

THIRTEENTH DAY - JANUARY 25, 2022**LEGISLATIVE JOURNAL****ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION****THIRTEENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Tuesday, January 25, 2022

PRAYER

The prayer was offered by Senator Geist.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was offered by Senator Dorn.

ROLL CALL

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

The roll was called and all members were present except Senator Brewer who was excused; and Senators Bostar, Day, Flood, Hunt, Lathrop, McCollister, Morfeld, and Wishart who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the twelfth day was approved.

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

LB/LR	Committee
LR283CA	Revenue (rereferred)
LB1092	Banking, Commerce and Insurance
LR284	Agriculture

(Signed) Dan Hughes, Chairperson
Executive Board

COMMUNICATION

Received communication to Senator Arch and the Health and Human Services Committee, from Gary J. Anthon, M.D., Chief Medical Officer, Director, Division of Public Health, Department of Health and Human Services, regarding the appointment of the following to the Stem Cell Research Advisory Committee:

Dr. Alysson Muotri

NOTICE OF COMMITTEE HEARING(S)
Nebraska Retirement Systems
Room 1525 12:00 PM

Wednesday, February 2, 2022
LB700
LB1043

(Signed) Mark Kolterman, Chairperson

Executive Board
Room 1525 12:00 PM

Tuesday, February 1, 2022
LB897
LB1174

(Signed) Dan Hughes, Chairperson

MOTION(S) - Print in Journal

Senator B. Hansen offered the following motion:
Suspend the rules, Rule 3, Section 14, to permit scheduling a public hearing by the Business and Labor Committee in less than seven days.

GENERAL FILE

LEGISLATIVE BILL 825. Senator Wayne withdrew his motion, [MO132](#), found on page 421, to recommit to committee.

Senator Wayne withdrew and refiled his amendments, [AM1647](#) and [AM1648](#), found on page 423.

Advanced to Enrollment and Review Initial with 42 ayes, 0 nays, 1 present and not voting, and 6 excused and not voting.

AMENDMENT(S) - Print in Journal

Senator Arch filed the following amendment to LB376:
AM1646

(Amendments to Standing Committee amendments, AM1307)

- 1 1. Insert the following new sections:
- 2 Sec. 5. If the federal Centers for Medicare and Medicaid Services
- 3 denies the 1915(c) waiver required to be submitted in section 2 of this
- 4 act, the family support program outlined in sections 2 to 4 of this act
- 5 shall not be implemented until such waiver or other mechanism authorizing
- 6 the program is approved. The Department of Health and Human Services
- 7 shall submit a new waiver application or seek other mechanisms for
- 8 approval if such application is denied.
- 9 Sec. 7. Section 83-1201, Revised Statutes Cumulative Supplement,
- 10 2020, is amended to read:
- 11 83-1201 Sections 83-1201 to 83-1227 and section 8 of this act shall
- 12 be known and may be cited as the Developmental Disabilities Services Act.
- 13 Sec. 8. (1) The Department of Health and Human Services shall
- 14 engage a nationally recognized consultant to provide an evaluation of the
- 15 state's developmental disabilities system in order to examine how the
- 16 State of Nebraska can better serve all Nebraskans with a variety of
- 17 developmental disabilities.
- 18 (2) The consultant shall be independent of the Department of Health
- 19 and Human Services and be a national entity that can demonstrate:
- 20 (a) Direct involvement with public and tribal developmental
- 21 disabilities agencies;
- 22 (b) Partnerships with national advocacy organizations, think tanks,
- 23 or technical assistance providers for persons with developmental
- 24 disabilities;
- 25 (c) Collaboration with community agencies for persons with
- 26 developmental disabilities; and
- 1 (d) Independent research regarding developmental disabilities.
- 2 (3) The evaluation shall analyze the array of services and programs
- 3 existing in Nebraska for persons with developmental disabilities and
- 4 address potential areas for improvement with an emphasis on maximizing
- 5 impact, effectiveness, and cost-efficiencies. The evaluation shall
- 6 consider: (a) Services offered and provided by the state through the
- 7 medicaid state plan or by current medicaid waivers; (b) services offered
- 8 by other states through medicaid state plans, medicaid waivers, or other
- 9 mechanisms; and (c) any other areas which may be beneficial to the state
- 10 in the assessment of its developmental disabilities services.
- 11 (4) The Department of Health and Human Services shall electronically
- 12 deliver a report detailing the findings and recommendations of the
- 13 consultant to the Governor, the chairperson of the Health and Human
- 14 Services Committee of the Legislature, and the Clerk of the Legislature
- 15 on or before December 31, 2023.
- 16 (5) Engagement of the consultant described in this section shall not
- 17 be subject to competitive bidding requirements under sections 73-501 to
- 18 73-510.
- 19 2. On page 3, line 25, after "method" insert ", as provided in
- 20 section 4 of this act,".
- 21 3. Renumber the remaining sections and correct the repealer
- 22 accordingly.

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

Muotri, Alysson - Stem Cell Research Advisory Committee - Health and Human Services

(Signed) Dan Hughes, Chairperson
Executive Board

GENERAL FILE

LEGISLATIVE BILL 723. Title read. Considered.

Senator Wayne withdrew and refiled his amendments, [AM1650](#), [AM1651](#), and [AM1652](#), found on page 424.

Senator M. Hansen offered the following amendment:

[AM1656](#)

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:
3 Section 1. Section 77-6703, Revised Statutes Supplement, 2021, is
4 amended to read:
5 77-6703 (1) For taxable years beginning or deemed to begin on or
6 after January 1, 2020, under the Internal Revenue Code of 1986, as
7 amended, there shall be allowed to each eligible taxpayer a refundable
8 credit against the income tax imposed by the Nebraska Revenue Act of 1967
9 or against the franchise tax imposed by sections 77-3801 to 77-3807. The
10 credit shall be equal to the credit percentage for the taxable year, as
11 set by the department under subsection (2) of this section, multiplied by
12 the amount of school district taxes paid by the eligible taxpayer during
13 such taxable year.
14 (2)(a) For taxable years beginning or deemed to begin during
15 calendar year 2020, the department shall set the credit percentage so
16 that the total amount of credits for such taxable years shall be one
17 hundred twenty-five million dollars;
18 (b) For taxable years beginning or deemed to begin during calendar
19 year 2021, the department shall set the credit percentage so that the
20 total amount of credits for such taxable years shall be one hundred
21 twenty-five million dollars plus either (i) the amount calculated for
22 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
23 (ii) the amount calculated for such calendar year under subdivision (3)
24 (c)(ii)(B) of section 77-4602, whichever is applicable;
25 (c) For taxable years beginning or deemed to begin during calendar
26 year 2022, the department shall set the credit percentage so that the

27 total amount of credits for such taxable years shall be the maximum
1 amount of credits allowed under subdivision (2)(b) of this section plus
2 either (i) the amount calculated for such calendar year under subdivision
3 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
4 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
5 whichever is applicable;

6 (d) For taxable years beginning or deemed to begin during calendar
7 year 2023, the department shall set the credit percentage so that the
8 total amount of credits for such taxable years shall be the maximum
9 amount of credits allowed under subdivision (2)(c) of this section plus
10 either (i) the amount calculated for such calendar year under subdivision
11 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
12 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602,
13 whichever is applicable;

14 (e) For taxable years beginning or deemed to begin during calendar
15 year 2024, the department shall set the credit percentage so that the
16 total amount of credits for such taxable years shall be two hundred
17 ~~sixty-two three hundred seventy-five~~ million dollars; and

18 (f) For taxable years beginning or deemed to begin during calendar
19 year 2025 and each calendar year thereafter, the department shall set the
20 credit percentage so that the total amount of credits for such taxable
21 years shall be the maximum amount of credits allowed in the prior year
22 increased by the allowable growth percentage.

23 (3) If the school district taxes are paid by a corporation having an
24 election in effect under subchapter S of the Internal Revenue Code, a
25 partnership, a limited liability company, a trust, or an estate, the
26 amount of school district taxes paid during the taxable year may be
27 allocated to the shareholders, partners, members, or beneficiaries in the
28 same proportion that income is distributed for taxable years beginning or
29 deemed to begin before January 1, 2021, under the Internal Revenue Code
30 of 1986, as amended. The department shall provide forms and schedules
31 necessary for verifying eligibility for the credit provided in this
1 section and for allocating the school district taxes paid. For taxable
2 years beginning or deemed to begin on or after January 1, 2021, under the
3 Internal Revenue Code of 1986, as amended, the refundable credit shall be
4 claimed by the corporation having an election in effect under subchapter
5 S of the Internal Revenue Code, the partnership, the limited liability
6 company, the trust, or the estate that paid the school district taxes.

7 (4) For any fiscal year or short year taxpayer, the credit may be
8 claimed in the first taxable year that begins following the calendar year
9 for which the credit percentage was determined. The credit shall be taken
10 for the school district taxes paid by the taxpayer during the immediately
11 preceding calendar year.

12 (5) For the first taxable year beginning or deemed to begin on or
13 after January 1, 2021, and before January 1, 2022, under the Internal
14 Revenue Code of 1986, as amended, for a corporation having an election in
15 effect under subchapter S of the Internal Revenue Code, a partnership, a
16 limited liability company, a trust, or an estate that paid school
17 district taxes in calendar year 2020 but did not claim the credit
18 directly or allocate such school district taxes to the shareholders,
19 partners, members, or beneficiaries as permitted under subsection (3) of
20 this section, there shall be allowed an additional refundable credit.
21 This credit shall be equal to six percent, multiplied by the amount of
22 school district taxes paid during 2020 by the eligible taxpayer.

23 Sec. 2. Original section 77-6703, Revised Statutes Supplement,
24 2021, is repealed.

Pending.

COMMITTEE REPORT(S)

Enrollment and Review

LEGISLATIVE BILL 310. Placed on Final Reading.[ST39](#)

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

1. On page 1, the matter beginning with "and" in line 2 through line 4 and all amendments thereto have been struck and "77-2005.01, and 77-2006, Reissue Revised Statutes of Nebraska; to change inheritance tax rates and exemption amounts as prescribed; to change the individuals who are considered to be relatives of a decedent; to require reports; to harmonize provisions; to provide a duty for the Revisor of Statutes; and to repeal the original sections." inserted.

(Signed) Terrell McKinney, Chairperson

COMMITTEE REPORT(S)

Banking, Commerce and Insurance

LEGISLATIVE BILL 767. Placed on General File with amendment.[AM1643](#)

1 1. On page 11, line 31, after "entity" insert "or a 340B contract
2 pharmacy".

3 2. On page 12, line 1, after "entity" insert "or the 340B contract
4 pharmacy"; in line 3 after "entities" insert "or 304B contract
5 pharmacies"; in lines 4, 5, 7, and 9 after "entity" insert "or 304B
6 contract pharmacy"; and strike lines 10 through 14 and insert the
7 following new subsection:

8 "(3) For purposes of this section:

9 (a) 340B entity means an entity participating in the federal 340B
10 drug discount program, as described in 42 U.S.C. 256b; and

11 (b) 340B contract pharmacy means any pharmacy under contract with a
12 340B entity to dispense drugs on behalf of such 340B entity."

(Signed) Matt Williams, Chairperson

Education

LEGISLATIVE BILL 754. Placed on General File.

(Signed) Lynne Walz, Chairperson

NOTICE OF COMMITTEE HEARING(S)

Appropriations

Room 1524 1:30 PM

Tuesday, February 1, 2022

Agency 69 - Arts Council, Nebraska

Agency 13 - Education, Department of

Agency 54 - Historical Society, Nebraska State

Agency 33 - Game and Parks Commission

LB937

LB813

LB1074

(Signed) John Stinner, Chairperson

Judiciary
Room 1113 1:30 PM

Wednesday, February 2, 2022

LB880
LB1035
LB1036
LB1051
LB1154

Thursday, February 3, 2022

LB1031
LB1155
LB1244
LB1246
LB1247

Wednesday, February 9, 2022

LB882
LB1003
LB1200
LB1213
LB1276

Thursday, February 10, 2022

LB942
LB1184
LB1241
LB1270
LB1271

Friday, February 11, 2022

LB1026
LB1038
LB1135
LB1222

Wednesday, February 16, 2022

LB745
LB830
LB947
LB1192
LB1245

Thursday, February 17, 2022

LB922
LB1053
LB1059
LB1124
LB1132

Wednesday, February 23, 2022

LB907
LB1260
LB1275

Thursday, February 24, 2022

LB781
LB933
LB1086

Friday, February 25, 2022

LB772
LB909
LB1009
LB1171
LB1216

Wednesday, March 2, 2022

LB828
LB829
LB851
LB903
LB990
LB994

Thursday, March 3, 2022

LB692
LB1000
LB1223

Wednesday, February 9, 2022

Gerald Randall (Rand) Hansen - Crime Victim's Reparations Committee

(Signed) Steve Lathrop, Chairperson

Natural Resources
Room 1525 1:30 PM

Wednesday, February 2, 2022

LB1082
LB803
LB1045

Thursday, February 3, 2022
LB1262
LB1102

(Signed) Bruce Bostelman, Chairperson

Transportation and Telecommunications
Room 1113 1:30 PM

Tuesday, February 1, 2022
LB958
LB1022
LB1148
LB1259
LB1147

(Signed) Curt Friesen, Chairperson

RESOLUTION(S)

LEGISLATIVE RESOLUTION 287. Introduced by McCollister, 20; Cavanaugh, M., 6; Hunt, 8; Lathrop, 12.

WHEREAS, the Omaha Westside boys' basketball team won their first Metro Conference Holiday Tournament Championship in eighteen years; and

WHEREAS, Omaha Westside defeated top ranked Bellevue West by a score of 76 to 68 to claim the tournament championship title; and

WHEREAS, this is the sixth tournament championship for the Omaha Westside boys' basketball team; and

WHEREAS, the Omaha Westside boys' basketball team is compiling a historic season; and

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

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

1. That the Legislature congratulates the Omaha Westside boys' basketball team on winning the Metro Conference Holiday Tournament and wishes them well on the rest of their season.

2. That copies of this resolution be sent to Omaha Westside High School and the Omaha Westside boys' basketball team.

Laid over.

AMENDMENT(S) - Print in Journal

Senator Wayne filed the following amendment to LB915:

AM1666

1 1. Insert the following new section:

2 Sec. 2. Section 81-1239, Revised Statutes Cumulative Supplement,

3 2020, is amended to read:

4 81-1239 (1) The Middle Income Workforce Housing Investment Fund is
5 created. Funding for the grant program described in section 81-1238 shall
6 come from the Middle Income Workforce Housing Investment Fund.

7 ~~(2)~~ The Middle Income Workforce Housing Investment Fund may include
8 revenue from appropriations from the Legislature, grants, private
9 contributions, and other sources. In addition, the Middle Income
10 Workforce Housing Investment Fund shall receive ~~(a)~~ a ~~one-time~~ transfer
11 of ten million dollars on November 14, 2020, from the General Fund ~~and~~
12 ~~(b)~~ a transfer of thirty million dollars on the effective date of this
13 act from the General Fund.

14 ~~(3)~~ Any money in the Middle Income Workforce Housing Investment Fund
15 available for investment shall be invested by the state investment
16 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
17 State Funds Investment Act.

18 ~~(4)~~ ~~(2)~~ The department shall administer the Middle Income Workforce
19 Housing Investment Fund and may seek additional private or nonstate funds
20 to use in the grant program, including, but not limited to, contributions
21 from the Nebraska Investment Finance Authority and other interested
22 parties.

23 ~~(5)~~ ~~(3)~~ Interest earned by the department on grant funds shall be
24 applied to the grant program.

25 ~~(6)~~ ~~(4)~~ If a nonprofit development organization fails to engage in a
26 qualified activity within twenty-four months after receiving initial
27 grant funding, the nonprofit development organization shall return the
1 grant proceeds to the department for credit to the Affordable Housing
2 Trust Fund.

3 ~~(7)~~ ~~(5)~~ Beginning July 1, 2025, any funds held by the department in
4 the Middle Income Workforce Housing Investment Fund shall be transferred
5 to the Affordable Housing Trust Fund.

6 2. Renumber the remaining section and correct the repealer
7 accordingly.

Senator McKinney filed the following amendment to LB450:

AM1600

(Amendments to Standing Committee amendments, AM739)

1 1. Strike the original sections and all amendments thereto and

2 insert the following new sections:

3 Section 1. Sections 1 to 10 of this act shall be known and may be
4 cited as the Nebraska Innovation Hub Act.

5 Sec. 2. The Legislature finds and declares that:

6 (1) Job creation through rapid technology commercialization is a
7 vital part of the state's economic well-being;

8 (2) Innovation and technology-driven entrepreneurial activity
9 coupled with venture investment creates small business startups and
10 expansions at an accelerated rate, which leads to significant employment
11 opportunities that contribute to the state's financial health and
12 economic competitiveness;

13 (3) In order to maintain a healthy state economy and to aid
14 communities, entrepreneurship and technology-based small businesses must
15 be stimulated and supported; and

16 (4) Innovation hubs could serve as a vital resource for stimulating
17 and supporting entrepreneurship and technology-based small businesses in

18 this state.

19 Sec. 3. For purposes of the Nebraska Innovation Hub Act:

20 (1) Department means the Department of Economic Development;

21 (2) Director means the Director of Economic Development;

22 (3) Economic redevelopment area means an area in the State of

23 Nebraska in which:

24 (a) The average rate of unemployment in the area during the period

25 covered by the most recent federal decennial census or American Community

26 Survey 5-Year Estimate by the United States Bureau of the Census is at

1 least one hundred fifty percent of the average rate of unemployment in

2 the state during the same period; and

3 (b) The average poverty rate in the area is twenty percent or more

4 for the federal census tract in the area;

5 (4) iHub area means the geographical area in this state in which an

6 iHub will operate. An iHub area shall be located within:

7 (a) An economic redevelopment area; or

8 (b) An enterprise zone designated pursuant to the Enterprise Zone

9 Act;

10 (5) iHub partner means an entity described in section 6 of this act

11 that collaborates with an iHub for purposes of driving economic growth

12 within an iHub area;

13 (6) Innovation hub or iHub means a private nonprofit corporation

14 that is designated by the director as an iHub; and

15 (7) Postsecondary educational institution means a two-year or four-

16 year college or university which is a member institution of an

17 accrediting body recognized by the United States Department of Education.

18 Sec. 4. The department shall designate innovation hubs within iHub

19 areas to stimulate partnerships, economic development, and job creation

20 by leveraging iHub partner assets to provide an innovation platform for

21 startup businesses, economic development organizations, business groups,

22 and venture capitalists. The iHub partner assets may include, but are not

23 limited to, research parks, technology incubators, universities, and

24 federal laboratories.

25 Sec. 5. (1) A private nonprofit corporation may apply to the

26 director to become designated as an iHub. Applications shall be submitted

27 on or after November 1, 2022, and before June 1, 2023. The application

28 shall include, but not be limited to, the following:

29 (a) A statement of purpose;

30 (b) A signed statement of cooperation and a description of the roles

31 and relationships of each iHub partner;

1 (c) A clear explanation and map conveying the iHub area;

2 (d) A clearly identified central location for the iHub, which shall

3 be a physical location;

4 (e) A complete budget, including a description of secured funds,

5 pending funds, and potential future funding sources;

6 (f) A clearly articulated iHub management structure and plan, which

7 may include a description of the capabilities, qualifications, and

8 experience of the proposed management team, team leaders, or key

9 personnel who are critical to achieving the proposed objectives;

10 (g) A list of iHub assets and resources;

11 (h) A clearly articulated industry focus area of the iHub, including

12 industry sectors or other targeted areas for development and growth;

13 (i) A list of specific resources available to support and guide

14 startup companies;

15 (j) A five-year plan, which shall include a clearly articulated list

16 of goals to be achieved with the designation of the iHub;

17 (k) Defined performance standards agreed upon by the applicant and

18 the proposed iHub partners, which may include expectations for job

19 development and business creation;

20 (l) Evaluation procedures that will be used to measure the level of

21 achievement for each stated goal;
22 (m) A plan for sustainability;
23 (n) Demonstrated experience with innovation programs, such as
24 involvement with technology commercialization;
25 (o) Evidence of community engagement and support; and
26 (p) An application fee of one thousand dollars. The director shall
27 remit all application fees received under this section to the State
28 Treasurer for credit to the Innovation Hub Cash Fund.
29 (2) The department shall establish a weighted scoring system to
30 evaluate applications for iHub designations. Such weighted scoring system
31 shall consider, at a minimum:
1 (a) Whether the iHub is committed to serving underrepresented
2 communities in the proposed iHub area;
3 (b) Whether the iHub has a plan for marketing and outreach to
4 underrepresented communities in the proposed iHub area;
5 (c) Whether the iHub has signed statements of cooperation with at
6 least three proposed iHub partners; and
7 (d) The quality of the iHub's five-year plan.
8 (3) The director shall determine whether or not to approve the
9 requested iHub designation by no later than July 1, 2023. Each iHub
10 designation shall be for a term of five years.
11 (4) The iHub designation shall not be official until a memorandum of
12 understanding is entered into by the applicant and the director. The
13 memorandum of understanding shall include the goals and performance
14 standards identified in the application and other related requirements as
15 determined by the director.
16 (5) An iHub area may overlap with another iHub area if there is a
17 clear distinction between the industry focus areas of the iHubs involved.
18 (6) The department shall set guidelines for approval, designation,
19 operation, and reporting of iHubs.
20 (7) An iHub shall annually report to the director on its progress in
21 meeting the goals and performance standards as described in the iHub
22 application and the implementing memorandum of understanding with the
23 director. The report shall also include information regarding the number
24 of businesses served, the number of jobs created, and the amount of funds
25 raised by the iHub. The director shall annually post the information from
26 these reports on the department's website and provide notice to the
27 Governor and the Legislature that the information is available on the
28 website.
29 Sec. 6. (1) An iHub shall form a collaborative relationship,
30 through a signed statement of cooperation, with at least three iHub
31 partners. An iHub partner may be any of the following:
1 (a) A postsecondary educational institution;
2 (b) A bank or other financial institution;
3 (c) A municipal economic development division or department;
4 (d) A nonprofit economic development corporation;
5 (e) A federal government entity or agency focused on economic
6 development;
7 (f) An inland port authority created pursuant to the Municipal
8 Inland Port Authority Act;
9 (g) A business support organization, including a workforce
10 development or training organization, an incubator or a business
11 accelerator, a business technical assistance provider, a chamber of
12 commerce, or a networking organization that supports innovation;
13 (h) An educational consortium, including technology transfer
14 representatives;
15 (i) A venture capital network, including angel investors; or
16 (j) A business foundation, innovation foundation, science
17 foundation, laboratory research institution, federal laboratory, or
18 research and development facility.

19 (2) The department may allow an entity not listed in subsection (1)
20 of this section to serve as an iHub partner if the department finds that
21 such entity is related to the goals of the iHub.
22 (3) An iHub's board of directors shall include a representative of
23 each iHub partner that has signed a statement of cooperation with the
24 iHub.
25 Sec. 7. Before an official designation as an iHub, the applicant
26 shall self-certify that the iHub and its iHub partners are current in the
27 payment of all state and local taxes owed.
28 Sec. 8. (1) An iHub may do all of, but shall not be limited to, the
29 following:
30 (a) Provide counseling and technical assistance to entrepreneurs,
31 either by direct or indirect services, in the following areas:
1 (i) The legal requirements for starting a business;
2 (ii) Entrepreneurial business planning and management;
3 (iii) Financing and the use of credit;
4 (iv) Marketing for small businesses;
5 (v) Tax education;
6 (vi) Financial account management, bookkeeping, and budgeting;
7 (vii) Leadership development;
8 (viii) Insurance needs and requirements;
9 (ix) Sources for grant funding and how to apply for such grants;
10 (x) Financial literacy education;
11 (xi) Permit and licensing requirements; and
12 (xii) Government procurement processes;
13 (b) Conduct business workshops, seminars, and conferences with local
14 partners including, but not limited to, universities, community colleges,
15 local governments, state and federal service providers, private industry,
16 workforce investment boards and agencies, small business development
17 centers, microenterprise development organizations, small business
18 service agencies, economic development organizations, and chambers of
19 commerce;
20 (c) Facilitate partnerships between innovative startup businesses,
21 research institutions, and venture capitalists or financial institutions;
22 (d) Provide the following for entrepreneurs:
23 (i) Housing;
24 (ii) Retail space;
25 (iii) Commercial kitchens;
26 (iv) Community spaces;
27 (v) Coworking spaces; and
28 (e) Make loans and award grants to entrepreneurs.
29 (2) An iHub shall, to the extent feasible, do all of the following:
30 (a) Work in close collaboration with the activities of the
31 department as its primary statewide partner; and
1 (b) Coordinate activities with community colleges, universities, and
2 other state economic and workforce development programs.
3 Sec. 9. (1) The Innovation Hub Cash Fund is created. The fund shall
4 be administered by the department and shall consist of application fees
5 received under section 5 of this act, funds transferred by the
6 Legislature, and any other money as determined by the Legislature.
7 (2) The fund shall be used by the department for purposes of
8 carrying out the Nebraska Innovation Hub Act. Any money in the fund
9 available for investment shall be invested by the state investment
10 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
11 State Funds Investment Act.
12 Sec. 10. The director may adopt and promulgate rules and
13 regulations to carry out the Nebraska Innovation Hub Act.

Senator Blood filed the following amendment to [LB723](#):

[AM1663](#)

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

3 Section 1. Sections 1 to 5 of this act shall be known and may be
4 cited as the Property Tax Reduction Act.

5 Sec. 2. The purpose of the Property Tax Reduction Act is to provide
6 property tax relief for property taxes levied against real property by
7 school districts. The property tax relief will be made to eligible
8 taxpayers in the form of a property tax credit.

9 Sec. 3. For purposes of the Property Tax Reduction Act:

10 (1) Allowable growth percentage means the percentage increase, if
11 any, in the total assessed value of all real property in the state from
12 the prior year to the current year, as determined by the department,
13 except that in no case shall the allowable growth percentage exceed five
14 percent in any one year;

15 (2) Department means the Department of Revenue;

16 (3) Eligible taxpayer means any individual, corporation,
17 partnership, limited liability company, trust, estate, or other entity
18 that pays school district taxes; and

19 (4) School district taxes means property taxes levied on real
20 property in this state by a school district or multiple-district school
21 system, excluding any property taxes levied for bonded indebtedness and
22 any property taxes levied as a result of an override of limits on
23 property tax levies approved by voters pursuant to section 77-3444.

24 Sec. 4. The Property Tax Reduction Cash Fund is created. The fund
25 shall only be used pursuant to the Property Tax Reduction Act. Any money
26 in the fund available for investment shall be invested by the state
27 investment officer pursuant to the Nebraska Capital Expansion Act and the

1 Nebraska State Funds Investment Act.

2 Sec. 5. (1) Beginning with tax year 2022, each eligible taxpayer
3 shall receive a credit against the school district taxes levied on the
4 eligible taxpayer's property. The credit shall be equal to the credit
5 percentage for the year, as set by the department under subsection (2) of
6 this section, multiplied by the amount of school district taxes levied
7 against the eligible taxpayer's property for such year. The credit shall
8 be in the form of a property tax credit which appears on the property tax
9 statement.

10 (2)(a) For tax year 2022, the department shall set the credit
11 percentage so that the total amount of credits for such year shall be
12 five hundred forty-eight million dollars;

13 (b) For tax year 2023, the department shall set the credit
14 percentage so that the total amount of credits for such year shall be
15 five hundred forty-eight million dollars;

16 (c) For tax year 2024, the department shall set the credit
17 percentage so that the total amount of credits for such year shall be
18 three hundred seventy-five million dollars.

19 (d) For tax year 2025 and each tax year thereafter, the department
20 shall set the credit percentage so that the total amount of credits for
21 such year shall be the maximum amount of credits allowed in the prior
22 year increased by the allowable growth percentage.

23 (3) The State of Nebraska shall reimburse school districts for the
24 property tax revenue lost as a result of the credit granted in this
25 section. The amount disbursed to each school district shall be equal to
26 the total amount of credits for the year as determined under subsection

27 (2) of this section multiplied by the ratio of the total school district
28 taxes levied by the school district to the total school district taxes
29 levied in the state. By September 15, the Property Tax Administrator
30 shall determine the amount to be disbursed under this subsection to each
31 school district and certify such amounts to the State Treasurer and to

1 each school district. The disbursements to the school districts shall
 2 occur in two equal payments, the first on or before January 31 and the
 3 second on or before April 1.
 4 (4) If the eligible taxpayer qualifies for a homestead exemption
 5 under sections 77-3501 to 77-3529, the eligible taxpayer shall also be
 6 qualified for the credit provided in the Property Tax Reduction Act to
 7 the extent of any remaining liability after calculation of the relief
 8 provided by the homestead exemption. If the credit results in a property
 9 tax liability on the homestead that is less than zero, the amount of the
 10 credit which cannot be used by the eligible taxpayer shall be returned by
 11 the school district to the Property Tax Administrator by July 1 of the
 12 year the amount disbursed to the school district was disbursed. The
 13 Property Tax Administrator shall immediately credit any funds returned
 14 under this subsection to the Property Tax Reduction Cash Fund. Upon the
 15 return of any funds under this subsection, the school district shall
 16 electronically file a report with the Property Tax Administrator, on a
 17 form prescribed by the Tax Commissioner, indicating the amount of unused
 18 credits returned.

19 Sec. 6. Section 77-6702, Revised Statutes Cumulative Supplement,
 20 2020, is amended to read:
 21 77-6702 For purposes of the Nebraska Property Tax Incentive Act:
 22 ~~(1) Allowable growth percentage means the percentage increase, if~~
 23 ~~any, in the total assessed value of all real property in the state from~~
 24 ~~the prior year to the current year, as determined by the department,~~
 25 ~~except that in no case shall the allowable growth percentage exceed five~~
 26 ~~percent in any one year;~~

27 ~~(1) (2) Department means the Department of Revenue;~~
 28 ~~(2) (3) Eligible taxpayer means any individual, corporation,~~
 29 ~~partnership, limited liability company, trust, estate, or other entity~~
 30 ~~that pays school district taxes during a taxable year; and~~
 31 ~~(3) (4) School district taxes means property taxes levied on real~~
 1 ~~property in this state by a school district or multiple-district school~~
 2 ~~system, excluding any property taxes levied for bonded indebtedness and~~
 3 ~~any property taxes levied as a result of an override of limits on~~
 4 ~~property tax levies approved by voters pursuant to section 77-3444.~~

5 Sec. 7. Section 77-6703, Revised Statutes Supplement, 2021, is
 6 amended to read:
 7 77-6703 (1) For taxable years beginning or deemed to begin on or
 8 after January 1, 2020, ~~and before January 1, 2022,~~ under the Internal
 9 Revenue Code of 1986, as amended, there shall be allowed to each eligible
 10 taxpayer a refundable credit against the income tax imposed by the
 11 Nebraska Revenue Act of 1967 or against the franchise tax imposed by
 12 sections 77-3801 to 77-3807. The credit shall be equal to the credit
 13 percentage for the taxable year, as set by the department under
 14 subsection (2) of this section, multiplied by the amount of school
 15 district taxes paid by the eligible taxpayer during such taxable year.
 16 (2)(a) For taxable years beginning or deemed to begin during
 17 calendar year 2020, the department shall set the credit percentage so
 18 that the total amount of credits for such taxable years shall be one
 19 hundred twenty-five million dollars; ~~and~~
 20 (b) For taxable years beginning or deemed to begin during calendar
 21 year 2021, the department shall set the credit percentage so that the
 22 total amount of credits for such taxable years shall be one hundred
 23 twenty-five million dollars plus either (i) the amount calculated for
 24 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or
 25 (ii) the amount calculated for such calendar year under subdivision (3)
 26 (c)(ii)(B) of section 77-4602, whichever is applicable; ~~;~~
 27 ~~(c) For taxable years beginning or deemed to begin during calendar~~
 28 ~~year 2022, the department shall set the credit percentage so that the~~
 29 ~~total amount of credits for such taxable years shall be the maximum~~

30 amount of credits allowed under subdivision (2)(b) of this section plus
 31 either (i) the amount calculated for such calendar year under subdivision
 1 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
 2 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602;
 3 whichever is applicable;

4 (d) For taxable years beginning or deemed to begin during calendar
 5 year 2023, the department shall set the credit percentage so that the
 6 total amount of credits for such taxable years shall be the maximum
 7 amount of credits allowed under subdivision (2)(c) of this section plus
 8 either (i) the amount calculated for such calendar year under subdivision
 9 (3)(b)(ii)(B) of section 77-4602 or (ii) the amount calculated for such
 10 calendar year under subdivision (3)(c)(ii)(B) of section 77-4602;
 11 whichever is applicable;

12 (e) For taxable years beginning or deemed to begin during calendar
 13 year 2024, the department shall set the credit percentage so that the
 14 total amount of credits for such taxable years shall be three hundred
 15 seventy-five million dollars; and

16 (f) For taxable years beginning or deemed to begin during calendar
 17 year 2025 and each calendar year thereafter, the department shall set the
 18 credit percentage so that the total amount of credits for such taxable
 19 years shall be the maximum amount of credits allowed in the prior year
 20 increased by the allowable growth percentage.

21 (3) If the school district taxes are paid by a corporation having an
 22 election in effect under subchapter S of the Internal Revenue Code, a
 23 partnership, a limited liability company, a trust, or an estate, the
 24 amount of school district taxes paid during the taxable year may be
 25 allocated to the shareholders, partners, members, or beneficiaries in the
 26 same proportion that income is distributed for taxable years beginning or
 27 deemed to begin before January 1, 2021, under the Internal Revenue Code
 28 of 1986, as amended. The department shall provide forms and schedules
 29 necessary for verifying eligibility for the credit provided in this
 30 section and for allocating the school district taxes paid. For taxable
 31 years beginning or deemed to begin on or after January 1, 2021, and
1 before January 1, 2022, under the Internal Revenue Code of 1986, as
 2 amended, the refundable credit shall be claimed by the corporation having
 3 an election in effect under subchapter S of the Internal Revenue Code,
 4 the partnership, the limited liability company, the trust, or the estate
 5 that paid the school district taxes.

6 (4) For any fiscal year or short year taxpayer, the credit may be
 7 claimed in the first taxable year that begins following the calendar year
 8 for which the credit percentage was determined. The credit shall be taken
 9 for the school district taxes paid by the taxpayer during the immediately
 10 preceding calendar year.

11 (5) For the first taxable year beginning or deemed to begin on or
 12 after January 1, 2021, and before January 1, 2022, under the Internal
 13 Revenue Code of 1986, as amended, for a corporation having an election in
 14 effect under subchapter S of the Internal Revenue Code, a partnership, a
 15 limited liability company, a trust, or an estate that paid school
 16 district taxes in calendar year 2020 but did not claim the credit
 17 directly or allocate such school district taxes to the shareholders,
 18 partners, members, or beneficiaries as permitted under subsection (3) of
 19 this section, there shall be allowed an additional refundable credit.
 20 This credit shall be equal to six percent, multiplied by the amount of
 21 school district taxes paid during 2020 by the eligible taxpayer.
 22 Sec. 8. Section 81-12,193, Revised Statutes Cumulative Supplement,
 23 2020, is amended to read:

24 81-12,193 (1) The Nebraska Transformational Project Fund is hereby
 25 created. The fund shall receive money from application fees paid under
 26 the Nebraska Transformational Projects Act and from appropriations from
 27 the Legislature, grants, private contributions, repayments of matching

28 funds, and all other sources. Any money in the fund available for
29 investment shall be invested by the state investment officer pursuant to
30 the Nebraska Capital Expansion Act and the Nebraska State Funds
31 Investment Act.

1 (2) It is the intent of the Legislature that the State Treasurer
2 shall transfer an amount not to exceed three hundred million dollars to
3 the Nebraska Transformational Project Fund. Such transfers shall only
4 occur after the applicant has been selected for participation in the
5 program described in Title VII, Subtitle C, section 740 of Public Law
6 116-92 and commitments totaling one billion three hundred million dollars
7 in total investment, including only federal dollars and private
8 donations, have been secured. In no case shall any transfer occur before
9 fiscal year 2025-26 or before the total amount of ~~property tax refundable~~
10 credits granted annually under the Nebraska Property Tax Reduction
11 ~~Incentive Act~~ reaches three hundred seventy-five million dollars.
12 Distributions shall only be made from the fund in amounts equal to the
13 amount of private dollars received by the applicant for the project.

14 (3) Any money remaining in the fund after all obligations have been
15 met shall be transferred to the General Fund.

16 Sec. 9. Section 84-612, Revised Statutes Supplement, 2021, is
17 amended to read:

18 84-612 (1) There is hereby created within the state treasury a fund
19 known as the Cash Reserve Fund which shall be under the direction of the
20 State Treasurer. The fund shall only be used pursuant to this section.

21 (2) The State Treasurer shall transfer funds from the Cash Reserve
22 Fund to the General Fund upon certification by the Director of
23 Administrative Services that the current cash balance in the General Fund
24 is inadequate to meet current obligations. Such certification shall
25 include the dollar amount to be transferred. Any transfers made pursuant
26 to this subsection shall be reversed upon notification by the Director of
27 Administrative Services that sufficient funds are available.

28 (3) In addition to receiving transfers from other funds, the Cash
29 Reserve Fund shall receive federal funds received by the State of
30 Nebraska for undesignated general government purposes, federal revenue
31 sharing, or general fiscal relief of the state.

1 (4) The State Treasurer shall transfer fifty-four million seven
2 hundred thousand dollars on or after July 1, 2019, but before June 15,
3 2021, from the Cash Reserve Fund to the Nebraska Capital Construction
4 Fund on such dates and in such amounts as directed by the budget
5 administrator of the budget division of the Department of Administrative
6 Services.

7 (5) The State Treasurer shall transfer thirty million dollars from
8 the Cash Reserve Fund to the General Fund after November 15, 2020, but
9 before December 31, 2020, on such date as directed by the budget
10 administrator of the budget division of the Department of Administrative
11 Services. Except for the transfer authorized in this subsection, no funds
12 shall be transferred from the Cash Reserve Fund to fulfill the
13 obligations created under the Nebraska Property Tax Incentive Act or the
14 Property Tax Reduction Act unless the balance in the Cash Reserve Fund
15 after such transfer will be at least equal to five hundred million
16 dollars.

17 (6) The State Treasurer shall transfer fifty million dollars from
18 the Cash Reserve Fund to the United States Space Command Headquarters
19 Assistance Fund on or before June 30, 2023, but not before July 1, 2022,
20 on such dates and in such amounts as directed by the budget administrator
21 of the budget division of the Department of Administrative Services. The
22 transfer in this subsection shall not occur unless the State of Nebraska
23 is selected as the site of the United States Space Command headquarters.

24 Sec. 10. Original sections 77-6702 and 81-12,193, Revised Statutes
25 Cumulative Supplement, 2020, and sections 77-6703 and 84-612, Revised

26 Statutes Supplement, 2021, are repealed.
27 Sec. 11. Since an emergency exists, this act takes effect when
28 passed and approved according to law.

Senator M. Hansen filed the following amendment to LB723:

[FA64](#)

Amend AM1656:

On page two lines 16-17 strike "Two Hundred Sixty-Two" and insert "Three Hundred Seventy-Six".

UNANIMOUS CONSENT - Add Cointroducer(s)

Unanimous consent to add Senator(s) as cointroducer(s). No objections. So ordered.

Senator Blood name added to LB795.

Senator Brewer name added to LB825.

Senator Blood name added to LB825.

Senator B. Hansen name added to LB825.

Senator Blood name added to LB844.

ADJOURNMENT

At 11:52 a.m., on a motion by Senator Sanders, the Legislature adjourned until 9:00 a.m., Wednesday, January 26, 2022.

Patrick J. O'Donnell
Clerk of the Legislature