Senator Blood's comments that she made, she understands that passing a bond issue being paid

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back by tax dollars is raising taxes. That's a pretty simple, straightforward concept. And Senator Bolz went to great length to explain to me that it depends. It depends if you've raised the taxes higher than it was before, you collected more dollars, and spoke about the question, but never answered it. Here is the answer. If you pass a bond issue by a supermajority vote of the commissioners or supervisors and that bond is then paid by tax dollars, it is raising taxes without a vote of the people. Plain and simple. So we're--

**FOLEY:** One minute.

**ERDMAN:** --talking about semantics here and so consequently, it's a little difficult sometimes to get an answer about the real issue, but the real issue is this is raising property tax without a vote of people, plain and simple. And I will talk on my next opportunity about Senator Dorn's comments and how they could have helped alleviate some of these problems that they find themselves in. Thank you.

**FOLEY:** Thanks, Senator Erdman. Senator Clements.

**CLEMENTS:** Thank you, Mr. President. I again going to have to oppose LB267 because of the tax increase feature and also wanted to comment about what Senator Erdman was just mentioning, that it is going to end up being-- it may be spread over several years where it's hard to see year to year if there is an increase in taxes paid, but over the total time of that bond issue, the total amount of taxes will be greater than if this was not done by the county board. So the vote of the people is important. If there's a county with that many bridges, they're going to be-- that are out, I think the farmers are going to be wanting more transportation, that's true. And if they are, they should be able to support a vote of the people on a bond issue. The ability of the board to do that, to propose that, still exists. And we've been up here, this is my fourth session trying to do something about property taxes. And it's been very difficult to try to get any relief for the taxpayers. And it's just-- until we get, really get some property tax relief and get this under control, it's hard for me to support adding more burden automatically to the taxpayers. And I'd like to yield the rest of my time to Senator Erdman if he'd like it.

**FOLEY:** Thanks, Senator Clements. Senator Erdman, 2:50 and then you're next in the queue as well, so it's 7:50.

**ERDMAN:** Thank you, sir. Appreciate that. Thank you, Senator Clements. So I read the amendment again and I see that the amendment allows for

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bonding for bridges. And I'm wondering why it does not include roads because you see to get to the bridge you must have a road. And in some cases, I would make this assumption, and you know what you do when you assume, but I would make this assumption that if the bridge is washed out, so maybe the road. And rebuilding the road could be expensive as well. So I wonder if Senator Bolz would yield to a question.

**FOLEY:** Senator Bolz, would you yield, please?

**BOLZ:** I'll yield.

**ERDMAN:** Thank you. So, Senator Bolz, when-- when they brought you this bill and they were concerned about their bridges, did you have a conversation about the roads?

**BOLZ:** It was mostly a conversation about bridges. As I mentioned, I read with great interest the county bridge report from 2014. One of those bridges is on Rokeby Road, which is not very far from the office where I work and so I-- it was mostly conversation about bridges.

**ERDMAN:** Would you know, and if you do, would you know whether there was any bridges or roads damaged leading to some of these bridges that need to be rebuilt?

**BOLZ:** Are-- are there-- are there-- is there damage done to bridges needing to be rebuilt? I'm not sure-- I'm not sure I heard or understood your question.

**ERDMAN:** No, there are roads leading to these bridges that need to be rebuilt and do you know if those roads were damaged as well?

**BOLZ:** The-- again, the motivation in the report was specifically spoke-- focused on the bridges. And the bridges have a definition of being structurally deficient or scour-critical. There may be roads leading to those bridges that need certain kinds of repair, but that's-- that's not-- that's not the focus of this bill.

**ERDMAN:** Would-- would it make sense-- this is-- this is a question I have. Would it make sense that if we're going to include bridges, we should also include roads?

**BOLZ:** You know, I think that goes back to the conversation we had about not relying only on the Highway Allocation Funds. If you, you know, use these funding streams inter-- you know, in a way that complement one another, you can rather than bonding the Highway

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Allocation Funds, you use the highway funds to keep those highways going and you use that bridge bonding authority to repair the bridges.

**ERDMAN:** OK. So can I conclude that you're not interested in adding roads to this bill?

**BOLZ:** I don't think that's necessary. I mean, we certainly have some other strategies to-- to keep up with roads. I think the focus is on, you know, replacing deficient bridges.

**FOLEY:** Senator Erdman, we're now in your five minutes.

**ERDMAN:** OK, thank you, sir. So Senator Bolz continuing then, as you mentioned in your testimony or your comments on the mike that these bridges have aged out and the county has-- has these bridges all coming due at one time, and obviously those bridges must have been a concern before the flood happened, would you agree?

**BOLZ:** Sure. I think they-- all our counties did their best to keep up with it while, you know, maintaining reasonable rates for our taxpayers.

**ERDMAN:** OK. So over time, do you know if Lancaster County had set aside funds or had a-- a rebuilding project for their bridges so that they wouldn't all come due at the same time?

**BOLZ:** I know that they've worked to try to repair bridges over time. I know that that's always a challenge given other transportation and infrastructure needs. I also know that this year Lancaster County created a-- an emergency fund. So, you know, I do think that there are-- there are ways that counties are trying to keep up with these needs, but if you're slammed with a flood and you already had difficult bridges to-- to keep up with, they can put you in a real bind. And I think that's the-- the problem we're trying to solve.

**ERDMAN:** So-- so are you familiar with FEMA, NEMA funds available to rebuild infrastructure?

**BOLZ:** Uh-huh, I am.

**ERDMAN:** So if Lancaster County had a bridge that was destroyed, would they not get funny-- money from either one of those or both of those funds?

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**BOLZ:** You know, it depends. They've got to meet certain criteria, right? You've got to got to sort of be able to prove all-- all the factors that went into play related to flooding. I also think that if you've got a whole infrastructure that you're trying-- that you-- you unexpectedly had to find that 12 percent match for, that puts your plans to keep up with previously deficient bridges on hold and it can put counties in a tough spot.

**ERDMAN:** OK. So I believe what you said, they would have-- eventually they could be eligible or be required to pay the twelve and a half percent, is that correct?

**BOLZ:** Right. So and sometimes they have to wait for reimbursement from-- from NEMA.

**ERDMAN:** OK.

**BOLZ:** And sometimes the need is more eminent than the reimbursement timeframe.

**ERDMAN:** I thought it was interesting in your comments that you said they'd have to meet certain criteria with FEMA, NEMA, to qualify for those sources of revenue. And it would make sense to me that if you have to make certain qualifications available to FEMA, NEMA, for reimbursement, it would make sense that you have to do the same thing with the taxpayers.

**BOLZ:** I'd agree. That's why we have the designation of scour-critical or structurally deficient pursuant to Department of Transportation standards.

**ERDMAN:** OK. So if I'm going to make a presentation to the voters who I'm going to take more money from, it would make sense to me that I would be able to explain to them the situation that we find ourself in and there's no other course that we can take to accomplish what we need to and we need to pass a bond.

**BOLZ:** May I respond?

**ERDMAN:** Would that make sense?

**BOLZ:** May I respond, Senator?

**ERDMAN:** Yes, go ahead.



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**BOLZ:** One of the reasons that that can be challenging is because when you're working within a \$2 million sort of limitation, in Lancaster County the cost of a special election would be \$350,000. So that 17 percent of the money, the taxpayer money that you would be using to put forward an election rather than just making sure that those dollars go straight to repairing those roads and bridges, that we need to keep people and products moving.

**ERDMAN:** But in the comments that Senator Dorn had shared with us about the three and a half percent annual increase over the spending from the last year to the net, from one year to the next, would have been able to gather up some dollars to put it in a fund to help build bridges and restore bridges without a vote of the people. And it would have been a insignificant amount of taxes collected compor-- compared to having a bond passed.

**FOLEY:** One minute.

**ERDMAN:** So I'm a little-- I'm a little perplexed by the situation that we'll find ourself in, and the bill says by a supermajority, a major majority of the vote of the commissioners. In numerous counties and I don't know the exact number, but that number is probably 75, 80 counties, and I don't know that and I need do some research to discover, have three commissioners. And so what we find ourself is we have two people voting, can raise the property tax for everybody else in the county. And I understand the comments that were made, we elect people on the NRD boards and we elect people on certain boards to do certain things, but sometimes we don't take into consideration those people paying. And so I will talk my next time about who votes and how it affects them. Thank you.

**FOLEY:** Thanks, Senator Erdman. Senator Matt Hansen.

**M. HANSEN:** Thank you, Mr. President. And good morning, colleagues. Colleagues, I do rise in support of LB267 and the Government Committee amendment. But first, I want to just put something on the record. Would Senator Bolz yield to a question.

**FOLEY:** Senator Bolz, would you yield, please?

**BOLZ:** Sure, I'd yield.

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**M. HANSEN:** All right. Thank you, Senator Bolz, and I heard you just say this so you kind of preemptively answered my question, but how much does a special election in Lancaster County cost?

**BOLZ:** According to the elect-- election commissioner a special election would cost \$350,000.

**M. HANSEN:** All right. Thank you, Senator Bolz.

**BOLZ:** Thank you.

**M. HANSEN:** All right. Colleagues, when we get up and we talk about maybe the special election is another alternative for this position, we need to compare and contrast the costs and the amounts. I think that's important here. If we're going to spend over 10 percent of the potential bond, ideally I assume the bond would be much lower as we might be spending as much as a third, or frankly, if you wanted to just do a single box culvert or something based on some numbers on the floor, the special election might be more than the bond, that's just-- does not strike me as a kind of realistic or sensible opportunity. I know it's obviously something, you know, we could do, we could mandate. But if you wanted a half million dollar bridge repair and you're going to spend \$350,000 asking people if they wanted to spend half a million dollars, that just doesn't seem to make good fiscal sense. I know why we do special elections. I know why we do special elections for other bond issues, but I don't know if I've ever seen a special election where the costs of the special election is so close to the amount of the bond. You know, we heard this in front of Government Committee. I think we had some great testimony. I think if you have questions about the state of what Lancaster County and the places are, feel free to ask. This-- this has been something that the Lancaster County Board has been working on for many years. They have been trying to play catch up with as many bridges as they do. And they're getting to a point where every little bit helps, and I know this would help my county. Some of these things is, you know, it's not always a matter of being unprepared or an unknown. Sometimes, you know, you think a bridge is in pretty good condition and you crack it open to do a minor repair and you find out, you know, the whole thing's about to come tumbling down. It was about this time, about the time of this report where there was a bridge that was just outside of my district, just a little bit east of my district, where they kind of started taking apart and they thought it was a box culvert. And I believe they found out it was an old railroad timber bridge that had been buried and had some cement put around the sides. That's something

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you can't necessarily plan for. If you think it's a box culvert and it's on your-- it looks like a box culvert from the outside, you crack it open and it's actually an old railroad bridge that's been buried and they put a road on top of, some of those-- the expenses just come up in surprise. And that was a pretty high traffic road, pretty close to 0 Street, and so that's been a pretty big and significant issue just of that situation. With that, I think, just giving some local governments the flexibility for some kind of in the scheme of things, especially Lancaster County, in the scheme of their bridge budget, a small bit of flexibility to kind of deal with urgent situations is very important. With that, I would yield their balance of any of my time to Senator Bolz should she need it.

**FOLEY:** Thank you, Senator Matt Hansen. Senator Bolz, 1:50.

**BOLZ:** Thank you, Senator Hansen. I-- I do want to note a couple of things, I appreciate the time. One is that Lancaster County, my county only got paid back this year from the Emergency Management Funds for emergency projects that were established in 2015. So it took five years to get those resources back for those situations where they were repairing or addressing a structural problem after an emergency. And so I do want to reiterate that while I appreciate Senator Erdman's reflection that this bill was introduced prior to the flooding and the counties should try to keep up, I would reflect that post flooding, we have even more urgency and even greater challenges. And so this is really an opportunity for all of you senators who have counties who've been impacted by the floods to get another tool in that toolbox to help repair those bridges that might need a little TLC who are structurally deficient or scour-critical, according to Department of Transportation standards, and-- and help those communities recover. Just like we were all responding and stepping up to-- to offer food or to offer assistance or fill sandbags or whatever it is that you contributed to flood response last spring, this is continued work and I think it's a great opportunity. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Bolz. Senator Ben Hansen.

**B. HANSEN:** Thank you, Mr. President. I'd just like to expound on a little bit of some of the thoughts that I had from last week. But first, I do appreciate Senator Bolz answering all these questions. I am kind of actually listening intently to the debate and trying to wrap my head around some of this stuff and try to get an idea of what I want to do. But like I said, I'd like to kind of just expand a little bit on my thoughts about the role of small government and how

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this bill kind of pertains to that. And so when-- whenever I think of the role of government in our lives, and this is something I kind of mentioned before too, there are certain-- there's a role for government. I don't want people to think that I'm anti-government by any means, but some of the roles I think small government plays in our lives, one of them should be the repair and maintenance of infrastructure, which hap-- which is bridge-- bridges, roads. I think that's one of the primary roles of a government. Also just addressing safety and welfare of its citizens, protecting property rights. And so when I look at some of the counties, one of the concerns I do have is I don't know if they quite view that as one of their primary objectives. And so one of the-- for instance, one of the things Senator Dorn was talking about is he has a bridge in his district that has been in need of repair for five years. And I have a hard time trying to understand why some governments can't make that a priority above and-- a lot of the other things they spend money on. And so I think one of my concerns with this bill is also how it does not go to a vote of the people. I think any time we-- we give more and more bonding authority to these local government entities, I'd like to see it go to a vote of the people first. And so, again, I do appreciate all the conversation, the debate that we're having so far. I am listening. And I may have some more questions down the road, but just want to kind of just give my thoughts a little bit so far but-- about the topic. With that, I will yield the rest of my time to Senator Erdman, if he so chooses.

**FOLEY:** Senator Erdman, about 3:00.

**ERDMAN:** Thank you, Lieutenant Governor. Thank you, Senator Ben Hansen. I appreciate that. You know, when we talk about a vote of the people on issues like this, and one of the things that we need to keep in mind is a majority of the people who are voting for these bond issues are not affected by this by paying more property tax. It's a peculiar thing that we do here in America. If you live in a district that you're not registered in or you own property like the house I own here in Lincoln, so when they raise their mill levy or they do a bond, the voters who are registered in this district get a vote on that. I don't. I have several properties that are in another taxing district from where I live. They build a new school. The people who live in that taxing district voted on the school. It raised my property tax, I had no say. So when people vote for bond issues or they vote to raise taxes, oftentimes it happens that the people who are voting to do that don't have any skin in the game. And I know that people will say,

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well, if they rent, they pay rent, which includes property tax, I understand that. But there's a vast majority of people who pay property tax, who have no rental properties, who have no way of recovering the increase in their taxes. And as I said before, and I will say again, years and years ago, there was a big old commotion over there in Boston and they threw a bunch--

**FOLEY:** One minute.

**ERDMAN:** --of tea in the water and they were fired up about the fact that they're being taxed without representation. Now, if you can tell me the difference between that and what we do here, I'm willing to listen, but I pay a lot of property tax that I'm forced to pay because somebody else voted for something that I didn't get a vote for. And so just to say that we have a vote of the people doesn't necessarily mean the people who are paying the taxes are the only ones who get to vote. And so I don't at all think it's a good idea to raise property tax without having at least an opportunity for those who are paying it to vote. Thank you.

**FOLEY:** Thanks, Senator Erdman. Before proceeding, we have some guests today, a delegation from the Nebraska State Bar Association Leadership Academy from all across Nebraska. They're with us up in the north balcony. If those guests could please rise, we'd like to welcome you to the Nebraska Legislature. Mr. Clerk, you're recognized.

**CLERK:** Mr. President, I have a priority motion. Senator La Grone would move to bracket the bill until April 23, 2020.

**FOLEY:** Senator La Grone, you're recognized to open on your bracket motion.

**La GRONE:** Thank you, Mr. President. Colleagues, I dropped this motion not because I'm actually going to take it to a vote, but because I'm waiting on an amendment that would address some of my issues. So I did this to allow us time to get that drafted and get it down here, and we can discuss that once we eventually get to that. But I do want to reiterate my concerns about if these are instances where we need to allow political subdivision to act quickly, that authority already exists. They clearly can call a special election 50 days out, and that would give them the opportunity to address a lot of those issues if-- should they arise. Although I did have some other thoughts when Senator Ben Hansen was speaking, which is why I'm at this dais as

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opposed to that one where I normally speak, would Senator Ben Hansen yield to a question.

**FOLEY:** Senator Ben Hansen, would you yield, please?

**B. HANSEN:** Of course.

**La GRONE:** Thank you, Senator Hansen. Senator Hansen, when you were speaking, you were talking about the role of government and what programs government has. Basically what governments spend their money on and what they should be spending their money on. Can you give a-- just a couple thoughts on some examples of that what you were meaning when you're talking about what they are spending their money on at the local level.

**B. HANSEN:** Well, I can list some things specifically, but pretty much anything that-- that does not pertain to some things that I mentioned, like anything that doesn't have to do with specific roads, bridges, infrastructure repair, protecting the safety and welfare of its citizens. Make sure you have proper-- properly functioning judiciary system and also making sure that people's property rights are protected. Anything outside of that scope should be a secondary measure that they spend money on. It seems like over the course of time we've kind of lost our focus of what government is actually supposed to do in our lives or what it's not supposed to do in our lives. And so we end up kind of allocating money, bonding money to-- for these other things that don't pertain to those primary, those core values of what government really should be, which it happens to be for roads and bridges. And so we start to see this-- these dilapidated structures now where we're not taking care of them I think primarily like we should, because people might have other pet projects so they have some other things they might be emotionally tied to in their-- in their county that they spend money on instead of some of these core things.

**La GRONE:** Thank you, Senator Hansen. So you would agree with me then that these bridges that we're talking about, the fact that they're deteriorating or become scour-critical as determined by the Department of Transportation, that is a core government function that these counties should be using money for, is that correct?

**B. HANSEN:** Yes. Yeah, definitely.

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**La GRONE:** So you would agree with me then that upkeep of infrastructure is something that we should be spending our money on and so the concern here is, if I'm hearing you correctly and I think it's one that I share, is that governments are spending their money on things that are not infrastructure-related or core function-related, and therefore it's pushing out saving for-- or just using the money for some of the necessary upkeep like we're talking about in these instances.

**B. HANSEN:** It seems like it. You know, I can't speak specifically for every county and what the priorities are, but it seems like because we see more of these structures now that are in need of repair, it seems like our focus has kind of gone away from that now. So, yeah, I would, you know, I don't mean to disparage counties by any means, but it seems like that-- if we're not taking care of our priority concerns and what we're spending the taxpayer money on, it seems like we're not doing our job.

**La GRONE:** Well, and I would completely agree with you on that. Thank you, Senator Hansen. And I don't think it's limited to local governments. I think we often do that here at the state. I remember last year we had a good conversation on treating every dollar like it's a taxpayer dollar. And what that means is that someone spent time away from their family to work to earn that dollar that they then sent to the government. So I think that's really important that we had that focus here and that every level of government, whether it be a county, whether that be the state, treat dollars with that respect and really spend them on core government functions and not weightened-up areas that maybe are outside of those functions. And the infrastructure improvements that we're talking about here are absolutely core government functions. So my-- what I still am having difficulty understanding is why that isn't happening within the existing authority of these political subdivisions. And as I said, I'll be bringing an amendment to address some of those concerns, which is why I have-- threw up the bracket motion to give us time to get that drafted. With that, I'll end my opening on the bracket motion. Thank you, Mr. President.

**FOLEY:** Thanks, Senator La Grone. You're actually next in the queue. I don't know if you want to use that opportunity or not.

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**La GRONE:** Thank you, Mr. President. Again, those are my main concerns. Because I just spoke, I'll yield the remainder of my time to Senator Erdman if he should choose to use it.

**WILLIAMS:** Senator Erdman, you're yielded 4:45.

**ERDMAN:** Thank you, Mr. President. I appreciate that. Thank you, Senator La Grone. So as we-- we continue the discussion and I've had a comment or a question from Senator Walz, and as we talk about what we do to fix this problem and how do we circumvent the issue that we find ourselves in, being a county commissioner is probably the most accessible position one can have. I think Senator Dorn would probably agree with that. You go to the football game, the basketball game, you go to church, to the grocery store, you're out at the restaurant, people come up and share their opinions and their ideas about how the county should be run and how the roads should be fixed. And they understand that you are in charge, so you should be able to fix this. I understand that. It's not an easy position to be in. Those people who are in those positions understood that going in. If they didn't, they found out shortly after they arrived. It's not for the faint of heart. And so as we review the infrastructure that we have in our counties, it behooves us to understand that at some point in time, repairs are needed, upgrades are needed, and we need to make sure that we have taken care of that by setting aside funds or making provisions for that to happen. So when these disasters happen and they're declared by the Governor and by the President, or whatever who declares those, those people in that area that are by the bridge, that are affected by the bridge that live there, also had a disaster. And so what we're gonna do is we're going to ask them to pay more property tax to fix the bridge that is going to be reimbursed or could be reimbursed or should be reimbursed by FEMA and NEMA. As a county, Morrill County had several issues that happened back in 2010, '09 and '10. We had two years of flooding, tremendous flooding. The roads were washed and we lost some bridges. We had a difficult time. We made that happen. We got through that. We figured out a way to manage around that. But just allowing two county commissioners to vote yes to raise taxes seems to be taking the authority out of the hands of the voters. Now I understand that they were elected by the voters, I understand that. But in numerous counties there are only three county commissioners and that is probably one of the most difficult positions to find yourself in-- Senator Dorn is shaking his head --when there are only three of you. Because when there's three of you, you can't have conversation with each other outside of the meeting. That's



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against the Open Meetings Act. So all of those things you're going to discuss and decide have to be done in an open public meeting. If you have five, you can have a conversation with another commissioner to try to come to a solution what needs to be done, and how to best do that. But when you have three, it's a difficult situation. And I'm not standing here today promoting five commissioners because I am for less government, not more. But the point is, if you can describe to the NEMA, FEMA people the need for a bridge, why it should be replaced, you ought to be able to do the same thing to the voters. But as I say--

**WILLIAMS:** One minute.

**ERDMAN:** Thank you-- as I said in my other comments, many times those voting aren't the ones that are paying. I know last year Senator Dorn had a bill to help alleviate some of their judgment that was put against their county by raising sales tax. That was a hand that they were dealt by someone else and they had no way to get out of that one. So as we look at the infrastructure in our counties, the bridges and the roads and those things, we got to have-- we have to take into consideration that at some point in time they're going to need to be addressed and we need to work towards that. And so I appreciate Senator La Grone putting up the bracket motion. I would be voting for that. Thank you for your time.

**WILLIAMS:** Thank you, Senator Erdman and Senator La Grone. Senator Blood, you're recognized.

**BLOOD:** Thank you, Mr. Speaker-- junior? Fellow senators, friends all, I'm sitting here and listening to this debate and I just-- I have a lot of concerns. One of the concerns is that I keep hearing a particular group of people who obviously continue to talk to each other to kind of discuss what's going to be said on the mike. As always, find one key word that they want to embed into your brain, they want to give you an earworm today. Now, today, that earworm is emotion, right? We had people stand up and say-- and by the way, I am against the bracket motion and still in favor of the amendment and the bill. We've had a lot of people say, I voted this out of committee, but I did this based on emotion because of the floods which, of course, is quite irresponsible because we should never vote unless it's fact-based. Then I have other people saying, you know, if indeed a county chooses to fund a project utilizing a tool such as this, it's automatically going to be an increase in property taxes, but not all bonding results in more property taxes. And the thing that concerns me

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the most is that to say that there's no cost really to a special election, Senator Hansen has pointed out differently there is a cost to taxpayers when there is a special election. So we're-- we're trading one cost for another cost. Is property tax too much in Nebraska? It absolutely is too much in Nebraska. Are there things we can do to fix it? Absolutely. But here's the thing. What we're saying today on the mike is that the people who represent-- the elected officials, who represent their counties aren't smart enough to problem solve how to pay for things and how to pay for things without raising property taxes. What I know with my municipal background is that when we have to bond something, we look for the best rate. And frequently, as anybody who has served on a county board, I would assume we would also know, is that the rates change. And if the rates change and it is not a benefit to the taxpayers because their rate is higher because we sat on it, then are we doing what we were elected to do? I think we take something and we simplify it and we say bonding raises property taxes. We give a blanket description and create fear. But it costs taxpayers a lot more money if we don't find the best rates and we don't do what is best for that county, for that community, and it's definitely going to cost taxpayers a lot more money in the long run if infrastructure is not repaired. I'm really surprised that a lot of senators didn't go to that site and look at how many bridges in Nebraska are in desperate need of help. Again, facts, not emotion. We know that pretty much every county in Nebraska, not all, but pretty much, is above the national average and that is concerning. I feel like we waste a lot of time on the floor. There's a lot of important bills, including property tax relief bills that need to be heard while we stand because some people are in reelection cycles saying I'm against anything that's going to raise property taxes, but not really bringing good reasoning to the mike. Just basically stand-- standing and saying what's important to them in this election cycle and they want to make sure that they go on the record that they are against raising taxes of any kind. Let's put some logic behind this. Bonding authority is-- the directives are in state statute.

**WILLIAMS:** One minute.

**BLOOD:** There are limitations to that bonding authority. Those people are elected to do that job. This Legislature has to decide exactly what's important to them. Do we want local control? Do we want state control? Do we want federal control? Because I'm getting dizzy with all the flip-flopping that's been done on the floor this year and last

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year. Let's decide who has the authority and let's support that authority. Thank you.

**WILLIAMS:** Thank you, Senator Blood. Senator Moser, you're recognized.

**MOSER:** Thank you, Mr. President. A few things that I've learned since the last time I spoke, I talked to our county board of supervisor members in Platte County and learned a little bit more about how they operate. We have a couple of bond issues in Platte County that are not-- that were not approved by the voters, and they're paying them back from allocation funds from the federal government, federal highway funds and transportation funds. And then for the bridge where on Monastery Road, which is one of our kind of main accesses to Columbus where our constituent, James Wilke died trying to help his neighbor. His tractor weighed more than the bridge could support with the water undermining it, and it collapsed. But the county-- paid for their-- is funding those repairs from their prop-- their estate tax fund. They get around a million dollars a year in inheritance tax and they put that into kind of a rainy day fund and they're borrowing money out of that to pay for this bridge repair. And then when they get reimbursement, they're going to put back what they get back into that rainy day fund. Now, some counties are taking that inheritance tax or estate tax income, and they're just putting it in their general fund and they're spending it as it goes. And in the case of Platte County they're-- right now, they have 11 million in that inheritance tax fund. And so they have a fairly sizable cushion that's helping pay for this. The problem is bridges, roads are going to last a long time. They cost a lot of money. But if you bond to repair them and then you have more trouble, then you've already kind of stuck your neck out a little farther and you're going to have even less money to pay for the next disaster. So, you know, the counties that don't have some money set aside for emergencies are in trouble. And I think it would be wise in their case to set some money aside for rainy day funds so that you can get yourself over the-- through these big expenses when they come up, because in the long term you have to pay for everything anyway. There's only one place to go to get that money to pay for all those repairs and that's taxpayer money. And so we need to-- to budget more conservatively so that we have some reserve funds to carry us through these times. So for those reasons, I'm not in favor of this bill. Thank you.

**WILLIAMS:** Thank you. Senator Moser. Senator Wishart, you're recognized.

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**WISHART:** Thank you, Mr. President. I've been listening very carefully to this bill, and I appreciate the discussion on it, and would-- will not be supporting the bracket motion. I think this is exactly the kind of bill we need to be spending time discussing, especially coming from a place as an Appropriations Committee member, where we are spending a significant amount of our time talking through how we as a state can help support local entities that have been hit hard by natural disasters. And we can anticipate that we will experience more and more frequent flooding, droughts, fires and extreme weather into our future, so I think it's very important that we're making sure that our local communities can prepare for that financially to ensure they have good infrastructure. I have been talking with Senator Dorn and some other senators just to kind of fill myself in on on county level budgeting. And from my understanding, there are several ways that a county can currently support their bridge repairs. They've got the inherent intact-- inheritance tax fund that they can use to help with these projects. Various counties use those-- those moneys, those dollars for-- for different things but that is bridge repairs, something that they can save up for using that tax. But very likely the amount of the revenues that come in from that would not be able to cover the amount of damage due to flooding in counties that we've experienced lately and the bridge repair that goes along with that. The other opportunities, obviously, that counties have, which we're discussing today, is the ability to bond through a vote of the people. They also can raise their taxes by-- they can have a property tax increase by two and a half percent, I believe each year. I'm hearing-- I'm seeing Senator Dorn shake his head --each year and with a supermajority vote of the board can raise an additional 1 percent on top of that to be able to work on infrastructure projects. I think the thing that is clear to me after the discussion today is that what we're talking about with the amendment is a very specific type of situation, which is one that is very hard for counties to be able to prepare for. I actually agree with a lot of what Senator Erdman is saying and what Senator Friesen was saying earlier, which is that it is the obligation and I believe it's probably one of the number one obligations for a county to plan for infrastructure investments, for infrastructure that's getting old, and to manage their budgets long-- long term in preparing to make sure that they have good rigid-- bridges and roads. But in the case of-- of sort of an extreme weather event where you have a flood that's washed out certain infrastructure, even infrastructure that may have been new, you're looking at a situation where if we feel that it is a safety concern that that bridge is repaired or if it is just a concern for that county for

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being able to-- for people to be able to get home and get to work and that bridge needs to be repaired, then you're looking at a timing issue. You know, I appreciate Senator Hilger's talking through a vote of the people and the 50 days, but then hearing-- and so that, you know, that changed my opinion on this bill. But then I hear Senator Matt Hansen talk about the fact that for Lancaster County, if we were to go to a special election and be able to have the people vote on whether we bond for bridges, it would cost \$350,000; \$350,000 to run a special election where then the people would vote on a \$50,000 bond.

**WILLIAMS:** One minute.

**WISHART:** That seems very financially inappropriate. So, again, you know, these are-- this is why this is important to have this discussion. I'm-- I'm a little bit disappointed in senators wanting to bracket this because I think, again, with upcoming likelihood of flooding this spring, this is the very kind of issue that we need to be talking about from the state at how we can support our counties having the tools to address their infrastructure needs due to extreme weather. Thank you.

**WILLIAMS:** Thank you, Senator Wishart. Senator Slama, you're recognized.

**SLAMA:** Thank you, Mr. President. And good morning, colleagues. I would like to raise in-- rise in support of the bracket motion on LB267 and to echo the concerns of many of my colleagues. This bill gives county boards the ability to raise property taxes without a vote of the people. This just what this bill does. Mind you, this is coming from someone whose district was very heavily impacted by the floods in 2019. I do take issue with this bill being framed as our chance to help the victims of this flooding. Good intentions and positive emotions surrounding a bill does not always equate to good policy. And unfortunately, this bill is an example of that. Passing this bill is not the same thing as filling sandbags, serving food to flood victims, or working in cleanup. I know because I did all three of those things. Passing this bill would give our local officials the authority to raise property taxes on those same citizens who suffered losses from last year's flood without a vote of the people. I'd also like to note my concerns with the wording of the compromise amendment, AM1245. It currently reads in Section 1, the second paragraph, and may pursuant to a two-thirds majority vote in a declaration by resolution that an emergency exists, repair, retrofit, reconstruct or replace any bridge owned by the county which is destroyed or damaged as a result of a

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natural disaster for which a federal disaster declaration was issued by the President of the United States or designated as scour-critical or structurally deficient pursuant to Department of Transportation standards. So to frame this up for you, 84 of Nebraska's 93 countall--counties declared a disaster in 2019. Many of those for reasons which had nothing to do with bridges, moreover, the overwhelming majority of bridges that are considered scour-critical or structurally deficient are not labeled as such because of their damage from last spring's flood. This is not a narrow bill and has the potential to be a massive property tax increase on those that are still trying to put the pieces together after last year's flood. I am glad that we are taking some time to discuss last year's flooding. This is a big week for legislation pertaining to that, especially in Natural Resources Committee. I actually have a LR288 that will come before the committee on Wednesday, and I'm hoping that it does eventually get to the floor later this spring, but I would like to read an article into the record that gives you a little bit of a taste as to why I'm bringing this resolution and to as to why I'm taking a stand on the subject of the U.S. Army Corps of Engineers. So this article was posted by FOX 42 News and it's labeled USACE needs approval from Congress to repair levee outside of Peru from October 28, 2019 by Sydnie Holzfaster. The U.S. Army Corps of Engineers has invested over 100 million dollars in levee repairs from the spring floods, but not all damaged levees will be getting fixed. According to the Army Corps of Engineers, the March floods damaged 54 levee systems in the Omaha district. U.S. Army Corps of Engineers Omaha district commander Colonel John Hudson said the corps has invested over 100 million dollars to repair over a dozen levee breaches so far, but not all damaged levee districts are qualified to receive help from the Corps. Under Public Law 84-99 levee systems need to remain current and active in the federal program. In our case, we have four districts that didn't. Those levees then are not eligible for funds to restore their levees if damaged, Hudson said. Meaning breached levees like levee R562 north of Peru, Nebraska will be left--

**WILLIAMS:** One minute.

**SLAMA:** --unrepaired. Thank you, Mr. President. On March 16, the levee in Peru was breached for the first time since the levee was built in 1952. The breach was flooded, has flooded homes in the Peru bottoms, taken the Peru water treatment plant off line and buried approximately 8,000 acres of farmland under water, but Hudson says there is nothing the Corps can do about it. And this is an aside from that article,

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before I run out of time, please note that the Corps spent over 100 million dollars in levee repairs in our district alone, but the cost estimate that the Peru levee received from the U.S. Army Corps of Engineers to repair a single six-mile levee was over \$365 million. This takes Peru out of the running for repair from the Corps of Engineers. Moreover, it puts it out of the running for any type of repair within the federal budget. So this is why I'm taking my stand on the Corps. They have systematically failed to control the Missouri River. And thank you, Mr. President.

**WILLIAMS:** Time, Senator. Thank you. Senator Slama. Senator Dorn, you're recognized.

**DORN:** Thank you, Mr. Speak-- Speaker. Just wanted to, I guess, up-- or clarify a few things on some of the discussion going on here. Senator La Grone and Senator Ben Hansen had a little bit of discussion on focus spending taxpayers' money on core government functions. Bridges are the responsibility of the county. Also, the state has mandated that there are a lot of other things. In other words, the counties have to have a county treasurer, so you have that expense. They have the county assessor. They also have to value all of the stuff out there. They are also responsible for county jails. That's one of the biggest costs right now out there is the county jails and the running of that and housing all those inmates. They are also responsible for all of the other maintenance of the roads in that county. In Gage County we spend about, or we did spend about 1.25 million a year on rock, gravel and that stuff to put on roads. That will allow the county to cover those roads once every four years with new gravel. I don't know if you've ever driven on many county roads. Lancaster County covers their's more often than that. Gage County, once every four years. By the time they get back to the fourth year, they definitely need covered. Their roads aren't like where you get farther west out there and it's a little bit sandy or Senator Lowe's district and stuff, down here we have that good clay. Once the gravel is gone, you're into the clay and then you start going down. So the counties do have a lot of other core government functions that they are required to fund. It's not just the bridges or whatever. They do focus. And maybe I didn't make myself clear earlier, they had a-- they have a bridge in the county that they repaired it three times already to keep it open. And I know the one year we spent about \$50,000 on repairing that bridge to keep it open. That bridge closes down, now you have people going eight and 10 miles out of the dir-- out of the way to get -- to get around where that bridge is closed down. So, yes, there is a

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priority. They are trying to save money for that bridge, but there are also all of the other expense that county has. The number one thing that when you're a county board member, and Senator Erdman knows this, I think he mentioned it maybe, you get calls for is roads. People out there in the rural area are not afraid to call you at all for roads. They know that is their way for transportation. Wanted to just talk a little bit also about the fact that when you get calls and Senator LaGrone and Senator Ben Hansen mentioned about the fact of responsible government spending at the county level and to make sure that they're doing that in the core function is to make sure they're spending appropriately. I sat here and I was thinking, oh, we up here as the State Legislature, we hear all the time, too, about people questioning whether this body is being responsible for the dollars and whether we are doing a good job of what I call prioritizing. When you set an appropriations or even out here when a bill comes to the floor, we are prioritizing what we're going to spend that money on. It's the same at the county level. They constantly prioritize. They have so much money. They have so many things or projects that they're going to get done and how do you prioritize them and which one gets left for another year? That's why a lot of these bridges were built 50 years ago, 50-years-plus. Now they are slowly aging out and they have more than served their useful life. And now when they are needed replaced, you have to prioritize which ones you're going to do and which roads you're going to keep up and all the other expenses of the county.

**WILLIAMS:** One minute.

**DORN:** Thank you.

**WILLIAMS:** Thank you, Senator Dorn. Senator Lowe, you're recognized.

**LOWE:** Thank you, Mr. President. I'd like to yield my time to Senator La Grone.

**WILLIAMS:** Senator La Grone, you're yielded 4:40.

**La GRONE:** Thank you, Mr. President. I'd like to withdraw that bracket motion.

**WILLIAMS:** Motion is withdrawn. Going back to debate on the underlying amendment. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. Good morning, again. From our last conversation till now, we have looked up to see or reviewed what



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Lancaster County's tax asking, or excuse me, what their valuation is. Well, I have the right number. It's over \$27 billion. And so if you do the math, 27 billion times 28 cents is about 77 million, I believe, their annual budget. So that would allow them an opportunity to collect over 2.5 million annually with a 3.5 percent increase with a majority vote of the board-- board now over their spending limit and they probably have some unused budget authority that they can use as well. I am not opposed to counties doing their job and taking care of their infrastructure, but it also should be known that we as county commissioners have a responsibility to look at our infrastructure and see what is deficient and how we can bring that up to speed before we get into a crisis. And in our county where I live, we tried to do that as best we could. One of the things that happened in our county is I was dealt a hand that I couldn't play. Our valuation hadn't moved or changed at all in the first four years I was a county commissioner. We weren't accounting for things on the assessment side as we should have. And I found that we got to a point we couldn't even make payroll. And so we had to make an adjustment after we discovered those discrepancies, and we had to nearly double our valuation because it hadn't been adjusted for a long period of time. Those were difficult days for our taxpayers. They were difficult days for the county board because you see, when you get a notice in the mail of your property tax, that notice comes from the courthouse. And because it does come from the courthouse, if the school has raised their tax asking or the NRD, or anyone else, a city, that notice came from the courthouse so it is your fault. You are the county commissioner, you approve that budget, it's your fault. Those budgets that come to the county for approval, the NRD, the city, the school, all of those local units of government have had a public, an open meeting on their budget. And they in turn voted to approve the budget and send it to the county for the county's approval so they can collect the taxes. That's all we were approving is the fact that they've had those meetings and this is the amount of money that they need to collect. So we were giving them the authority to do that. But on several occasions, there would be people come to the county commissioner meeting and ask, why did I vote to allow the count by the city or the school to raise their taxes? So I get it. I understand it. I believe, Senator Dorn has probably been in that same position. So Lancaster County, and I'm making an assumption on this one, is the last I seen had about 8.2 million. That was about six, seven, eight years ago in their inheritance tax. So I would conclude that they probably have money in their inheritance tax that they could use to do some of these things. So the point that we

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need to continue to talk about is the fact that we're allowing a majority vote of the board--

**WILLIAMS:** One minute.

**ERDMAN:** Thank you-- to raise property tax without a vote of the people. That needs to be first and foremost on your mind as you think about this bill. If we have a need to reconstruct a bridge or replace a bridge or when it's needed, you should be able to explain that to those taxpayers that you're going to take more money from, this is the reason we need that. And if you can't explain it to them in a way that they can understand and vote for it, then you need to do something different, because that is what needs to happen so when they are sent that notice from the courthouse to pay more taxes, they understand why. Thank you.

**WILLIAMS:** Thank you, Senator Erdman. Mr. Clerk.

**CLERK:** Mr. President, Senator La Grone would move to amend the committee amendments with AM2265.

**WILLIAMS:** Senator La Grone, you're recognized to open on your amendment to the committee amendment.

**La GRONE:** Thank you, Mr. President. While we've been having this discussion, I've thought of one thing that since Senator Brieese's LB20 got brought up, I thought that would be a valuable addition to the discussion. So what the amendment does it would strike the committee amendments and replace it with LB20, as introduced by Senator Brieese. Would Senator Brieese yield to a question.

**WILLIAMS:** Senator Brieese, would you yield?

**BRIESE:** Yes, I will.

**La GRONE:** Thank you, Senator Brieese, could you walk us through LB20, please?

**BRIESE:** Well, under current statute, public building commissions are not required to obtain a public vote on bond issuance. They can issue bonds by resolution with the prior authorization of the county board and the city governing body. And that's been used in the past on various items. Not very often, but it occasionally is. And it's my view that it's not right to allow public building commissions to issue those bonds without a public vote. And so that was the impetus behind

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LB20. That's why I introduced it. I thought it was good legislation. It did get tied up in committee, unfortunately, but that's essentially what it does, Senator.

**La GRONE:** Thank you, Senator Briese, and I completely agree. So where I'm basically at on this is, as I've laid out, these political subdivisions have the authority to bond for this right now. They just have to go through-- to a vote of the people. And one of those options is a special election. And I really think that does allow them the flexibility to address issues quickly should they arise with the 50-day timeline that you can have on that. And so why I've introduced this as an amendment is because I think Senator Briese has correctly identified a similar problem in that there's another way to bond out there in a way that should require a vote of the people. So that's why I've introduced this amendment to the Government Committee amendments. Since we're on this same subject of bonding without a vote of the people, I thought it would add to that discussion. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator La Grone and Senator Briese. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good morning, colleagues. I agree with Senator Wishart and Senator Erdman about the need for counties to plan for infrastructure. No question about that. It's something that the counties need to do for the benefit of the citizens. But one discussion really hit me this morning, and that was the comment that counties utilize their inheritance tax as a slush fund-- slush fund. And when I was at the Platte Institute, it was one of our efforts to eliminate the county inheritance tax. Nebraska is only one of seven states that has any kind of inheritance tax and in the case of Nebraska, it goes to the counties, if you can believe that. Very similar to the effort I made when I was at the Platte to reduce the counties from 93 down to 18 thinking that would save the county some money as well. Well, you can imagine the hue and cry that I receive from counties around the state. I was the major bad guy for suggesting that. But I would bring back, since this comment was made about a slush fund, that maybe something that this Legislature should consider, spreading out over a number of years and eliminating that-- that fund that the counties use characterized as a slush fund. Would former Mayor Moser answer a question, please?

**WILLIAMS:** Senator Moser, would you yield?

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**MOSER:** Of course.

**McCOLLISTER:** Senator, you made the comment about a slunch-- lush-- slush fund up in your part of the country. Is that what they used the money for in your county?

**MOSER:** I believe my county commissioners refer to it as a rainy day fund.

**McCOLLISTER:** Thank you, Senator. Senator Erdman, would you yield to a question?

**ERDMAN:** I'd be glad to.

**McCOLLISTER:** In your county, Senator, where-- how do they characterize the inheritance tax?

**ERDMAN:** We-- we characterize an inheritance tax as an opportunity for us to pay for things that we can't afford to pay for otherwise.

**McCOLLISTER:** Would you, over a certain number of years, favor repeal of that tax?

**ERDMAN:** Could you say that again, sir?

**McCOLLISTER:** Yeah. Over a number of years, would you favor repealing that tax that counties make?

**ERDMAN:** Yes, I would, and I'll give you an example. The bill that I introduced on the last day of bill introduction, the consumption tax will eliminate the inheritance tax.

**McCOLLISTER:** Thank you, Senator.

**ERDMAN:** One of the reasons-- Senator, one of the reasons we used the inheritance tax was because of the unfunded mandates the state placed on our county that we had no other way to pay for.

**McCOLLISTER:** Thank you, Senator. Senator Lowe, would you yield to a question?

**WILLIAMS:** Senator Lowe, would you yield?

**LOWE:** Yes, I will.

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**McCOLLISTER:** Senator Lowe, you're aware of the county inheritance tax, are you not?

**LOWE:** Yes, I am.

**McCOLLISTER:** Would you be in favor of repealing that over a number of years?

**LOWE:** Yes, I would.

**McCOLLISTER:** Thank you, Senator Lowe. Senator Clements, would you yield to a question?

**WILLIAMS:** Senator Clements, would you yield?

**CLEMENTS:** Yes.

**McCOLLISTER:** Senator Clements, you're aware of the county inheritance tax?

**CLEMENTS:** Yes, I am.

**McCOLLISTER:** Over a number of years, would you favor repeal of that tax?

**CLEMENTS:** Yes, I would.

**McCOLLISTER:** Thank you, Senator. Senator Groene, would you yield to a question?

**WILLIAMS:** Senator Groene, would you yield?

**GROENE:** Yes.

**McCOLLISTER:** Senator Groene, you're aware of the inheritance tax, aren't you?

**GROENE:** Only by counties, yes. It's a federal one too.

**McCOLLISTER:** Over a number of years, would you favor repeal of that tax?

**GROENE:** Yes.

**McCOLLISTER:** Thank you, Senator. Senator La Grone, are you in the Chamber?

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**WILLIAMS:** Senator La Grone, would you yield?

**La GRONE:** Yes.

**McCOLLISTER:** Senator La Grone, you're aware of the county inheritance tax, are you not?

**La GRONE:** Yes.

**McCOLLISTER:** Would you favor repeal of that tax over a number of years?

**La GRONE:** Yes.

**WILLIAMS:** One minute.

**La GRONE:** Yes.

**McCOLLISTER:** Thank you. Thank you, Senator La Grone. I think you can see that a number of the senators in the body would favor something like that. So when I bring a bill like that next year, I hope I-- I have some support from-- from those senators that I talked to. This-- I'm still interested in following this bill. I haven't made up my mind, but I appreciate the discussion we've heard so far. I yield the balance of my time to the Chair.

**WILLIAMS:** Thank you, Senator McCollister and others. Senator Patty Pansing Brooks would like to recognize a number of young people seated in our north balcony. They are participating in the legislative day with Nebraska Children and Families Foundation. Would you please stand and be recognized by your Nebraska Legislature? Returning to debate, Senator Ben Hansen, you're recognized.

**B. HANSEN:** Thank you, Mr. President. Again. I do appreciate the debate that's going right now. I'm listening intently. I appreciate some of the opinion that Senator Dorn has been giving too more-- from his extensive knowledge about counties. And so with that, I would like to yield the rest of my time to Senator Erdman, if he so chooses.

**WILLIAMS:** Senator Erdman, you're yielded 4:35.

**ERDMAN:** Thank you, Mr. President, and thank you, Senator La Grone, or Senator Ben Hansen. I'm sorry. Following up on Senator McCollister's comments about inheritance tax, inheritance tax, in my opinion, should have been abolished a long time ago. Every dollar that someone bought

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something with and paid for, it was taxed. And so then you pass away and it creates another event for collect taxes. Crazy. So, Senator McCollister, I don't know if you know it yet, but LR300CA, constitutional amendment to put in place a comp-- consumption tax will eliminate inheritance tax, income tax for corporations and individuals as well as property tax. It is the solution that solves the problems. Inheritance tax is one of the most regressive taxes there is right next to property tax. And so as we move forward with that discussion, I would hope that once that bill has had a hearing, the Revenue Committee will be-- what should I say, have enough foresight to bring it to the floor for debate because that is a solution. But the only reason that most counties need inheritance tax is because we get unfunded mandates and unfunded mandates are significant. There was a study done several years back on what unfunded mandates mean to certain counties and Douglas County, it's hundreds of millions every year-- hundreds of millions. Unfunded mandates, things the state forces us to pay for that they don't pay for themselves. So why are property tax so high is because the state spends too much. As I traveled about knocking on doors and talking to people about the issues that were important to them, it is not a stretch to say 9 out of 10, or more, said property tax is our number one issue-- number one. Old people like myself would say, when my grandkids graduate from high school, I'm out of here. I'm leaving the state. I can't afford to pay property tax at this level because my property tax is now higher than my mortgage was when I bought the house. And I thought once I got my mortgage paid, I would own my house, but what they said they found out is that they continue to rent from the county. We can't continue to do that. It's-- it's impossible for people to pay those high taxes and stay here on a fixed income. So, Senator McCollister, you're exactly right. You said over time eliminate inheritance tax. I'm telling you and others who are willing to listen, that when this consumption tax proposal passes, it won't be over time, it will be immediate. And we need to eliminate that tax. It is a burden on those people who receive the property that has been inh-- they have inherited. It doesn't make any sense and consequently, we need to eliminate it, so I'm in total agreement.

**WILLIAMS:** One minute.

**ERDMAN:** Talking about Senator La Grone's amendment, and Senator Briese's LB20, seems to make sense. Gets right to the heart of the problem. And Senator Briese, I appreciate you bringing that and having the foresight to bring a solution. Many times here we talk about

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solutions that fit within the box in which we function and that's the way we're gonna do property tax relief, and that's the way we do a lot of things is we don't think outside the box. We've got to say-- we have to say, well, what can those who collect taxes afford to give up? Nothing. So we'll never get property tax relief. We'll never do things that count until we start functioning on the premise that the taxpayer is the most important part of this equation, instead of those who collect the taxes. Thank you.

**WILLIAMS:** Thank you. Senator Erdman and Senator Ben Hansen. Senator Bolz, you're recognized.

**BOLZ:** Thank you, Mr. President. I wanted to take this opportunity to say a few things, and then I do have-- I think he's on the phone there, but I do have a question for Senator Brewer. I'll put-- put that flag up there and perhaps also a question for Senator Brieese. But first, I want to-- I want to talk a little bit about the history and about what we can expect in the future. So in Lancaster County, there are 297 bridges. If you put those on a schedule, you'd replace for-- six per year. Trying to be fair and trying to manage resources, Lancaster County has only been able to replace about three per year, according to their 2014 report on bridges out of repair. Why is that difficult? Well, let-- let me give you an example. In Otoe County, they had about \$265,000 available from transportation funds for bridges. But their first bridge, their most important bridge, their priority bridge, cost over \$800,000. Colleagues, the cost of repairing all bridges all across the state, in-- in 2014 numbers would be \$2 billion. So what we're trying to do is put more tools in the toolbox of county commissioners to pay for these significant and high-pressure needs. The next point I want to make and if anybody wants to see a copy of this article, I'd be happy to pass it around or to share it with you, but I want everyone to note that conditions are ripe for Missouri River flooding in 2020. Record rainfall and runoff caused by flooding along the Missouri River in 2019 could lead to more flooding in 2020 as well. And while we never want to be alarmist, John Remus, the chief of the Corps of Missouri River Management Division in Omaha, states that we're looking at higher probability of increased runoff and people need to be aware of the increased chan-- chance of flooding. He reported that out last fall at a meeting in Omaha. So I think we're not just-- just struggling to keep up with the replacement of bridges that were mostly built in the '20s and '30s, but also-- and that overall cost, but also being concerned that there could be more flooding this spring, which adds pressure on top of pressure on top of



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pressure. So the next thing I want to do here is to ask a few questions about the La Grone amendment. And I see that Senator Brewer is on the phone, but-- but would he yield to a question?

**WILLIAMS:** Senator Brewer, would you yield?

**BREWER:** I would.

**BOLZ:** Thank you, Senator Brewer. Sorry to interrupt your-- your conversation there. This amendment is substantively the same as LB20, is that correct?

**BREWER:** You're talking about Senator La Grone's amendment?

**BOLZ:** Yes.

**BREWER:** Yes.

**BOLZ:** Yes. And what is the status of that bill in the Government Committee?

**BREWER:** It has been on a 4-4 hold.

**BOLZ:** OK, so it has not been voted out of your committee, sir?

**BREWER:** Correct.

**BOLZ:** OK. Thank you, sir. I-- I do question and bring concern to-- to trying to bring an amendment to the floor about a bill that has not been voted out of committee. I think that-- that Senator La Grone a more-- a more diplomatic way to handle something like this would be to try to work and get it out of committee rather than amending it to a bill that's-- that's trying to achieve a different purpose. Would Senator Briese yield to a question?

**WILLIAMS:** Senator Briese, would you yield?

**BRIESE:** Yes, I will.

**BOLZ:** Senator Briese, you're a committee chair, is that correct?

**BRIESE:** Yes.

**BOLZ:** Under what circumstances do you think it's-- it's appropriate to try to amend a bill that has not been voted out of the committee on to

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another bill. As a committee chair, when do you think the right time to do that is?

**BRIESE:** Well, I think that's a decision for the body. This body in the past has determined to pull bills out of committee that couldn't be otherwise taken up by the committee.

**WILLIAMS:** One minute.

**BRIESE:** So that-- that's essentially a decision for the body and I understand your question and your concern over that, but I think there are circumstances when it is appropriate and we've demonstrated our willingness to do that with some of these pull motions.

**BOLZ:** But this isn't a pull motion, this is an amendment to another bill. So would you be open to-- to me putting an amendment on to the next bill that's germane to any bill that's currently in the General Affairs Committee because I think it's important? Is that-- is that an OK way to handle things on the floor?

**BRIESE:** Yes. If the body would choose to do that, if the body wants to do that, I am not going to stand in their way.

**BOLZ:** OK. Thank you, Senator. I think that-- I'm not a committee chair, but I do have a lot of respect for committee chairs and the committee process. Serving on Appropriations, I haven't served on the issue committees except for Retirement. But even in my experience on Retirement, I respect the expertise of the people on that committee. I respect that they've gone through the hearing--

**WILLIAMS:** Time, Senator.

**BOLZ:** --and I think that's an important note to make. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Bolz. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. So, as I-- I won't really talk about the amendment. I'm going to go back to the bill. When I look at what we're trying to do here, I mean, I-- I have a county in my district that had over \$300 million of damage to their infrastructure. And I know they have-- the last I talked to them, they had bonded over \$10 million already for bridges and road damage. They're probably the heaviest damaged county of all the flooding. So I-- I'm sensitive to the fact that I think we need maybe tools in the toolbox for those

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counties to fix roads and bridges in an emergency. But I guess where I think this bill goes, it goes too far in letting them do other things that are not related to the flooding. So I guess if we could reach a compromise down the road, I think there is a path forward here, but I-- I think we have allowed this to get too broad. And when we start talking about structurally deficient bridges and other things like that, I'm uncomfortable giving them more authority to do that when I think they already have plenty authority to do that currently. So if-- if we were to restrict it to flood damage or weather-related disasters, I could see a path forward in allowing them to do some emergency bonding. And even there, I think there's other pathways that might even be better in that process is to, you know, maybe make a loan because a lot of these short-term fixes are going to-- are the bridges that are going to be fixed. There are long-term huge projects, but they're going to get reimbursed by FEMA within the next two to three years. And so when you bond something like that, the cost of bonding procedure for doing just a two- or three-year bond to me exceeds the benefit. If there was a process to where they could actually just make a loan on a short term, I think it makes more sense and especially when you're talking emergency repairs, so it's just gives everybody something to think about. With that, I'll yield the rest of my time to Senator Slama.

**WILLIAMS:** Thank you, Senator Friesen. Senator Lowe, you're recognized. Excuse me. Senator Slama, you're yielded time.

**SLAMA:** Thank you, Mr. President.

**WILLIAMS:** 2:20.

**SLAMA:** Oh, thank you, Mr. President. And I will be brief. I would just like to quickly note for the record that, yes, conditions are ripe for 2020 flooding along the Missouri River. However, there is not a single bridge that crosses the Missouri River that would be impacted by this bill. The threat of additional Missouri River flooding in 2020 should not be used as a political pawn in support of this bill because it's irrelevant and, again, we're trying to trigger an emotional reaction that gets senators to agree with a bill that drastically expands the authority of local government to raise property taxes without a vote of the people. That's all I have. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Slama. Senator Lowe, you're recognized.

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**LOWE:** Thank you, Mr. President. You know, LB267, I spoke on before and the amendment of AM1245. I don't think we need to make our taxpayers come up with any more money to run our counties when they're already paying tax to run our counties. I think it's very good for us to take time on this bill and to look at it the way it really is. Senator Hansen made a comment earlier about the cost of special elections. Would-- and I'd like to ask Senator La Grone a question.

**WILLIAMS:** Senator La Grone, would you yield?

**La GRONE:** Absolutely.

**LOWE:** Senator Hansen said that a special election would cost about \$300,000. Do you agree with that, and do you think you'd like to make some comments about that?

**La GRONE:** Well, it depends on the circumstances of the election. So a special election could cost up to 300 hour-- \$300,000 under certain circumstances. But it depends on the cost of the ballot. It depends on the number of voters. And my understanding is that these ballots usually range from a \$1.10 to a \$1.18 per ballot. And you generally have, if you decide to go through a mail election, that's the cost. So let's hypothetically say it was a mail election and then that was the ballot cost, and you say have roughly, for example, 45-- 40,000 voters generally in those type of elections. It varies some, but that could set your cost somewhere around \$50,000. So really it depends on how the election is done. So 300,000 in some circumstances could be the answer, but it also could be much lower under other circumstances.

**LOWE:** All right. Thank you, Senator La Grone. Senator Briese, Senator La Grone's amendment deals with one of your bills that's still in committee. Can you explain what that bill does to me?

**WILLIAMS:** Senator Briese, would you yield?

**BRIESE:** Yes, I would yield. And I heard your question and basically LB20 and AM2265 would require the question of issuing bonds by a public building commission to be put to the voters before such bonds are issued.

**LOWE:** Thank you, Senator Briese. So with this amendment, we take this bond to the people and the people decide on whether or not they're going to spend their money, their taxpayer money to repair something.

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I think that's a good answer. I think we take it back to the people and let the people decide. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Lowe and others. Mr. Clerk.

**CLERK:** Mr. President, items. Hearing notices from the Appropriations Committee, the Government, Military and Veterans Affairs Committee, the Executive Board, and the Natural Resources Committee, all signed by the respective Chairs. Gubernatorial confirmation report from the Revenue Committee. Senator Kolterman would like to print an amendment to LB1084. Enrollment and Review reports LB387 to Select File with Enrollment and Review amendments attached. Name adds: Senator Blood to LB106 and LB607, LB803, LB825, LB850, LB911, LB945, LB972, and LB1189; Senator Kolterman to LB770. Senator Murman would like to withdraw his name from LB205; and Senator Brewer from LR284CA. Mr. President, Senator Blood would move to adjourn the body until Tuesday morning, February 4, at 9:00 a.m..

**WILLIAMS:** Members, you've heard the motion to adjourn. All those in favor say aye. Opposed. We are adjourned till tomorrow morning at 9 a.m..