

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-sixth day of the One Hundred Eighth Legislature, First Session. Our chaplain today is Charles Tschetter from the Community Bible Church in Omaha. He is a, a friend of Senator Arch. Please rise.

CHARLES TSCHETTER: Thank you. It's a privilege to pray for you this morning. Heavenly Father, I have one simple prayer for these men and women who serve our state as senators. Lord God, I pray that they may each know you and then because they know you they may know your heart and mind on all the challenging matters they will face today. And I ask this in the name of Jesus, the one who died and rose again for us. Amen. May the Lord bless you.

KELLY: Senator Hansen, you're recognized for the Pledge of Allegiance.

HANSEN: Please join me in the pledge. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KELLY: Thank you. I call to order the forty-sixth day of the One Hundred Eighth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: There's a quorum present, Mr. President.

KELLY: Thank you. Are there any corrections for the Journal?

CLERK: I do have one correction on page 776, line 26, strike LB874 and insert LB574. That's the only correction this morning.

KELLY: Thank you. We'll proceed to the messages, reports, or announcements.

CLERK: Thank you, Mr. President. Report of registered lobbyists is on file in the Clerk's Office or, excuse me, will be printed in the Journal for March 15, 2023. Additionally, agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website. Mr. President, your Committee on Enrollment and Review reports LB376 to Select File with E&R amendments. Additionally, a notification, the Revenue Committee will hold Executive Session at 10 a.m. under the south balcony; Revenue, Exec Session, 10 a.m. under the south balcony. That's all I have at this time, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: Mr. Speaker, you're recognized for an announcement.

ARCH: Thank you, Mr. President. End of week announcement, colleagues. Senator Cavanaugh and I have agreed, given the number of other very important issues to address in our time remaining this session that LB574, Senator Kauth's priority bill, should be scheduled for debate at the earliest date so we can have that debate and then proceed to other important legislation. We both agreed that it would be best to stop talking about the issue on other bills, but rather debate the bill itself. So the debate on LB574 will begin next Tuesday morning after our four-day weekend. I would anticipate that the General File debate on Senator Kauth's priority bill will, will conclude midmorning Thursday. I also want to address some expectations going forward. All priority bills have now been identified. Out of our 107 priority bills for this session, we have addressed only 7 of them on General File. Yesterday marked the halfway point through the session. It will be very unlikely we will be able to address all of the 2023 priority bills before the end of this session. As a matter of fact, there are 49 of the 107 priority bills still in committee. I would remind you that if your priority bill is not scheduled this year due to the time constraints, the bill will still be available for reprioritization next year for debate. That is a benefit of our system of the biennium. There's no question in my mind that as Speaker I'll have to make some difficult decisions in scheduling given the remainder of our time and the number of priority bills yet to be heard. As promised this morning, I will, I will also be distributing a memo outlining our schedule for evening hours. For the next two weeks, we will have fewer identified late nights. Beginning April 11, we will have a regular pattern of evening hours for every day of the week with the exception of the last day. However, during the two weeks of the budget debate, days 70 through 80, I have also reserved the last day of the week as a late night if needed. For the other weeks, the last day of the work week we'll be working through lunch and adjourning around 1:00 or 3:00. Additionally, this year I have made arrangements for an evening meal to be provided to senators in the building so that we can make the best use of our time when we are in session for late evening hours. I do plan on having a consent calendar to allow the body to address bills that are noncontroversial. Next week, I will provide more information on my consent calendar criteria and provide a general timeline for consent calendar debate. We have some large policy issues yet to discuss that are very important to the citizens of Nebraska. Some of the issues on my list that I expect will take multiple days and perhaps weeks are the budget, taxes, school funding, and the implementation of voter ID initiative passed by the voters last

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

November. Those matters alone will take a large portion of the available time remaining in our session. I have one final comment. LB574 is just one of several bills dealing with social issues that will be debated this year and will evoke passionate statements from senators. We'll also be receiving passionate input to the debate from those outside the legislative body. Colleagues, these issues will challenge us to conduct ourselves with decorum during the remaining days. The public expects nothing less and we should expect nothing less of each other. Let's measure our words carefully and demonstrate statesmanship in the days ahead. And I have one final comment. Someone gave me a book. It's called "George Washington's Rules of Civility and Decent Behavior in Company and Conversation." I don't know why they gave this to me, they thought maybe I might need it. There is one in here about ticks and fleas and lice, I won't read that one, but this one I thought was appropriate: Let your conversation be without malice or envy for it is a sign of a tractable and commendable nature and in all cases of passion admit reason to govern. Thank you, Mr. President.

KELLY: Thank you, Mr. Speaker. Senator Vargas would like to recognize the physician of the day, Dr. Theresa Hatcher of Omaha. Please stand and be recognized by your Nebraska Legislature. Mr. Clerk, for items.

CLERK: Mr. President, the first item on the agenda, LB775, introduced by Senator Lowe. It's a bill for an act relating to the Nebraska Racetrack Gaming Act; amends Sections 9-1103 and 9-1106; redefines a term; changes powers and duties of the State Racing and Gaming Commission; repeals the original section. The bill was read for the first time on January 18 of this year and referred to the General Affairs Committee. That committee placed the bill on General File. Since then, Senator Erdman has moved to divide the committee amendments. We are on the first division. In addition, Senator Cavanaugh has a bracket motion to bracket until May 19, 2023, pending, Mr. President.

KELLY: Senator Lowe, you're recognized for a refresher.

LOWE: Thank you, Lieutenant Governor. I was in the Virgin Islands once, I met a girl. We ate lobster, drank pina colodas at sunset. We swam like sea otters. That was a pretty good day. Why couldn't I get that day over and over and over again? LB775 is a bill brought at the request of the Racing and Gaming Commission. Since the voter initiative passed in November of 2020, we've had two years with large substantive bills-- I think I've heard this before-- to set up a necessary framework for the commission to properly oversee the growth of the horse racing and keno industries. LB775 has some tweaks to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

these laws that were expected as these specific issues didn't come up until late last year. First, we're updating the statutory definition of a licensed racetrack enclosure. Currently, the definition is: premises at which licensed live horse racing is conducted. This is clearly insufficient and the new definition is far more inclusive. It states: A licensed racetrack enclosure means all real property licensed and utilized for the conduct of, of race meeting, including the racetrack and any grandstand, concession stand, office, barn, barn area, employee housing facility, parking lot, and additional area designated by the commission. Second, we're adding new language to allow Racing and Gaming Commission to make recommendations on changes and additions to the statute in the same manner that the Liquor Control Commission is allowed to make recommendations to us. Third, we're creating an adjudication subcommittee of the commission and giving them the authority to investigate and respond to violations of the Racetrack Gaming Act. This subcommittee will function in a similar manner to the board of stewards that exists in state statute currently which responds to violations of laws and regulations of horse racing. The next bill in, in this subdivision is LB72, brought by Senator Aguilar. We hope Senator Aguilar is at home and resting well. LB72 is a bill that would amend County and City Lottery Act. This is the act that governs the game of keno. This bill proposes to allow admission costs into any location offering the game of keno to be exempted from gross proceeds of the game. And LB73 is another Senator Aguilar bill. This bill proposes to allow funds from the County Visitors Promotion Fund to be used to improve a facility in which parimutuel wagering is conducted if such facility also serves as the site of a State Fair or district or county agricultural society fair. County Visitors Promotion and Improvement Funds are governed by a board of appointment by the county commissioners. They are required to use these funds to make grants for expanding and improving facilities at any existing visitor attraction or developing a new constructive-- new attraction. This bill was brought on behalf of Fonner Park, which has not been permitted to be a recipient of these funds because they are a visitor attraction that accepts parimutuel wagers. Thank you, Mr. President.

KELLY: Thank you, Senator Lowe. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. This is going to be the only time I speak today. And when I'm done, I am going to pull my bracket motion. While I was relishing the opportunity of filibustering my brother's bill later today, I want to be true to the agreement that I made with Senator Arch and really the agreement that I have made with this body. And so I am going to take a break and let you all talk if

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

you want to or we'll get through the three bills on the agenda and have an early lunch break. So I appreciate everyone who has come to the table and worked on these issues, and I appreciate that we'll be having the debate next week. And Senator Lowe, I'm sorry that you didn't get a Groundhog Day on that wonderful day, but maybe after session you can have that-- relive that wonderful day again. Thank you, Mr. President. I withdraw my motion.

KELLY: The motion is withdrawn. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, I, I guess we're going to move on to the next amendment. We can get to a vote on this. I, I guess-- again, I rise in support of AM856 and LB775 as a whole. And I do appreciate Senator Lowe's work on this and I don't see anybody else is in the queue so I guess I will yield the remainder of my time. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Clements, you're recognized to speak.

CLEMENTS: Would Senator Lowe yield to a question?

KELLY: Senator Lowe, will you yield?

LOWE: Yes, I will.

CLEMENTS: Would you refresh me as to where we are in the different amendments? There's one amendment that I don't prefer regarding the electronic use of phones and keno. Is that one on the board?

LOWE: That one is not on the board right now. Right now, we are discussing LB775 which is just an upgrade-- upgrading to the Racing and Gaming Act. There's also-- and, and we're on LB72 which is brought by Senator Aguilar that defines the term gross proceeds for purposes of the County and City Lottery Act. And then finally on this portion, we're on LB73 to change provisions relating to authorize uses for county and visitors funds. I believe the portion you're speaking about is LB232, change provisions relating to keno and provide for the sale of digital-on-premise tickets.

CLEMENTS: Yes. What amendment number is that?

LOWE: I believe that may be AM857.

CLEMENTS: All right. Just wanted to make that clear. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: Senator Moser, you're recognized to speak.

MOSER: Yes, I was wondering-- thank you, Mr. President-- would Senator Lowe yield to a question?

KELLY: Senator Lowe, will you yield?

LOWE: Yes, I will.

MOSER: Would you describe LB775 as an expansion of gambling?

LOWE: No. LB775 is not an expansion of gambling.

MOSER: It doesn't do anything to allow casinos to pop up at places that the-- beyond the intent of what the ballot question was?

LOWE: No, it, it just-- the first part, it just kind of clarifies what is a licensed racetrack enclosure. The second part allows the Racing and Gaming Commission to come in and, and tell, tell the General Affairs Committee what their recommendations for changes might be, the same way that the Liquor Control Commission does right now. And third, it creates adjudication subcommittee for the commission, giving them the, the authority to investigate and respond to violations of the Racetrack Gaming Act.

MOSER: And then there was some question in the Grand Island Casino as to what areas of their buildings could be used for the casino.

LOWE: Yes, that portion-- let's see--

MOSER: Well, I don't need to know which one it is.

LOWE: So it proposes to add language prohibiting the gross proceeds from including any admission costs collected at any location where the lottery is also available to the public free of charge. So if you have free of charge in one area of your building and you charge for admission into the other area where because the seats might be better or you might be able to sit at a table or something like that, it excludes that admission charge from going into the proceeds of the keno.

MOSER: OK. Thank you for that clarification. I appreciate that.

KELLY: Senator Lowe, you're recognized to close.

LOWE: I don't think I raised my hand. There.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: Senator Lowe waives. The issue and the question is the vote on AM-- adopting AM856, which is the first division. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 37 ayes, 1 nay, Mr. President, on the adoption of AM856.

KELLY: The amendment is adopted.

CLERK: Mr. President, the next amendment, the second division of the committee amendments, AM832 consisting of LB232.

KELLY: Senator Lowe, you're recognized to open on AM832.

LOWE: Thank you. I'll just briefly open up on this and then I'll yield my time to Senator Cavanaugh. LB232, AM832 now, was brought to the committee by Senator John Cavanaugh as LB232. This bill will allow keno to be played in a digital format on the premises of the keno operator only. There is an amendment to LB232 that allows keno participants to use a debit card to purchase no more than \$200 of keno wagers in a single calendar day. Players are also prohibited from depositing more than \$200 per calendar day from a debit card transaction into their account at a keno operator's location. The total amount of funds from all debit card transactions from that individual would exceed \$200, they cannot do both, \$200 of keno wagers and then \$200 of funds into their account. They can only do a total of \$200 per day in whatever combination of the two options they choose. I yield the rest of my time to Senator John Cavanaugh.

KELLY: Senator John Cavanaugh, you have 8:52.

J. CAVANAUGH: Oh, thank you, Mr. President, and thank you, Chairman Lowe, for your diligence on, on the committee this year as well as your marathon-like stamina on both of the committee priorities this year. So I appreciate that and that was a very apt description of LB232 as amended. I just wanted to kind of hit on a few points that I know folks have brought up that there's maybe some confusion on this. So, one, this will not speed up the gameplay. So the, the, the intervening time between games of keno is in statute and we're not changing that. So there has to be, there can't be a game more than every five minutes. And so the way a game of keno is played, you have a keno operator, so I always say Big Red Keno because that's the one that I see in Omaha, they have a facility that has a big room with balls or what you call a hopper, and it bounces the balls around and then they get selected out, kind of like when you see the lottery on television. And so then those get selected out and that calls out the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

numbers that then you have to match on a matrix of going from 1 to 80 or something along those lines. And so they can do one of those games every five minutes. So that doesn't change in this bill. It will not speed up how many games can be played in a day. It will still be the exact same number of games can be played in a day. It will not speed that part up, so it will not increase the number of games that can actually be played. What it does do is allows the establishments rather than having to have an employee stand at a counter and sell tickets to individuals, it will allow them to have an option of using a mobile platform. And that mobile platform is one that has to be submitted to the department and approved as to make sure it meets the requirements of geofencing, meaning that the game can only be played inside of the bounds of the licensed operator. So inside of the bar or restaurant that has a keno license, they have to prove that that's actually going to be-- that the app is going to serve that function. It's going to have to have an age verification requirement so the department is going to have to approve the app as to that. And it's going to have to meet this requirement to have the restriction that Senator Lowe just talked about, which is the limitation on dollar amounts played every day. And so that's an amendment that was-- that, that we came to as a compromise after the hearing and we had the opposition testimony came and made a suggestion about a daily dollar limit. And I've said this before, since we've been debating this for three days now, that their suggested daily dollar limit, I think, was \$500 and we actually have the amendment limited to \$200. So it is a smaller daily dollar limit than was even suggested originally. So this amendment comes, or this bill, which is now an amendment to LB775, came out of the original discussions when the casino gambling bill was brought my first year and smaller communities were concerned that if they don't have a casino they are going to lose out on these entertainment dollars that come to their community. And I've talked about them for the last several days about how many dollars come to all of these different communities and what they use them for, things like parks, fire trucks, police cruisers, community-betterment projects so they depend on all those dollars. But since there's only going to be six casinos currently and potentially a few more later, that those casino dollars go specifically to the city and the county in which they are located. So there are communities that are not going to be in those, not going to have casino-style gambling that are concerned they're going to lose out on these entertainment dollars. They're going to go to these other centralized locations. And so their interest was in allowing them to operate more efficiently so that they can save money through that efficiency process. So it allows for this app that's approved by the department, meets all those requirements,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

does not speed up the gameplay, and it allows them to operate by choice. So a casino-- keno operator, example again, Big Red Keno, gets this app, submits it to the department, department approves, it meets all the requirements, then Big Red Keno can offer it as an option for the establishments that offer Big Red Keno. So a bar, say, a bar in my district, Barrett's, which has keno or at least used to, they don't have to offer this. But it would be an option available to them if they so chose to offer it because Big Red Keno would have it. And before they can even do that, the city of Omaha would have to approve that they're going, going to allow this. So we have the department has to approve the app, the city has to approve implementation of this, and then the operator has to seek to offer it, and then the establishment has to decide that they want to go that route. So this just allows for all of those other intervening steps to happen. It has the guardrails making sure that it meets these requirements for age verification, geolocation, daily dollar limit as well. And, again, it does not speed up the number of games that can be played. It just allows for a more efficient opportunity for the, the businesses to sell tickets without having to have somebody stand at the counter and do that instead of serving food and beverages to the customers. So that's the general gist of it. If there are any other questions, things I didn't cover, I'd be happy to take those questions from folks. I see there's a few other people in the queue. Actually I'm going to get out because I, I was first up and I just used ten minutes so, well, I don't know how much time I used. But if you have any questions, I'd be happy to be around to take them but I would appreciate your green vote on AM832 and the underlying bill, LB775. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I rise in support of AM832 and the underlying bill, LB775. First, I want to thank Senator Lowe for allowing me to spend all day when I was scheduled for a 1:30 hearing the other day and got moved to like 7:30 so I got the opportunity to sit there for all of the debate on all these bills. But I can tell you that this bill is a reasonable bill that really creates an opportunity for the operators that are out there today to operate more efficiently. We all are dealing with staff shortages and this is an opportunity to get there. I think all the safeguards are in place with the geofencing and everything that, that Senator Cavanaugh has outlined is, is true. We do have keno in North Platte, in my district. The operators there would like to see this. We think it's not creating additional stress on the operators or, or on the individuals that are

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

betting. They're still going to have a \$200 limit. They could go use their debit card and take money out of an ATM for cash, but instead they would be able to use their debit card. It's not going to create more games as the senator has outlined. So it seems to me it's a reasonable addition, cleans things up, brings us into the modern world and I don't think this is going to be the end of the world in terms of gambling. So, again, I would like to see the ability for the western two-thirds of the state to have an opportunity to participate in the larger casino operation which would provide needed property tax relief for our part of the state. But that's a discussion for another day. But in the meantime, I believe it's proper for these operators to be able to operate more efficiency so-- more efficiently. So I will be supportive of AM832 and the underlying bill, LB775.

KELLY: Thank you, Senator. Senator Moser, you're recognized to speak.

MOSER: Thank you, Mr. President. Good morning, colleagues. We have had a quantum leap in expansion of gambling. I think the tamping down on gambling over the years by popular Nebraskans created a, a force that the citizens of Nebraska voted to override as they, they wanted casino gambling. And so I think we've had a-- and with the passage of that ballot question and the subsequent bills that we've approved and the one we did just approve, we've expanded gambling greatly. And the addition of an app for faster or more convenient keno gambling I think is beyond where we need to go. I talked to a keno operator that I know well and he said keno is doing really well without the app. He's surprised how, how well it's going with all the new options for gambling and he doesn't think it's necessary either. So that's why I'm going to be voting no and I just wanted to talk about it a little bit and so people understand. Thank you.

KELLY: Thank you, Senator. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I rise in support of LB775 and the underlying amendment, but I rise to talk about something. So the other day I got on the mike and I talked about the water main break at the State Pen. Then the interim director kind of said I wasn't telling the truth or it wasn't true or whatever, but I got some great information today. So in 2009, the Department of "Punitive" Services came to the Legislature requesting for a waterline study design. It says-- in this thing it says: This project will provide funds for a consultant to review the water distribution system at the Nebraska State Penitentiary design replacement. The existing water distribution system is old and the facility has experienced failures and leaks in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

the mains. This is in 2009. The justification for this is this project is needed to minimize the risk of lost-- loss of services for the facility. The consequences of not completing this project include the potential loss of use of the facility. The benefits include improved conditions for all building occupants. For additional justification, please refer to the description in the tab. That is in 2009 where they were asking for a study and money to look at the water mains and, and, and the plumbing within the State Penitentiary. Never got done. So fast forward to the 2023-25 biennium budget and they're asking for the same thing, literally. So why if they asked for this in 2009, did this not get done? They come down to the Legislature and ask for money for all type of things, but for some reason they didn't ask for the money to, to study the water mains and the plumbing in the State Pen or to replace the water mains in the State Pen. It's kind of, it's kind of funny when they say like, oh, we didn't defer it. It's going to take so much time and all these type of things. But clearly in 2009, the Department of "Punitive" Services knew the water main issue was a problem and it could, and it could present issues for the individuals housed in the State Penitentiary. But they didn't do anything and the state didn't do anything. So we fast forward to today and are asking for the same thing and they also want to build another prison because they failed to do their job. And that is the problem I have with the Department of "Punitive" Services and the individuals that work inside there who say these things. Why did you ask for a study to look at the water main issue in 2009 because you knew it could present a problem for the individuals inside and you never did anything and then you come this year and ask for the money again? And what does that mean, are you, are you going to do anything? Because why are you asking for money to study the water main in the State Penitentiary if you're asking for money to build a new prison? Make it make sense. If you're going to demolish the prison, why do you need money to study the water mains and all these other type of things if you just want to get rid of it? Because the reality is I truly do not believe the State Pen is ever going to officially close completely. I asked the question in the hearing and she was like, oh, we're going to decommission it but I can't really tell you what decommission means. Honestly, I think they're going to try to turn the State Penitentiary into a minimum security facility and that's what I believe. And until I'm proven wrong, I'll, I'll believe that. So when they come and say--

KELLY: One minute.

McKINNEY: --we're going to close the State Pen, don't take it on face value because I don't believe it's going to happen. But I just wanted to point out in 2009, the Department of, the Department of "Punitive"

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

Services knew the water main issue was an issue and they didn't do anything and are coming back this year to ask for money to address the issue that they knew in 2009 was a problem and will potentially harm the individuals inside. So thank you.

KELLY: Thank you, Senator. Senator Erdman, you are recognized to speak.

ERDMAN: Thank you, Mr. President. So we're now talking about LB232. That's the bill that I divided out of the Christmas tree bill, and I appreciate the opportunity to talk about that. This bill is, is peculiar in several ways, one of them is it appears that the keno operator has the authority to let me have a-- to allow me to have a, a fund set up in a financial institution and they can approve whether I put money in there or not. That's, that's peculiar whether I need to have a separate account for each keno parlor or company that I do business with. The other issue that I think is more significant even than that is the fact that we're going to have an app on your phone that you can play keno. And if you go to a keno location and you have an underage person, grandchild or whatever with you and you lay your phone down there, they can sure pick that up and use that phone to do whatever they wanted to play keno. This is a problem. The other, the other significant thing is in the, in the description it says: that the operator shall use reasonable safeguards to-- safeguards approved by the department to ensure that digital premises and tickets are only accessible to individuals 19 years of age or older. So what does reasonable mean? Reasonable safeguards approved by the department. There's no definition of reasonable. So for the sake of all these things, talking about the issues that we see that could be involved with gambling on your phone and making it easier to spend your \$200 daily, for those reasons I think it's time that we put this bill to rest and vote no. And so, therefore, that's why I divided the question, and I want everyone to have an opportunity to think about what we're doing here. And we heard that when we expand gambling, we're going to get property tax relief. That is a stretch at best because the, the reports and research done that shows for every dollar you get from gambling you spend \$3 on social costs. And so if you think you're going to get property tax relief because we have gambling, you need to think again. But the voters voted to approve gambling under that premise that they thought they were going to get some kind of relief, which they will not, but it'll be too late when they find out that they were wrong. And so I encourage you to vote no on LB232. We have plenty of gambling. We don't need to expand the opportunity for them to use it on their phone. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: Thank you, Senator. Senator Lowe, you're recognized to speak.

LOWE: Thank you, Lieutenant Governor. I think we're coming down to a homestretch here pretty quick so otherwise we're going to 11:15 or something. So LB232 was brought by Senator John Cavanaugh and, you know, when we look at keno compared to the casinos, we look at a local industry. We look at an industry that, that is hometown or is based here in Nebraska. You look at a casino and a lot of that money is leaving our state. So as we play our keno games and, and everything else, I'd like to keep the money in state if we possibly can. I don't agree with gambling. I don't like to gamble. I'm not a farmer or a rancher so that kind of alleviates that portion of it. And my money is kind of hard earned, so I'd rather keep it in my pocket. So when we look at, at gambling and, you know, we've, we've got bingo now that's almost gone big time because you can play 75 cards or something like that at a single time on a computer in a bingo parlor and that's kind of gambling now. It used to be just kind of fun and you'd take your marker out and mark out the numbers. But LB232 was kind of a compromise that Senator Cavanaugh came up with where you can only lose \$200 a day off your debit card and the parameters of, of the property is, is outlined with geofencing so it will limit what can be gambled. You can't place a bet outside the premises. So no running to the car and, and asking your, your son what numbers you ought to play. So I appreciate Senator Cavanaugh doing this and, and putting in an amendment so that we're able to do this. With that, I yield my time back to the Chair.

KELLY: Thank you, Senator. Senator Lippincott, you're recognized to speak.

LIPPINCOTT: Would Senator John Cavanaugh yield to some questions?

KELLY: Senator Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

LIPPINCOTT: Yep. The casinos that would host these gambling, would they incur some kind of expenses with applications for these apps?

J. CAVANAUGH: Yeah, so, well, this is different than casinos to clarify. I mean, casinos can have keno as well, but the keno operators can operate outside of the casino, so outside of the six casinos. But, yeah, I think there would be costs associated with the same as any other process the department does to verify other, they're going to have to verify, you know, the, I guess, making sure that any gaming

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

meets the requirements of the statute and so I think they would have to file a fee with the Department of Revenue to have that reviewed, I guess.

LIPPINCOTT: So is it, is it a separate entity? Casinos are one thing and keno operators are separate or can it be the same?

J. CAVANAUGH: They are separate but they could be the same. Under the casino, you know, the expanded casino gambling allows for them to operate all games of chance which would include keno on the premises. So-- but we've had keno operators, I think, since 1991 or something along those lines, and that's been where a keno operator is a, a company, say, I would say Big Red Keno in Omaha. And then they have licensed basically satellite locations which can be basically every bar in town can have a keno screen and then a little, you know, regis-- separate register where they punch in the numbers and things. So this would be basically take the position of that register, this bill would allow people to use their phone as that cash register where people they pump in-- punch in whatever the ticket numbers are.

LIPPINCOTT: How do they prevent a, a boundary, a physical boundary for their cell phones to work inside the area versus outside, out in the parking lot?

J. CAVANAUGH: That's a good question and, and I think that it's a technical question so it's-- they-- it's called geofencing. And my understanding is that a lot of it uses satellites and so you have GPS on your phone and they would put marked boundaries and would say you can't go past this exact location. I think you could use physical geofencing as well and I always point to in the corners here of this room we have that white thing in the back there so you could put, I think you could put physical markers like I guess like an invisible fence for a dog is another option.

LIPPINCOTT: Right.

J. CAVANAUGH: So, yeah, it uses, it uses the GPS in your phone to make sure that you are within the boundaries of an approved space which is, this is a pretty, I think, well-accepted technology at this point.

LIPPINCOTT: I'm trying to think through this in terms of a, a, a young person or somebody who's not authorized to do it gets a hold of mom and dad's phone and goes out in the parking lot and they would use the phone app to gamble.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

J. CAVANAUGH: And so to answer that question, the, the geofencing should be discrete enough to differentiate between the parking lot and the facility itself. So it should be able to get that granular, I think is the word where it would say, you know, within a few feet and so you can't do it out in the parking lot but you can do it in the restaurant or bar. Yeah, so I, I think it is that, that accurate.

LIPPINCOTT: Also, what are the safeguards for age limitations?

J. CAVANAUGH: So the app, the app to be approved would have to have the safeguards to make sure you verify that the account is set up by somebody who is over the age of 19. And then, of course, when you're in a facility, a bar, the operator there would be required to make sure that if somebody is on a phone placing bets that they are over the age of 19 as well.

KELLY: One minute.

J. CAVANAUGH: Thank you, Mr. President. And I would also just say you can't collect, you can't place a bet if you're under 19, you can't collect a bet if you're under 19. And so if that were to happen, I think that bet would be voided by virtue of the fact that it was attempted by somebody under the age of 19. So it'd be on the operator just like it is now to verify when somebody buys a ticket at their register it would be on the operator to make sure that nobody is playing under the age inside the facility.

LIPPINCOTT: Thank you, sir. I appreciate your time.

J. CAVANAUGH: Sure. Thank you.

KELLY: Thank you, Senator. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. Listening to Senator Lippincott and his questions with Senator Cavanaugh brought to my mind a couple of questions. I was wondering if Senator John Cavanaugh would yield to a question?

KELLY: Senator Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

ERDMAN: Senator Cavanaugh, when you answered the question when Senator Lippincott asked about being in a parking lot and your comment, your answer was it should be protected. So here's the question. Who will check, who will be the authority that goes to the location and makes

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

sure that that is exactly the case, that they are protected from not using it in the parking lot?

J. CAVANAUGH: Well, so the department is responsible to make sure that these comply with the statute and that they meet the requirements that are set out in the statute. And so an app that does not meet those requirements which does not, by which I mean does not have an adequate geofencing program that would prevent people from betting outside of the facility, would not meet the requirements of the statute and therefore should not be approved. And it is on the department, they do go and make sure, do checks, I think, on current keno operators to make sure that they're in compliance with the operator statute for other requirements as well, so.

ERDMAN: OK, so does your bill, does your bill or does the regulations or can they write the rules to say that someone from the department has to go to every location who decides to use this app and check to make sure the geofencing is set up correctly and that they have all the necessary provisions put in place so that people can't gamble from the parking lot? Who's going to, they're going to do that on every application that someone makes?

J. CAVANAUGH: So is your question can we do that or does it? What's your--

ERDMAN: No, does it require that?

J. CAVANAUGH: Well, I think that the bill would require the department to take all reasonable steps to execute the requirements of the statute.

ERDMAN: OK, define reasonable for me.

J. CAVANAUGH: Well, reasonable is-- I mean, this is a constant question in the law, right? I mean, you've probably seen it many other times and other places. It's what a reasonable person would assume. So we're not going to say they probably need to go out every single day to check every place to make sure that it's going, but I think at least going once or periodically at random to check on it would not be unreasonable.

ERDMAN: Could, could reasonable be that it's reasonable to assume that someone needs to go and inspect that the very-- at least the first time to make sure that they followed the, the rules and the regulations and their geofencing is correct? Would that, would that be reasonable?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

J. CAVANAUGH: I think it would be reasonable, yeah, to make sure that they-- that each place that undertakes the new process is in compliance. Yes.

ERDMAN: So then-- and I looked and I didn't see a fiscal note with this, maybe there was one and I didn't see it but I looked to see-- so then the department would be responsible for that. What, what-- who would pay for that? The department would pay for that and so there will be a fiscal note attached because it would cost them something to go do that, correct?

J. CAVANAUGH: Well, the, the department is already tasked with oversight of this industry and does go out and make these-- not these specific checks, but they do make checks on these facilities already.

ERDMAN: But I'm talking about this is a whole different application. And I, I would assume that the first time they set up their keno location, when they first started, that the department went to make sure that they had the necessary precautions in place to make sure that underage people weren't gambling and certain things and the requirements were met. And a reasonable person would say if you're going to sign up for a phone application that the department would go and make sure your geofencing is correct and all the other things are applied with. This would be similar to starting all over again. It's a whole new application of keno and so that would be something that would be reasonable, I believe.

KELLY: One minute.

ERDMAN: Would you agree with that?

J. CAVANAUGH: I, I apologize, had a little bit of trouble hearing that specific question.

ERDMAN: OK. So starting to use this application would be very similar to when you first started your keno operation and I'm sure the department went to view every one of those when they first started. Wouldn't it be reasonable to assume that they're going to go to every one of these locations that assume to use this application to make sure that their geofencing and everything is set up correctly? Now a reasonable person could assume that, I would, I would think that'd be right.

J. CAVANAUGH: I, yeah, I think that checking to make sure they comply is not unreasonable. Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

ERDMAN: The bill doesn't say anything about that. Is that correct?

J. CAVANAUGH: It doesn't explicitly tell the department how to regulate, no.

ERDMAN: Yeah, that's the problem with this bill. Thank you for answering those. That's why I'm voting no is because nobody knows how we're going to implement this.

KELLY: Thank you, Senator. Senator Lowe, you're recognized to close on AM832.

LOWE: Thank you, Lieutenant Governor. I waive closing.

KELLY: Senator Lowe waives closing on AM832. The question is the adoption of AM832. Please record your vote. All those in favor vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 21 ayes, 3 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Vargas, Senator Clements, please check in. Senator Bostelman, please check in. Senators Kauth, Slama, Dover, Wayne, and Hunt, please return to the Chamber. The house is under call. Senators Kauth, Slama, Dover, Wayne, and Hunt, please return to the Chamber. The house is under call. Senators Kauth and Wayne, please return to the Chamber. The house is under call. Senator Brandt recognizes and announces some guests in the north balcony. They are fourth graders from Friend Public School, Friend, Nebraska. Stand and be recognized, please. Senator Machaela Cavanaugh, we're awaiting Senators Kauth and Wayne, how would you like to proceed?

M. CAVANAUGH: Senator-- but we can proceed. Yes, we'll proceed.

KELLY: Thank, thank you, Senator. Request for a roll call vote. Senator Lowe, do you request a reverse order?

LOWE: Sure.

KELLY: Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

CLERK: Senator Wishart voting yes. Senator Wayne. Senator Walz voting yes. Senator von Gillern voting no. Senator Vargas voting yes. Senator Slama voting no. Senator Sanders not voting. Senator Riepe voting no. Senator Raybould voting yes. Senator Murman voting no. Senator Moser voting no. Senator McKinney voting yes. Senator McDonnell voting yes. Senator Lowe not voting. Senator Lippincott voting no. Senator Linehan voting yes. Senator Kauth not voting. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt voting yes. Senator Hughes voting yes. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen not voting. Senator Halloran voting no. Senator Geist voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover not voting. Senator Dorn voting yes. Senator DeKay. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh not voting. Senator Briese voting no. Senator Brewer voting no. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting yes. Senator Arch not voting. Senator Albrecht voting no. Senator Aguilar. Senator Wayne voting yes. Vote is 21 ayes, 17 nays, Mr. President, on the adoption of the amendment.

KELLY: The amendment is not adopted. Raise the call. Mr. Clerk, for the next item. Mr. Clerk, for a motion.

CLERK: Mr. President, Senator John Cavanaugh would move to reconsider the vote just taken.

KELLY: Senator John Cavanaugh, you're recognized to open on the motion to reconsider.

J. CAVANAUGH: Thank you, Mr. President. Well, that was fun to vote. Right? So I just wanted to give everybody an opportunity to make sure they knew what we were voting on. So I voted a motion to reconsider that vote. What that was-- thank you, Mr. President, now it's on the board. So this is a motion to reconsider the vote on that and I would just point out we had a few folks that were missing for that vote and a few people who hadn't, I think, made up their mind were present, not voting on that amendment. So what it is, is allows for mobile platform keno and I know that we've had a lot of conversation the last two days, last three days, talking about a lot of different things and so maybe people were confused about what specifically we're talking about or what we're voting on here or what this amendment would have-- would do. And so I just wanted to make sure everybody had the opportunity to think about their vote and get a chance to just consider how they're

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

going to vote. So, again, mobile platform keno, it would not change the number of games in a day. It would require that you have an app that's approved by the department that meets the requirements for geofencing, meets the requirements for age verification, meets the requirements for dollar amount limitation. And so what that-- the, the thing it does is allows a keno operator to have that efficiency if they want. And I would, I guess, address Senator Moser's points about how keno operators are doing all right and he's talked to some of them. This is a bill that was brought by keno operators who are concerned about their industry. So, sure, there may be some in the industry who think that it's doing just fine and they're, they're making enough money and that it's not a problem for them. But this is a request from the industry because of their concerns going forward. It's about allowing for efficiencies. It's about allowing businesses to make decisions for themselves. So this is about-- this is a compromise, of course, in terms of relaxation of regulation. I know there's a lot of folks here who don't want to be overly burdensome in regulation to industries or to businesses. This is one where we're allowing businesses to go through a process, just making it available to them to make these decisions for themselves. So it, again, it requires that first we would adopt this. Second, the state that-- the keno operator would then have to get an app designed or purchased, submit it to the state department, have the department approve it as to meeting the requirements of the statute. The city in which they want to operate would have to allow for the operation in their city or county to operate this, this mobile platform. Then the operator can offer it to their specific different entities. And once they, they offer it, those entities, bars and restaurants, can choose whether or not to offer it to their customers. So you have, you have state, local, operator and then restaurant. You have all of those along the line before it gets to the point where the restaurant then has to offer it. And, again, if a restaurant offers it, they can still have the regular keno so that somebody who wants to play in their restaurant can play on crayon like they currently can and it doesn't, so it doesn't require anyone to get the app, which I think is one of Senator Erdman's concerns. And he talked about, he talked about the concern that they would have access to control or to deposit and withdraw money from a bank account. Again, that's how you have to allow the app. You have to deposit money into the app, and then they have to be able to deposit money back if you win an amount of money that they're allowed to give back. Obviously, if you win a certain amount you have to go in person and claim that. So that is a choice somebody can make. These are people being able to choose all of these options for how they want to offer this game to their customers and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

how they want to play, getting government out of the way and allowing businesses to make these decisions for themselves, but creating a framework that works to allow for this small efficiency for businesses, allow for this convenience for customers. And so that's what is important about this to the keno industry, whether there are some keno operators who think that they're doing just fine without this, there are keno operators who are asking for this. And so that's why this is a significant thing to them and why it's something that they're asking for. I would point out that geofencing, again, it's a technical thing. It's a technology that is pretty robust. People are encountering it everywhere. We have, I think they're called Bird and Lime scooters in the city of Omaha, where they have created a pretty elaborate geofencing where you can't take them off of, they have to be left on sidewalks. They can't go in certain streets. They can't go near, I think, the College World Series. But they have-- are able to make specific carve-outs for areas where these scooters can go and can be parked and things like that. And so this is a technology that is widely adopted now, it is widely implemented, is being used all over the place and is effective at constraining geography, implementation or use of certain devices at a large scale. So this is a technology that is very robust. I would in answer to Senator Erdman's questions, you know, the department, I think, does have to check and make sure that operators are operating within the confines of the statute, that they would still be operating within the confines of the statute. And so I think the reason that the department would say that it didn't submit a fiscal note on this is they're already going out and supervising these facilities. They have to check up on them regularly as is. And when I think they implement a new process, it's not unreasonable to say they should go and check the first time and make sure that when you're adopting a new process that it is in compliance with the statute. So that's-- there's a lot of, I think, misconceptions about what this does. It's not expanded gambling. It is just a more efficient operation for businesses that are currently operating. It does have a pretty clear and definitive way in which that it's going to be overseeing and ensuring that underage people aren't playing, that people aren't playing outside of these facilities, and that the app is in compliance with all of those things. So I see there's some people in the queue so maybe people have questions to answer those but I'm happy to continue the conversation and talk about it. But I hope people take the opportunity to listen about what the conversation is and maybe reconsider their position. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Erdman, you're recognized to speak.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

ERDMAN: Thank you, Mr. President. Senator John Cavanaugh, I was not surprised by your present, not voting and then your reconsider motion. I just was surprised that you almost missed it. That surprised me. But here's the issue, you had 21 votes first time, and it's within the rules for you to do what you did. I understand that. I'm not trying to, to say that that was wrong, but we voted once. There were 21 votes in favor, several not voting, but it didn't pass. And so the question is, is anyone who didn't vote in favor or anyone who didn't vote at all going to change their mind? None of those questions that I asked about who's going to review to see that it's set up correctly were answered. They have to do reasonable, reasonable inspection. Reasonable, what does that mean? If one of those casinos-- one of those keno operations is letting someone play keno from the parking lot, no one will know unless someone goes and inspects them. And so you voted no or you didn't vote the first time and I would encourage you to do the same the second time. Thank you.

KELLY: Thank you, Senator. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, especially those who voted no this is why we have debate. This is why we reconsider. I stand in favor of the consideration-- reconsideration, and I'm going to tell you why. For those of you that have served in a political subdivision such as a municipality, served on the city council, been a mayor, you understand the importance of keno dollars. And the voters were clear that they wanted casinos here in Nebraska but one of the downsides of the casinos is that this is going to affect the keno industry. If you have time, friends, and you seriously listen to debate instead of just voting in a way that you think you need to vote today, if you're really listening to the facts, the data, you know that we have to support modernizing keno because your municipalities, especially your smaller municipalities that have tight purse strings that don't have funds for special projects need those keno dollars. Because if you look in the early 1990s when we passed keno here in Nebraska, we put specific guidelines in that statute. Can I have a gavel, please? We put specific things in state statute that show where those funds have to go. And so we have funds that go to your municipalities. You might have a park, you might have a, a building, you might have a school or some cause. I know in Bellevue we've given money to the, to the Food Bank before. We've given money to services that are provided to our citizens that the city can't afford to provide. You don't understand how important keno dollars are at your local level unless you're going to pick up the phone right now or have your staff do it, and I'm hoping we drag this out for a while so that can be done. I think you're going to be

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

pleasantly surprised to know that if you vote yes, you help keno survive. Whether you believe in gambling or not, that is not the issue right now. You voting no isn't going to stop people from playing keno any more that it would stop them from going to the racetrack. You voting no means that you're going to help keno die. And then what's going to happen to your smaller communities, especially out in western Nebraska, is you're going to lose funding, those extra dollars that your city budgets depend on to get things done. Now when we talk about the geofencing and I know because I tried to get blockchain done in this, this Chamber for six years, this is not a scary technology. A lot of you unknowingly used it in your campaigns. Have you ever driven, like, to a, a coffee shop and you're within a block of that coffee shop and all of a sudden an ad shows up on your phone? Why do you think that is, friends? That's geofencing. When people came into your area and were potential voters if, if it was done correctly, that's geofencing that shows up on your social media, that shows up on your computers, it shows up on your phone. And I'm looking at some people here right now that I know used geofencing in their campaigns, as did I. It's not a new technology. It's a technology that is very focused. And when you use it for things like keno, what it does is it literally creates a fence. It's not, it's not rocket science. It's a proven method that protects the keno industry to make sure that no ne'er-do-wells get involved and it doesn't go beyond a certain boundary. What's being asked for in this bill is that you protect keno. They're not asking whether you agree or don't agree when it comes to gambling. This isn't time--

KELLY: One minute.

BLOOD: --for you to use your own personal likes and dislikes. This is a time for you to stand up, protect your local municipalities. And if you are not voting or you vote no on this and you are running for local office or you believe that you're really good at supporting people in local office, you are not doing that if you do not support this amendment. Think twice for those that actually are listening to debate about why you voted no or not voting because there should be four more votes to help get this through. And if not, don't be surprised if in a few years when keno starts struggling more because of the casinos that you lose that money in your community that you get from keno dollars thanks to a really smart Legislature back in the early 1990s who saw an opportunity to help Bellevue, Papillion, Omaha, Bellevue, Scottsbluff, North Platte.

KELLY: That's your time, Senator. Thank you, Senator. Senator Hughes, you're recognized to speak.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

HUGHES: Thank you, Chairman. I rise in support of AM832. I have never played keno in my life, but I did vote this out of our committee. I sat through a hearing the other day about a company if, if we possibly expand casinos to the west out of Oklahoma that would come up and run that casino. And we have Caesars that is coming to Nebraska, they're running Columbus. We have Ho-Chunk, which is mainly out of Minnesota, they're running the Lincoln and Omaha casinos. And we have Elite which has a few casinos in Iowa coming to do the Grand Island facility. We are allowing because the people voted to have these casinos in place and they are going to have the bells and whistles that attract people to come play, to gamble, and things like that. And if we do not allow our small local places that have keno to upgrade and get more modernized with the times, that is even just a less draw for people to go there and they'll go to the casinos that are coming in. I think by not allowing this we are hurting our local small business owners. And, therefore, I would really like you guys to consider voting this through. Thank you. I yield my time.

KELLY: Thank you, Senator. Senator Jacobson, you're recognized-- Mr. Clerk, for a motion.

CLERK: Mr. President, priority motion. Senator John Cavanaugh would move to bracket the bill until March 21, 2023.

KELLY: Senator John Cavanaugh, you're recognized to open on the bracket.

J. CAVANAUGH: Well, thank you, Mr. President. It says Motion 80, and the last one was Motion 80. I was just a little confused. It's nice to see my name on the board, J. Cavanaugh. It's been such a, it's a breath of fresh air, I know. There we go, Motion 81. So I just thought I'd give us-- make sure we had a little bit more opportunity to, to talk about this. I appreciate comments from Senator Blood and from Senator Hughes and I certainly would be interested to hear other people's perspectives about how this, this industry affects their communities and the competition there. And so, you know, just to, I guess, reiterate this about what-- where this comes from and it comes from the fact, I think Senator Blood was talking about how this is going to affect these communities. The casino-- expanded casino gambling that voters voted for, approved, allows for casino-style gambling at approved race horse tracks, racetracks in the state of Nebraska. There were at that time six racetracks. They were in Douglas County, Lancaster County, Hall County, Platte County, and trying to remember what the other one is, South Sioux City and, and Hastings, Adams County. And so those places currently qualify to have

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

casino-style gambling. And you can-- there's been one opened, I believe, in Grand Island or in Lincoln. And the way that the appropriation of that money goes is most of it goes to the Property Tax Credit Fund which is what the voters voted for. And then I think it's 2.5 percent go to the city in which the establishment is located and 2.5 percent go to the county in which the establishment is located. And then any other surrounding county next door, a city that's in the county that is not the city where the casino is located do not get that 2.5 percent. And so this came up because the city of Ralston is going to be in such close proximity to the casino that's going to be opening in the city of Omaha. And they have Ralston Keno, which is their own keno operation, and they were concerned, the city of Ralston was concerned about the decrease in the availability of funds that they use for community betterment in Ralston that comes from the Ralston Keno project. And so they, at the hearing for the first casino regulations, I asked them what their concerns were and what would address those concerns and they suggested this particular mobile platform style keno. And so that's how we got this bill originally and then this bill is actually now a third iteration of that with further constraints. So through debate, through having three hearings on this bill and conversations and compromise, this is where we've gotten. So this bill is a-- it's been an iterative process. It's been a compromise. It's been a negotiation to get to some place that alleviates some of the concerns of people who have been opposed and it still serves the intention and the hope of the industry that is seeking to mitigate some of the harm that they're going to suffer as a result of expanded casino-style gambling. They-- and, and, again, this is, this is specific to Ralston is why this bill came up; but there are many other communities that are going to be close outside the city of Lincoln, outside of Lancaster County, outside of Douglas County, outside of Grand Island, all of the surrounding communities. They have, they have the potential to have this as an option for them to help them address these concerns going forward. They don't have to do it. That's the, the key to this is no one is going to be forced to do this. This is just going to be-- allow for an option for a keno operator and for their customers then to do this if it's approved by the community in which they're operating, if the state approves the app, if the keno operator decides to go this path, and then if the establishment that is offering that keno operator keno decides to use the app as proposed by that keno operator. And then, of course, the customer is the very last line of having a, a choice here about what they're doing. In that instance, if you go through all of those lines, a customer still can come into an establishment and does not have to get the app, does not have to participate in the system. So if they're

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

uncomfortable with apps, if they-- as I am actually, I'm not a big fan of computer apps. I don't like to download anything I don't need to have, so if you're a Luddite like I am, you don't have to do this. You can still use a piece of paper and a crayon. And so this gives options to, to keno operators, gives options to restaurants, and it gives options to customers so it's allowing a lot more options to everybody involved. And that is, I think, something that everybody here espouses to believe in when we're talking about any regulation. We want to get rid of onerous regulation. We want to get, get government out of the way of small businesses. That's what this bill is trying to do, is to give small businesses another option for something that they can do. And so that's, that is one of the benefits of this. The other benefit is, of course, the community-betterment projects that all of these communities that do not have, are not going to have an expanded casino-style gambling are going to have this-- be able to look to this as an option to help them maintain that level that they currently have. How much time do I have, Mr. President?

KELLY: 3:32.

J. CAVANAUGH: Hearing somebody talk for ten minutes straight is a long period of time, and I think a lot of people are probably thinking they didn't want to hear any Cavanaugh's talking today. I mean, they probably think that every day. But, you know, they thought, they probably thought when the other Senator Cavanaugh said she wasn't going to speak at all today, I think they probably thought they weren't going to-- it'd be a respite. So I apologize. But that's-- where was I with that, that thought originally? Thank you, Mr. President. The-- so I, I think people that it would be in, in the interest of individuals to have a conversation with some folks from maybe your municipalities, cities, villages in your community about what this means to them. We heard in the hearings both-- all three times, testimony from keno operators in Omaha, Lincoln, Ralston, Hastings, Grand Island, Kearney, I think Albion that came and talked about how important this was as an option for them to modernize their industry and to get them to a point where they can be more competitive. And, again, it does not speed up the game. The games are still going to be, I think it's every five minutes. It has those requirements of registration that the apps be approved, that they meet all of the age verification, the dollar limits, the geofencing, and that it-- but it will allow bars and restaurants to offer this as an option of entertainment for their customers without taking a waitress, a bartender, a waiter, server off the floor from serving food and drinks to people and allow them to continue doing that and allow people to participate in this form of entertainment. So-- and I know

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

people will say, you know, we're having trouble. If you look around smaller towns in Nebraska, everybody's having trouble hiring people for those type of jobs and, you know, the wages going up. So this is something that will allow these restaurants to continue their operation the way they are now without having to--

KELLY: One minute.

J. CAVANAUGH: --thank you, Mr. President-- having to hire another person. They'll be able to do the same work more efficiently with fewer number of employees which is one solution to workforce shortage again that we, we can-- a way to address it. So I see there's a couple of other folks in the queue so keep the conversation going. People can keep talking. I know, I know people are talking about their concerns off the mike and getting a better picture of this and so I, I appreciate what Senator Blood said. This is why we have debate so people can understand issues and see why they may want to vote for something or not for something and get a better understanding of what the issue is. So I'm glad we are getting down to the nitty-gritty on this one so people can have a full understanding of this before we move forward. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Day announces that her son Noah, her husband Jon, and fourth graders from Bryan Elementary in Omaha are in the north balcony. Please stand and be recognized by your Nebraska Legislature. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I rise in support of the motion to reconsider. I'm going to respectfully ask Senator Cavanaugh to consider pulling his bracket motion and allowing a vote on the motion to reconsider and I would hope that the body would support the motion to reconsider now that everyone and potentially with a call of the house so that we would have everyone here to weigh in and make their decision on this. But as it relates to AM832, I would just say again that I ran for the Legislature with the idea that I want to see smaller government, less government intrusion in our lives. I believe in local control. I believe in respecting the vote of the people. And I believe in all three cases, not passing this bill interferes with all three of those. As we've said before, the vote-- we had a vote of the people on an initiative to allow casino gambling at horse licensed race-- horse racetrack facilities. That passed overwhelmingly with a 68 percent favorable vote in the state. In Lincoln County, we voted in favor of that. That's what the voters asked us for. Meanwhile, we've approved casino-style gambling and racing to be held in only six tracks, all in the eastern third of Nebraska. What happened to the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

rest of the two-thirds of the state? Why are we waiting to participate in what the voters voted for us to participate in? I don't care what your views are personally on gambling. Our voters, our constituents asked for this to be available and the state is standing in the way. Now we've got this bill where we have, we have keno that's been operating throughout the state for many years now, and we're asking to move from a crayon and a piece of paper to being able to use an app and be able to use your debit card for up to \$200 per day. Is there a \$200 per day limit on the casinos operating in the six facilities that will be open in Nebraska in the eastern third of the state? I think not. But yet we're going to tell the casino operators in western Nebraska-- or the, the keno operators in western Nebraska that this is not good for you, that we're going to dictate to you that you can't do that, that your local people and your local authorities cannot make that decision but we're going to make it for you here in the Legislature. I think that's patently wrong. I'm already dealing with the situation in North Platte. It's 145 miles away from Grand Island. Every casino that's going to be approved in the, in the six approved area tracks in eastern Nebraska, the furthest distance is from Omaha up to South Sioux City, which is 110 miles. It's 145 miles from Grand Island to North Platte. Meanwhile, it's 26 miles between Grand Island and Hastings. It's 45 miles between Lincoln and Omaha. And that's fine, but we can't put a casino out in North Platte. Why? I don't know why. The voters said that's what they want, but we're waiting to do some studies that haven't even been commissioned yet by the State Racing and Gaming Commission. And we're going to wait to see if they can tell us if we get permission to do it after the voters have already decided what they want done. And now we're going to go ahead and put this same kind of restriction--

KELLY: One minute.

JACOBSON: --on casino-- or on, on, on keno. Let's get out of the way. Let's get out of the way of the people's interest. Let's, let's quit restricting local control. I urge you to vote for the amendment, for the underlying bill, LB775, and I would also respectfully ask Senator John Cavanaugh to consider pulling his bracket motion. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, especially those who are not voting or voted no, please listen to this debate. I stand in favor of the bracket because it's slowing the process down and we have an opportunity to actually debate this issue.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

So a lot of you remember LB561, which was a bill similar to this one in 2021. During that time, we received an Attorney General's Opinion in reference to this type of technology; and they were clear that this was not expanded gambling. That all it did was level the playing field and allowed technology to come into the picture. And it's really going to help our independent small satellite kenos, by the way, for those of you in more rural, small towns. But what I want to do, and I hope some people yield me time, is I want to tell you how much is being spent in communities across Nebraska thanks to keno for those of you that are actually listening to the debate. So let's start with Lincoln since that's where we're at today. And the data that I have is from 2020, because that was the most recent debate that we really had on, on this issue was 2021, 2020. So in Lincoln, they received \$1,000,644-- I'm just going cut it, \$17 million for parks were used from keno in 2020 alone, \$878,040 for libraries in Lincoln alone. They gave money to the Asian Community Cultural Center. They gave money to the Center for People in Need. They gave money to the Friendship Home. They gave money to the Lincoln Library Council. They gave money to the Tabitha Home. They gave money to Fresh Start. They used their keno dollars to make their community better. Family Services Association, Bryan Health, Salvation Army, Creating Family Choices. Millions of dollars are going across Nebraska helping your communities because of keno. If you don't help them improve their technology, you're going to lose those funds over a period of time because they're going to lose business. In Norfolk, Nebraska, for the Norfolk senator, \$312,500 went to the Norfolk Family YMCA, \$234,000 went to a park expansion, \$125,000 went to a skate park, skate park, \$118,000 went to the Johnson Park Trail and improvement, \$29,000 went to the river rehab, \$17,000 went to the trails and drainage, \$7,000 to a new softball complex. See, they're helping kids, they're helping minorities, they're helping people that are impoverished. This is money that doesn't come out of your budget. This is money given to the municipalities to help the local government do better. Omaha, downtown ballpark over \$2 million, Henry Doorly Zoo over \$2 million, Humane Society almost \$800,000, police cruisers, guys, police cruisers \$476,000-- there is so much talking on the floor today and not listening-- \$447,000 for Workforce Solutions, \$150,000 for Building Bright Futures, \$131,000 Target Omaha Program through the Chamber of Commerce, \$120,000 solid waste collect and disposal clean up Omaha, they help the environment, \$70,000 protective custody to Catholic Charities, \$4,800 to YouTurn. Beatrice \$275,000 to the Hannibal Park to water park trail project. Blair, Nebraska \$25,000 for park improvements, \$5,600 for band instruments, guys, band instruments that those--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: One minute.

BLOOD: --families couldn't afford, \$5,000 to Joseph's Coat in Blair, Nebraska. The city of Fremont, \$97,452 for the John C. Fremont Park splash pad so kids got something to do in the summer in Fremont, \$24,000 to security gates at the, the Keene Memorial Library. Friends, this isn't about whether you are for or against gambling and the Attorney General has already told you this is not expanded gambling. This is about whether you are willing to take funds that are used wisely in your communities for community betterment. Because if we don't help them catch up on technology, it will be the casinos that take business away from them. And once that gate is opened, that horse is never coming home. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Dorn, you're recognized to speak.

DORN: I will yield the rest of my time to Senator Blood.

KELLY: Senator Blood, you have 4:45-- 4:50.

BLOOD: Thank you, Mr. President. And thank you, Senator Dorn, I appreciate that. I owe you some time. I know I went through that really fast, but I want you guys to understand that organizations like Big Red Keno, that's the ones that I'm most familiar with, they raised tens of million dollars in net nontax revenue for municipalities across Nebraska. And you may not like how those funds come to you, but you get funds from other things that are sin tax items like alcohol, like cigarettes, but yet you still vote for those things. So I'm not sure what type of political statement you're trying to make today. You not voting isn't going to make keno go away. All your not voting is doing is making sure that municipalities lose, that your political subdivisions miss out. You heard some of the things I said, for those of you that are actually listening and not chatting really loudly under the balcony, band instruments for children, parks, skate parks, nonprofits that help lift people up, educational purposes. When they need to get things done in their community that they can't get done that it needs to be done in an urgent fashion, they frequently turn to community betterment. I'm really actually surprised that Senator Sanders isn't on the mike because I was on the council for part of the time that she was mayor and we used community betterment frequently. And had we not had those funds, some of the things that we accomplished would not have been accomplished. And you can say, well, I guess they weren't that important. And that's not the case, because many of you might remember that the state took away aid to local government. That's why you hear me fighting the unfunded and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

underfunded mandates all the time, friends, is because we put our municipalities and our, our other political subdivisions in turmoil around the time that I first got on the council. And a lot of your communities were trying to figure out how they were going to make things happen, how they're going to, to plow the snow, how they're going to fix the roads, how some of them were going to pay their employees. And you cannot use keno funds to pay employees because that's not community betterment just so you know. And so if it hadn't been for keno funds for a lot of communities, some stuff wouldn't have happened because if they had something like a park that they had to, to, to upgrade or update they were able to not have to use the funds within their budget, their, their working budget to do that because they could use community-betterment funds. And so as taxpayers, that should make you happy to know that there's alternatives to them just using taxes or raising taxes. Kenos in some ways has really kept your property taxes lower. It's an opportunity thanks to the early '90s, whoever was in this body, for those communities to do better, hence the community-betterment tag that goes along with that. It helps keep your taxes lower, which I think we all want to do for our constituents but, more importantly, it's going to exist whether you vote yes or no today anyway. But we need you to vote yes. We need 25 votes. You're not making a statement of whether, whether you support or don't support keno. You're making a statement that you believe that we should allow them to have this technology so there can be an even-level playing field when the casinos come--

KELLY: One minute.

BLOOD: --because we don't want this to be the Walmart, right? When Walmart comes into small towns and the hardware store closes down and the mom-and-pop grocery store close down. If you don't do this, the casinos are going to be the Walmart to keno and I really want you to think about that. Don't think about the issue in reference to the gambling part of it because that really is a nonissue on this vote. Think about what's going to happen in your municipalities especially in your political subdivisions. Because if they start losing these funds, that means community betterment and what they do with those funds is going to start year after year after year losing those funds. And there's a lot of people that depend on those funds every year to help especially our nonprofits, our students, and our public services like parks. Thank you, Mr. President.

KELLY: Thank you, thank you, Senator. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Did Senator Blood want some more time or are you taking a break? I can keep-- I can talk. Senator Blood wanted-- I do appreciate Senator Blood's comments. I think that is the really important thing we're talking about here is and she has that great perspective of having worked in the city of Bellevue on the city council and saw what these community-betterment funds mean to those communities. And I have talked repeatedly about this and what the, what they are used for in the city of Omaha, city of Lincoln, city of Norfolk were the examples I used. City of Omaha has used them for police cruisers, for libraries, for parks. City of Norfolk has used it for the riverfront development there on the river walk in Norfolk. And as I talked about the first day we heard this was right after we had a hearing where Norfolk was, was looking to amend the entertainment district statute to allow them to open their own entertainment district in their downtown area on Norfolk Avenue, where they have a lot of nice restaurants and bars and coffee shops and businesses. And I think they have a tech incubator, I don't know what you call that, small business incubator, on the main street there that they're opening up where people can come and, you know, work and have an evening out. And so they're looking to, you know, expand on that and make that destination placemaking, as they said in the hearing, make it a destination for people to come in the city for a night out, but also for people around the area to come and for tourism, regional tourism. And part of that is the redevelopment of the riverfront. They, they equated it to the San Antonio River Walk as a spot where people will come and walk on the river, go to bars and restaurants, spend their money in that community, have a nice time. And so that's why they wanted this change in the entertainment district statute to allow them to have an entertainment district that works for them. But part of that whole plan ties into the redevelopment of the river, the riverfront, and they use money from keno for that purpose in Norfolk. And so this, this type of thing makes a difference to communities across the state in their broader plans for servicing their community, community betterment, as the money is called, to attract businesses, attract tourists. And we all talk about how do we attract young people to come to our state and to stay here. And one of them is to make it a place that people want to be and have something to do entertainment-wise. And so Norfolk is working on that. And so this ties in to just the broader approach that we're taking on a lot of other bills and conversations we're having about how we're investing in the state. This is an opportunity for communities to make a decision about how they're investing in their community and what things they're doing so they can use it for park redevelopment, for libraries, for police cruisers, for fire trucks. And it affects

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

communities all over the state and they've come and testified about it. I, again, I could read you the dollars that are spent and that they depend upon county by county, which I'm sure you don't need but I have them here. And if you want to see them, I could share them with you. But this, again, the reason this is important is it's coming up, becoming more and more pressing as we're seeing the expansion of other types of--

KELLY: One minute.

J. CAVANAUGH: --thank you, Mr. President-- entertainment options in casino-style gambling that is going to be a direct competition with these keno operators. And so they are looking for an opportunity, one, to offer a product that people are asking for, but they're also looking for an opportunity to offer a product in a more efficient way that will allow them to operate and save money while they're, they are servicing their customers and providing community-betterment funds to communities across the state of Nebraska. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator McKinney has some guests in the north balcony, members of the Simple Foundation in Omaha. Please stand and be recognized by your Nebraska Legislature. Senator Dungan, you're recognized to speak.

DUNGAN: Testing. Testing. Thank you, Mr. President. I rise today, colleagues, in opposition, I suppose, to the bracket motion but in support of Senator Cavanaugh's motion to reconsider. Mostly want to take some time to echo some of the comments that have already been made by other individuals here regarding this. I view the use of digital apps with regards to keno as just a basic step into the 21st century. I will say that I am a keno player. I enjoy playing keno with friends. I enjoy playing keno in restaurants and areas all across the state. I'm a big fan of keno and I think it's really good for our state. One thing that I hear over and over when I talk to folks about this is why do we need to use a digital app for this? And, and the answer is simply just to make it a little bit easier, both on the actual customer or the player of keno, but it's also on the facility themselves. In a time where I know a lot of places are facing labor shortages and are having difficult times staffing their, their businesses, oftentimes you see one person bouncing between being the bartender, being the waiter, and then having to go take care of keno and you get these long lines and you get these issues. And I've watched as servers and folks in the service industry are just running around in circles trying to make sure they can take care of each and every one of the, the roles they're given. And so, yes, I see this as

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

something that makes it easier for the customer to play the game. But I also see it as an opportunity for folks at the restaurant, at the bar, to have it a little bit easier when they're at work. I don't know if all of my colleagues or many of my colleagues have worked in the service industry. I did have the opportunity for a number of years to work in the service industry and I think it's something everyone should have to do: to be a server, to be a waiter, to be a bartender, whatever. It gives you a unique perspective on human interaction and I think it teaches you a little bit more about empathy. But also you realize that when there are staff shortages and labor shortages how difficult it can be for folks who work at these facilities to do all of these things at once. And so allowing the opportunity to utilize an app and allowing the chance for players of keno to use their phone, I think just makes this easier for everyone. I understand the concerns folks have about security. I know Senator Lippincott, as well as Senator Erdman, were asking questions regarding geofencing and whether or not somebody could go out in the parking lot and utilize this or play these games. I've had a chance to use some apps that use this geofencing technology. I think Senator Cavanaugh mentioned a good example, and that's the Lime scooters that you can rent. Those you have to park in a certain area; and if you are within a foot or two outside of that area they have to park, these, these apps know it. And so I do think it's accurate to say that the technology is advanced to such a point that we know exactly where somebody is. And so I'm not concerned, nor do I think any of us should have major concerns about misuse or abuse of these apps in such a way that folks are going to be out in the parking lot utilizing them to play keno. And so I just, I, I don't believe that's too much of a concern. To answer some of Senator Erdman's or I guess to respond to some of Senator Erdman's other questions or concerns he expressed earlier, I know that oftentimes bills don't expressly delineate or state how some of the regulations have to be enforced but that's why we have the department that can step up and do this. I have complete faith in the department to be able to administer the rules and regulations in such a way that they're going to be able to keep this safe. I do think that they would be reasonable to go out and make sure that these facilities are utilizing the apps properly, that the geofencing is set up; but I don't think that has to be specifically spelled out in the bill. So, again, colleagues, I rise in support of the motion to reconsider. I think this is actually--

KELLY: One minute.

DUNGAN: --thank you, Mr. President-- I think this is actually a very helpful debate. I think we're talking about the issues here in a way

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

that's actually very important. And I appreciate hearing some of the concerns so we can actually have a conversation about those things. So with that, I would yield the remainder of my time. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, first I'd like to note that it was me that brought up the scooters' issue, just so you know. All right. I would ask that Senator Sanders, please yield to a question. Is Senator Sanders on the floor? She was just here a minute ago. Nope. All right. Is Senator Holdcroft on the floor? Trying to find somebody from the Bellevue area. No. All right, well, then I'll answer my own question. So what a lot of people don't know is that keno has been around since 1977 here in Nebraska. And unlike most issues, Nebraska was the first state to authorize local option lotteries that could be conducted by counties, cities, and villages for the purpose of raising funds for community betterment. How smart were we? What a lot of people don't know is the first community to have keno was the city of Bellevue. And, boy, have we used the heck out of those funds. It was operated by the city of Bellevue and was a manual game. But today, there are over 172 counties, cities, and villages which are licensed to conduct a keno lottery. They now require them to use computerized keno systems, which have been done for actually quite a long time. And they are all operated on behalf of the county, the city, or the village, who is then required to be licensed as lottery operators or sales outlet locations. So any individual who intends to perform any work directly related to the conduct of a county city lottery, except for individuals whose sole responsibilities are that of a keno writer, they also have to be licensed. So the reason I'm reading this out loud, which I hate reading stuff like this because I prefer just to talk freelance or freestyle, is that there are so many guardrails put into place that protect the public, that protect the political subdivisions, and protect the owners that you may not be aware of. And I really encourage you, whether you sit on General Affairs or not, to learn this because we're always going to have debates about things like keno. And sometimes we debate things and vote on things that we personally believe or don't believe, but we have to look for the greater good of Nebraskans. And right now, our coffers are really flush and, boy, are we going crazy spending that money, but it wasn't always that way. When we were freshmen, I don't know how many times I heard death by fiscal note because there was no money to get things done. So kind of think about that when we think about our smaller communities, our more rural communities that happen to have keno. If

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

they lose those keno funds, that is going to affect that community forever. As it is, I'm guessing they're going to lose some anyway because of the casinos and that's OK because casino funds are going to come back to different areas of Nebraska as well in one way or another. But I like that some people actually listen to debate, and I like today that some people actually had some conversations. And I ask for those of you that still are considering voting no and not present to think about the communities that you represent and think about the hole you're helping them dig if they lose community-betterment funds because that hole is very deep. And how will they make that up? They'll make it up by raising property taxes. They'll make it up by, by raising taxes because they have jobs to do. They have roads to plow. They have roads to gravel. They have buildings to maintain. They have parks to maintain. They have nonprofits that they support to help those that are struggling in their communities.

KELLY: One minute.

BLOOD: They help minorities. They help their libraries. They help law enforcement. They help our first responders. This is an opportunity for you to vote yes to make sure that they continue to get those funds at a level that is appropriate and helpful. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, I appreciate the conversation and I appreciate all the context that Senator Blood has put to the whole conversation. I, I think after conversations off of the mike and on the floor that people are interested in reconsidering their vote and ready to take that vote and so I think we're ready to get to the reconsideration. I just would point out for anybody who, procedurally, I would ask for a yes vote on the motion to reconsider, which then would allow individuals who maybe were present, not voting or were not sure which amendment we were specifically voting on at the time and voted no to change their vote on this amendment, which is the AM832. And so I would ask anybody, everybody to vote yes, green vote on the motion to reconsider and then ultimately yes when we do after we reconsider this amendment so that we can move on and I think there's another amendment we'd like to consider before cloture here. So, Mr. President, I would ask for a call of the house and I would pull my bracket motion.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: Bracket motion is withdrawn and there's been a request for a call of the house. All those in favor of the house being under call vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 20 ayes, 3 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Wayne, please return to the Chamber. The house is under call. All unexcused members are now present. Senator John Cavanaugh, you're recognized to close on the motion to reconsider.

J. CAVANAUGH: Thank you, Mr. President. There we go. OK, so we're on the motion to reconsider. I think everybody's had an opportunity to actually reconsider which is, you know, a rare occurrence. Sometimes this is just a move to waste some more time but I think there were a lot of conversations, very constructive conversations going on around the body, on the microphone, in the lobby, everywhere, people talking about really what this does and what it doesn't do and why people may want to change their vote from either a no vote or a present, not voting to a yes vote on this amendment. So just for clarification, procedurally, if you are interested in this amendment becoming part of this and allowing smaller communities across the state to continue to offer keno in a productive way to allow small businesses to make a decision about what type of offering they're making, if you want to allow keno operators to make this decision, if you want allow local communities to make this decision, then you'd be a yes vote on both reconsideration and on AM832 after we vote for the reconsideration. So without belaboring the point, I would ask for your green vote on both the motion to reconsider and on AM832 and I'd ask for a roll call vote in reverse order, Mr. President.

KELLY: Thank you, Senator. The request is for a reverse order roll call vote on the motion to reconsider. Mr. Clerk.

CLERK: Senator Wishart voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator von Gillern voting no. Senator Vargas voting yes. Senator Slama voting no. Senator Sanders voting no. Senator Riepe voting yes. Senator Raybould voting yes. Senator Murman voting no. Senator Moser voting no. Senator McKinney voting yes. Senator McDonnell voting yes. Senator Lowe voting yes. Senator Lippincott-- Senator Lippincott voting yes. Senator Linehan voting yes. Senator Kauth. Senator Jacobson voting yes. Senator Ibach voting yes. Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

Hunt voting yes. Senator Hughes voting yes. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting yes. Senator Halloran voting no. Senator Geist voting yes. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese voting no. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar voting yes. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting yes. Senator Arch voting yes. Senator Albrecht voting no. Senator Aguilar. Vote is 31 ayes, 14 nays, Mr. President, on the motion to reconsider.

KELLY: The motion to reconsider is successful.

CLERK: Returning to debate on AM--

KELLY: We'll return to debate on AM832. Raise the call. Senator Moser, you're recognized to speak.

MOSER: Good morning, colleagues, once again. Thank you, Mr. President. The vote of the people to authorize gambling was for six casinos at the locations that had racetracks. It wasn't for a casino in Bellevue or a casino in North Platte. It was very specific for six locations where there was a racetrack, and it certainly did not suggest that we expand keno gambling. Keno gambling is going to go on. It's going to do fine either way, probably, but why make it easier for people to lose money? I think we're already expanding gambling considerably as it is and I think we should let that take its course, reach equilibrium, and see where we're at before we add gambling through the app on casino-- on keno. Thank you.

KELLY: Thank you, Senator. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. With all due respect to Senator Moser, that is not what the initiative said. Reread the initiative language. The initiative language was very clear. The words "six existing racetracks" does not appear, did not appear in the initiative. The words in the initiative were "licensed racetrack facilities." It didn't even say horse. It said "licensed racetrack facilities." That was the language. I can assure you that the western two-thirds of the state would not have voted for that initiative if they knew they were going to be shut out. So let's be clear on that.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

And you're right, the initiative did not deal with, with keno, nor should it have been. Keno is allowed today. We've been allowing casino-- or keno for quite some time now. You use a crayon and a piece of paper. Surely, we've moved beyond that. Surely, we can use an app that limits you to \$200 that you could spend regardless. You could spend more than that if you just use cash. It's a reasonable change. We're not changing the world here. We're just allowing casino oper-- or keno operators to be more efficient so they can utilize their limited amount of help to, to basically sell beverages and sell food and wait on tables. That's all we're doing here, folks. This is not going to change the world. It really is not. So I would encourage you to, again, vote for the amendment and vote for the underlying bill. Thank you.

KELLY: Thank you, Senator. Senator Lowe, you're recognized to close on AM832.

LOWE: Thank you, Lieutenant Governor. AM832 is the amendment, the package is back whole again. And so with that, there's no way this winter is ever going to end as long as this groundhog keeps seeing his shadow. I don't see any other way out. He's got to be stopped and I have to stop him. With that, I close.

KELLY: Thank you, Senator. The question is the adoption of AM832. All those in favor vote-- request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting no. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting no. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson. Senator Geist voting yes. Senator Halloran voting no. Senator Hansen voting yes. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting yes. Senator Hunt voting yes. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth. Senator Linehan voting yes. Senator Lippincott voting no. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Moser voting no. Senator Murman voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting no. Senator Walz voting yes. Senator Wayne voting yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

Senator Wishart voting yes. Vote is 32 ayes, 12 nays, Mr. President, on adoption of the amendment.

KELLY: The amendment is adopted. Senators Kauth and Day have some visitors in both balconies, fourth graders from Neihardt Elementary in Omaha. Please stand and be recognized by your Nebraska Legislature. No one in the queue. Senator Lowe waives closing. The question is the advancement of LB775 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 6 nays, Mr. President, on advancement of the bill.

KELLY: The bill advances to E&R Initial. Mr. Clerk, for items.

CLERK: Mr. President, your Committee on Health and Human Services, chaired by Senator Hansen, refers Legislative Bill-- reports LB227 to General File with committee amendments. Additionally, your Committee on Transportation and Telecommunications, chaired by Senator Geist, reports LB453, LB484, excuse me, LB453 and LB484 to General File, both having committee amendments. In addition, your Committee on Revenue, chaired by Senator Linehan, reports LB303, (LB317), LB344, LB495, and LB508 [SIC--LB580] to General File. And your Committee on Transportation, chaired by Senator Geist, also reports LB683 to General File as well as LB738, both having committee amendments. Additionally, amendments to be printed from Senator McKinney to LB531, LB785; and Senator Erdman to LB744 and LB688. Notice of committee hearings from the Judiciary Committee. That's all I have at this time, Mr. President.

KELLY: Next item, Mr. Clerk.

CLERK: Mr. President, the next item, LB552, introduced by Senator John Cavanaugh. It's a bill for an act relating to the Legislative Mental Health Care Capacity Strategic Planning Committee; amends Section 50-702; changes contracting and reporting requirements; changes a termination date; and repeals the original section. The bill was read for the first time on January 17 of this year and referred to the Executive Board. The Executive Board placed the bill on General File with committee amendments.

KELLY: Senator John Cavanaugh, you're recognized to open.

J. CAVANAUGH: Thank you, Mr. President. Hopefully, this is the last time you guys will hear from me today. LB552 is a cleanup bill to extend the dates of the Legislative Mental Health Care Capacity Strategic Planning Committee by one year. I want to thank Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

Briese and the Executive Board for prioritizing LB552, which advanced unanimously from the committee. The Mental Health Care Capacity Strategic Planning Committee was created by LB921, my priority bill last year, which included a bill from Senator Matt Hansen concerning the lack of inpatient mental health care beds in Nebraska. Among other provisions, LB921 set up this committee to hire a consultant to determine the mental health care capacity needs in, in, in state, in state-run and privately owned facilities. Unfortunately, no appropriation was included in LB921 for the consultant, and the committee was unable to hire one by November 1, 2022, deadline contained in the bill. And that was an oversight due to how quickly the bill moved last year. LB552 extends these deadlines by one year and accompanies-- and an accompanying A bill of \$50,000 appropriation to hire a consultant. The membership of the committee is laid out in, in statute and currently consists of myself, Senator Day, Senator Geist, Senator Sanders as at-large members selected by the Chair of the Exec Board, Senator McKinney as the designee of the Judiciary Committee, Senator Armendariz as the designee of the Appropriations Chair, and Senator Ben Hansen as the Health and Human Services Chair. The review and recommendations of this committee are going to inform future policy decisions as it relates to mental health care in Nebraska, particularly as it relates to criminal justice system. When someone who is charged with a crime is deemed not competent and there is no bed available at, for instance, the Lincoln Regional Center, they have to spend their time in the county jail. This isn't serving anyone, least of all public safety. And one of the goals in the original bill was to address these sorts of situations. LB552 will make sure that we can understand this-- can undertake the study, study and get the recommendations to the Legislature. So I'd ask for your green vote on LB552. And with that, thank you, Mr. President.

KELLY: Thank you, Senator. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. Would Senator John Cavanaugh yield to a question?

KELLY: Excuse me, Senator. There are committee amendments. Senator Briese, you're recognized to open on the committee amendments.

BRIESE: Thank you, Mr. President. Good morning, colleagues. The committee amendment, AM391, requires that the contract with the independent consultant hired by the Legislative Mental Health Care Capacity Strategic Planning Committee shall be based on competitive bids and subject to approval of the Executive Board. In other

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

instances where a consultant has been hired by a special committee of the Legislature, similar language requiring Executive Board approval was included. AM391 would also add the emergency clause. I would ask for your support and a green vote to adopt AM391. Thank you, Mr. President.

KELLY: Thank you, Senator Briese. Senator Clements, you're recognized to speak.

CLEMENTS: Thank you, Mr. President. Because they were wanting to get to a vote on the previous bill, LB775, I had turned off my light, but I did have a couple of questions. Would Senator John Cavanaugh yield to a question?

KELLY: Senator John Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

CLEMENTS: Thank you, Senator Cavanaugh. On LB775, I had been wanting to discuss that a little bit more. And what is the legal age to be able to gamble in a keno establishment?

J. CAVANAUGH: I think it's 19. Is that right?

CLEMENTS: All right. And how is an underage minor going to be prevented from using a phone once they're in the restaurant?

J. CAVANAUGH: Oh, you mean to, to playing the game on the phone?

CLEMENTS: To play a keno game, right.

J. CAVANAUGH: Yeah. So, well, it would be still a violation, a criminal violation to allow an underage person to gamble. And so I think if a parent is facilitating a child gambling, it's a potential that they could be charged. But I think if an establishment is knowingly allow that to happen, they could risk their license. So they're certainly going to be making sure that if somebody is playing keno and they look and see it's a person who's under age that they're going to stop that. I would also point out that I think if an underage person plays that would void the game and, therefore, they wouldn't be able to derive any winnings from that.

CLEMENTS: I see. Well, I'm-- does geofencing look at the age of the person holding the cell phone?

J. CAVANAUGH: No, it doesn't.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

CLEMENTS: All right, well, I think there is a weakness in this exposing-- oh, thank you, Senator Cavanaugh,--

J. CAVANAUGH: Thank you.

CLEMENTS: --that's all the questions. A weakness in this proposal for minors being able to use maybe their own phone or their parents' phone once they're in the restaurant. Right now, somebody has to go up to a counter and place a bet and that way the operator can see whether they think they're underage or not or ask them for identification. Where if they are just off in the corner with a cell phone, I believe that's a danger that is not good for our constituents. It has been suggested that it's good for keno operators who are some constituents of ours, but I think it's bad for the constituents who are vulnerable minors and, and probably, probably gambling addicts vulnerable. I did have my staff look at one of the agencies and boards that we have here is the gambler-- problem Gamblers Assistance and the Gamblers Assistance Fund under the Department of Revenue has a budget of \$3.2 million per year and they've asked for an increase this year for next year of an increase of 250,000 more dollars to get them up to \$3.4 million a year of taxpayer dollars to try to help problem gamblers who get addicted to gambling. And they're expecting, with the casinos opening, to be asking us for more and more money and we have a balanced budget requirement. And I'm having to work on the budget. And if I fund this, we're going to have to not fund something else and so I'm going to remain opposed to opening up casino betting on cell phones. But regarding the bill we're discussing here, I didn't have an opinion. I just wanted to go back because I didn't have an opportunity to speak on LB775. Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Briese, you're recognized to close. Senator Briese waives closing. The question is the adoption of AM391. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 30 ayes, 0 nays an adoption of the committee amendment.

KELLY: AM391 is adopted. Senator John Cavanaugh, you're recognized and waive closing on LB552. The question is the advancement of LB552 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 0 nays, Mr. President, on advancement of the bill.

KELLY: The bill advances to E&R Initial. Mr. Clerk, for items.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

CLERK: Next bill, Mr. President, LB103, introduced by Senator McDonnell. It's a bill for an act relating to retirement; amends Section 79-920 and 84-1301; redefines terms under the School Employees Retirement Act and State Employees Retirement Act; changes provisions relating to participation in the School Employees Retirement System of the State of Nebraska; harmonize provisions; and repeals the original section. The bill was read for the first time on January 6 of this year and referred to the Retirement Systems Committee. That committee placed the bill on General File. There are committee amendments, Mr. President.

KELLY: Thank you. Senator McDonnell, you're recognized to open on LB103.

McDONNELL: Thank you, Mr. President. Good morning, colleagues. One day early, Happy St. Patrick's Day. I'd like to thank the Retirement Committee, Vice Chair Ibach, Senator Clements, Senator Conrad, Senator Vargas, and, and Senator Hardin for their, their work on these bills. LB103 is a bill that, that was suggested by NPERS, the Nebraska Public Employees Retirement System, to address a couple of issues resulting from the passage of LB700 last year. LB700 was a major retirement bill last year that passed with the emergency clause. LB103 corrects two minor issues with that passage. The first is to change, is to adjust the effective date of the certain provision of LB700. In the final version of LB700, there was a July 1 effective date. However, as the bill was signed by the Governor and therefore became effective on March 4, 2022, LB103 would adjust the reference in two spots from July 1, 2022, to March 4 of 2022. Second, the change is to correct an oversight of LB700 by adding a third group to the definition of eligible school plan employee. New language in LB700 referred--referenced a certified teacher that are covered by the State Code Agencies Teachers Association, SCATA, which represents certified teachers employed by the state agencies. Since the passage of LB700, it has been recognized that there are a few teachers, my understanding less than 15, that are not covered or represented by SCATA but who are employed by the Department of Education. To address this issue, LB103 adds a third category to eligible plan employee to include these individuals that are required to have a teacher certificate but are not covered by the bargaining agent SCATA. There's zero fiscal impact. Unless there's questions, I will move on to the committee amendments, Mr. President.

KELLY: You're recognized to open on the committee amendments, Senator.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

McDONNELL: Thank you, Mr. President. AM417 is a white copy amendment that combines three bills heard by the Retirement Committee this year, LB103, LB104, and LB105. LB104 and LB105 were heard on February 7 and LB103 was heard on February 14. There was no opposition to these three bills and votes by the committee to include these bills in the amendment and to advance by LB103 were unanimous from the committee. As I explained the element of LB103 in the opening of the bill, I'll turn to the provisions of LB104 and LB105. Both these bills address federal law changes made in the past year. LB104 addresses a federal change made by Security Acts 2.0 Act of the required minimum distribution provisions required referencing the MRDs [SIC] to increase the age from the MRD [SIC] from the required 73 to the age of 75 by 2033. The new language is added in addition, in addition sections referring to the various retirement plans, teachers, judges, State Patrol, county and state plans to bring them into compliance with the federal law. LB105 would accommodate changes made by the federal Uniformed Services Employment and Reemployment Rights Act. The changes add additional items to the definition of military service. These include the addition to preparation for military service, rest and recovery, post-military service, and the probably most important act of state service. Once again, USERRA changes are applied to each of the plans from NPERS administrators. In closing, AM417 combines three noncontroversial bills, one that corrects an oversight in Legislature-- legislation from last year, and two that accommodate recent changes to federal law. I would, I would ask for your support of AM417 and advance it and advance LB103 to Select File. There's zero fiscal impact. As I mentioned, this harmonizes us with the federal law.

KELLY: Thank you, Senator. You're recognized to close on AM-- and waive closing on AM417. The question is the adoption of AM417. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 30 ayes, 0 nays, Mr. President, on adoption of the committee amendment.

KELLY: AM417 is adopted. Senator McDonnell is recognized to close on LB-- and waives closing. The question is the adoption-- or the advancement of LB103 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 32 ayes, 0 nays, Mr. President, on advancement of the bill.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 16, 2023

KELLY: LB103 advances to E&R Initial. Mr. Clerk, for items. Mr. Clerk, for items.

CLERK: Mr. President, series of name adds: Senator Raybould name added to LB128, LB227, LB586. Additionally, Senator Fredrickson name added to LB35 and Senator Conrad to LB237. Mr. President, a priority motion, Senator Dover would move to adjourn the body until Tuesday, March 21, 2023, at 9:00 a.m.

KELLY: The question is the motion to adjourn for the day. All those in favor say aye. All those opposed nay. We are adjourned.