

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate August 16, 2024

**KELLY:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fourteenth day of the One Hundred Eighth Legislature, First Special Session. Our chaplain for today is Senator Dover. Please rise.

**DOVER:** Over the years, we received many prayers and blessings from many people, from rabbis, to pastors, to priests, and those in this body asking God to provide us guidance to do his work. I'd like to take a different direction this morning. I want to pray for those of our loved ones who we are unable to be with and, I believe, sometimes suffer from our absence. These are grandparents, parents, brothers, sisters, children, grandchildren, and even great-grandchildren. I think I can speak for many in this Chamber that, during times of our loved ones' difficulties and illnesses, we would rather be with them, holding their hands with a loving heart, and listening to provide comfort and care. I'm saddened that I'm not able to be with my grandchildren, as I remember my grandparents fondly. Family is so important in their health and growth. Please join me in prayer. Dear Lord, please watch over and bless our loved ones as we do our best to serve you. In our absence, guide them, protect them and comfort them. Also, Lord, please comfort those in our body who have loved ones in need and sickness. May they know your presence with them right now. Your name we pray. Amen.

**KELLY:** I recognize Senator Kauth for the Pledge of Allegiance.

**KAUTH:** Colleagues, 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 fourteenth day of the One Hundred Eighth Legislature, First Special Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** 41 ayes, 0 nays, Mr. Pr-- excuse me. I have a quorum present, Mr. President.

**KELLY:** Any-- are there any corrections for the Journal?

**CLERK:** I have no messages this morning, sir.

**KELLY:** Are there any messages, reports, or announcements?

**CLERK:** I have no messages, reports, nor announcements.

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**KELLY:** Thank you, Mr. Clerk. Please proceed to the first item on the agenda.

**CLERK:** Mr. President, LB34. It's on Select File. When the Legislature left, pending was the bill itself, as well as a bracket motion from Senator Linehan.

**KELLY:** Senator Linehan, you're recognized to open.

**LINEHAN:** I would like to, this morning, get through all the amendments that delay and actually have votes on subject matter. So I have an amendment that's a correction amendment. It takes care of the election date that Senator Hughes brought to the Revenue Committee's attention that, in several-- well, 91 counties, there's not actually an election every year. So this would set up-- if you need to have an election, it would be on the first Tuesday after the second Monday in May every year, which would-- same as Omaha, but then everybody statewide would know that's your opportunity to have an election. There is fix-it language in there from the Fiscal Office, and we also take out the TIF language, because we are not adjusting levies at this point, so we don't need that language.

**KELLY:** Thank you, Senator Linehan. Returning to the queue. Senator Slama, you are recognized to speak.

**SLAMA:** Thank you, Mr. President, and good morning, colleagues. For those who weren't watching it about three minutes ago, our entertainment for the morning was all staring each other down and seeing who could hit the button to get in the queue first for this bill. There's some "strategery" going on. I'll explain that later, but, like, I'm standing here like I just bought a lottery ticket, so. Just bask in that for a second. But I do stand opposed to moving forward through the bracket motions, through, I'm assuming, other procedural motions to get to amendments because even though I stand opposed to this whole operation, I see LB34 without any amendments added to it as our only potential way to getting to 33 votes on anything at this point. It's very much a do-no-harm perspective from me. While I wish it went further, the amendments that are lined up after the technical amendment-- they're anything but. It's up/down votes on sales tax increases, it's up/down votes on bills that we IPPed yesterday in the Executive Board, so there will be a challenge on germaneness on those. But I, I will explain and build out a little bit more as to why the Executive Board did vote to indefinitely postpone bills, to rush constitutional amendments, and change the deadlines to get constitutional amendments passed by the Legislature

by a certain date onto the ballot in the smaller timeline, the more narrow window than what we would normally have if we were operating under current state statute. And that's because, from my perspective as an Executive Board member, those bills would apply to any CAs we would pass this session, not just the ones I like, not just the ones I'm considering, not just the ones I think are all right. They'd apply to all of them. So the breadth of that bill, which is listed as an amendment on LB34 right now, was a concern for me. And also, the practical aspects of a narrow timeline to get a CA on the ballot, leaving both proponents and opponents with an extremely narrow window of time to communicate what this CA's impact would be on the state. As the Executive Board-- as in the governing body for this governing body-- I am grateful that we took a moment to hit the brakes and say we're not going to have special rules as a Legislature. We're not going to rush into deals on constitutional amendments. If you want a constitutional amendment that'll be on the ballot, it has to be in line with those proposed by any other Nebraskan. We are not special here. And moreover, the reason why I'm standing and refusing to move on procedural motions to keep us from getting to amendments to raise taxes to put more money into this bill is a little bit of what I explained yesterday. As a Republican, as a fiscal conservative, I do not buy into the policy that we should be increasing the state's tax base on one hand-- to take more money from Nebraskans from your left pocket to put that same money into your right pocket-- maybe a little bit less-- to give you a pat on the head and say, look at what the government did for you. I would much rather just have my own money. I would just rather Nebraskans have their own money to spend and invest as they see fit. Do I support broadening the base? Maybe, but only if you're lowering the overall rate. This whole thought that we need to raise taxes in other areas without any real spending controls to limit growth on this other side, it's against everything I believe in.

**KELLY:** One minute.

**SLAMA:** And there's, there's-- thank you, Mr. President-- there's been a lot of suppositions of, oh, this is personal, this is-- like, no. I-- if my mother was proposing a tax increase, I'd oppose it. I mean, I've done so for six years. I'm not about to start supporting tax increases. And procedurally, I'm going to do everything in my power to prevent tax increases from being pushed to solve a tax crisis. At the root of every government tax crisis is a government spending crisis. If we as a state are going to actually cut taxes for our citizens, we have to look seriously at real cuts to spending. This just isn't going to do it. That's why I support leaving LB34

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unamended. Let's get it across the finish line. Let's do no harm. I'm not going to be raising taxes. Thank you, Mr. President.

**KELLY:** Thank you, Senator Slama. Senator Fredrickson, you are recognized to speak.

**FREDRICKSON:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. As Senator Slama mentioned-- maybe, maybe Senator Slama and I should go buy lottery tickets. We had this-- everyone was sort of waiting to punch their buttons to get in the queue, and we happened to be one and two this morning. So, colleagues, I, I tend to agree with a lot of what Senator Slama said, specifically as it relates to LB34 as it is. I, I, I also-- and, you know, I'm, I'm open to my mind being changed, but I don't see another way to 33 votes during this special session. So it's interesting that we are kind of reopening a discussion that we have already had at length and that the public has weighed in on at length. There, there's been a lot of hard work, both leading up to this session, both during this session-- and, you know, the Speaker has repeatedly said-- and I, I agree a lot with him-- we, we, we, we're tackling a beast in this special session. You know, property taxes is something that, since statehood, have been a concern and an issue. And essentially what we've done is we've owned a major tax and spending issue throughout this special session that we, we frankly, at this point in time, have very little control over. Yes, we have bestowed the power of local control on setting levies, on setting rates, et cetera, et cetera. But at this moment, we don't set those rates, and that is a pretty intense dynamic to be in. I think that we all came into this on day one pretty much knowing that the proposed plan was, was unpopular. And if we did not know that on day one, we, we quickly learned that. Whether that was through the hearings-- Senator Dungan spoke about this a little bit yesterday, about the hours and hours and hours of opposition-- or even, for example, in my district that had blast texts and robocalls sent out asking me to support the plan. We ended up tallying that outreach in my office, and opposition to the plan is, at this point, nearly eight to one. Eight in opposition to every one in support. And that's coming from a advocacy blast that supports this plan. I can't go anywhere without being stopped and being told how much constituents don't like this. Over the summer, when we met as a group, we, we went out to North Platte, we went to a rodeo. It was actually a really good time. And I'm, I'm not going to-- but, you know, a few of us were stopped at the rodeo and pulled aside by folks who were attending, kind of saying like, look. Like, hey. Like, property taxes we're concerned about, but we don't, we don't like what we're hearing. So it, it's, it's never been a secret

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that Nebraskans have not been liking what we're seeing and what we're proposing here. I think what we're seeing today, these one-by-one votes of ideas that have already been outright rejected by Nebraskans and by this body-- I, I feel an urge to kind of say what needs to be said here, and I think this is on the minds of many people in this Chamber. It's certainly on the minds of Nebraskans and people outside the Chamber. It's time to just get to a vote and move on. At this point, this, this special session is-- it's kind of crawling towards the finish line here and it's wounded and it's-- it's getting difficult to watch. And for those of us who are going to be here next year-- and many of us will be here next year-- I think there's a lot of lessons--

**KELLY:** One minute.

**FREDRICKSON:** --to be garnered from this. There's a lot of lessons we can learn from what we've seen-- frankly, from, from the entire biennium. And I have a lot of optimism-- and I'm forever optimistic-- but I, I have a lot of optimism about hitting a bit of a reset in 2025 and tackling these very important issues in a way that we can build consensus, that we can engage with stakeholders, and get something done. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. Good morning, colleagues. I rise in support of the bracket motion and I remain opposed to LB34. I, I feel like, at this point, yes, a lot of it has already been said. I am opposed to LB34 even as it is right now. I think it's unfortunate that, if it passes as-is, it is going to be harmful to not only Omaha, but several other municipalities, with the caps that are in place. But it is better as it is than it could be if we continue to amend it further, and it would take more than the time we have left in debate to get to Senator Riepe's amendment to fix the issue for municipalities. So I remain in opposition to it as-is, but I don't believe that continuing debate and making additional changes at this time is going to yield any results. I was looking at the pending amendments, there's the one that Senator Linehan mentioned at the start of this morning for the elections, and I'm going to have to ask more questions about that off the mic because I don't quite understand what that means. And I, I have concerns about that, but, but I just don't understand it, so. I went through-- excuse me-- the next list of amendments and, even if we could get through five-- one, two, three, four-- five amendments, I don't think that these would

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yield, really, any "substanobtive" revenue at all. The first one being the-- taxing pool services, which has been brought up as an example of a, a want, not a need. How much revenue are we missing out on with that tax exemption? Not saying that I disagree with getting rid of it, but, like, it's-- can't possibly be making up what we need for property tax relief. Same with lawn services, which, actually, I do disagree with because, yes, a lot of people have massive landscaping and lawn services. But again, we have to think about the people who this is going to really impact, like low-income elderly people who have somebody come in and take care of their lawn, and they probably are already doing it, probably for, like, \$20 a month or something. But just-- you know, you're on a fixed income, you're elderly, you're unable to take care of your lawn, or you're disabled, so. Dating services, sure, we could tax that. Again, is that going to make a difference? I actually question if-- if we eliminated dating services' tax exemption and pool services' tax exemption, would we even pay for this special session? Like, how much money are we talking about here? Fishing and hunting guides is the next one. I genuinely am unclear as to what that means. Tour operator services. Again, not entirely sure what that means. Travel agencies. OK, but aren't we then double-taxing? Like, if you use a travel agent to book travel, you're paying taxes on the travel that you book. So now you're paying taxes on the person that's booking the travel and the travel. And are those taxes based on the full amount?

**KELLY:** One minute.

**M. CAVANAUGH:** Are you paying a tax for the travel agent's services and they bill you for their services plus what you are booking? Or just for their services? Sightseeing services for ground vehicles, I don't-- genuinely, I don't know what that is. Is that a seeing eye dog in the front seat of a car? Or is that some sort of-- I, I really don't know what that is. So this is one of many reasons that I remain opposed to this entire endeavor. I would like it to be over, as would most of Nebraska. And I hope that we can get through today without repeating yesterday, whatever yesterday was. It was plain awful. So let's just move forward, get done with whatever we end up doing, and, please, be merciful and send us home because--

**KELLY:** That's your time, Senator.

**M. CAVANAUGH:** Thank you.

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

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**KAUTH:** Question.

**KELLY:** The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vy-- vote aye; all those opposed vote nay. There's been a request to place the house under call. The question is-- the question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 23 ayes, 7 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 and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators-- Senator Brandt, please return to the Chamber and record your presence. The house is under call. Senator Conrad, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the question is, shall debate cease? There's been a request for a roll call vote, regular order. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn voting yes. Senator Bostar not voting. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson voting no. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas. Senator von Gillern voting yes. Senator Walz voting no. Senator Wayne. Senator Wishart not voting. Vote is 34 ayes, 10 nays to cease debate, Mr. President.

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**KELLY:** Debate does cease. Members, the question is the bracket motion. All those in favor vote aye; all those opposed vote nay. Request for a roll call vote, reverse order. Mr. Clerk.

**CLERK:** Senator Wishart voting no. Senator Wayne. Senator Walz not voting. Senator von Gillern voting no. Senator Vargas. Senator Slama voting yes. Senator Sanders voting no. Senator Riepe voting no. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting yes. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting no. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting no. Senator DeBoer voting yes. Senator Day not voting. Senator Conrad voting yes. Senator Clements voting no. Senator Machaela Cavanaugh not voting. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar voting no. Senator Bosn voting no. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Senator Slama voting no. Senator DeBoer not voting. Senator Wayne voting yes. Vote is 7 ayes, 36 nays, Mr. President, on the motion to bracket.

**KELLY:** The bracket motion fails. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, a priority motion. Senator Ben Hansen would move to reconsider the vote just taken on M0133.

**KELLY:** Senator Hansen, you are recognized to speak.

**HANSEN:** Thank you, Mr. President. For those watching at home, a lot of this-- a lot of the motions and calling the question-- a lot of it is procedural so we can kind of move along with the bill and further discussion so we can get to some of the amendments, again, that not just Senator Linehan, but other senators maybe want to get to as well. So with that, I'm encouraging my colleagues to vote no on the reconsider vote. Thank you.

**KELLY:** Thank you, Senator Hansen. Senat-- Senator Hansen, you're first in the queue and recognized to speak.



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**HANSEN:** No, I'm not that bad. Thank you, Mr. President. All right. So, so far, what I'm hearing-- and just to remind everybody about last night, we did have-- already have an hour of debate on this bill last night, so calling the question this early is not, I think, too far out of bounds. But from what I'm hearing so far from those who maybe are opposed the bill or for the bill or maybe what some other colleagues maybe want to get to is an amendment I think introduced by Senator Riepe. And Senator Cavanaugh actually just got up and mentioned that. So in order for us to get to that amendment, we have to move along with the bill. And so it kind of depends on which kind of approach we want to take. We can either, you know, take our names out of the queue, withdraw motions so we can kind of move along with the bill so we can actually further discussion-- I think, constructive discussion, anyway. And so in order to get to Senator Riepe's amendment, we have to move along with the bill, and so holding this bill up longer, taking our time to vote, putting in more motions, speaking for long periods of time is going to take up time, so we cannot get to these amendments, so. I just wanted to kind of mention that, so either people watching home or for my colleagues, so we kind of know how the process is going to work here. And that's all I really had. So thank you, Mr. President.

**KELLY:** Thank you, Senator Hansen. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraska. So as we work our way through debate on Select File this morning, a few points. I know members are working hard to get up to speed on the flurry of amendments that were dropped late last night, have had a few hours of sleep to, to digest, and are trying to see how those might play out, both substantively and strategically. And before we get too deep in the weeds on those issues, I think it's just really kind of an interesting place that we find ourselves in terms of procedural posture. So assuming that that flurry of amendments does happen to come up and/or be voted upon, number one, it's going to cause a, a host of serious concerns with trying to undo the work of the Executive Board yesterday in regards to some of the substance. Additionally, if successful, those measures are going to load up LB34 with a bunch of new taxes, which is the heart of the Pillen plan, which was been rejected by the body in the spring and then again this summer-- so much so that they pulled their own bill in the spring and earlier in this session because they didn't have the votes because of the taxes, both the regressive nature, which hits anytime you raise sales taxes, and the new tax-- the new tax increases and shifts, which my friends on the right

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principally oppose. So if the attempt is to kill your own bill, I, I guess that you've set yourself up very well in that regard. It also doesn't allow for a thoughtful debate or deliberation on good faith negotiations that everybody's been involved in to fix the TIF provisions and to allow for a thoughtful discussion on how and when, when the caps may apply to local government, and how. So, unfortunately, despite the rhetoric, people are not interested in having an up and down vote on serious issues but want to somehow play games with this flurry of late amendments to revive a now twice-dead plan for the third time. Before we get into the additional details about how much revenue, if any, those raised, how those goods and services are defined, how those new revenues would be distributed in what regard to address the property tax goal with paying for it with additional tax increases and shifts, which, again, is bad policy-- hopefully, proponents who put this scheme together will be able to answer those questions. But I want to take a step back as well and just kind of reflect upon where we are at this fourteenth day of this extraordinary session of the Nebraska Legislature. So we are barreling towards a runaway session, and that's risky for taxpayers and for Nebraska and is something that we should all be "worry" and concerned about. If you go back and you look at special sessions in Nebraska history-- and I pulled some of the inventory from the Journal starting at 1940 through present day-- I can find only one instance from 1963, one instance from 1985, and one instance from 2011 in terms of special sessions that have gone on longer than 14 days, and we'll blow past the 2011 one tomorrow because that was only a 15-day. There was a 24-day special session in 1963. There was a 16-day special session in 1985, so we'll blow past that easily. Each of these come with unanticipated costs to the taxpayer, which is real. Each of these comes with--

**KELLY:** One minute.

**CONRAD:** --disruption not only to senators and staff and citizens, who are pleading for clarity in what the heck is happening in Lincoln. There's been a consensus gelled around where LB34 landed on General File, but it's not enough. It's not enough. So, there's more procedural shenanigans-- shenanigans in the middle of the night this late in the game, and here we are. And it's out of step with our patent-- pattern and practice, and it reaffirms the fact that, headed into the special session to increase taxes with no plan, no coalition, and not grounded in thoughtful policy was not going to be a recipe for success. And yet here we are, with no end in sight on day fourteenth, barreling towards a runaway session, which is risky for Nebraska and the taxpayers. We can come back in a few months after we take

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meaningful but modest reform in the heart of LB34 this session together and end on a unified--

**KELLY:** That's your time, Senator.

**CONRAD:** --high note, and I encourage senators to do so. Thank you, Mr. President.

**KELLY:** Thank you, Senator Conrad. Senator Slama announces a guest in the north balcony, Mattie Milner-- Miller from Phoenix, Arizona. Please stand and be recognized by the r-- Legislature. Senator John Cavanaugh, you are recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. Colleagues, I rise in support of the reconsider and op-- in support of the bracket and opposed to the bill and opposed to the amendments. And, so, I-- in my four years here, I've spoken against a lot of what I would consider reckless fiscal policy. And when I opposed, I think it was, LB754 two years ago and proposed as an alternative a income tax reduction down to 4.99% from-- I think it was, at that point, 5.84%- so a step down, rather than going all the way to 3.99% for the top bracket. I said-- I was proposing that as a middle step, because I thought going to 3.99% was too far, that it was unsustainable, we couldn't afford it. And I did tell the Governor's folks, who all of you know-- when people-- Nebraskans, if you're watching at home and people say PRO, they-- that is the Governor's folks who stand right outside and pull senators out and tell them-- ask them how to vote. We'll say ask. And, when we were debating that bill, the Governor's folks from PRO-- of course, they do their diligence. They talked to everybody. They talked to me. I said I thought it went too far, and that, when they came back and needed more money for something else and they needed to raise taxes, I wasn't going to vote for it. So I've been opposed to raising taxes in other ways because these tax proposals-- you can say what you will. We can go through the list of them and what the merits of taking away some of them are or exemptions are or raising taxes on individuals are. They are a tax increase that is meant to fill a hole created by tax that the-- massive tax reductions for the highest earners that we passed two years ago. And there's, there's no way around that, that we're decreasing our income on one line item, being in-- the top income tax bracket and we're needing to fill that hole by raising our income on sales taxes. Sales taxes are more regressive than income taxes. And we can, again, haggle about which ones these are, and I've got other points I would make if I had another opportunity to talk about which ones did I think-- why these-- why I disagree with one specifically. But philosophically, I disagree with

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raising taxes, double-taxing income-- which is what a sales tax is on a service, sometimes-- and taxing small businesses like lawn care services, taxing fishing and hunting guide services, which-- actually, Senator Bostelman brought a bill to create a registry of fishing and hunting guides so that folks would have more dependability when they're hiring those folks, but those are a lot of small operations. So the tax that's going to be paid on that is going to be paid by those working people. But-- so I'm opposed to increasing taxes-- sales taxes-- to pay for the income tax cut that we cut last two years ago. I'm opposed to raising sales taxes to pay for massive tax cuts for landowners-- large landowners. I have proposed more targeted property tax relief that I support that goes to homeowners in my homestead exemption bill. I have supported Senator Brandt's CA that will give us tools to make those kinds of changes in the future. And I have oppo-- pro-- supported Senator McKinney's tax credit for renters that helps Nebraskans who rent and don't own land. And I have supported revenue-raisers, like things like ta-- legalizing and taxing me-- marijuana, legalizing and taxing sports betting-- mobile platform sports betting.

**KELLY:** One minute.

**J. CAVANAUGH:** Thank you, Mr. President. So I have supported other revenue-raisers that are not as regressive. I have opposed cuts that go too far, but-- I will push my light and keep talking when I get back to this in an hour. But at the moment, I oppose any new tax increases that would be added by the proposed amendments that we might get to if folks keep calling the question. And I still oppose LB34 because I oppose the caps on my local-- my city and my county because of the essential services that those folks provide. I do appreciate the exception for law enforcement and the court systems and firefighters, but there are other essential services like mental health, public health, roads that are not contemplated in those exceptions to the cap. And so I do support-- I-- or, I oppose those caps at this time unless they work for those entities. Thank you, Mr. President.

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

**MOSER:** Thank you, Mr. President. Question.

**KELLY:** The question has been called. Do I see five hands? I do. There's been a request for a call of the house. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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**CLERK:** 17 ayes, 7 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 and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Conrad, Fredrickson, Dover, Bostar, Bostelman, Dungan, and Hunt, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. There's been a request for a roll call vote. And the question is, shall debate cease? All those in-- Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn voting yes. Senator Bostar not voting. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson voting no. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting no. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting no. Senator von Gillern voting yes. Senator Walz voting no. Senator Wayne voting no. Senator Wishart not voting. Vote is 33 ayes, 13 nays, Mr. President, to cease debate.

**KELLY:** Debate does cease. Members, the question is the motion to reconsider. All those who-- Ben Hansen, you're recognized to close.

**HANSEN:** Thank you, Mr. President. Again, just encourage my colleagues to vote no on the reconsideration vote. Thank you, Mr. President.

**KELLY:** Thank you, Senator Hansen. There's been a request for a roll call vote. The question is the motion to reconsider. Mr. Clerk.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting

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no. Senator Blood voting yes. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad voting yes. Senator, Senator Day not voting. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson voting yes. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonell voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting no. Vote is 12 ayes, 36 nays to reconsid-- Senator Fredrickson voting no. Vote is 11 ayes, 37 nays, Mr. President, to reconsider.

**KELLY:** The motion fails. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Senator Linehan would move to recommit the bill to the Revenue Committee.

**KELLY:** Senator Linehan, you're recognized to open.

**LINEHAN:** What I've heard this morning on the floor is this: that we don't want to get to the amendments on taxing because we don't want to have sales tax on things. I'd really hope everybody's looking about what they're talking about, because here's what we do in Nebraska now. We tax electricity, we tax propane, and we tax gas-- MUD. We taxed water until two or three years ago-- tap water. Justin-- excuse me-- Senator Wayne bought a bill so we didn't tax. We tried this year to take tax off electricity, but we couldn't get cooperation. We tax clothes. We tax used items. We-- this has nothing to do with the income tax cuts. We have a screwed-up, messed-up exemptions on sales taxes. And I don't like tax increases. I fought for tax cuts the whole time I've been here. But just to say we're not for cut-- we're not for sales taxes on the things that I put amendments up on last night, are you kidding me? Pool services? I'm desperately looking for somebody right now. They don't-- the companies don't pay the tax. The person that-- getting their pools cleaned pays the tax. The lawn service doesn't pay the tax. The

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person getting their lawn mows pays the tax. Nothing that I put amendments down last night affects any low-income people. I want to get to Senator Riepe's amendment. So we don't have to have a roll call vote every time. We don't have to take 5 minutes on the mic. We can speed this right along. So if you don't want to tax, we can-- just vote against it when we get to them. Don't, dill-- you know, waste time so we can't get to them so you don't have to have the hard votes. "Negotiate in good faith," somebody said this morning. I, I have never talked-- I, I don't know what they're talking about, negotiating in good faith. I haven't been negotiating. I, I saw what the votes were, and I adjusted. But if we can't get to these votes this morning, shame on us. Thank you, Mr. President.

**KELLY:** Thank you, Senator Linehan. Senator Day, you're recognized to speak.

**DAY:** Thank you, Mr. President. Good morning, colleagues. It's been a couple of days since I've been in. I have a story that I would like to share, but first I want to talk about some of the things that Senator Linehan was just talking about on the mic. She's talking about how we tax electricity and things like that. She was talking about the taxes that we know are harmful for people, taxes that do negatively impact the lives of everyday Nebraskans, particularly low- and middle-income Nebraskans, and she's right about that stuff. Those are awful. However, those are not the amendments that are being introduced. If we want about-- want to talk about removing the taxes on electricity, then put it on the board. But that's not what we're talking about. Why do we stand up and say, well, we tax these things that are harmful, why shouldn't we tax these other things too? It's a fundamental understanding that increasing taxes on anything is a problem for a large portion of this body, including myself. If you want to remove taxes on electricity, put it on the board. That's not what we're talking about. So I feel like there's a couple of differing themes on opposing sides for this special session. For myself and several of my colleagues, the theme is "do no harm." I missed a couple of days because I had a positive COVID test. And I came in-- on Tuesday, I sat in the balcony so that I could vote on the bill. And then I stayed home because I knew that I was still contagious. I followed the directions of my doctor and stayed home until I had a negative COVID test, which was today, and I showed up today. I was watching from home yesterday, and everyone is coughing and hacking and snarfling on the mic. And I guarantee these people in here, who have extremely vulnerable and high-risk colleagues in this room, have not taken COVID tests. They show up anyways. For me, the theme is "do no harm." For my colleagues, it appears that the theme

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is "do as much harm as you want as long as you get a win." You show up when you're sick, you're coughing on your colleagues, you bring back a dead bill that has zero support multiple times regardless of the negative impact that it's going to have on Nebraska taxpayers time and time and time again. What we're talking about today is resurrecting for the-- I don't know, fourth time-- pieces of a bill that no one supports, that we sat through 12 hours of opposing testimony. And personally, as someone who's going to be on the ballot in November, I definitely don't support a tax raise at this point, because that's essentially what it is, period. You can talk into it however you want. You can, you can create a narrative however you want. But fundamentally, the amendments that we are talking about getting to today are tax raises. And that's why there's quite a few of us that are not in favor of getting to those amendments, because we're not here to raise taxes on people. The whole point of this special session was to provide property tax relief, not raise taxes. Many, many, many ideas have been provided as alternatives--

**KELLY:** One minute.

**DAY:** --to raising the sales tax. I sat and listened to testimony from Revenue Committee members saying, well, if you guys have ideas, bring them to me. You guys sat through 80-plus bills of hearings. What do you mean you didn't get ideas? There's literally hundreds of alternative ideas. But unfortunately, since last session, LB388-- and then that new iteration of LB388 were discussed over the summer was the only idea that was in mind. And that still, even after it has failed multiple times, is the only idea that is in mind: raising taxes on Nebraskans. And there's a lot of us in here that are not going to let it happen if we have a say. Thank you, Mr. President.

**KELLY:** Thank you, Senator Day. Senator Albrecht, you're recognized to speak.

**ALBRECHT:** Thank you, Mr. President. Good morning, Nebraskans. Good morning, colleagues. You know, yesterday, when, Justin Wayne-- Senator Wayne spoke about three different plans, I absolutely perked up, and I think a lot of people here did. And the reason we did is because he was pulling exemptions that have been on the exemption list for so long that some of them are even obsolete. So I'm going to ask because I do know that-- the electricity was something that we all said yes to, but, obviously, we couldn't-- it didn't make the cut because we couldn't get enough people to say yes. So until we can find the money to support something like that through broadening our base, by doing it mindfully like we hope to do that today, is the way



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to do this. I'm happy to see 49 people here. I'm glad people are getting better. But the longer we stay, the longer we prolong this. Of course we're all going to get, get worn down. But what I'd like to do right now is ask Senator Wayne if he would like to-- I'd like to yield the rest of my time to him so he can bring us back to his three pages. I want to go home with more than 20% I want to go home with 40% or 50% That is obviously not going to happen with the group here today, but we are going to do the very best we can to do the very right thing for the people of Nebraska. So I'd like to yield my time if he'd like it.

**KELLY:** Thank you, Senator Albrecht. Senator Wayne, you have 3 minutes, 30 seconds.

**WAYNE:** Thank you. People keep asking me, what do I want? Pick two out of three. I want LB57-- probably not going to happen. So the other two, real simple: renter relief and targeted property tax cuts. Targeted property tax cuts. Pick two out of the three. I don't care what they are. We can move forward some way or fashion. What I don't want to do is keep the-- having an intellectual dishonest conversation on this floor. If you vote for the LB34 as it is right now, it's still a proper-- it's still a tax shift. So all these people who are getting up and saying they're against tax shifts, that's what we do even if you vote for LB34 as-is. Because right now, we only get money from income and sales tax, and we have a couple excise tax as a state. So no matter what, it's a shift because we don't have new revenue streams. So that argument needs to stop. People are going to get upset about them calling the question. Nobody was upset when Democrats were calling the question on me after five minutes yesterday. Don't bring that argument to the table today. A-- removing a tax exemption is not the same as a tax increase. What really happened was the special interest groups came down here and a lobby who can afford it to put the exemption in. To put the exemption in. They came down here a long time ago and said, we don't want to tax services. Exempt it out. That's why it's called an exemption. So let's not have a r-- I mean, if we're going to have a real conversation, you can say it may cost more, but let's not call it a tax increase. It's removing an exemption. Let's be honest with people out here today. The second part of being honest with the Nebraskans out here today is to say there are a lot of people who voted for LB2 and LB3 on cloture. Those are cuts or transfers to pay for it. Not one person in Appropriation, not one person on his floor said let's put this into a renter relief package. I did multiple times, got nowhere from both sides. So, if you don't want to work, just say that's your argument. Just say, I don't want to work. But let's not

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say this was already killed in LB388, this was already killed again at the beginning of this year. Because guess what? I introduced a felon voting right every year.

**KELLY:** One minute.

**WAYNE:** Every year. That's what we do when people believe in it. They keep pushing and they keep pushing. So that's not a good argument to me either because many of the people who are saying, this was already killed, voted for LB20. You didn't say, well, your first year, the Governor vetoed it, so don't bring it back. And then, the next three years, it died on the floor. And the next two years, it couldn't even get out of committee, so don't bring it back. Let's have a real conversation about things, not political posturing. You bringing stuff back because you want to get something done. And my community is clear: 3% is not enough. My community is clear: there are some exemptions I can live with. And if we can't take the time to figure out what exemptions we can and can't, then we're doing a disservice to the people we represent. It requires hard work. It makes us uncomfortable.

**KELLY:** That's your time, Senator.

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

**KELLY:** Thank you, Senator Wayne. Senator DeBoer, you are recognized to speak.

**DeBOER:** Thank you, Mr. President. Well, this morning, I want to take a second to do something a little different. In the last dying days of this special session, at the end of their term, I want to thank the Class of '24, the folks who came in in 2016. Senator Wayne is-- he's walking out. Stay in here for just one second. OK. He's back in the room. I think he's the smartest person in this room. No question in my mind. I think he's the smartest person in this room. He has worked hard for his community. He has done amazing things for his community. He and Senator McKinney and Senator Vargas-- the North and South Omaha Project [SIC]-- Senator McDonnell's involved in that-- that is an amazing once-in-a-generation thing. Senator Wayne doesn't stop fighting. It's hard to stop fighting. In these last days that he has in this Legislature, he's still fighting. I think it's a remarkable quality about Senator Wayne. Senator Wayne's never going to solve all the problems. If anyone could, it would probably be him. Well, as long as he's with the other half of his dynamic duo, Senator Linehan. Senator Linehan has done some things I don't like, but no

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one can deny that she has done a lot of transformational things in this state. And she's still fighting because Senator Linehan has more policy knowledge probably in her pinkie than anyone else in this body. She's been doing this job longer. She has more experience. If anything, what the special session has taught us once again is that there's a problem with term limits. And in these final few days, they're still fighting because they know-- just like Senator McDonnell, just like Senator Erdman, all the other seniors-- they know that the work is never done. The work in Nebraska is never done. It never will be. We will never get to the utopia that we're trying to get to. But as long as people keep fighting for their vision of Nebraska, as long as people keep doing that, then we know we're in good hands. This Class of '24 is to be commended. They have worked very hard. They have done remarkable things. And of course there is still more work to be done. So I just wanted to say thank you to Senator Erdman, Senator Linehan, Senator Walz-- I'm not going to see everybody in here because they're not all in here right now, but you all know who you are. This class-- when I came in as a freshman, you taught me how things worked. You came in with a bang. You came in with a bang. We call it "The Red Wedding." They upset the apple cart. Everything changed when they came in. We changed all of the, the chairmanships. They came in with a force, with an energy-- there's Senator Bostelman, sorry. Senator Bostelman got stuff done in broadband. Amazing things that are going to bring our state forward, and not everybody--

**KELLY:** One minute.

**DeBOER:** --knows about it. Senator Bostelman does things sometimes that don't make the front page of the World Herald, but they deserve as much credit. They really do. And if you get down into the weeds in broadband like I like to do, you see what he has done. It's an amazing thing. I could keep looking around the room and see each of these seniors, and I could say the same thing. Senator Slama, not really a senior, but not really not a senior either. As she's livin-- leaving-- Senator Slama came in with me because she was appointed. She has done amazing things too. There is no one I would rather have on my side in a fight than Senator Slama, because she is the-- she is the quickest in here. You say something to Senator Slama, she can process it and come up with the right thing to say--

**KELLY:** That's your time, Senator.

**DeBOER:** --faster than anyone else. Thank you, Mr. President.

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**KELLY:** Thank you, Senator DeBoer. Senator Linehan, you're recognized to speak.

**LINEHAN:** Question.

**KELLY:** There's been a request to place the house under call. The question is, shall the house go under call? All those in favor say aye; all those opposed say nay. Record, Mr. Clerk.

**CLERK:** 19 ayes, 1 nay to place the house under call.

**KELLY:** The house is under call. Senators, please record your presence. All 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. The question was called. Do I see five hands? I do. Senators Conrad, Day, Fredrickson, please return to the Chamber and record your presence. The house is under call. Senator Day, please return to the Chamber and record your presence. All unexcused members are present. Question is, shall debate cease? There was a request for roll call vote, reverse order. Mr. Clerk.

**CLERK:** Senator Wishart not voting. Senator Wayne voting yes. Senator Walz not voting. Senator von Gillern voting yes. Senator Vargas voting no. Senator Slama voting yes. Senator Sanders voting yes. Senator Riepe voting yes. Senator Raybould voting no. Senator Murman voting yes. Senator Moser voting yes. Senator Meyer voting yes. Senator McKinney voting no. Senator McDonnell voting yes. Senator Lowe voting yes. Senator Lippincott voting yes. Senator Linehan voting yes. Senator Kauth voting yes. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt voting no. Senator Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen not voting. Senator Halloran voting yes. Senator Fredrickson votin-- Senator Fredrickson voting no. Senator Erdman voting yes. Senator Dungan voting no. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer voting no. Senator Day voting no. Senator Conrad voting no. Senator Clements voting yes. Senator Machaela Cavanaugh not voting. Senator John Cavanaugh voting no. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar not voting. Senator Bosn voting yes. Senator Blood voting no. Senator Ballard voting yes. Senator Armendariz voting yes. Senator Arch voting yes. Senator Albrecht voting yes. Senator Aguilar voting yes. Vote is 33 ayes, 11 nays, Mr. President, to cease debate.

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**KELLY:** Debate does cease. The question is the motion to recommit. Senator Ben Hans-- Senator Linehan, you're recognized to close.

**LINEHAN:** Please vote red on the motion to recommit. Thank you.

**KELLY:** Thank you, Senator Linehan. Members, the motion-- the question is the motion to recommit. Request for a roll call vote, regular order. Mr. Clerk.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood not voting. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Conrad voting yes. Senator Day not voting. Senator DeBoer not voting. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson not voting. Senator Halloran voting no. Senator Hansen not voting. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting yes. Senator Wishart voting no. Vote is 7 ayes, 36 nays to recommit, Mr. President.

**KELLY:** The motion fails. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Senator Ben Hansen would move to reconsider the vote just taken on MO134 with MO163.

**KELLY:** Senator Hansen, you're recog-- recognized to speak.

**HANSEN:** Thank you, Mr. President. Again in the, the goal of moving things along so we can have, have further discussion, I put the reconsider in. Again, just another procedural move. So I would encourage my colleagues to vote no on the reconsider. Thank you, Mr. President.

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

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**CLEMENTS:** Thank you, Mr. President. LB34 is not a tax increase. It's actually an overall decrease. LB34 has \$185 million of property tax relief, funded by affordable reductions in government spending, which Nebraskans have asked for. Any new sales tax revenue will directly reduce property taxes further in every county, in every school district. The Legislature's failure [INAUDIBLE] been realizing-- to increase school funding has been a large factor in the huge increase in property tax, and that's what needs correcting: the, the out-of-balance tax revenue and the exemptions that have been provided. I appreciated Senator Wayne's listing, trying to identify things that won't hurt the poor people, that people can't afford without harming businesses or low-income. So I'm supporting LB34. Thank you, Mr. President.

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

**DOVER:** Thank you. [PLAYING "THE TAXMAN"]. Yes.

**KELLY:** For what purpose do you rise, Senator? Senator Cavanaugh, for what purpose do you rise?

**M. CAVANAUGH:** You cannot play music instead of speaking. You have to speak. That's a prop. Please move forward.

**DOVER:** I, I talked to the-- I already, already spoke to-- I asked if I could do that, they said the main thing w--

**KELLY:** Senator Dover, please resume, and you are urged to keep to the topic.

**DOVER:** Thank you. For those of you that are young pages, The Beatles were a very popular band back in the day. I love the lines "if you drive a car, I'll tax the street. If you try to sit, I'll tax your seat. If you get too cold, I'll tax the heat. If you take a walk, I'll tax your feet. Now my advice" is, "for those who die." Be careful, the song goes. "Declare the pennies on your eyes. 'Cause I'm the taxman, and you're working for no one but me." I think that Nebraskans are taxed too much. We don't need new taxes of any kind. Interesting because the last version of the bill that some are attempting to bring back, taxes your burial. Can you believe that? The song "Taxman" was the group's first political statement they made in their music. The song portrays the Taxman as relentless in his pursuit of revenue. As the Beatles' earnings placed them in the top tax bracket in the United Kingdom, the Beatles were liable for a 95%

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"supertax" introduced by Harold Wilson's Labour government, hence the lyric "there's 1 for you, 19 for me." He likened Wilson to the Robin Hood character, the Sheriff of Nottingham. Does that sound familiar? I think we've heard that a lot in debate. It should be, because that's what they're attempting to do today. Current amendments are-- and I'll just going to talk to a couple of these-- storage and moving services. Renters use these. Homebuyers and home sellers use these. You know, I-- there's a lot of things like, why can't we tax them? But, I mean, renters probably tend to be those of low to medium income, and they actually then pay for the storage, storage units, and then they're there for quite a while. And this is just, I think, unfair to those people. One arguments I find interesting too-- but I think the main thing is, just be careful of the arguments that are made because I, I think there's always two sides to every story. So let's just, let's just talk about nail care services. It's not essential, right? Well, let's just, let's just forget about that question for a second and just talk about who, who, who started that business, right? So in many cases, those who couldn't afford to go to college, they start a small business. And, and, and none of those small businesses are ones that are going to be, be, be tempted to be taxed because a lot of those don't have representation. They're, they're what I would call-- when you're looking to tax someone-- it's low-hanging fruit. And so, as a small business owner, I remember borrowing money to make payroll in the early years. You know, startups are tough. Many don't make it. In fact, I would, I would probably say that most startups don't make it. Some argue the owner doesn't pay this tax; the customer does. Trust me, the cost that you-- the, the cost that you can charge is set by the market. It isn't, it isn't set any other way. I mean, in most cases, a business, because they are difficult and margins are thin, are going to attempt to charge as much as they can. This isn't--

**KELLY:** One minute.

**DOVER:** --because they're selfish. They're just trying to be-- thank you. They're just trying to be successful. And so what I'll say is this-- is the taxes-- excuse me-- all taxes do is to make it more difficult to be successful in business. And those are current-- and who's currently paying for government? That would be business and their employees. The last thing we need to do is tax them. If you tax them, there will be less of it. Why do we need less business? Business is the golden goose. Thank you.

**KELLY:** Thank you, Senator Dover. Senator Dungan, you're recognized to speak.

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**DUNGAN:** Thank you, Mr. President. Good morning, colleagues. I do rise today in favor of Senator Hansen's motion to reconsider the recommit to committee. And I really appreciate Senator Hansen filing that because I do think it's really important that we reconsider this vote. The motion to recommit to committee-- I understand it was filed by Senator Linehan, but I want everyone here to understand that I think that is a serious motion. The, the package that we're currently looking at, LB34, in addition to this litany of additional sales and use taxes that are being added and service taxes that are going to be implemented for the first time, are creating this sort of Frankenstein bill that, frankly, I think would benefit from an actual hearing. So as I stated before, I'm on the Revenue Committee. I did have an opportunity to hear all 67 of those bills in one week. I think that, while that was difficult, it was important because it gave people the opportunity to come and have their voices heard. When we're talking about each of these individual amendments that we may or may not get to down the road with regards to adding new taxes that we have never taxed before, I do think that it would benefit having a hearing on each and every one of those to understand what the actual effect of them will be. I understand there have been some that have pointed out there-- you know, there's, there's some of these taxes they like; there's others they don't like. But colleagues, my point this entire time has been that, if we are getting so far down into the weeds of, I like this tax and I don't like that tax, then we have lost the plot with regards to what is really important. We are talking about paying for property tax reduction on the backs of others who will have to pay additional sales and use tax. And there's a lot of smoke and mirrors happening to try to get you to forget that that is the actual crux of what the Governor's original plan was. It is an expansion of sales and use tax. We saw it on LB388 when the Governor tried to raise your sales tax by a full percentage point. We saw it again in LB1 when there was a litany of new taxes being added that had never been taxed before. And we see it again now today in this row of amendments that we are being asked to vote on to see whether or not the Legislature wants to add taxes to Nebraskans. And I understand the tactic being used is to try to get us to vote on ones that feel silly, right? When you're talking about tattoo and body services or swimming pool maintenance or, or dating services. But that is losing the message, which is, these are taxes on Nebraskans who shouldn't have to pay these just for property tax relief for out-of-state corporations and millionaires. If we're serious about achieving actual property tax relief for everyday Nebraskans, which I am, there are mechanisms that can achieve that without shifting that burden onto the backs of everyday Nebraskans.



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And so if we are talking about adding each and every one of these taxes, I do think that a motion to recommit to committee is appropriate. This is not just a filibuster motion. This is not just us trying to waste time. If we were to say we're going to add all of these additional taxes, I would like to hear from the people. I've received a, a text while I've been sitting here from somebody who's willing to connect me with the business owner of a small lawn care service, a business owner who is saying, this is going to affect me. I understand that it's the end-user that pays those taxes, but that's exactly the problem, is that, if the end-user has to pay higher taxes on that, that could affect the small business that finally got off the ground. And when you're a small lawn care business that's been working for years just to hire a couple of extra employees and suddenly you're losing business because the tax has gone up, that's a problem. And you know who the people are that can't actually afford to stop using the lawn care service? They're my friends' elderly parents. They're disabled folks who need to maintain their lawns. Those are the people who have to continue using lawn care service. It's, it's not just a luxury. We treat all of these things like they're a luxury and we talk about how silly they all sound. But each--

**KELLY:** One minute.

**DUNGAN:** --and every-- thank you, Mr. President-- each and every one of these affect everyday people. And make no mistake, there are some things that have been kind of conflated here or lost in the wash. We are not just talking about removing exemptions. We are talking about adding taxes to things that have never been taxed before in Nebraska. We are not just removing exemptions that special interests got, but we're talking about adding taxes to services in the state of Nebraska that did not previously have a tax, and we're talking about doing so without lowering the sales tax rate to help everyday Nebraskans. So, colleagues, be very careful. Do not get confused by some of the conversations and tactics. The end goal of what's being talked about here is expanding taxes in Nebraska, and I'm opposed to that. And so I refuse to kind of get into the nitty-gritty of why I think one is silly versus the other. I maintain that the expansion of a sales and use tax--

**KELLY:** That's your time, Senator.

**DUNGAN:** --base is problematic, and I will vote against those. Thank you, Mr. President.

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**KELLY:** Thank you, Senator Dungan. Senator DeKay, you're recognized to speak.

**DeKAY:** Question.

**KELLY:** The question has been called. Do I see five hands? I do. The ques-- the question is, shall debate cease? There's been a request to place the house under call. All those in favor of the motion to place the house under call vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 17 ayes, 8 nays to place house under call.

**KELLY:** The house is under call. Senators, please record your presence. All unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. All unexcused members are present. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn voting yes. Senator Bostar not voting. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad not voting. Senator Day not voting. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan not voting. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Halloran voting yes. Senator Hard-- excuse me. Senator Hansen not voting. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt not voting. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting no. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz not voting. Senator Wayne voting no. Senator Wishart not voting. Senator Hunt voting no. Senator Day voting no. Senator Conrad voting no. Senator Dungan voting no. Vote is 34 ayes, 9 nays, Mr. President, to cease debate.

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**KELLY:** Debate does cease. Members-- Senator Hansen, you're recognized to close.

**HANSEN:** Thank you, Mr. President. Again, I encourage my colleagues to, to vote no on the reconsider vote. Thank you.

**KELLY:** Thank you, Senator Hansen. Members, the question is the motion to reconsider. All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Roll call vote request, Mr. Clerk.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood voting yes. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements. Senator Clements voting no. Senator Conrad not voting. Senator Day not voting. Senator DeBoer not voting. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson voting yes. Senator Halloran voting, voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt not voting. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting no. Senator Hunt voting no. Senator Day voting yes. Senator Conrad voting yes. Vote is 11 ayes, 37 nays, Mr. President, to reconsider the vote.

**KELLY:** The motion fails. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Senator Linehan, I have-- I have FA90. Mr. President, Senator Linehan would move to withdraw and substitute--

**LINEHAN:** [INAUDIBLE] FA90 with AM109.

**CLERK:** Mr. President, Senator Linehan would move to withdraw and substitute AM109 for FA90.

**KELLY:** Senator Linehan, you're recognized open on your motion.

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**LINEHAN:** This is the fix-it amendment. I've got it here. I can-- my Revenue Committee staff's right over there if you want to talk to. It's something we need to do to make this bill better. It, it adjusts the TIF language, and, frankly, the experts on that are Senator Jacobson and Senator von Gillern. You want to talk to them about that. It calls for a special election for such purpose that's to be held on the first Tuesday after the second Monday in May of an odd numbered year. This is in response to testimony I've heard and others have heard, both in Education and Revenue. They don't want special elections to be on the same day because if you have a city and county and a school all having elections, they don't want people to add up what they are. So we need to stop the kind of scattered elections that people don't know when they are and have one day every year when people can have that election so everybody knows what's-- it's an election day. And then the last part, 11 through 17, is language that the Fiscal Office brought that we need to put in the bill so it works. So I'd appreciate your green vote on this amendment. Thank you.

**KELLY:** Thank you, Senator Linehan. Senator von Gillern, you're recognized to speak.

**VON GILLERN:** Thank you, Mr. President. I rise this morning in support of LB34 as amended by AM84 and in anticipation of AM109 moving forward this morning. I wanted to share my comments this morning as-- just as I did the other day in addressing Nebraskans who might be watching. And repeating what I said the other day: if we don't do anything today, you will see a tax increase next year. If we do not advance this bill, almost every Nebraska property owner will see a tax increase next year. Valuations continue to rise, levies continue to maintain for some mysterious reason, and therefore the amount of property taxes that you will pay next year will go up. And they'll go up the year after that and the year after that. In the working groups this summer and last, the one thing that was most agreed upon is that spending is the issue. LB34 as amended by AM84 applies spending caps on local taxing authorities. That is the only thing that will change property tax-taking over the long term, is if spending is reined in. If that was the only thing we did today, that's a good thing. AM84 also front-loads the LB1107 tax credit, which is currently \$565 million. Of that \$565 ni-- million, nearly 50% has gone uncollected, presumably by those who don't use a tax consultant to help them find the benefit of that-- so, presumably, middle-class and the poor. So let's say it's 40% just for math. That's \$226 million in tax relief that has not found its way to the people it's intended to help. AM84 also adds \$185 million to the LB1107 fund. That money comes from

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spending cuts that were advanced on File over the past few days, over appro-- through the appropriations bills. Now we're talking about a 32 percent-- 32% increase in the fund. None of that was collected by anybody in past years because it was never in the fund, right? So now add a-- this is a lot of math. Hang with me. Now add \$185 million, plus the \$226 million. Divide that by the \$339 million that was collected in past years. That's 121% increase in property tax relief over what's been collected by Nebraska taxpayers in the past years. That's very different than what Senator Wayne said over and over and over and over again yesterday, that we were looking at a 3% tax cut. Very different. Getting the money to where it goes matters. Whether you follow me on the math or not, I'm certain that everybody will understand that a tax credit that never makes it to the intended users is not good for Nebraskans. We can write all the laws we want, all the tax benefits we want, but if it's difficult to obtain those benefits, what good are they? Whether applying new money or already-allocated money or savings money, getting the money back into the pockets of Nebraskans is what's important. I urge you to not stand in the way of that. When I was campaigning and was asked about property taxes, my first-- my response was that the first thing we need to do is get the money-- your money-- back into your pockets. So, let's talk about if we do nothing scenario. Some property owners last year saw a 10% increase in their valuation. Some saw 20%, 30%. Some saw a 50% increase. If we do nothing, strap yourself in because that's what you're going to see again next year. You're going to see a 10% increase or a 20% increase or a 30% increase or a 50% increase. That's not what we were sent here to do. And when I say sent here, I'm not talking about the Governor. I'm talking about our constituents. I'm talking about our people.

**KELLY:** One minute.

**VON GILLERN:** The people that we knocked on their doors and asked for their support. We often hear here, don't let perfect stand in the way of good, and I'm not claiming that this is a perfect plan. I'm not even claiming it's a good plan. But it is the minimum that we can do for taxpayers in Nebraska. Some in the room want to get to Senator Riepe's amendment, which would reconsider the inflation index. I'm happy to have that discussion. I'll share the math that I believe is compelling. He'll share the math that he believes is compelling. We'll have a great debate about that. But stop running the clock out. Stop walking out of the room when the house is called. Stop slow-voting. Let's move this forward. Let's move the debate forward and have a good conversation over what should end up in this bill to help Nebraskans. Thank you, Mr. President.

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**KELLY:** Thank you, von-- Senator von Gillern. Senator McDonnell, you're recognized to speak.

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. Thank you, Senator von Gillern, for putting that in perspective going forward because the people that are calling us, texting us, emailing us-- the problem is not going to stop unless we do something. Now, some people have said, well, it's-- you know, it's, it's late in the game and we don't have enough time. That's just not accurate. The Governor starts the special session; we end it. So we do have the time. And I think we do have the desire and the will and the ability to work together to find more solutions. And LB34 is, is not enough. It's something, but it's not enough. You, you, you look at some of the things that have been sent out-- and I think we have to talk about local spending. It's just-- it's, it's just part of this problem. And I, and I don't disagree when local government says, hey, there's unfunded mandates that have been pushed down from the state. That's accurate. A lot of them I agree with. Here's one I totally disagree with, what was handed out. It says that-- it talks about mandated posting for notice for public meetings, advertising, and mailing requirements for meetings. Senator Hansen, would you yield to a question?

**KELLY:** Senator Hansen, would you yield?

**McDONNELL:** Senator Hansen, can you give us a refresher on the bill that you introduced and, and we passed on the postcard to notify the citizens of what was going on in their communities?

**HANSEN:** Yeah, that was a bill we passed a couple years ago; updated it, I believe, last year as well. And so, basically what that-- in essence, the whole idea is transparency in government and making sure-- almost like the voters have informed consent, in a way, or allows them to be in a forum where they can hear from the, the elected representatives from cities, from counties, from schools, community colleges. And so basically, when they increase their tax asking above 2% minus real growth-- and that's the growth of the community, and there's other factors that are included in that-- when they hit that threshold, they are now going to be included in the infamous pink postcard that many citizens in Nebraska have gotten that lists off the taxing entity, counties, schools and cities, what your property taxes were before and what they will be currently if their proposal goes forward for what they want to raise your property taxes. And then it creates-- then they have to have a forum where people can actually come, you know, air their grievances, give their

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opinions, listen, learn about the, the taxing-- you know, you know, how, how the whole system works. And so it's been very fruitful. Every year, it's gotten better and better. And I, I attended Douglas County's last year, and they filled up the entire-- I think it was at City Hall. I can't remember for sure. But, they, they had an overwhelming broad support of people coming, and it was, it was, it was really good to hear from everybody.

**McDONNELL:** Thank you, Senator Hansen. I believe transparency builds trust. And that idea of the work that Senator Hansen did and, and trying to make sure that the community knows what's going on and can participate in those decisions is important to us moving forward. That's something that the local governments are going to have to finally agree with, that we have to get that information out and they have to be part of the process. And voting-- like, one of my bills that I've introduced about anything over \$80 million-- if you're going to issue bonds, it should be voted on by the, the people. That's a large, that's a large enough project, the scope and size that-- I believe \$80 million should be voted on by the people. My, my historian that I go to for taxes is Senator Erdman. And I'd like to ask Senator Erdman to give us a little update on what happened because some people will come up to us and say, what are you spending our property tax on down in Lincoln? We're not. Now, we do recognize there is unman-- unfunded mandates. We do not fund state government through property tax-- income tax, sales tax, yes. But I'd like Senator Erdman to answer this question. Senator Erdman, would you yield to a question?

**KELLY:** Senator Erdman, would you yield?

**ERDMAN:** Yes.

**McDONNELL:** Would you please just give us--

**KELLY:** One minute.

**McDONNELL:** --a little his-- a little history going back to 1965?

**ERDMAN:** So in 1966, Senator McDonnell, the Legislature met in a special session, a special session, and they placed on the ballot Initiative 301. And 301 established the income tax that's in the Constitution today. So at the same time, on that same ballot in 1966, there was a petition initiative by the, by the voters to eliminate the property tax for the state, and that was the only source of revenue they had. So to say we can't do big things in a special

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session is not true. Those people back in 1966 had the will to do what was necessary to fund the state, to make tough decisions in a special session, and they-- I'm sure glad they didn't say, boy, we sure can't do this. This is a special session. So, there's other history about that, but that's how we got income tax, is the Legislature voted it out in a special session. Thank you.

**McDONNELL:** So again, a, a, a vote of the people. A vote of the people. Again, Senator Hansen would--

**KELLY:** That's your time, Senator.

**McDONNELL:** Thank you.

**KELLY:** Thank-- thank you, Senator McDonnell and Senator Erdman. Senator Bosn, you're recognized to speak.

**BOSN:** Thank you, Mr. President. Good morning, colleagues. I rise in opposition of-- or, well, I guess in support of the motion to withdraw and substitute for the amendment, AM109. I recognize we're all here with the goal of addressing property tax relief but probably 49 variations of the path with which we would accomplish that goal. I've been listening, keeping an open mind, encouraging my colleagues to work together towards a thoughtful compromise. Yesterday's conversation started with a discussion on the movie The Goonies and went slightly off the rails following that conversation. But it's interesting that, when Senator Wayne brought that up, we didn't talk about the premise of the movie. Goonies is a movie about kids searching for treasure to avoid foreclosure on their homes. They're chasing a treasure to find money to keep in their own homes, which does tie it back to the reason why we're all here. So I appreciate the conversation that we're having. I think having these conversations is the only way we're going to fix the problem, but I also think sometimes when we get off the rails here, we're not doing ourselves any good and we're-- my, my constituents and some of yours, actually, also email and say, what are we doing and why can't we get this back together? So I'm hopeful that the conversation will continue towards actual property tax relief in a thoughtful way that doesn't target one group over another. And with that, I would yield the rest of my-- the remainder of my time to Senator Jacobson.

**KELLY:** Thank you, Senator Bosn. Senator Jacobson, 3 minutes, 13 seconds.



**JACOBSON:** Thank you, Mr. President. And thank you, Senator Bosn. I want to talk again just a little bit today about how we got here. And I want to tag on to a little bit of what Senator Clements said. He's exactly right. How did we get where we are? We got here because over the years-- and how many times we heard this? Nebraska was 49th in the nation in aid to public schools. 49th. Now, we changed that last year and we moved up, I'm guessing, in the twenties somewhere with, with what Governor Pillen brought last year in new aid that we passed through this legislative body to bring additional aid to public schools. There was an expectation that more of that would flow back to property taxpayers. It didn't necessarily all flow the way it should have. However, how did we get to 49th? We got to 49th because we have a TEEOSA formula, and the TEEOSA formula over the years has been weighted in such a way that fewer and fewer schools receive TEEOSA funding. And so if you don't receive TEEOSA funding, then that funding gets funded totally by the local property taxpayers. In my district, District 42, there's only one equalized school that receives TEEOSA funding, that's North Platte Public, and they've continued to get less and less TEEOSA funding because of the property values going up. So they've had to increase-- keep their levy flat, meaning increasing their property taxes because of less state aid. So what does that done for the state? Well, it's been great. The state's had an increase in its budget about 2%, 2.5%. Why is that? Because it hasn't been giving the money to public schools. Partly because we don't have the money. Well, why don't we have the money? Because over the years, we've granted all of these sales tax exemptions. A few this year, a few that year. Pretty soon, it runs-- it adds up to over 120 sales tax exemptions that have been-- that, that have been put in place. What was L-- what was LB1's goal? And now LB34? It was to remove some of those exemptions, bring--

**KELLY:** One minute.

**JACOBSON:** --additional dollars back to the state, and use those dollars for property tax relief, righting the ship. But now all of a sudden it's a property tax increase. No, it's not. We're righting the ship. Was that considered a property-- was that included a cut over the years? You bet it was. And we just shifted it to property taxpayers. I'm also going to, going to say one thing about the caps. We absolutely need those caps. There are all kinds of carve-outs, real growth-- wait. There's, there's public safety exemptions. There's stated emergencies exemptions. There's a-- there's plenty of carve-outs. If we can't get these caps, then shame on us, because we've just given an open door to continued growth in property taxes. That's unacceptable. We'll be back next year to do more. I'm not

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going to be satisfied until we get our property taxes where the need to be.

**KELLY:** That's your time, Senator.

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

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

**ARCH:** Thank you, Mr. President. So I punched in at the very beginning when this bill was read across and, and we began. And I stand before you not as Speaker of the Legislature but as senator for District 14, representing Papillion-La Vista in Sarpy County. And I want to address a concern that they have repeatedly brought to me. And, and I-- and I fully understand what that concern is, and it has to do with the caps on cities, counties and villages. And this actually is, is covered in AM115. I don't know if we're going to get to that, so I wanted to take some time just to express the concern from my district and, and where they're at. So there's two, there's two choices here on these caps, and one has to do with a-- which is in the bill right now, as amended. One has to do with a 0% or, or a State and Local Consumption Expenditure and Gross Investment Index. We'll call that SLCE from now on. And 0% or SLCE, whichever is higher, or what was in previous versions was a-- previous version's actually in LB388-- was a 3% or CPI, and it has to do with urban con-- all urban consumers, published by the Federal Bureau of Labor Statistics. So that's the choice. And I want to explain what has been explained to me by, by my cities and why there is a concern on this. There could be years when the 0% kicks in. If you look at the last 20 years, there have been-- there would have been some years where 0% would have kicked in when you're actually in a deflation situation. Not very often, but could occur. The concern that my cities have expressed to me has specifically to do with bond rating. So when you go to a bank and you ask for a loan, they take a look, of course, at your credit history. And you have never missed a payment in your entire life. You have a sterling credit rating. And they say, way to go. Now they say, so what is your future ability to make payments? And that question then could get caught up in this 0% issue. So they say, well, you have a sterling credit rating, but you could in the future not be able to make your payments in those years when you have a 0%. And that's where the concern is: bond ratings. Chances are very low, but they still exist, and a bond rater could pick up on that and be concerned. So what they're-- what they're telling me is, we would like the 3% plus the different CPI rating. Now, if you go back and look at the

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last 20 years, the chart that I have seen is if you go with SLCE, you're actually in a 30% better position for the cities and counties than if you go with this other CPI index. But they're willing to trade that. They're willing to-- they're willing to trade off for stability. They would un-- they understand that it-- they're actually-- have a lower CPI as a result of it. But they're willing to trade off stability, particularly because of this bond index. So in my mind, I think that we're in a better position by accepting the 3%, as a state now. We're in a better position accepting the 3% and that lower CPI than the 0% and the SLCE. So I want-- as I say, I don't know if AM115 is going to get up today, but I-- but I'm representing District 14 as I say these things as it relates to my cities of Papillion and La Vista. So that is what I wanted to get on to the record. I don't-- as I say, if, if AM115 comes up, I will certainly vote yes on that--

**KELLY:** One minute.

**ARCH:** --and would encourage you to do the same thing because I think it makes sense for the state. It makes sense for the cities. And, and so as a result of that, I, I think that's a good choice. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. Well, let me speak a little bit to what, what Speaker Arch just spoke about. And, and all deference to Speaker Arch, I, I, I don't want to challenge what he's saying. I will just tell you from a banker's perspective how this works with rating agencies. In 2008, 2009, that residential real estate crash, the rating agencies lost all credibility, all credibility. Let me define what that is. Banking regulators said, do not rely upon the rating agencies for anything. You do your own due diligence. Now let me explain to you what a general obligation bond is. A general obligation bond it-- is when a city or a county or another municipality puts their full faith and credit against that bond issue. A revenue bond is a bond where they're committing a revenue source. And if that revenue source goes away, you lose. A general obligation bond means that the city is responsible to pay that before any other bills are paid. Before anyone else is paid, you must make your bond payments. So as a banker, would I be afraid to buy an Omaha-- city of Omaha bond? Nope. Give me a general obligation bond, don't care. Just want to know what the rate is. I'd also tell you, and some have argued that, well, the rate could be higher if you have

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a low Standard and Poor's or Moody's rating. And I'd say no because many of the bonds that get issued today don't even get an S&P or a Moody's rating. And those that do, they do it simply because some people like to see them in individual investors. But just like in banking, when someone comes to me for a loan and they have plenty of repayment source and they have plenty of collateral, here's what pricing's going to be. If somebody else comes in, requests the same amount of money, same type of loan, and brings gold bars for collateral, I'm not going to price them lower because both of them are going to pay me. There's no risk premium. If I've got a general obligation bond from a reasonable sized city or county, I'm not going to worry about repayment, nor is any other banker, nor is any other institutional investor. So don't get concerned about that when you start looking at the caps. I would agree that SLCE is a much higher cap than CPI. You also have the carve-out for real growth. We have a carve-out to be able to allow gross values of TIF bonds to be counted in your growth. You have the ability for public safety carve-outs, which would include the judiciary. And you also have the carve-out for stated emergencies. And, oh, by the way, if that doesn't work and that's still not enough, a vote of the people to override that levy limit then kicks in. If you need bonds, those would have to be voted on by the people. That's why we're coming back again with one of the amendments to allow for an election day every year in rural parts of the state so that it would be easier to have an election where everybody knows that there is an election instead of one that's being called in the secret and you mail out ballots and you get the people that vote for it to vote for it. It would be a real election in May of every year. So again, these caps are critically important if we're serious about property tax limitations. Think about this. I've had people reach out to me in rural Nebraska counties and cities--

**KELLY:** One minute.

**JACOBSON:** --telling me-- thank you, Mr. President-- telling me that, well, we've had our equipment costs go up and we're not sure we can work within that cap. And I respond to them with really a simple answer. The price of corn has dropped 50%, 50% from last fall. 50%. So what are you going to tell your farmers that live in your district? Are you going to tell them, hey, I know your income's been cut in half, your gross income, your net income's now probably going to be negative. But we don't care because we have to buy a new motor grader that we could run our old one for another two, three, four years. But no, we need to buy another one new now and we need more money from you. Does that make sense to anyone? That's the problem. We need caps. I don't have any guarantee of income. Why should the

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counties? Why should the cities? We're giving you plenty of room here. This is a fair deal.

**KELLY:** That's your time, Senator.

**JACOBSON:** Thank you.

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

**BRANDT:** Question.

**KELLY:** The question has been called. Do I see five hands? I do. 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:** 12 ayes, 6 nays to place the house under call.

**KELLY:** House is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Day, Walz, Dungan, John Cavanaugh, and Hunt, please return to the Chamber. The house is under call. All unexcused members are present. Members, the question is for debate-- the question is, shall debate cease? There's been a request for a roll call vote. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn voting yes. Senator Bostar not voting. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting ye-- voting yes. Senator Day not voting. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan not voting. Senator Erdman voting yes. Senator Fredrickson not voting. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting no. Senator Riepe voting yes. Senator Sanders voting yes.

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Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart not voting. Vote is-- Senator Day voting yes. Vote is 38 ayes; 6 nays, Mr. President, to cease debate.

**KELLY:** Debate does cease. Senator Linehan, you're recognized to close.

**LINEHAN:** I'd ask for your green vote. Thank you very much.

**KELLY:** Thank you, Senator Linehan. Members, the question is the motion to withdraw and substitute. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 41 ayes, 5 nays to withdraw and substitute, Mr. President.

**KELLY:** The motion is approved. Mr. Clerk. And I raise the call.

**CLERK:** Mr. President, Senator Linehan would offer AM109.

**KELLY:** Senator Linehan, you're recognized to open on AM109.

**LINEHAN:** I know Senator Jacobson has not been shuffling my papers. Here it is. AM109 is-- starting on line 1, page 1, line 25, strike "and" and add, 26 after year insert to increase if excess evaluations over the redel-- redevelopment project valuations described in Section 18-2147 for redevelopment. So it's a TIF language, it's a special election language, and it's the fix from Fiscal Office. So I'd appreciate your green vote.

**KELLY:** Thank you, Senator Linehan. Mr. Clerk for an amendment.

**CLERK:** Mr. President, Senator Linehan would move to amend AM124 with-- or, excuse me-- AM109 with AM124.

**KELLY:** Senator Linehan, you're recognized to open.

**LINEHAN:** Yes. So my understanding is we've got to move right along here, and several of us want to. So I would appreciate your green vote on amending AM124 into AM109.

**KELLY:** Thank you, Senator Linehan. Senator Brewer, you're recognized to speak.

**BREWER:** Thank you, Mr. President. Well, I could rehash a lot of what's been said this morning, but I think we probably all know where we're at on the issues. I want to do some rebuttal from last night.

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Some of you heard Senator Wayne describe my behavior. I want you to know that it was completely accurate. But I also think that you should probably get to know Senator Wayne a little better. Some of you say, well, why would I know him any better than any of the rest? Sometimes if you spend a couple weeks on a mountain with a guy, you get to know him better. And to a degree, this body is nothing but a giant Justin Wayne. Now, let me explain that maybe in a little more detail. Justin, I believe, is probably one of the brightest minds that have ever come into this body. He thinks out of the box. He is willing to kind of go the extra mile to figure out a way to solve problems. That's why when he brought up the idea of, hey, let's, let's figure out a solution, I sat up and listened because I think he has a good heart. He's trying to do it. He's trying to figure out a way. But he also understands the roadblocks out there and how difficult it is to do that. But I want to share with you-- a lot of you didn't know that, when he climbed Kilimanjaro-- keep in mind that's, that's 20,000 feet. So that's like doing stairs for eight hours a day for eight days. And I had my doubts about whether he was ready to go or not, but I figured that once I got him going, he'd, he'd figure it out, and he did. But a lot of people didn't know that he injured himself coming off the mountain, blew out a knee. And, Mr., Mr. President, if I could ask Senator Wayne a question.

**KELLY:** Senator Wayne, would you yield to some questions?

**BREWER:** Oh. What the hell? Where'd he go?

**WAYNE:** Yes. Yes. Yes.

**BREWER:** All right. Senator Wayne. Now, when you notified me pretty much at the top of Kilimanjaro that you blew out your knee, how did I respond to it?

**WAYNE:** Negatively.

**BREWER:** Do you remember maybe a little more of how that all went?

**WAYNE:** You told me I had two options.

**BREWER:** Yes.

**WAYNE:** I can finish walking down the mountain or you can stay on the damn mountain.

**BREWER:** Yes. OK. That's accurate. Thank you. All right. To a degree, that's where we are with the body right now. We can figure out a

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solution and, and, in the time left, get to a point where we have something out of this session. Now, everybody's going to argue whether it's, it's the right thing or not. I don't believe at this point there's any way to get to a perfect plan. I don't, I don't think LB1 is a perfect plan. LB9 may not have been a perfect plan, and LB34 isn't either. But sadly, this class, that may very well be meeting for the last few times here, which had a lot of really fine senators. If you look at the original class, it included Tom Briese, Suzanne Geist, Mike Hilgers, plus everyone else that's in here. That was a good class. And they will be remembered for the failure that's going to happen in this body. And that's sad. We were able to pass a lot of good, a little bit of bad, legislation over the years. But as we break up and go our different ways, it makes me sad and disappointed that we can't figure out a way to come to a solution and not have it be about a personal grievance with someone or one side against another. It, it, it ought to be about just figuring out a solution that's reasonable. And that's why when Senator Wayne brought up options last night, I, I sat up and listened. And I'm, I'm going to try and figure out how we--

**KELLY:** One minute.

**BREWER:** Thank you-- how we can get there. Because I really believe it'll be a travesty if, if we come-- we meet for however many weeks we're going to meet here and then we're, we're not able to come to some type of a solution. And we're going to have to answer to that. And the hard part's, if you try and you do everything you can to get to a solution, you don't. You're still going to be in the same boat with the ones who were here for the sole purpose of, of torpedoing anything that comes out of this session. So let's put our, our personal dislike of people aside, focus on a way of coming up with solutions so we don't leave this body with an empty option for the folks out there. Thank you, Mr. President.

**KELLY:** Thank you, Senator Brewer. Senator Slama, for what purpose do you rise?

**SLAMA:** --order.

**KELLY:** Please proceed.

**SLAMA:** AM124 is not germane to LB34. The language in that has come from both General Affairs and was IPPed yesterday in Executive Board.



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**KELLY:** Senators Slama and Linehan, please approach. --the ruling of the Chair that it-- the AM124 is not germane. The motion made by Senator Slama is sustained. Senator Linehan, for what purpose do you rise?

**LINEHAN:** To overrule the Chair.

**KELLY:** There's been a motion to overrule the Chair. We'll return to the procedural queue. All members can speak one time. No senator may yield time. They may yield to question. Senator Linehan, you're recognized to open.

**LINEHAN:** We are running up against the clock here, so I'm not going to speak very long, I hope. Somebody wave at me if I'm going over. One of the most important bills that was brought in front of the Revenue Committee was Senator Brandt's LRCA2, which would finally allow us to-- if the people vote for it, it would allow the Legislature in the future-- not now-- in the future to treat homeowners' owner-occupied, residential different than commercial. This is the way almost every state does it. And when we try to fix property taxes, we always run into this wall. So-- sorry. I like the Lieutenant Governor, but we need to overrule him on this. Thank you.

**LINEHAN:** Thank you, Senator Linehan. Senator Ibach, you're recognized to speak. Excuse me. Excuse me. Senator Slama, you're next in the queue.

**SLAMA:** Thank you, Mr. President. To be fair, I aspire to look like Senator Ibach, so that is actually a very, very high compliment. So just so everybody's aware of the procedural, since we're in a motion to overrule the Chair, this does not count for the cloture time. The queue resets. Like, we are not against the clock on LB34. This is purely a procedural concern that I raised. The language in AM124 is the same language that we IPPed. And you can look at this through two different lenses, and I'm going to walk you through both. But regardless of which frame you view it through, you will see that this is not germane to a Revenue Committee bill. The language used in AM124 is the language used in more or less four bills that we IPPed yesterday in the Executive Board. Those bills did not advance from committee. All four of those bills had the overarching theme that if we pass a constitutional amendment in this special session, we can have a shorter deadline, a narrow-- narrower window to get these CAs on the ballot in November 2024, nonspecific to any amendments. So even if you think that sports betting or LR2CA or EPIC or any of these CAs are the best CAs in the world, this language would apply to

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any CA we pass in this session. So whether you love or hate any CAs, think of it from the perspective of every single CA that's been proposed this session. The other frame of reference is language similar to this was introduced in General Affairs with regards to sports betting, I think Senator Lowe can speak on that with a little bit more knowledge. But this language is not specific to sports betting. It's not specific to any specific CA that's been proposed thus far. Thus, it more closely reflects, in my mind, language that we killed in Executive Board yesterday. But regardless of whether you want to say it came out of General Affairs or it got killed in Exec Board, it's not germane to a Revenue Committee bill. Like, this is what I was talking about yesterday with the wheels falling off of session. We were all getting along. There was a really good procedural amendment and a technical fix. We had promises of technical fixes coming on later. Like, this is-- overruling the Chair here means that not only can you bring bills from other committees and throw them on bills from other committees on Select File, but it also means that bills whose language was IPPed by that committee can skip the resurrection process, can skip the process where, with 30 votes, we can bring a bill back to life, and just be added to another bill. Again, I don't care if you think that your particular CA is the best thing on the planet and it needs to get done. This precedent we're setting, if we overrule the Chair, is going to be felt in this Legislature for years to come. It blows up the entire thought and concept of germaneness for the sake of convenience, for the sake of speed. And we shouldn't be doing that. If you think that we should be speeding things along to get things onto the ballot, you need to be bringing those bills to the floor themselves or attaching them to Exec Board bills or General Affairs bills. Procedurally, that's how you need to be doing it. I could not be more opposed to overruling the Chair, and it sets just a horrendously bad precedent for this body. Thank you, Mr. President.

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

**J. CAVANAUGH:** Thank you, Mr. President. I also rise in opposition to overruling the Chair. I join with Senator Slama. And I appreciate her kind of setting the table there. And I would point out to all you folks that I motioned to overrule the Chair when I disagreed with the Lieutenant Governor earlier this week, and I asked you all to go with me because that rule, regardless of whether you-- that ruling, whether you agreed with the outcome of it or not, was the right ruling, was to overrule the Chair. Here, I actually am in favor of the bills that Senator Slama IPPed. One of them was mine. I brought

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one of those bills that got IPPed by the Exec Board. And I supported LB13 as amended in General Affairs. So I support the concept and the language that is in AM124. However, it is not germane to the bill we're considering right now. Senator Slama is correct that all those bills went to, to Exec Board because that is the correct jurisdiction and has nothing to do with these other bills. The only reason that LB13 is in General Affairs is because the bill as a whole had to do with the regulation of sports betting and it had one section that was about putting the constitutional amendment on the ballot. We did amend it down just to that one section, which is the part I, I supported, was as amended. But if it were just that amendment, it would not have gotten referent-- if it-- to General Affairs and it would not have been germane to that regulation bill if amended on the floor. So it wouldn't have even been germane at that point. But since it was in the original bill, it was germane. But it was not in this bill, is not germane to this bill. It is not in the same logical, substantive order with the ideas that are in AM109 or with the other parts of LB34 at this point in time. So that's the right ruling regardless of whether I agree with-- I want-- I would like to see this language passed or the fact that I'd like to see Senator Brandt's bill passed. There are other mechanisms. We can pull the General Affairs bill, if we so choose, with 25 votes. We could re-exec in General Affairs if there became enough votes in General Affairs to advance it. Or we could pull the bills out of Exec Board with 30 votes-- which, by the way, the bill would need on the floor, 30 votes to pass and go into effect before September 1 because it has an E clause. The constitutional amendment also would require 30 votes. So if there's the will to accomplish these things, there is the right way to do it, and this is not it. And I have continually advocated for following the rules regardless of what you want the outcome to be, and this is one of those circumstances where I favor the outcome that overruling the Chair would yield. But I'm in favor of-- I'm opposed to overruling the Chair because it is the right ruling. The Chair was correct. So I support-- I encourage your red vote on the motion to overrule the Chair. And I would encourage, as long as we're here, finding other ways to get these bills forward. Thank you, Mr. President.

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

**DUNGAN:** Thank you, Mr. President. Colleagues, I would urge you to vote against the motion to overrule the Chair. Again, to reiterate, this is not time on the filibuster, so this is not us trying to just drag this out to 11:59. This is a legitimate concern. And I will say

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that in my, my couple of years here thus far, it seems that overruling the Chair has become more and more common. And somebody just remarked to me off to the side of the Chamber here that you can do anything you want if you think you have 25 votes, and I think that's problematic. I think it's clear that what's happening here is there's an amendment that is circumventing the rules, and I think that it is legitimate to say it's not germane. The rest of this package, even with the floor amendments, pertains to taxes, pertains to a number of other issues that have to do with property taxes and caps and things like that that affect property tax asking and authorities. But this language that's being discussed with regards to the current AM is to incorporate an entirely separate concept into that package. So I do have serious concerns if we start trying to incorporate things like that into other parts of the package. And I'll be honest, LR2CA, which is coming up after the debate today on LB34, which is Senator Brandt's constitutional amendment to authorize the Legislature to provide a different method for tax owner occupied housing assessment, I voted it out of committee, so I'm actually in relative favor of that. But-- oh, I never do this. Mr. President, can I get a gavel? Can I get a gavel? Thank you. I rarely do that, colleagues, but y'all getting a little loud, so I just wanted to point that out. This is serious. And this is an actual objection, colleagues, to a circumvention of the rules. Even if you're in favor of the constitutional amendments that may or may not be coming forward later, we can't do them like this. So there's a number of other ways to achieve this goal, which Senator John Cavanaugh indicated. You can do a pull motion on LB13. There's other ways to reorder the agenda. But to attach this unauthor-- or, nongermane issue into LB34 through an amendment I think is problematic. So, colleagues, please, please do the right thing and do not vote to overrule the Chair. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. Colleagues, I rise in support of the germaneness motion and in opposition to overruling the Chair. This is a bill from a different committee. And even though I support what the bill does, what this amendment does, we, we have gone so far off that we at some point need to check ourselves and rein it back in. But I'd like to ask Senator Wayne if he would yield to a question.

**KELLY:** Senator Wayne, would you yield to some questions?

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**WAYNE:** Yes.

**M. CAVANAUGH:** Senator Wayne, do you have any more to say on this topic?

**WAYNE:** Well, I think, fundamentally, this is not germane. You know I don't-- I call bull-- balls and strikes when it comes to the rules. And at the end of the day, it's in another committee, but more importantly, I, I question whether this takes a 30 threshold to, to get in or not because there's bills that are IPPed and bills that aren't. So if the language mimics any of the bills that are IPPed, I would have questioned this might take a 30 threshold. Second of all, all we got to do is just pull, pull the bill out if the Chair of General Affairs doesn't want to Exec and just get a straight up and down vote on it. I don't believe-- and I'll disagree with my dear friend, Senator Slama, that this means every CA's going to come up and we're going to have a, a runaway CA train, because we need this language, it's actually smart language, but we can do it the right way. Change the Speaker agenda, file the motion, do the pull motion-- which has already been filed-- vote on it. It's on the floor, move it up. Again, this is about scheduling for failure. It's all about scheduling for failure. It's not about our rules. It's not about what we do here. There is a way. Drop an amendment. And by the way, for those who don't know, you don't have to file a cloture motion on your bill. It is your motion. Just don't file it and you don't have to stop at four hours. It's your motion. You can file it or not file it. It's that simple.

**M. CAVANAUGH:** Thanks for that lesson.

**WAYNE:** So at the end of the day, we don't have to rush through all of this stuff because I want to talk about TIF and the double windfall that the corporations in downtown Omaha are going to get. And we're talking about a property tax relief package that doubles down and gives them a windfall. And if you ask Senator von Gillern or Senator Jacobson, it's 100% true. There's problems that-- when I-- if-- when I get to my time, I'm going to talk to Nebraska about what's really going on here and how people are trying to make deals-- which is fine. I'm OK with that. But you can't tell me this hurt-- this helps people. This property tax debate we're having today is all about big corporations and out-of-town people who own property. This isn't helping Mary in Florence. And that's the reality. We're playing these shenanigan games, setting precedent of overruling the Chair on things that are not even close to being germane when there's a way to do this. There's already been a pull motion filed. Drop an amendment on

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the next bill or this bill to change the Speaker agenda. We take up the pull motion, it's on General File today. Tomorrow, it could be on Select, one day layover, we're back on Tuesday, it's passed. This is not complicated. And if people vote for this who are typically in the minority, you are correct--

**KELLY:** One minute.

**WAYNE:** --we are setting a precedent that they can point to time and time again, saying that we're taking things that are in other committees that aren't even germane, and we can do it. It's a very dangerous game. And if you count to 25, we typically won't be able to win in the future either. Thank you, Mr. President.

**KELLY:** Thank you.

**WAYNE:** [INAUDIBLE].

**KELLY:** Senator Cavanaugh, you have 30 seconds.

**M. CAVANAUGH:** Oh. Well, thank you, Senator Wayne. And I will be voting against overruling the Chair because I think even if I support the amendment, process matters, and we really need to start correcting the ship on what we've been doing here as far as ignoring process, protocols, norms. So I will be voting to support the Chair's ruling and I will not vote to overrule the Chair. Thank you, Mr. President.

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

**LOWE:** Thank you, Lieutenant Governor. This language was in a bill in my committee, in the General Affairs Committee. This was not in the Revenue Committee. We don't pull bills out of other people's committees and stick them in our own committee and then have a bill. That's all done through the referencing. If Senator Linehan wanted that bill in her committee, she should have said so. I would have gladly given up another bill in my committee. But this was in General Affairs. It is not in the Revenue Committee. And to add this into a Revenue bill just doesn't make sense. Nowhere in this amendment does it say tax or to assist the tax. This is just a nice thing to put in to push through an agenda. Now, to put this in-- I, I'm not saying I don't disagree with it, but it was not in the Revenue Committee. What will happen at the next special session, which might be redistricting? Do we all of a sudden want to put gambling in redistricting because it makes sense or we'll move the line over here

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because a casino is there? This applies to redistricting special sessions too. This applies to all special sessions from now on. I don't think we want to push this any further than we-- what we have right now. So with that, I return the rest of my minutes to the Chair.

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

**RAYBOULD:** Good morning, colleagues. Good morning, fellow Nebraskans watching us on TV. You know, I believe in redemption and I believe in the resurrection. But what we're talking here today is resurrecting a mechanism to get something placed before the voters-- that I actually supported in General Affairs-- but sadly, it died in General Affairs. And then it went on to the Executive Committee Board, and they buried it. They IPPed it. They buried it. And here it comes before us again. And you're asking us to overrule the Chair. His decision is the correct one. And unfortunately, we're here before you this special session to deal with something that also met the very same fate that this proposed amendment met back in our regular session, LB388. That also expired. And then here we are back in special session. It keeps getting brought up again and again and again. It didn't have the votes back in LB388. It didn't have the votes as we started the special session. And it looks like it doesn't have the votes to continue. I'm-- I support the Chair's decision. I support Senator Slama's determination. But here we are again, dealing with things that were buried and trying to make a go of it again. I think Senator Wayne, Senator Dungan, Senator Cavanaugh said, let's do it the right way. We-- let's just pull it from the committee and let's have an up or down vote on it. That would be the proper method and the proper process to go forward with. But here we are trying to breathe life into a dead corpse yet again and try to make some good decisions. You know, I am all for property tax relief, as is everyone in this Chamber. But you know, if it were really the crisis that is being presented to us, we would have done things in a different order. The only great thing about this special session is so many of my colleagues came forward with amazing ideas, amazing pieces of legislation that would actually deal with the crisis that was presented to us instead of trying to come up with solutions and tacking on other bills that are not really the solutions. And again, colleagues, when did cities and counties become the boogeyman in the operation of efficient government? I can only tell you the city of Lincoln has been ranked, like, number one in the entire United States for the efficiency of how we manage our taxpayers' dollars while providing them the services that they request and the amenities of a

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great city in a great state. You know, one of the bills that was just passed is making the counties and cities have a special election on anything over the valuation that they don't return back to the taxpayer. I just wonder if my colleagues are aware. Guess who would be paying for that special election? And in many of the counties, they only vote by mail, so do-- who do you think would be paying for these special elections? The counties or the cities--

**KELLY:** One minute.

**RAYBOULD:** --they're stuck with that tab. Thank you, Mr. President. All I know about cities and counties-- because I have served as a county commissioner. I have served on the city council. And when we get these so-called as one people-- some people here would like to say windfall, we take it very seriously and we lower our levy. I can't think of any city or county that has not done the same, particularly the two largest cities in our state. You know, also with cities and counties, you know, this was a terrible tradition started under Governor Heineman, where they did away with state aid to cities and counties. Guess what? You just took that deficit in your budget in the state and punted it down to the cities and counties. They took away state aid, and there's not a lot of reimbursables. Only what we see are more unfunded mandates. So I ask that we all vote--

**KELLY:** That's your time, Senator.

**RAYBOULD:** --against the motion to overrule the Chair.

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

**ERDMAN:** Good morning. Thank you, Mr. President. I visited with Senator McKinney, and he and I have decided that my comments should be brief. So we've decided on four words. "Who cares? Special session." Now, the first two words were my idea. The last two were Senator McKinney's idea. I like it. Who cares? Special session. Think about that. So this is going to affect future special sessions? Not, not a chance. We can do whatever we want with 25 votes. I don't know if you guys know this. We are the Legislature. We make laws here. We make laws here. We change laws here. We do whatever we want. Who cares? Special session. You don't want to tax pool cleaning and pool maintenance? You don't want to get more revenue so you can give more decrease in the increase? Fine. Let it roll. Stay with the ruling of the Chair. So I have another motion. Let me read it to you. Here's a motion. It says, I move to suspend the rules and advance LB34 to



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Final Reading according to Rule 2, Section 2. It's not a priority motion, but I wish it were. We're going to be here as long as it takes to do a little bit of nothing, which we'll call something. And then we can go home. So we may get all the way up to 4% reduction instead of 3%. So that'll be less of an increase because the decrease will be just a little more. So I'm going to vote to overrule the Chair. Doesn't mean I don't like the Chair. I like the guy. He's a good guy. Does a nice job. I can hear him when he speaks into the mic. That's important. But I'll leave you with this. Who cares? Special session. Thank you.

**KELLY:** Thank you, Senator Erdman. Senator Moser, you're recognized to speak. And waive. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I didn't realize I was coming after Senator Erdman. The "who cares? Special session," I think that is fitting for this special session because it seems like nobody cares in this special session about all of Nebraskans. It's-- every day we walk in here and nobody knows what's going on. You got questions about what's going on all day. Like, what's going on here? What's going on here? What's the plan? What are we doing? And it just seems like, through it all, though, regular Nebraskans are, are being lost in the mix because what we're potentially ending up with is people that own property benefiting, people who are financially well-off benefiting, but regular Nebraskans not necessarily benefiting, benefiting from anything that possibly might come out of this. And that's why all of this just needs to die and we need to go home and come back in January and, and figure this all out. I saw the Governor sent out a email or a press release. He-- if the 3 per-- if, I guess the caps get weakened, he's going to veto the bill, so that was interesting. I, I-- that's interesting. So if the cities didn't see that, if you're not in Lincoln, I guess, if y'all didn't see that, he said if the caps get weakened, he's going to veto the bill. But it's-- what are we doing here? We, we come into a mess every day. There's supposed to be a plan. We left, I think, in April. We didn't get a bill until the day before. And we still have no idea how this special, special session is going to end. We don't even know what the final thing is going to be. There's still so much uncertainty. We just need to go home, come back in January, and figure this all out because it's, it's obviously clear what we're doing isn't helping.. This isn't-- it, it isn't solving what we were called here to do. Because if we're here for a special session to, to do property tax relief for all Nebraskans, we're failing. Because we haven't considered everything for everybody, and that's-- and, and, and that's clear and-- you know, I'm not going to vote to overrule the

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Chair, because I think we also have to respect the process of the Legislature, although we're in a special session, and I don't think a lot of people care about process at times in, in this place. I think we have to respect process because we set some rules and we have to abide by those rules in order to have a functioning body. Other-- otherwise, we'll just have chaos. I think people yesterday, after I was talking about what was going on at NSP, made some calls, and it was like it-- was he telling the truth about the water main? I'll tell you clearly: somebody that I deem as very credible-- believe me, I know people inside the prisons. I have family--

**KELLY:** One minute.

**McKINNEY:** --that is currently inside of the prison. I, I, I know more than they think I know. I know people. I know what's going on when they don't think I know things going on. Just like y'all have a mice infestation in a kitchen. I know things, just to be clear. So don't ever think I'm standing up here saying things I don't know. Because I, I know more people than you think I know. And I-- and I have family that's currently in prison in multiple institutions across the state. Just to be clear. It's not just your staff that I know or people that work in state agencies. Thank you.

**KELLY:** Thank you, Senator McKinney. Mr. Clerk.

**CLERK:** Mr. President, single item, your Committee on Enrollment Review reports LB34A to Select File. Additionally, Senator Fredrickson would move to recess the body until 1:00 p.m.

**KELLY:** Members, you've heard the motion to recess. All those in favor say aye. Those opposed, nay. We are-- there's been a request for a machine vote on the motion-- there's been a request for a machine vote on the motion to recess. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 23 ayes, 4 nays to recess the body, Mr. President.

**KELLY:** The Legislature is in recess.

[RECESS]

**KELLY:** Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

**KELLY:** Do you have any items for the record?

**CLERK:** I have no items at this time.

**KELLY:** Thank you. We'll-- Mr. Clerk.

**CLERK:** Mr. President, when the Legislature broke for the noon recess, pending was LB34, AM109. A motion to withdraw and substitute was successfully adopted, and a motion to-- a question of germaneness had been discussed and a motion to overrule the Chair was pending.

**KELLY:** Members, the procedural queue will resume. Senator Brandt, you're recognized to speak.

**BRANDT:** Thank you, Mr. President. Thank you, Senator Linehan, for giving this a run. The purpose of this is to try to allow-- later today when we, we discuss LR2CA, to give it a shot at getting on the November ballot, and I appreciate that. And I know there's a lot of concern out there amongst senators that, well, if we do Brandt's CA then the other 24 CAs could be alive. The bottom line is, a CA will still need 30 votes to get anywhere. And I really-- I guess from what I've heard, there may be none or one other one that might have that. So that's kind of the fail-safe. I know earlier today, Senator Slama made the statement that the wheels are falling off, and I guess I don't feel that way. The wheels are not falling off. We are tightening up the lug nuts on the wheels and we are using a great big impact wrench to do this thing to keep the wheels from falling off because we want the people to unlock the Constitution when we get to LR2CA. And it's a very simple amendment. And I know a lot of people are getting really worried about things, but I guess I am going to, going to vote to overrule the Chair because that enhances the chances of that CA getting on the ballot this fall. Thank you, Mr. President.

**KELLY:** Thank you, Senator Brandt. Senator McDonnell would like to recognize a guest under the south balcony: Paul Weber of Lincoln. Please stand and be recognized by the Nebraska Legislature. Returning to the queue. Senator Albrecht, you're recognized to speak.

**ALBRECHT:** Thank you, Mr. President. Colleagues, Nebraskans, I'm going to take a moment here just to read exactly what is underlined in this bill. I rise to not overrule the Chair. And again, with-- this is special session, but to think that we would change something so drastic just because of this special session, what would this do to years to come when people want to just throw on an amendment? If

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anybody has found that we have had more initiatives on our ballots in the last eight years since I've been here than I think we have as long as it's ever been on the books. So, so the language reads: When any proposal submitted by the Legislature is placed on the ballot for a vote of the electorate of the entire state, a statement in clear, concise language explaining the effect of a vote for and a vote against the proposal shall be printed immediately preceding the ballot title. Such statement shall be prepared by the Executive Board of the Legislative Council and submitted to the Secretary of State. And then they crossed out at least four months prior to the general election for certification to the election commissions-- commissioners and county clerks, along with the ballot titles as follows: (a)-- this is all new language-- for a proposal submitted by the Legislature, during a regular session of the Legislature, such statements shall be submitted to the Secretary of State at least four months prior to the general election and (b) for a proposal submitted by the Legislature during a special session of the Legislature, such statements shall be submitted to the Secretary of State by September 1, prior to the general election. And then number two says, "the" and they took out "such--" the statement shall be printed in italics and shall no-- and shall be so worded as to not be intentionally an argument or likely to create a prejudice either for or against the proposal. The statement shall also be published in italics preceding the ballot title on each proposal published pursuant to Section 49-202. And then number three, the deadlines which they underlined, taking out the 4-month requirement prescribed in subsection (1) of this section shall not apply to any legislation-- legislative proposal submitted to the electorate at a special election as provided in article-- the, the, the whole point is that we are doing something that I do not believe in this session for as many CAs as we were able to listen to just in the Revenue Committee, I mean, all of those could easily be submitted. But the one I'm most concerned about, folks, and listen up, there is a gaming one on here, and I am adamantly opposed to any gaming being presented in this particular session. If you take after it when I'm gone, God bless you all, but I will not tolerate other bills being subjected to what we're trying to get finished here today. Thank you, Mr. President.

**KELLY:** Thank you, Senator Albrecht. Senator Fredrickson, you're recognized to speak.

**FREDRICKSON:** Thank you, Mr. Lieutenant Governor. Good afternoon, colleagues and Nebraskans. So I rise today in opposition to the motion to overrule the Chair. So just to sort of remind folks of where we are, who are maybe watching back home, there was an

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amendment that was proposed to LB34, which we are currently discussing. And that amendment had to do with a bill that was heard in the, I believe, the Urban Affairs Committee if I'm, if I'm correct. It was not heard in the Revenue Committee is what the relevant part of this is. And, you know, I think that anyone who-- who's, who's kind of, like, really-- I, I know we've had a long special session. I know it's been exhausting, but anyone who's really paying attention and thinking about the process and the policies that we follow in here and the rules we follow in here, it's pretty obvious that this is not germane. And what you're hearing are folks who are on the mic who might be on opposite sides of the issue of the underlying amendment, right? There are some people in here who might support this amendment who would like to see this amendment voted on who are saying, look, there are other ways to do this. This isn't germane. We shouldn't do it this way. There are people who are opposed to the underlying amendment who don't want that on, who are also saying that. So that's something that I think is worth-- worthwhile. The other thing that I find kind of compelling is that we're hearing that all of a sudden LR-- I don't remember-- LR2CA is, is all of a sudden one of the most important bills that's been brought this session. If that's the case, why was that not kicked out and put on the floor right away? On day 14, we're just now identifying what one of the most important bills of the session is? The thing is this, this whole special session was never really our special session in here. It was never the Legislature's special session. This was the Governor's special session. The Governor called us here. The Governor's plan is what was prioritized. The Governor's plan is what was put out there. The Legislature brought over 80 other ideas, and we as a legislative body decided that we should not prioritize the Legislature's ideas, that we should prioritize the Governor's idea that all of us knew-- the quiet part out loud-- all of us knew was going to fail. So when the cards kind of inevitably fell where we all knew that they would, now we're kind of scrambling, saying, oh, this, this bill that we haven't even prioritized at all until day 15 [SIC] is all of a sudden the most important bill of the special session. And we're trying to make it germane into a Revenue bill and it's a different committee. We don't need to spin our heads, because this isn't our failure. Legislative process and procedure should never be an at-all-cost situation. That's not democracy. Democracy is not steamrolling through just to steamroll something through. Healthy democracy is incredibly inconvenient to bad ideas. And that is exactly what we've seen this special session. It has been very inconvenient to a bad idea. There are multiple other ideas, as I said earlier, other-- over 80 other ideas presented by this

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Legislature. And I think it needs to be said that it's fascinating that now, all of a sudden, the Legislature's ideas are important. If it was about our ideas, why weren't these more important earlier in the session? So I am unwilling-- even though I might support--

**KELLY:** One minute.

**FREDRICKSON:** --some of the things in this amendment-- thank you, Mr. Lieutenant Governor-- I am not going to overrule the Chair just because I want to get done something I want to get done. Because I don't think-- I don't believe in victory at all cost. I believe in following the rules of the institution, and I'm unwilling to participate in that type of shenanigan. Thank you, Mr. President.

**KELLY:** Thank you, Senator Fredrickson. Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you, Mr. President. Nebraskans, what you are seeing is just politics at its best. No real substance, just jockeying so they can figure out how to put it on a postcard. If people get up and complain about process and process is so important, they'll vote to not override the Chair and then turn around and vote for the bill. That's what's going to happen here. People are going to vote to not override the Chair, and then they're going to vote for the bill. So all the speeches we've heard so far, just watch who votes for the bill, it doesn't matter. Process is important, but not that important. Not that important. So what's going to happen is I'm going to sit back and watch this cloture vote and people who vote for cloture. We're going to have some conversations today on the mic. I don't care if it's Democrat or Republican. You're going to justify supporting an overall bill that sends money to out-of-town people, corporations and hedge, hedge funds who are buying and kicking people-- buying north Omaha, south Omaha, or Lincoln homes and kicking them out and not delivering anything to renters, to those on fixed income. You're going to have to explain that on the mic on the transcript. So if you don't want to have that conversation, I would take this vote and leave. I'm not running for anything else. What I might do, some might call political suicide. But today, we're going to open up the door and shine some light on how people really are. Because you don't get to vote no on one bill and not think it's connected to another bill. No, nope. We're going, we're going to talk about how they're connected. You can dance as much as you want to dance, but this is recorded and we can tell the voters exactly what you're really doing. This doesn't help anyone. This could have been done, like I said, by email. Government agencies could have just

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withheld spending all their money, came back in January, and Appropriations still could have transferred funds. Talking about front-loading. Yes, it is a more efficient method, but it's not new. 3% is new. The first year is \$185 million. Second year is 138. We actually go down. People are going to see a couple dollars. Some people might only see a couple cents. Because people don't want to work. People are scared to take a vote. There have been only, like, four people who have been consistent on that-- on that board up there, and I thank them for being consistent. Most people are playing games. I've been clear from day one what I have wanted. I am pushing to do that. But so you can say you delivered property tax relief, that is not going to work in your election this year in east Omaha because it's going to be on the record of why you're really doing this and the cuts that we made to get it done. You can try your best to separate LB2 and LB3 from this process, but it's not going to happen. The reason they were put together is because they have to fund each other. Period. So dance, dance on the mic. I'm, I'm giving you a heads-up so you can start writing your spin right now for these questions.

**KELLY:** One minute.

**WAYNE:** So don't vote that it's not germane-- or, to overrule the Chair and then get up here and then vote for the bill. Either process matters or it doesn't. So mad we adjourned yesterday. So mad we weren't given heads-up. Oh, so mad, but you'll vote for this. You'll vote for the bill. And we're going to start exposing people who are trying to dance in the shadows because I'm tired of it. I took too many things on the chin, and now it's time for some of y'all to take some things on the chin too. So when you start dancing-- and I printed out LB3 and LB4, the cloture motions, all that stuff. No more hiding today. There are a lot of bills that I can go through and talk to in a lot of time. No more sitting side-- on the side and playing both sides. That's not happening no more. Own your votes.

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

**JACOBSON:** Thank you, Mr. President. I rise to-- in opposition to the motion to overrule the Chair. I think I would agree with Senator Slama and many others who have spoken on the mic. The Executive Board looked at this, we made a decision, really based upon the timing that's out there. We think the timing's appropriate, four months. Now, just think about this. If we allow ballot initiatives to get on the ballot on September 1, people will already be getting mail-in

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ballots on October 1 or thereabouts, just after the 1st of October. How on earth does anyone have any time to really explain what that ballot initiative means? And when I say that, there will be people in favor and people opposed, and I think the voters deserve to know what that ballot initiative's about. And there's no time. That's why we have in statutes what we have. So by that alone, I believe that the Executive Board was correct in what they did and why we should not move forward with this, this CA. I would also tell you, as it relates to Senator Brandt's bill, this was introduced earlier, but it never came out of committee in the special session. We're going to be meeting again in January. And I have a lot of concerns about what's in that bill. There's a lot of things I don't think people have considered. In rural Nebraska, think about ethanol plants. Think about any other processing plants. Think about any commercial businesses. Think about trying to attract industry to Nebraska. We just shifted a bunch of taxes to them. We use incentives, historically, to bring people to the state, and now we're going to create a big disincentive because we've seen what's happening to values. And, and, and what's happened is ag has come down over years in terms of what it-- what we're paying at the farmland level. And we've seen residential now be the leader. And where's the biggest residential values? Lincoln and Omaha. OK. By the way, when you look at those values being-- coming down from a valuation standpoint, we're talking multimillion dollar homes that would be valued lower. I think most of us would like to help people with homestead exemptions. We'd like to get veterans that are disabled be able to get a better homestead exemption. We'd like to help those people that actually need the help. But we're going to give it to everybody under this if indeed that would get on the ballot and approved. What does that do to the TEEOSA formula? Well, it brings a lot more money to those areas where they have high, high home values. It's not going to come to rural Nebraska. So this is just bad policy from the standpoint-- I don't like the CA, I don't like the process, and we should not overrule the Chair. This is the right ruling. If we want to go talk about these CAs, let's bring them next year. We've got two years to talk about it. We'll have another election two years after that, and then we can vote on it. But anything we try to rush right now is not going to get the light of day because the timing. September 1 is too late to be putting something on the ballot when people would be voting just a little over 30 days after that. It just doesn't make sense. As it relates to Senator Wayne's comments about the out-of-state landowners, we make a big deal out of that, but they're so few in total numbers that it doesn't move the needle. And I've explained before on the mic that they do pay property taxes and they



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do get the LB1107 tax credit. So they're not benefiting from this. We can demagogue it all we want to, but it's just not true. So that's not a factor. But if we want to jazz everybody up, get everybody all ginned up and concerned about--

**KELLY:** One minute.

**JACOBSON:** --what we're doing, that's not the right narrative. Let's look at this straight up. Whatever happens in this special session, those that are saying the wheels have come off, that this has been a failure, let me tell you what I learned from this. I learned exactly where the pressure points are at. I've learned exactly what we've got support for and what we don't have support for. So when I'm working on a bill coming back next session, I know exactly a lot of what needs to be in it. I know who we need to talk to to work out the wrinkles, and we're way ahead of where we'd be by waiting until January. So we-- if nothing else, we accomplished that in this special session. Thank you, Mr. President.

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

**DeBOER:** Thank you, Mr. President. First and foremost, I will not be voting to overrule the Chair. The Chair made the correct ruling by the plain language. The-- this last session, we said if it comes from two different committees, then it's not germane. So there you go. This is from two different committees. So that's how I'm going to vote. As far as the rest of it's concerned, I'll own my votes. My votes for this: on LB34, the first time, I was not voting on the cloture vote because Senator Wayne is both wrong and right. It's not 3%. It's worse and better. For some people, this will be 0%. For other people, it will be 30% of their school property taxes. It depends on if they took the exemption on their income taxes or not. So it's better policy. To do that is better policy to say you don't have to jump through a hoop and let us have your money during the year. And then in April, if you jump through the right hoops, we'll give you your money back. I'm going to vote for that because it's better policy. I don't love the caps. But I have been working this summer in good faith with the Governor, with my colleagues, with everybody, and I objected to a number of different things. You all remember-- Senator Kauth's not here, but she got real annoyed one day. She was like, we know. You object. And all of those things are gone. And somebody said, what are you still objecting to? And I was like, I can't point to it, so I guess maybe that means I'm in favor of it. This bill for some people, the people who have not been

jumping through the hoops, will get some property tax relief. Everybody will not have to-- there's Senator Kauth-- everybody will not have to loan the government their money when they pay their property taxes and wait until they file their income tax return to get it back. It's a good thing. Doesn't seem like that's that difficult. So I own that vote. Yeah, I'm voting for that. Don't love the caps. Don't love the caps/ but I said to somebody when I was doing a negotiation, I said, when everybody's just a little bit angry, when they're all about the same amount angry, you've found your answer. Everybody's just about the same amount angry. We've probably found our answer. Thank you, Mr. President.

**KELLY:** Thank you, Senator DeBoer. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good afternoon, colleagues. I rise in opposition to the motion to overrule the Chair. I think the, the Chair was spot on in his ruling in this instance, and I want to be clear about a couple of the data points that I utilized in formulating this decision. And I think the discussion overall has been really thoughtful on this matter that has arisen today. So the first part being-- and I do appreciate the, the candor and transparency from members who have brought this forward-- is to say I'm going to overrule the Chair, because regardless of X, Y, and Z, I want to accomplish X, Y, and Z. And so that, of course, is each individual member's prerogative to decide how to cast their vote. But-- and, of course, that result-oriented thinking plays into the strategy, but trying to make sure that we do have some sort of framework in terms of process and precedent, the rules itself spell out what the framework is for decision-making in this regard. So we have Rule 7, Section 3 and then the provision to overrule Rule 1, Section 12. And on it's-- on its face, the plain language in regards to a decision related to germaneness, it says: no motion, proposition subject different from that under consideration shall be admitted under the color of amendment. Any amendment that is not germane is out of order. So perhaps one factor, again, to look at is where various and sundry provisions emanated from in terms of their original referencing to subject-matter committees or, or jurisdictional committees. Now, I, I do understand that it's not completely unprecedented to occasionally join pieces across different subject-matter committees. However, what would be unprecedented-- and, and that does happen very, very rarely in our history, colleagues-- would be to join subject matter from separate and distinct-- subject and-- separate and distinct jurisdictional committees. That is nongermane. So while the, the committee piece is

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one important part of the piece, it, it can't override the basic threshold in regards to the rule on its face which requires it to be germane. So having a revenue bill, LB34, that was referenced to the Revenue Committee, that's come out with a host of different revenue-related matters is now trying under the color of amendment to utilize electoral provisions as part of the revenue package that were referenced to the Executive Board and disposed of there with IPP motions and that are languishing in the General Affairs Committee and have not been clearly dealt with and will not be forthcoming based upon the procedural posture of that. So is it possible to sometimes move matters across different committees in terms of amendments that are on the floor? Yes, it's, it's rare, but it is possible, but that-- it still has to be germane, and that's where this fails, and that's where the presiding officer got it right. Regardless of the result-oriented decision-making, regardless of which committees were in play, it's still not germane on the face of the rule. And it can't overcome germaneness in-- under the color of amendment according to, to our, our rules as they are written, which we have all agreed to.

**KELLY:** One minute.

**CONRAD:** So-- thank you, Mr. President-- so I would ask colleagues to perhaps divorce themselves for a moment from the results-oriented thinking and to take a step back and ensure fidelity to our rules. So please oppose the motion to overrule the Chair, uphold the ruling of the Chair in regards to germaneness, which is the question. And then we can, hopefully, continue the important debate on LB34, and, and I'm looking forward to that today. Thank you, Mr. President.

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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I'm not sure if I stand opposed or in support of overruling the Chair and I'm going to tell you why. I do believe in this institution and I do believe the rules. But then when I hear people stand up and they're so sanctimonious, I really want to scream. When somebody stands up and says we don't need to do it now. Let's do it in January. Hmm, let's see, I'm pretty sure we started out the session saying, hey, do we really need to do this now? Let's do it in January. And what happened? What always happens, by the way, when the steamroller comes, you better get out of the way or we're going to flatten out because we don't agree with you and we're going to push this through no matter what. Until we don't like what you're doing and then we're going to chime in and say, hey, let's wait till January. We can get

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this done in January. It doesn't give people time. Oh, you mean like we said at the beginning of this session? We don't have time to consume hundreds of pages of information and talk to our constituents and have appropriate time for hearings and talk to the people across Nebraska to find out what they want because you want to get it done and you want to get it done now. Oh, but we don't have time for this. We want to give property tax relief to those who need it most. Not everybody. Oh, you mean like Senator Cavanaugh and Senator Blood's circuit breaker bills giving it to the people who need it the most? Oh, right. Those bills aren't ever considered. Ever. But, boy, we gave a lot, a lot of money to, to big business, to corporate people. And then we want to ignore our elected officials because you know better. You know better because, I don't know, maybe you sold insurance or maybe you're a banker or maybe you're a doctor, but you know better than the people that are elected locally by local people to serve their wants and needs and concerns. You know better because you're a state senator. For those of us that stay on the floor-- and sometimes I, I do regret it-- and listen to all of the debate, I wish you could hear yourselves. I wish you could hear yourselves when you get up on the mics and you say the exact words that we say, but there's truth to your words. Your words mean something. Your opinion is more important. It's hypocritical. A lot of us are going on very little sleep. I want you to really think about what you're saying on the mic today. If you're going to stand up and repeat the same words we said to you two weeks ago and use it as justification to support or not support something, just remember I'm sitting right here. I'm hearing every word you're saying. And I'm going to make sure that we reflect back to you like a mirror the hypocrisy that I am hearing in this special session. Because what I do know is there are a lot of smart people here, a lot of good people here like Senator Walz, like Senator Wishart, like Senator Brandt, Senator Lowe, who I miss, used to stand up and always watch debate, now you can have your backs turned, which I kind of understand this time, Senator Lowe. You know, a lot of us are trying--

**KELLY:** One minute.

**BLOOD:** --and are authentic in the words that we use. And really came here with the intention of doing something positive. Now, not only is progress jeopardized, but, as usual, the institution is as well. Thank you, Mr. President.

**KELLY:** Thank you, Senator Blood. Seeing no one else in the procedural queue. Senator Linehan, you're recognized to close.

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**LINEHAN:** Our rules allow us to overrule the Chair. We've done it many times in my eight years that I've been here. And the idea that you can't put a bill from one committee with a bill from the other committee and pass it is also not true. That is exactly what we did with LB1107. Probably the biggest thing the Legislature did since I've been here. We took two revenue bills, put it with an appropriation bill. So it was the Imagine Act, property tax credit, and the NExT Project. We put all of them together. We didn't have a hearing, we didn't talk about germaneness, and we did something big and significant. So we can go home and tell the property owners that, oh, well, it was our rules. This may be very hard to explain because when you're explaining, you're losing. So if you want to be on the side that it's about our rules versus about doing something about property taxes, then you won't vote to overrule the Chair. If you want to do something about property taxes, you're going to vote to overrule the Chair. Thank you, Mr. President.

**KELLY:** Thank you, Senator Linehan. Members, the question is the motion to overrule the Chair. All those in favor vote aye; all those opposed vote nay. Have all of you voted who wish to vote? Record, Mr. Clerk.

**CLERK:** 15 ayes, 30 nays to overrule the Chair, Mr. President.

**KELLY:** The motion fails. Mr. Clerk.

**CLERK:** Mr. President, turning to amendments to AM109. Senator Linehan, I have a series of amendments with notes that you wish to withdraw.

**KELLY:** Without objection, so ordered.

**CLERK:** Senator Machaela Cavanaugh would move to amend with-- in that case, Mr. President, I have nothing left on AM109.

**KELLY:** Returning to the queue. Senator Ibach.

**IBACH:** Thank you very much, Mr. President, and good afternoon. While I rise in support of LB34 and what we're trying to achieve here with this bill, because this is literally-- and it's been said many times on the mic today-- literally the very least we can do at this point. I, I really just can't express my disappointment enough through this entire process, and I know I'm relatively new here yet, but. As you know, I was a member of the working group this summer along with many of my colleagues. And while some people, you know, may not have been happy with everything in the bill, I think the goal was to provide us

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a framework and, and it provided a lot more to our, our citizens than what we're currently going to give them with LB34. And so I think our goal has to still remain, what's most important for our citizens and how do we accomplish that? And while there have been the minor tweaks to LB34 like the, the TIF and the election process, I really still feel like it's not enough. And I actually like what Senator Wayne did yesterday. He provided us with some options that were clear and concise, and I thought they were great ideas. And if everyone would just take his approach to that framework and, and even provide something similar, I think we could have gotten the feedback. I think we could have gotten some maybe even better ideas to go with them. And I think we would have found some things that we could all live with that would have provided a real consensus and some relief for our, our constituents. I don't think that this is a rural versus urban, even though a lot of times I know we get into that discussion what's best for rural, what's best for urban, and I don't think it's a Republican versus Democrat, because we all get along on this floor. We, we all talk about issues. We talk about our families. We talk about everything. And so I don't think that that's the issue. I think we could have all bought into something, but I just don't think that that's been accomplished. So while I hope that LB34 advances-- I'll be voting for it. I hope, if nothing else comes out of this session, that we've learned some lessons going forward to January, and I actually look forward to that challenge. And I look-- I look forward to coming back to work and really doing something significant for Nebraskans. With that, I would yield my time to Senator Hughes if she would like it.

**KELLY:** Thank you, Senator Ibach. Senator Hughes, 2 minutes, 20 seconds.

**HUGHES:** Thank you, Chairman. And thank you, Senator Ibach. I rise-- I wanted to speak a little bit on LB34, specifically AM109. Thank you, Senator Linehan and the Revenue Committee for addressing the issue about the election. Majority of counties do not have an election in the odd years. What the verbiage will do is that if a city or county needed to do a vote of the people in that odd year, they would have an opportunity to do so. In this amendment, there's a specific date of May. However, for that special election, that'll be really way too soon or, you could argue, way too late as cities and counties really do their budgeting process between July and September. They hold hearings for their constituents, et cetera. So I've, I've spoken with some committee members, and I know there's going to have to be a tweak. We would prefer to see that on an odd year in the fall would be a better date. Just as far as the process of special session, it's

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been a bit frustrating for myself, but I am always trying to look at what good comes of things, and I think there are a lot of really good ideas and bills brought to the special, special session.

**KELLY:** One minute.

**HUGHES:** Thank you, Chair. And I'm expecting to see a lot of those on a return come January. We'll have a, a whole bunch of new colleagues to join us and get those guys up to speed. But I think we had some really good hearings on some really good ideas and bills, and I know I'm going to be working hard in the interim to, to, to work on some of the, the things I was working on and make them better. And so that come-- in January, we can start-- have a fresh look at property tax and, and build a coalition and, and get some things accomplished. So I, I kind of see this special session as a first little baby step with a lot more good to come, so. Thank you.

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

**McKINNEY:** Thank you, Mr. President. I am opposed to everything as I've been the whole time I've been here. Coming back, because I got an update about the State Penitentiary. So I was correct. There was a, a, a water main issue. But according to the department, they were making some proactive repairs. It's not clear on how long the water was shut off. It's not clear why they were making proactive repairs. But what is clear from what I stated prior, there is a water main issue that persists that needs to be properly repaired, and they keep having to make repairs because the water main hasn't been replaced properly or fixed properly. That is clear. Two, they stated that the water is fully functioning at the, at the women's prison, but that hasn't been the problem, because that lacks context. The water has been fully functioning at the women's prison, but the water has been discolored while being fully functioning. The water has not been the greatest quality while being fully functioning. So although the water is fully functioning at the women's prison, it's not good quality water. It's still-- it's potentially harmful for the women in the prison. When you talk about the Nebraska State Penitentiary, it's clear there's a water main issue. They could gloss it up and say that they were doing proactive repairs, but it's clear there is a water main issue. And Setor-- Senator McKinney isn't getting up here making up stories. I told you, I know people. And, and, and furthermore, if you're a city or a county and you want 3% caps, you better call your senator, because the Governor doesn't want it and some people in this body don't want it, and they're going to try to stop the amendment

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from getting on. So you should be calling your senator to try to get that on, because it's not going to happen. But I don't support LB34 anyway because it doesn't help people. Although it might help some low-income homeowners-- again, we were called back to help all Nebraskans. None of this helps all Nebraskans. So all, all of this should die. We should go home, come back in January and come up with a real plan to help all Nebraskans because this doesn't help all Nebraskans, and we just have to be honest about that. Because if we were open to helping all Nebraskans, online gambling would be on the floor. Legalizing marijuana would be on the floor. Senator Brandt's LRCA-- LR2CA would be on the floor. Everything would be on the floor to be considered. But we're not trying to help all Nebraskans. And that is the crux of the issue and why we have so much chaos in the body. We're not helping all Nebraskans and we're not-- we're not trying to help all Nebraskans, and we just have to be honest about that. If you don't own property, you're not getting helped. So you got to just be honest. That's-- just be clear. I, I don't think we--

**KELLY:** One minute.

**McKINNEY:** --have to gloss over facts and practical realities here. We could just be honest. We could save people panic and just go on with our lives and say this doesn't help everybody. We should come back in January with a real plan. We have some more months to think this through, to figure out how to help people. And Senator Lippincott wants me to talk about my birthday being tomorrow, maybe we'll be here. But, you know, this doesn't help everybody. Let's just be honest about it. We need to go. Let this all die. Thank you.

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

**MURMAN:** Thank you, Mr. Lieutenant Governor. I rise in support of LB34 and AM109. I was on the Governor's committee that met during the summer, also on the Revenue Committee at the start of the summer when the nonpartisan group met with the Governor. We-- everything was on the table. We narrowed some things down as to how the, the tax system in Nebraska could better be rebalanced. Over the last 20 years or so, property taxes have increased dramatically compared to the other two legs of the three-legged stool they had at that time. Can't hardly call it a three-legged stool anymore because it's so far out of balance with property taxes being in a crisis situation now. They have actually-- property taxes have been in a crisis in greater Nebraska for at least 15 years. And now with the crisis being spread even more to urban Nebraska, the-- it's become even extreme that we



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do something about property taxes. I am very disappointed, to be honest, that we couldn't do more to relieve property taxes in, in this special session, at least so far. And it doesn't look very bright for the rest of the session, but I am supporting AM109 and LB34 because it is the best that we have on the table right now. I would support just about anything within reason that will bring da-- down property taxes in Nebraska because, you know, compared to the rest of the nation, compared to, if you're talking about Nebraska being competitive, whether it would be with agriculture industry or just the citizens homeowners in the state, we are so far out of whack with the rest of the nation that we need to get something done as soon as possible. And that's the reason the Governor called for this special session, and I'm glad that he did. But, like I said, I, I just hope we can do more and wish we could do more. With rebalancing our tax system to heavier reliance on sales tax, less reliance on property tax, citizens have a choice with sales tax as to whether or not they buy goods or services that do have sales tax on them for by far, far-- and by far, we have, have not put sales tax on necessities. Food and medical supplies and services for the most part do not have sales tax on them. So I think that's great because those are necessities. What we do have sales tax on and what we want to rebalance sales tax with-- our whole system-- tax system with, we do go to taxing wants rather than needs, just pretty much everything that we wanted to expand the sales tax base with our wants rather than needs.

**KELLY:** One minute.

**MURMAN:** And, of course, with sin taxes I do agree that those goods and services that we're talking about with sin taxes are, are things that we want to discourage in our economy anyway. So I am fine with relying a little more on those and a little less on property taxes. The whole country is moving toward a more service-oriented economy as Nebraska is, so that's the direction we have to move and we'll be in lockstep with the, the rest of the country with a, a tax system that is more fair to everyone that, that does rely more on sales tax and less on property taxes. Thank you, Lieutenant Governor.

**KELLY:** Thank you, Senator Murman. Senator Hardin, you're recognized to speak.

**HARDIN:** Thank you, Mr. President. Existential anticlimax is what happens when you have a great anticipation and then it doesn't take place. It's the cannon that blows off and then the BB rolls out the end of the barrel. And I think that's what many have expressed they

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have felt during our process here. I would count myself among them. In short, we will have to come back and fix other things in the next legislative session. And the nature of our problems are far broader and deeper, and they have been for a very, very long time, much broader and deeper than property tax alone. My contention has been with my own people in District 48, that we really don't have just a property tax problem. We have a tax policy problem. In fact, our tax policy in Nebraska needs a mercy killing. We really need to start over with all of it. And I think, fundamentally, one of the mistakes that we've made is when we try to silo one kind of taxes, one kind of tax, and reach into a grab bag of sales taxes to offset that. And that's kind of where we started with this process. The challenge is that it can be accused of being regressive because there's a sales tax involved. And then everyone who ends up on the naughty and nice list for "are you going to be taxed or not?" gets very angry. And so we've been dealing with different groups that are upset about being on that naughty and nice list. And what we have ended up with is this very anemic solution. I think what it does require is greater courage than what we've exercised so far. In the next Legislature, we're going to have to find a measure of courage that so far in more than five decades we've not been able to muster. That won't just be difficult. It will be unprecedented. Each time we don't deal with the tax policy issues of Nebraska, a, a red state, frankly, that ends up on very deep blue lists in think tanks as they look at the entire package of taxes that we have. They wonder what are we doing in those lists, in the top 10 lists of states with horrible tax problems? Nebraska is listed right alongside the Californias and Illinois and New Jersey and other places in the northeast and the northwest. It's a Sesame Street lesson that one of these things is not like the other, one of these things does not belong. And, yet, we constantly and inconsistently find ourselves as a small population state in the middle of the country being compared to coastal states that have far more progressive policy and far more people. We need to change the fundamentals of how we do income tax, corporate tax, the death tax, and, of course, property taxes. And until we find that courage, we're going to continue doing the same thing that others before us have--

**KELLY:** One minute.

**HARDIN:** --done. And, frankly, what we've done here in the last few days. Thank you, Mr. President.

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

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**LOWE:** Thank you, Lieutenant Governor. What is it that the Governor always says what's great about Nebraska? It's the people. The people of Nebraska are great. And that's why we're here today, is for the people. And our property taxes are high, extremely high. And it does hurt the farmers and ranchers. And it does hurt the homeowners. What we need is a million more taxpayers in Nebraska to help us pay that bill. But, then, will they be the people that we like? Do we want more people here? Do we want more people that maybe don't agree with us politically to come in and, and, occupy our towns, whether it's conservatives coming into Omaha and Lincoln or the more social moving out in the third district. Maybe we won't like the million people that are coming into town. But they would help us pay our property taxes. That's all we need, is a million more people. Our taxes are high because we don't have a lot of population in Nebraska. It's that simple. We like our amenities that our counties and our cities provide us, that our state provides us. And for that, we have to pay. We want our, our students educated well. And that discussion was here on the floor of this, this special session on how we wanted to pay for our students, whether it would be through the property taxes or it would be through other taxes. And when we put through the other taxes, well, those taxes have got to be raised. And so it's been said you put it from one pocket-- take it out of one pocket and you put it in the other pocket. And do we really gain anything? Well, the farmer and rancher might gain something because it's now put on the backs of the city dwellers. With that, I'd like to yield the rest of my time to Senator Slama.

**KELLY:** Thank you, Senator Lowe. Senator Slama, you have 2 minutes, 20 seconds.

**SLAMA:** Thank you, Mr. President. And thank you, Senator Lowe. I always appreciate following Senator Lowe even if I'm disagreeing with him on other areas. Like, being able to talk immediately after him, my blood pressure goes down about 10 points. I think the collective blood pressure of the entire body goes down about 10 points. And I, I think that's really great. When he is no longer here, I'm grateful that I will no longer be here either just for my own health. So thank you for that, Senator Lowe. And I am grateful to be on the same side of this bill with you in this issue. You have been a steadfast supporter of blocking increased taxes. You are one of the very few people on this floor who has been a steadfast, unapologetic blocker of any tax increases whatsoever. And you do it without excuses, you do it consistently, and that is who you are. That is what you believe in as a fiscal conservative. So I genuinely appreciate being able to work with somebody who is so well-rooted in their beliefs as you. I

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wish some of the conservatives were as well-rooted in their moral compasses about tax policy as you are. I have nothing more helpful than that to add. And out of respect to the--

**KELLY:** One minute.

**SLAMA:** --thank you, Mr. President-- to the collective blood pressure dropping that Senator Lowe offered us, I won't add anything to make anybody yell at anyone in the last five minutes before cloture. Thank you, Mr. President.

**KELLY:** Thank you, Senator Slama. Mr. Clerk, for an amendment.

**CLERK:** Where's the-- Mr. President, Senator Wayne would move to amend with FA140-- FA164.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** Thank you, Mr. President. My opening is 10 minutes, cloture is 2:15. This amendment will be on the board, so understand the rules, understand procedures. When there is only one amendment on the board, you can go two deep. So you can always bring another ru-- another, another amendment to the amendment. What this does is change the zero cap to 2.5 and it replaces consumer index with SLCE. I talked to the mayor of Omaha. She said she could live with the 2.5. And looking at the Governor's press release, the Governor said he would veto a 3. So I'm right under it. I'm right under it. We're going to make a bill better by not capping counties and cities and putting a 2.5 cap on them or SLCE. So we're going to take a vote on that. I, I make no secret. I do not like this bill. I think we're not doing enough with 3% new. I think we can do more. I think he may have called it, but we can surely end it when we want to. I would like to withdraw this amendment, so I still got four minutes. We'll go to the next one because we made a correction.

**KELLY:** So ordered.

**CLERK:** Mr. President, Senator Wayne would move to amend with FA165.

**KELLY:** Senator Wayne, you're recognized to open.

**WAYNE:** Thank you. So this is the correct language. When you're writing stuff on a pad, sometimes the Bill Drafting, the people up front got to correct it. So this is 2.5. This gives counties and cities air to breathe. It still keeps it under the 3% veto of the Governor. And so I'm doing my part to still try to make a bill better

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that I don't like. Now, I know some people want hard caps and I know some people don't want any caps, so here goes somewhat of a compromise. If we're going to pass a bill-- and I'm going to have some amendments on Final Reading too, one of them is going to be the money that we just swept, we should get rid of electricity tax. So we're going to take a vote on that. We got to do better. So if the Governor would have said anything but zero, I probably wouldn't have thought of this. But when you-- when you send out press releases while I'm on the floor, it gives me crazy ideas. So I won't be here. So maybe not send press releases out while we're in session because it makes me think of what we can do. So this is very simple. You can read the amendment. It's just like the amendment Senator Riepe had, but he was at 3. Mine is at 2.5. I would hope everybody would vote green on this because we're still, according to people, front-loading and giving property tax relief. And we're not letting them do what they want anymore. We're putting 2.5 on it. I think this is a reasonable compromise. Nobody talked to me about it. I didn't talk to anybody about it. I just was running around for the last five seconds to figure out-- to make sure I wrote it correctly. And I didn't do that so Brandon had me pull that one and pull this one in. This one is written correctly. So instead of a zero cap, we are going to have a cap of 2.5. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Senator Holdcroft, you're recognized to speak.

**HOLDCROFT:** Thank you, Mr. President. I'm a little confused. Will Senator von Gillern yield to a question?

**KELLY:** Senator von Gillern, would you yield?

**von GILLERN:** I will.

**HOLDCROFT:** I think that the announcement this morning was-- from the Governor's Office was that he would, he would veto any bill that, that did not-- that weakened the cap that was in LB34. Is that your understanding also?

**von GILLERN:** I don't have the announcement in front of me, but that was my impression. But I also know that Senator Wayne probably read it very carefully.

**HOLDCROFT:** But I believe in LB34, it is 0%. Is it not?

**von GILLERN:** LB34 says that the spending cap will move at the rate of inflation, which is very, a very important clarifier. It will move at

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the rate of inflation. And then it goes on to say that there is a floor if inflation is actually deflation, let's say we have minus 2% inflation, which is obviously 2% deflation, there is a floor of 0%. So cities, counties, taxing authorities would not have to cut their budgets if we were in a deflationary economy.

**HOLDCROFT:** Thank you, Senator.

**von GILLERN:** Thank you.

**HOLDCROFT:** Will Senator Wayne yield to a question then?

**KELLY:** Senator Wayne, would you yield?

**HOLDCROFT:** So Senator, Senator Wayne, where did the 3% come from because it's my understanding that we're looking at a floor of zero?

**WAYNE:** So the floor is zero under the current bill. Senator Riepe had a, a-- an amendment to move the floor to 3. I'm moving it 2.5. And it's real simple. Sometimes these national indexes don't adjust to what's happening here locally. So I want to give flexibility to make sure this just isn't a national index when, if you look during COVID, Nebraska did extremely well versus the rest of the country. So we need to allow our local governments to have flexibility.

**HOLDCROFT:** So what led you to the conclusion that the Governor would not veto something below 3%?

**WAYNE:** So this is a difference between me and most people. I'm cut from a different cloth. I don't know if you are, but whether the Governor vetoes it or not doesn't make my decision. I try to make good policy.

**HOLDCROFT:** Thank you, Senator. Well, let me just finish up my time. I think I'm going to be the last one here before we go to cloture, and I, and I think it's worth a quick review of how we got here and where we are and potentially where we're going. How did we get here? I mean, this is the big question. How did we get to be in the top 10 states in the nation for property tax? And it really comes down to two things: valuations in, in housing, and then the levy that goes along with that. We saw tremendous valuations in our housing. Why? Because builders didn't keep up with demand. And your neighbor down the road sold his house for probably more than it was worth. And that just drives up the prices for all the houses in the neighborhood. That's how your valuation went up. It's been that way for quite a while. And then the, the, the levies from your political entities did

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not lower the levy sufficiently to stay within a reasonable amount. And so, overall, your property taxes just climbed and climbed and climbed to the point, as, as Senator Murman pointed out, we are very much out of balance between property tax, income tax, and sales tax. And on top of that, the Unicameral in the last couple of years has been pulling down the income tax to be competitive with other states. Sales tax has pretty much been the same. The property tax is out of whack. So how do we fix that? So the Governor's approach was, number one, control spending. We need to go back to the political entities and tell them they need to lower their, their levies on those properties.

**KELLY:** One minute.

**HOLDCROFT:** Thank you, Mr. President. And that is the first part and that's what's left and LB34, is to kind of cap the growth of those levies against property tax. The other piece was to try and balance out things between sales tax and, and property tax. And we tried to do that in LB388 by just raising sales tax and that didn't work. And the other part was look at, you know, what the, what the tax exemptions are out there that makes sense. And that was LB1. And people worked hard on that. I was ready to vote for that, but, unfortunately, that didn't get very far. Then we came to LB9, which is a little softer on the impact to school levies. I was ready to vote for that, and that failed. And, and so that's kind of where we are now with, essentially, a 3% tax. So I think going forward, we need to look again at sales exemptions, pick out the ones that make sense, and bring that forward--

**KELLY:** That's your time.

**HOLDCROFT:** --in January. Thank you, Mr. President.

**KELLY:** Thank you, Senator Holdcroft. Mr. Clerk.

**CLERK:** Mr. President, Senator Brewer would move to invoke cloture pursuant to Rule 7, Section 10.

**KELLY:** Senator Brewer, for what purpose do you rise?

**BREWER:** Call of the house, roll call vote, regular order.

**KELLY:** There has 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.

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**CLERK:** 28 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 Day, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the first vote is the motion to invoke cloture. All those in favor vote aye; all those opposed vote nay. Roll call vote was requested. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson not voting. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting no. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart voting yes. Vote is 41 ayes, 7 nays to invoke cloture, Mr. President.

**KELLY:** The motion to invoke cloture is adopted. Members, the next vote is the question of the adoption of FA165. All those in favor vote aye; all those opposed vote nay. Request for roll call, reverse order. Mr. Clerk.

**CLERK:** Senator Wishart not voting. Senator Wayne voting yes. Senator Walz voting yes. Senator von Gillern voting no. Senator Vargas voting no. Senator Slama voting no. Senator Sanders voting no. Senator Riepe not voting. Senator Raybould voting yes. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no.



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Senator Lippincott voting no. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting yes. Senator Hughes voting yes. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn voting yes. Senator DeKay voting no. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar not voting. Senator Bosn voting no. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch not voting. Senator Albrecht voting no. Senator Aguilar voting yes. Vote is 18 ayes, 27 nays, Mr. President, on the amendment.

**KELLY:** The amendment is not adopted. The next vote is on the adoption of AM109. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 37 ayes, 11 nays on adoption of AM109, Mr. President.

**KELLY:** AM109 is adopted. Senator Ballard, you're recognized for a motion.

**BALLARD:** Mr. President, I move that-- to advance LB34 to E&R for engrossing.

**KELLY:** Been a request for a record vote. Mr. Clerk. Machine. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 39 ayes, 8 nays on advancement of the bill, Mr. President.

**KELLY:** LB34 advances to E&R Engrossing. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB34A. First of all, I have no E&R amendments, Senator. Senator Brewer, I have FA113 and FA114, both with notes that you wish to withdraw.

**KELLY:** So ordered.

**CLERK:** I have nothing further on the bill, Senator.

**KELLY:** Senator Ballard, you're recognized for a motion.

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**BALLARD:** Mr. President, I move that LB34A be advanced to E&R for engrossing.

**KELLY:** Members, you've heard the motion. Senator Cavanaugh, please state-- Senator Cavanaugh, it's a debatable motion, you're recognized to speak.

**M. CAVANAUGH:** Thank you. I wanted to ask Senator Brewer a question, but the queue had not been cleared. And so we were moving forward assuming everybody was going to be out of the queue. Would Senator Brewer yield to a question?

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

**BREWER:** Sure.

**M. CAVANAUGH:** Thank you, Senator Brewer. So you withdrew your amendments. And I just wanted to know, how much is the A bill?

**BREWER:** Oh, hang on a second.. I've got it here. OK, so you're talking about LB34A, correct?

**M. CAVANAUGH:** Yes.

**BREWER:** OK, so the first part is \$156,000, and that's the part that goes to the Department of Revenue to pay for the costs associated with LB34. And the second part of that moves \$750 million from the School District Property Tax Credit Fund-- Cash Fund for the current fiscal year and then \$780 million for the second year of the biennium next year.

**M. CAVANAUGH:** OK. And then the amendment that was just added to LB34, AM109, is there a fiscal cost associated with that? Oh, I can ask somebody else.

**BREWER:** Yeah, just ask Senator Linehan.

**M. CAVANAUGH:** Oh, you're, you're in the queue to talk? OK. Would Senator Linehan yield to a question?

**KELLY:** Senator Linehan, would you yield to a question?

**M. CAVANAUGH:** You have to say yes.

**LINEHAN:** Yes.

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**M. CAVANAUGH:** Well, you don't have to. Do-- could you-- basically, AM109, what is the fiscal impact of that?

**LINEHAN:** I don't know. The Fiscal Office brought me a correction. I don't think taking out the TIF language has any fiscal impact. And I don't think the election-- the election could have fiscal impact for the people that have a special election. Because the way it is, if you're in a county that doesn't have an off-year election, then-- and you want a special election, then that falls on the people that want to have the special election.

**M. CAVANAUGH:** OK.

**LINEHAN:** So if you just have it-- OK.

**M. CAVANAUGH:** Oh-- yeah, that makes sense. I just-- so if there turns out to be a fiscal impact, we will have to pull this back from Final to Select to make that amendment. But you don't anticipate that happening?

**LINEHAN:** I, I don't anticipate that it-- if it's anything it would be very much.

**M. CAVANAUGH:** OK. Thank you.

**LINEHAN:** Mm-hmm.

**M. CAVANAUGH:** Thank you, Mr. President. I yield the remainder of my time to the Chair.

**KELLY:** Thank you, Senator Cavanaugh. Senator Linehan-- out of the-- seeing no one else in the queue, the adva-- the question is the advancement of LB34A to E&R Engrossing. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk.

**CLERK:** Mr. President, next item, General File, LR2CA, introduced by Senator Brandt. First of all, Mr. President, I have a motion from Senator Brandt to indefinitely postpone the bill pursuant to Rule 6, Section 3(f).

**KELLY:** Senator Brandt, you're recognized to open on the bill-- resolution.

**BRANDT:** Thank you, Mr. President. I haven't had a chance to talk to all of you about this yet, and hopefully we can have some good discussion on this and will be able to answer any questions that you

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have. But today, I'm introducing LR2CA, a legislative proposal designed to provide targeted property tax relief specifically for owner-occupied properties. This idea came to me after hearing numerous stories from constituents and, actually, other senators about them struggling to keep up with rising property taxes and thinking of an alternative way that we could alleviate this. Today, all real property in Nebraska is assessed at or near 100% of its actual value, with the exception of agricultural and horticultural land, which is assessed at approximately 75% of its actual value. Ag and "hort" land received a special valuation under Nebraska Statute 77-1344 and is assessed at 75% of its special value, reflecting its uninfluenced value for ag and "hort" purposes. This differentiation was established by our predecessors in recognition of the vital role that the agriculture industry plays in our state. LR2CA aims to acknowledge another crucial group within our state: homeowners. Homeownership is a cornerstone of the American dream, and is essential that this dream does not turn into a nightmare due to escalating property taxes. Homeowners contribute significantly to our economy beyond just property taxes. Yet, they are increasingly burdened by these taxes. The proposed LR2CA would empower future legislators to adjust assessments for owner-occupied housing to better reflect the prevailing economic conditions in Nebraska. I purposely left off a companion piece to this LR, as I believe we need time to work through it to determine exactly how we want this to work if it's approved by the people. What that will look like, I do not know. The flexibility is crucial, as property valuations are likely to fluctuate in the coming years. Currently, we are forced to treat all residential property uniformly, whether it is owned by a long-term Nebraskan or multinational corporations, which we've seen a significant increase in out-of-state investors buying residential properties in Nebraska. Enacting this law will help homeowners that call Nebraska home. I appreciate Senator Linehan and the Revenue Committee for taking a look at this legislation and voting it out unanimously. Also, thanks to Senator Wayne for his championing of this in the last few days. Thank you again, colleagues, and I ask for your green vote on LR2CA.

**KELLY:** Thank you, Senator Brandt. And you're recognized to open on your motion as well.

**BRANDT:** This is the one to indefinitely postpone, and it's simply a protection amendment. We are handing out a map done the other day by the Legislative Research Office. And it will show in your counties what percent you have of owner-occupied housing. And it's pretty simple math. And if it's not owner occupied, it's probably a rental.

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So take a look at that when it, when it gets to you. And with that, I would entertain any questions. Thank you, Mr. President.

**KELLY:** Thank you, Senator Brandt. Returning to the queue. Senator Jacobson, you're recognized to speak.

**JACOBSON:** Thank you, Mr. President. Well, again, I rise in support of the, of the IPP motion and opposed to LR2CA for the same reasons I mentioned before. If this had happened, we'd be looking at putting it on the ballot 30 days before early voting would start. That's insane. We have not-- this bill was in committee, did not come out of committee. The Exec Board pushed back on all of the other LRCAs. And, yet, here we are debating LR2CA. This will have a bad impact on business across the state, rural and urban, because if we're going to start pulling down valuations for one to four family, it's going to shift somewhere else. It's also going to have an impact on TEEOSA. Do we know those numbers? No. We have no idea what those numbers would be. Now, I realize this is putting out for a vote of the people to come back for the Legislature to, to deal with, but I think the Legislature should review this and come out with a proposal. And then if we want to put it on the ballot, fine. But I don't think we just throw something out there and tell the voters, you figure it out. And, oh, by the way, you got 30 days from the time this hits the press until they actually have to vote in early voting. This is not the way to do things. That's not why we came here. We didn't come here to do this. We came here to pass what now is LB34. Let's move on, do what we aimed to do, which is pass LB34, LB2, LB3, and let's take what we've learned from this special session and come back with the bills we need to build on what we did for the baseline this session and the special session in the One Hundred Eighth Legislature. So I'd urge my colleagues to vote yes on the IPP motion, no on LR2CA. Thank you, Mr. President.

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

**LINEHAN:** Thank you, Mr. President. I am sorry because this probably falls on me because we-- a lot going on and a lot of lack of communication. Actually, LR-- LRCA-- LR2CA, the bill on the board, came out of committee 8-0, unless I'm-- I'm getting nods from the committee. It came out of committee 8-0. It's the only thing that came out of committee to the floor this special session that came out 8-0. It is-- we had a hearing and I had this once this morning, the staff's over there-- and I've lost all my papers because I'm unorganized. I believe there were only two people at the hearing.

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Senator Brandt introduced it. We had a letter for the record from the realtors that they supported it. It had no opponents. Jon Cannon made his regular appearance in front of the committee to explain, well, if you do this and that, this or that, and we-- we're neutral because we don't know enough, which is perfect position for NACO to take. But again, there were-- there were no opponents to this bill in committee, and one proponent. So I don't, I don't think we can stand up and say that people-- this was going-- if it's-- if it was bad, why didn't nobody show up and be against it? The reality is, in most states, you don't have just one rule about valuations and properties. Colorado, as Senator Wayne handed out earlier this week, has residential much lower than nonresidential. It has agriculture, lower; oil and gas production at the highest. They have 1, 2, 3, 4, 5, 6, 7, 8, 9 different ways that you can value property. We have, for eight years, tried to fix property tax. What we always run into is you can't do anything for residential homeowners because they're in the same class with everybody else. If we can move them into a different class, we could do a lot for residential homeowners. So-- excuse me. I-- please take a very serious look at this because this could move the ball far down the court. Thank you, Mr. President.

**KELLY:** Thank you, Senator Linehan. Senator von Gillern, you're recognized to speak.

**VON GILLERN:** Thank you, Mr. President. I stand-- this is a little awkward-- I stand in soft opposition to LR2CA. I was one of the 8-0 votes as it came out of committee. And I stand in-- as a proponent of what LR2CA, what I believe it might do, but I'm also concerned about some of the question marks about what it could do. It's clearly brought with intent to reduce property taxes for homeowners, something that, if you've been listening for the past two weeks, is-- I'm, I'm pretty passionate about. Made it very-- made it very clear that I'm a fan of doing that. But I'm-- I am concerned about if you push on a balloon in one spot, where does that pop out on the other side? And we don't know the answer to that. And, and if we were in a regular session, we would have a little bit more time to consider that. We would be able to look at fiscal notes. We could talk about a lot of different things to maybe answer those questions. So in the hectic nature of the special session, we went to Exec and it did come out 8-0. Did have my vote, and I'm not regretting that because it's allowed me time-- it's allowed it to come to the floor, and it's allowed us all to have a very productive discussion about what the potential of LR2CA might be, which, again, is what we're here for. We're here to, to learn from one another and to learn what the different impacts-- I've brought more than one idea that had

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unintended consequences and, and we learn as we go along, so. Again, we don't know what today what the cost of the impact of LR2CA. We don't know who will pay more and how much that will be, whatever parties might be negatively impacted. If we were in a regular session, they would have an opportunity to speak out in a more vocal and transparent manner, which I think would be important. But again, we don't know if ag is going to-- is going to suffer from this. We don't know if the commercial real estate industry is going to suffer from this. And if commercial suffers, small businesses across Nebraska are also going to suffer. So I, I just think we need to take a little bit more cautious approach to this concept and, and moving it forward. And, and I'd be happy to work with Senator Brandt. We have a lot of interactive conversations sitting so closely together here, and he's pushed back. He's taught me more than I thought I could learn about the ag industry and, and some of the challenges that are unique to ag and, and I look forward to lots of interaction with him over this next year or two. And I look forward to working with him to see if we can develop something that looks very much like LR2CA to bring to the people of Nebraska. Thank you, Mr. President.

**KELLY:** Thank you, Senator von Gillern. Mr. Clerk.

**CLERK:** Mr. President, Senator Brandt would ask to withdraw the M0181.

**KELLY:** Continuing in the queue. Senator Raybould, you're recognized to speak.

**RAYBOULD:** Good afternoon, Nebraskans. And first of all, I want to thank Senator Brandt. This is, I think, one of the really great ideas that came out of this special session. I want to first say that I do support the motion to indefinitely postpone it because it's a great idea, but it certainly needs to be fleshed out a lot more. You know, we, we agree that we want to help the owner-occupied homes. And Senator Brandt and I had a discussion offline. He told me in Lancaster County, 59% of the homes are owner occupied. And I said, OK, tell me the modeling that you've done. Let's see the financial impact. If we, if we change those 59% of all the homes that are owner occupied and then we put a percentage of what they should be taxed, be it at 90% instead of 100%-- if it goes down to 90%, what does that look like? How is that going to shake out in terms of impacting city-- the city and what it will ultimately impact to the counties as well? So I, I stand in support of a great idea that really needs to be developed more. You know, I am a business owner, business person, have been all my entire life, even as a little kid. But the thing that we need to really study and further look into is the impact it

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will have on commercial properties, industrial properties and, of course, ag properties because we're creating now another imbalance, and is one of those entities is going to continue to further bear the brunt of property taxes? So I would love to see this be developed further. I would love to work with Senator Brandt on it. I would love to have a better understanding of the modeling on how it will impact counties, because I think Senator Brandt had some good data that shows right off the bat that 59% of the homes in Lancaster County are owner occupied. But if we reduce it from 100% to 90% or 72%, whatever is determined, that will also impact the cities on how they can function. It'll impact our schools on how they can function with some of the other changes that are being proposed. So this is one of the great ideas. What really makes me sad about this special session is that there are 65 ideas and proposals in the Revenue Committee that should have been discussed. You know, when we came into this special session, we knew that there was opposition. And I think, as much as I appreciate Speaker Arch's efforts, I think the, the rules of the game are that, you know, if you stick to your game plan and, and you're in possession of the ball and you fumbled the ball, the ball goes to the other team. So, you know, the, the team had their chance to make their case, state their case, you know, get, you know, at least a few first downs or, you know, get closer to the touchdown, but they didn't do it. And so at that point in time, we should have turned it over to some of the great ideas. Could we have passed some other ideas out of this special session? Maybe. One of the best-- better methodology of helping owner-occupied homes is the homestead exemption. I know that I had offered a, a piece of legislation. It wasn't perfect, I will admit it, but the point is it recognized those owners who have been there in their house 25 or more years would get a percentage offset. Those that have been in 20 to-- or more years would get an offset. Those who have been in their house 15 or more years. It was sort of modeled after something that was done in Arizona, where we can see that. In other communities, if you're a senior, you can defer payment-- defer payment of your real estate taxes to your estate so that it-- at the time of your death, the state would pay the, the outstanding real estate taxes. So I think it's a great idea. I'd like to see it develop further, and I would be willing to help in the next session to, to see--

**KELLY:** One minute.

**RAYBOULD:** --the actual fiscal impact it would have on cities and public schools that-- and, of course, the counties when it comes to property taxes. Thank you, Mr. President.



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

**ERDMAN:** Wayne, you're ready? Thank, thank you, Mr. President, and good afternoon. I, I just visited with Senator Brandt about his constitutional amendment. I had some questions for Senator Brandt. And then I, I spoke with Senator Wayne and asked him some similar questions. And he had a-- an interesting approach or understanding of this. So I was wondering if Senator Wayne would yield to a question.

**KELLY:** Senator Wayne, would you yield to a question?

**WAYNE:** Yes.

**ERDMAN:** OK. Senator Wayne, thank you. So help me understand this. If, if we pass this bill and an owner-occupied residence gets a decrease in their property tax, it'll be a credit on their income tax. Is that correct?

**WAYNE:** Correct. Well, I mean, if the Legislature adopts that program. The fear of somehow commercial being taxed more is a misnomer. They're already taxed at 95% of their valuation. Both residential and commercial, underneath the uniform apportionment clause, are taxed the same. So it's at 95%. That is set in statute, 95%, real market value. You got a variation of 5%. So if you separate this out, you could lower the owner occupied. I don't know in what world this body would increase the 5%. Just doesn't make sense to me. So my-- what I envision is you lower the owner occupied and you pay the delta out of our state funds, and that's instant property tax relief.

**ERDMAN:** All right. So let me see if I'm understanding you. So your impression is that the difference or the credit that's going to be given to the owner-occupied property will come out of the state revenue, whether it's out of the money that we have in 2 or-- LB2 or LB3 or whatever the revenue-- wherever the revenue comes from at the-- at the Legislature's decision. Is that correct?

**WAYNE:** Correct.

**ERDMAN:** OK. So, therefore, this-- let me see if this is true then. So, therefore, grandma and those people living in their homes that are on a fixed income that are having a difficult paying their property tax, this will have an opportunity to help them stay in their homes. Is that true?

**WAYNE:** Yes.

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**ERDMAN:** So is it also true, because the Executive Board made that real intelligent decision to kill all of the constitutional amendments to allow something to be put on the ballot, that we'll need 40 votes in here today to put this on the ballot?

**WAYNE:** That's not true.

**ERDMAN:** OK. Can you explain that?

**WAYNE:** Well, just because a bill is IPPed in a committee does not mean the bill is dead. Underneath our special rules, if you re-- the floor, at any time, can revive any bill with 25 votes. So that's in our special rules for a special session. If a bill is IPPed, you can revive it just as an amendment to any other one. So you just bring a bill out, gut the amendment, put a new amendment on and it's on. So-- but to your point, if we want to put it on the ballot right now, 40 votes and it goes on without any other-- I mean, no question. 40 votes is the threshold.

**ERDMAN:** So then also, if we would to-- were to pull one of those constitutional amendments-- because I think Senator Brandt had one-- to allow this to be placed on the ballot and that bill then passed, then we would be able to change the statute to allow this to go on the ballot with 30. Is that right?

**WAYNE:** Correct.

**ERDMAN:** All right. You've been very helpful. I thank you for that information. I'm going to be voting for LR2CA. We'll see what happens. Thank you.

**KELLY:** Thank you, Senator Erdman and Wayne. Senator Albrecht, you're recognized to speak.

**ALBRECHT:** Thank you, Mr. President. I too serve on the committee that kicked this out 8-0. And with the turn of events after we got out of Exec Session on that particular bill, knowing that the Executive Board said no and knowing the short cycle here of getting it on the ballot and even getting people to understand what we're doing, I like the bill. Do we wait until next year and you have to wait another two years? I'm not so sure that that's such a good idea. So I'm going to continue to listen and then I'll, I'll kind of decide what I'm going to do. But I do appreciate Senator Brandt bringing the bill. I think it makes sense because if we-- if this is all we can get done for the people of Nebraska, they need at least that, that valuation to get

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lowered. Otherwise, they're going to continue to pay more every year. So I'm thinking still. Thank you, Mr. President.

**KELLY:** Thank you, Senator Albrecht. Senator Meyer, you're recognized to speak.

**MEYER:** Thank you, Mr. Lieutenant Governor. I was the one on the Revenue Committee that made the motion to bring this out. This was also an idea we talked about it in the regular session, that the more I thought about it the more I-- the more merit it had. I, I guess I like this approach because it matches other states. And I also like it somewhat better than, than the homestead exemption. It's not that I dislike homestead exemption, it's just I don't think there's near enough accountability statewide in the rules and the way that's administered by the county assessors. And if I were here another year, I would certainly encourage looking at putting some teeth in the enforcement of, of the homestead exemption. I know that there's legal gyrations that folks take that have assets that far exceed what a normal person would have and not be able to pay their real estate taxes. So I'm 100% in favor of, of, of it for people who really, really need it. I think this differentiation for owner occupied is a great idea. And I had been voting whether to support it or not. I probably will after hearing all the discussion. I also think that the commercial real estate folks won't be hurt by it. I think-- and I've heard this from some large businesses in outstate Nebraska when they tell me what the real estate taxes are on massive businesses, and the real estate taxes and their valuations are not much more than a couple of farms. I really have to scratch my head. And I think the real estate assessors statewide, when they get to some of those, say, a meatpacking plant or a pork packing plant or a large ethanol plant or something, a large plant that's maybe even a few years old, they really have a hard time putting a value on that installation for tax purposes. And I also think that's some, some work that probably needs to be done by future Legislatures. So I thank you for the time. I'm probably going to support it, Senator Brandt. I think it's-- I think it's a good idea. I think that der-- differentiation is important. I think it's another tool in Governor Pillen's toolbox who is-- he's been a game changer. I know he takes a beating in the, the special session, but even though he, he appointed me, I'm here to tell you he wants fairness in our, in our real estate taxes. And he is the first Governor, the first Governor, who has been serious about that. I've watched for 20 years the pushdown from state government down to local subdivisions-- and I've talked with Senator Raybould. She saw it at the county level. I've seen it with school districts for years and years. In 2010, when I got off the State Board of Education, there

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was 12 schools that were unequalized. By 2024, there were 188. And you know where that money came from? Right out of the pockets of real-estate-paying folks. So to say that you're against a real estate shift in taxes, folks in this Legislature and previous Legislatures, you've been presiding over it, a shift. And I'm here to tell you that. So to say you're not in favor of a shift, you've been part of it. So with that, thank you, Mr. Lieutenant Governor.

**KELLY:** Thank you, Senator Meyer. Senator Kauth, you're recognized to speak.

**KAUTH:** Thank you, Mr. President. I rise in opposition to the motion to IPP and in support of LR2CA. I also am on the Revenue Committee. Senator Brandt brought a unique bill. I was really pleased with everything we heard in Revenue. We had a lot of different bills brought to us. This one's kind of stood out. This actually gives us a lever that we can execute at a further time. I was speaking to one of the largest homebuilders in the nation, D.R. Horton, today, the Omaha office. Their huge-- big concern is that property values are hindering growth. He was saying that for every time our prices go up \$10,000 in Omaha for new homes, there are 2,000 less families eligible to buy that new home in the buyer pool here in Omaha. The new housing affordability index in Omaha is one of the worst in the Midwest, constantly ranked in the 70s. The median income family-- and this is his data-- is short 30% of the income needed to qualify for just the median priced new home here in Omaha. So to his point, if we can lower our property taxes, we give so many more families the ability to purchase. We give homebuilders the ability to build more supply. Right now, we're at, I think, 2,000 homes for sale in the state. That's about 3,000 less than we should be. We're at a two-month supply. A sixth-month supply is considered balanced. According to him, low supply of new homes being built puts pressure on the home market, coupled with 80% of homeowners have an interest rate under 5%. The supply of homes to buy is sitting under a two-month supply, which is why everything is going up. So if we can lower our property taxes, if we can put some more levers in place so that people can get these houses built, we're going to start to ease that strain. LR2CA provides us with just one of those levers. And I want to stress to people-- and I've had a lot of phone calls from people concerned that this is, as Senator Wayne was saying, going to all of a sudden increase commercial. This just gives us the option in the next legislative session to sit down and start talking about, how do we change things? By saying that residential and owner-occupied residential is its own separate category, it gives us the ability to treat it differently. It doesn't say we have to. It doesn't say if we

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lower that, we automatically have to raise something else. I think if we lower it, we need to look at other sources of revenue to make up that difference, or, heaven forbid, we cut more spending. So I, I very much appreciate Senator Brandt bringing this to us. I appreciate his persistence in following through with this, and I support LR2CA. Thank you.

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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I stand against the IPP motion and, and-- Senator Kauth-- and in favor of the underlying legislative resolution. I just find it really puzzling yet again when I stand and I listen to some of the folks that stand at the mic that are against this. It's funny that you, you want the people to vote for something that you're in favor of, but when it's something that you're not in favor of, they don't have enough time to learn what this is about. They don't have enough information. Well, that's up to the voters of Nebraska, not up to you. And I can't tell you how many times in the last eight years I've heard that, that silly sentence over and over again. You know, again, we were talking in the special session about how unfortunate it was that people didn't claim their tax credits. And when I had a bill that made sure that everybody automatically got their tax credits, nobody wanted it because Nebraskans are too smart and they'll-- they don't need to be told they're stupid. And Senator Blood, if, if you pass that bill, you're basically saying that people in Nebraska are too stupid to claim their tax credits. Now it's, they've got to claim their tax credits, so we got to do everything we can to get it to them. Like, just pick a side. You do know that people listen to us in Nebraska. So when you stand on a mic and out of one side of your mouth, you're saying, ah, that's too small a window of time. The voters just don't understand it. They're not going to get it. And then when you have something up, you're like, oh, we've got to hurry and get this done because property tax relief is so important. Pick a side. Some of us are listening to what you're saying when you stand at the mic, when you're opposed or when you're in favor. But mostly, it's when you're opposed that you say the ridiculous things. We came here to get stuff done. I had an LR that was the first thing kicked out in this session. Came out 8-0. But nobody helped me champion it, so it never got on the agenda. So Senator Brandt is very fortunate. And, and I know Senator Wayne helped that, so that was great. Meanwhile, all of these really great bills that the Speaker said we can make the decision of staying even longer to address-- which, I know nobody, nobody has the appetite for that-- are going to go away.

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And Nebraskans are going to miss out on true property tax relief. And I have to correct Senator Meyer. He may not be aware that we are the legislative body. The Governor doesn't have many more tools in his toolbox. This is your toolbox. The Governor doesn't make policy. You make policy. If we provide tools in the toolbox, it's more for economic development, for our, our Department of Economic Development. It's for, for our-- more for our local municipalities, who we just totally screwed over, by the way, who are going to be struggling because you all thought you knew better. By the way, I was always taught to clean our own house first. You're deciding for local government what's important, you believe, for them to function when it comes to taxes. You don't want to stop unfunded mandates ever. We have issues with DAH-- DHHS, with the Department of Transportation, with NDEE. Pretty much every department right now is struggling with something. Why are you so worried about everybody else's house when you can't clean your own? I've just been so disappointed with the special session. I love that we're going to get something done. Thank you, Senator Brandt. And thank you, Senator Wayne. But I just want to make sure we get on record--

**KELLY:** One minute.

**BLOOD:** --that we are pushing things on our political subdivisions that are going to cause a crisis, and you're the one that is causing it, just like the unfunded mandates that you passed down. Senator McDonnell picked out the most minute thing. But let's be honest. 15% of Sarpy County's budget is unfunded mandates. And you may find one or two little things on that list that, that seem minor-- and I can agree with that-- but how about you stay and talk about the big things, the things that are really making our political subdivisions struggle? And maybe we need to change from being a Dillon's Rule state so we don't have their hands tied. But I don't think we'll ever work on that, Senator McDonnell. Instead, we can just keep picking on them and keep dumping stuff on them and ignore the issue of why our property taxes are really high and the one thing that we know that we can stop. Thank you, Mr. President.

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

**von GILLERN:** Thank you, Mr. President. I probably could have boiled down my last comments just by simply saying, if somebody pays less, somebody is going to pay more. And with LR2CA-- again, I, I like the idea. I think we should move forward with, with researching the idea. But until we know who's going to pay more, I don't know that we

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should get too excited about who's going to pay less. You don't know if you're going to be part of the more or the less, depending on what you do, depending on where you live, depending on the type of business that you're in. And again, this, this will certainly, at least if it goes the direction I think it'll go, probably impact-- negatively impact small businesses. So let's not run with scissors. We've heard 100 times over the past couple of weeks that we need to take more time to study. And, and-- you know, we heard that ad nauseam. But what we ended up with in the tax bill that we just advanced, were three things that were things that we understood very well. It included spending caps, spending cuts, and expanding an existing tax credit. Those are things that we know a lot about. We don't necessarily know a lot about the impact of what LR2CA would do. And until we do, I'm cautiously withholding my support from that. So again, I'm not opposed to the idea of providing targeted property tax relief for owner-occupied properties in Nebraska. I'll be happy to work with Senator Brandt and others to bring a, a well thought out and just a, a fully informed bill to the floor this next January. Thank you, Mr. President.

**KELLY:** Thank you, Senator von Gillern. Senator Wayne, you're recognized to speak.

**WAYNE:** So if somebody doesn't pay, somebody else has to pay. Well, that's every tax that we cut in here. Oh, Lord. Let me just-- I should probably just do the truffle shuffle from Goonies and make everybody laugh at this point because what people talk about and say sometimes is just the opposite of what they said five minutes before. It's amazing. Look, this bill-- this is a constitutional amendment. It's not a bill. It goes to the vote of the people. For the lobby who's all worried about what this does to valuations, and OPS, and whoever else, it does nothing. It allows the Legislature to have another tool in the toolbox that they get to decide if they want to use it. It doesn't do anything. It creates another category. And if you look at every state, they pretty much already have categories in their constitution, whether it's commercial, residential, nonresidential, owner-occupied, agriculture. Some of them even have green energy in their, in their, in their constitution to be taxed differently. And that doesn't mean they all are taxed differently. They just allow the legislatures to do it. And in fact, in most states, they don't tax them differently except for owner occupied and everything else. My point is, nothing happens. It allows the Legislature to have more tools. There's no change in valuations. It doesn't affect TEEOSA. It doesn't change ag values. It doesn't do any of that. It allows the Legislature next year to have another tool in

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their toolbox. And I think the goal is to allow to have as many tools in the toolbox for the Legislature to decide. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Senator Linehan, you're recognized to speak.

**LINEHAN:** Thank you, Mr. President. And I really don't have more to add than what Senator Wayne just said, but it's really important to understand this doesn't do anything. It doesn't change ag, which is now valued at 75%. But 75% value of ag is not in our Constitution. What's in our Constitution is that we can value ag differently. So next year, the Legislature could take that up or down because it can be done differently. There's no guarantee that it stays at 75%. Legislature that was not-- ag didn't have as big a voice, that could go up. The only thing-- the only other option we have is commercial and residential. As Senator Wayne just said, most states, that's not the way it works. They have several. We'll, we'll use Colorado, for example. I know Senator Wayne brought this. So I know, if you're a owner occupied in Colorado, own your home, your property taxes are about 25% of what an owner-occupied home in Nebraska is. Think of that. Owner-occupied home in Colorado pays about 25% of what an owner-occupied home in Nebraska. In Florida, owner-occupied homes are treated different than people who have a vacation home there or who have commercial property there. It is-- we are, like, way behind in how people do this across the nation. And we don't-- you don't have to do anything next year. If this would pass on the ballot, you don't have to value anything any differently. It just gives you an option. So voting against this, the Legislature is tying their hands for tools in the toolbox. I don't know why you would want to do that. We had examples this year where LB9 was a bill we brought to the floor. And there was frustration, which I understood, that we took out the difference in residential and commercial versus ag. They wanted ag to go down to 45%. They wanted commercial and residential to go down to 80%. Well, the problem with that is taking commercial and residential down to 80% is over \$200 million, while taking ag down from 75% to 45% was \$66 million. So that doesn't seem to make sense to anybody. Like, all of a sudden-- I'll just put it the way it is. Urban gets \$200 million and ag gets \$66 million. That's where we are now. If you would do this, those numbers would change. You could look at them. As Senator Wayne said, this doesn't do that. All this does is give the Legislature an opportunity to look at different options, and I would think you would want those tools. Thank you, Mr. President.



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**KELLY:** Thank you, Senator Linehan. Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. Good afternoon, colleagues. I just wanted to speak briefly to the underlying bill, LR2CA. As Senator Linehan indicated, this was the one thing that came out of our committee 8-0 this year, and so I wanted to speak briefly as to my vote out of committee. I want to echo the sentiments that both Senator Wayne and Senator Linehan made, and agree with them wholeheartedly. My support in the committee for LR2CA is it provides the Legislature in the future the opportunity to do something about property taxes for owner-occupied residences. As we've all said, we're serious about property tax. We're serious about coming back and trying to figure out a way to make that work. Now, all this does is give us the chance to have that conversation in the future if the voters approve it. When we get to that point, I will always do everything I can to ensure that schools are fully funded and that we're not putting people in a bad position with lost revenue and that we always do something for renters in addition to what we do for owner occupied. Those are things that I will always fight for. But we need to have all the different tools in the toolbox in order to have the conversation fully. There have been bills brought year after year after year that seek to accomplish what this would allow them to do with regards to a different valuation of owner-occupied. But it always has to sort of try to circumvent the provision in our Constitution that prohibits the difference in the valuations. So all this would do, as Senator Wayne and Senator Linehan both, I think, very articulately stated, is give us the chance to come up with a plan sometime in the future to achieve that goal. We're going to disagree about certain things when we get to that point. The Revenue Committee can work very hard in trying to come up with a plan that is equitable and that actually does address low-income and renters as well as owner occupied and make sure that our friends in the ag world and the business world are also treated fairly. We can have that conversation. But the time to have that fight is later if we get to a point where this is adopted by the voters of Nebraska. So I do rise in support of LR2CA. I would encourage my colleagues to think hard about it. I understand it causes a lot of hesitance moving forward, but it does put us in a position to do everything we could do to make sure that-- the people in my district who own a \$200,000 home are going to be able to afford their property taxes. So with that, I would yield the remainder of my time. Thank you, Mr. President.

**KELLY:** Thank you, Senator Dungan. Senator von Gillern, you're recognized to speak. And this is your final time on the motion.

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**von GILLERN:** Thank you, Mr. President. I had an additional comment that I actually forgot to make in the last-- my last time on the mic. I wasn't planning on speaking three times. I'm not intending to filibuster, but I did want to make another comment. So Senator Brandt had used the example numerous times of if there was a duplex where one side was an owner and one side was a renter. And if, if LR2CA advances, which, again, will be up to the voters, to-- one thing is certain to happen. That is that the owner, the owner is going to get a benefit on one side, but the renter is not going to get that same benefit. And I think it's interesting because those-- the conver-- the conversations that we've heard here over the last two weeks, there have been many that have been critical of wealthy landowners getting benefits from property tax relief but yet renters not getting any benefit. So I believe that it, it-- we-- if we're not careful-- and again, it-- I'm not standing with adamant opposition to LR2CA, but I just don't think we know about what the outcomes are going to be of this. But I certainly believe that it will be a disproportionate burden on renters versus landlords, as they-- we know that landlords pass their, their property tax burden onto their renters. So Senator Dungan just mentioned renter assistance. I've had a good conversation a little bit earlier with Senator DeBoer about a potential renter credit conversation to have next year. And I'd be happy to be a part of those conversations also. Thank you, Mr. President.

**KELLY:** Thank you, Senator von Gillern. Seeing no one else in the queue. Senator Brandt, you're recognized to close on your motion.

**BRANDT:** Thank you, Mr. President. Immediately after the IPP is a small amendment to change the heading on the bill as required by Bill Drafting. I would encourage everyone to vote red on the IPP. And with that, I guess we'll call the house.

**KELLY:** Thank you, Senator Brandt. Members, there's been a request to place the house under call. The question is, shall the house be under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 24 ayes, 2 nays to place the house under call.

**KELLY:** The house is under call. All members who are outside of the present-- outside of the Chamber, please return to the Chamber and record your presence. Any unauthorized personnel on the floor, please leave the floor. The house is under call. Senators Wayne and Senator Bostar, please return to the Chamber and record your presence. The

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house is under call. All unexcused members are present. Members, the question is the motion to indefinitely postpone. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 10 ayes, 34 nays to indefinitely postpone the bill. Mr. President.

**KELLY:** The motion fails. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, Senator Brandt, I have FA162 with a note that you'd withdraw.

**KELLY:** So ordered.

**CLERK:** In that case, Mr. President, Senator Brandt would offer AM131.

**KELLY:** Senator Brandt, you're recognized to open.

**BRANDT:** Thank you, Mr. President. This is simply a one-line insert into the existing bill. The start of the existing bill says, at the general election in November of 2024, the following proposed amendment to the Constitution will be submitted to the electors. And we're going to change that, and it will say, a special election to be held in conjunction with the state. And the reason for that is in our rules. It says that, on Final Reading, if this were to get 40 votes, it could go to a special election. And the Legislature could say that the special election is in conjunction with the November election or the regular election. The only difference would be is a ballot for the constitutional amendment would say special election on it, and it would be handed out at exactly the same time as the other ballots are. And that's the need for this language. So that's all I've got. I encourage you to vote for AM131 and the overlying bill. Thank you, Mr. President.

**LINEHAN:** Thank you, Senator Brandt. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good afternoon, colleagues. I appreciate Senator Brandt's explanation of both the underlying constitutional amendment proposal and the amendment that he brought forward in regards to the, the timeline or electoral process for potential consideration of this measure by the electorate. But one thing that-- well, maybe perhaps two primary themes that I'm thinking of in relation to this measure is, first, any time you go about amending the constitution, whether that's through legislative action or citizen initiative, it's serious business. And we need to make

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sure that we get it right, both in terms of, of form and substance. And that, that should apply equally to any person, entity, campaign, what have you, on, on any measure that seeks to amend the constitution. We need to be technically adept and we need to be razor sharp in our understanding of what we're trying to do when we, we engage in the endeavor of engaging-- of, of amending the State Constitution, which is serious business, and I know Senator Brandt and others take very seriously as well. So I just want, perhaps, some time and energy to think today or from today to Select and Final Reading about a few different components before we even get into the depth of the substance on this measure that Senator Brandt brought-- brought forward that I think conceptually is a very interesting and important idea. I do see it as generally permissive, that would allow some flexibility to future Legislatures to continue this important conversation with other stakeholders and ag and commercial and renters and residential and schools, who all are interrelated to these questions. But I, I do just wonder whether it were to go to the ballot now, emanating from this special session or be taken up next year and be placed on the ballot either in a special or on the 2026, once the CA is referred to the ballot from the Legislature, is there a provision or opportunity or mechanism, if we identify a drafting error or a substantive issue that we need to change, that could either claw back the provision before it goes to a vote of the people or rescind a measure before it goes to a vote of the people? I should probably know that answer off the top of my head. I don't. I haven't thought through this, this legal component before. I know that legislative resolutions have been rescinded in the history of the Nebraska Legislature when they were directing Congress to make changes to the federal Constitution. I'm thinking of the ERA example. But I, I just want to make sure that I'm square in my head about the serious business of amending the constitution, making sure I have an understanding of both the substance presented here and any technical issues that, that may arise as a part of the referral process. So I generally really like the idea of giving the second house an opportunity to weigh in, to provide more tools and flexibility to provide for property tax relief. I had a measure that I had introduced this special session that's definitely related to this idea and concept, where I was seeking to utilize--

**KELLY:** One minute.

**CONRAD:** Thank you, Mr. President-- about 40% of the funds that are in the current property tax credit program. It's estimated that about 40% of those are shipped out of state. So I was hoping that we could recapture and redirect some of those state resources and pour it back

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into direct relief for owner-occupied homes or folks who live on the family farm or a broadened homestead exemption. And so, I, I, I like that this idea is generally related to strategies like that. But I do want to make sure that I have an opportunity to think through the technical aspects, the substantive aspects, and really appreciate a lot of Nebraskans who've weighed in since this measure kind of rose to the top very, very recently to express concerns about intended or unintended consequences. So I, I, I am comfortable moving the, the issue today for additional debate, but I'm going to--

**KELLY:** That's your time, Senator.

**CONRAD:** --reserve judgment on, on my final vote. Thank you, Mr. President.

**KELLY:** Thank you, Senator Conrad. Senator Slama, you're recognized to speak.

**SLAMA:** Thank you, Mr. President. I rise today just wanting to provide a little bit of technical color on AM131 and what it actually means and some of the process and procedure related to constitutional amendments and how L-- how LR2CA would work into that practice. So AM131 is on the board because if our Legislature is going to call for a special election to do with the CA, you have to have this special election language included in the CA to call that election, which is what this amendment is. If our Legislature passes LR2CA with this language attached to it on Final Reading with 40 votes, then a special election will be called according to AM131. In this case, the special election would be held in conjunction with the general election in 2024. If LR2CA receives fewer than 40 votes, then that special election language that we have in AM131 is stricken. And if it has enough votes for passage on final round, then it's just passed as a normal CA. It would come up on the ballot as scheduled in 2026. So as we're considering AM131, I-- and as everybody is reserving judgment-- personally, I'm opposed just because I've been consistently opposed to the thought of rushing CAs to the ballot in the middle of August for a November ballot. It's just important that as we're voting on AM131, it's not just a minor technical change. It's actually a, a very big thing that we're voting on, as to whether or not we are going to move LR2CA to the ballot more quickly than what it would be without the special election language attached. Senator Conrad raised some very good points on the clawback language. If, if you've ever tried to change the language of our State's Constitution before through signature drive, petition-- like, first off, God bless you. Second off, you understand the process of going

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back and forth with your attorneys, going back and forth with the Secretary of State's Office to ensure that that language is where it needs to be. That is a process that normally takes months, to have the right ballot language, to have everything be legal and checked out. There's a reason why this process takes the amount of time it does. And I understand the urgency related to this issue. Property tax relief has been my top issue from day one. I worry that we'll be doing more harm than good by rushing this to the ballot. I have, I have concerns with LR2CA overall, especially with my district. If you look at it, there's actually not that much nonowner-occupied home ownership in my district, District 1, in the southeast corner of the state. So my concern with LR2CA-- so we're looking to shift property taxes away from owner-occupied housing. Well, my district doesn't have a ton of commercial land. It doesn't have a ton of corporations buying out houses either. So if we're going to be shifting it away from residences, it's actually going to be quite a heavy push to potentially an additional property tax burden on ag to keep the lights on and the doors open on the city level, on the county level, at the local school level. And ag already pays far more than its--

**KELLY:** One minute.

**SLAMA:** --fair share-- thank you, Mr. President-- when it comes to property taxes. One of the most impactful things I ever received was in my first year in office, a farmer from my district-- somebody who is exceptionally talented, and I'm grateful they even take the time to talk to me-- laid out a bond issue that was proposed before voters, of course, during a special mail-in election that they were trying to get past in the dark night. And he outlined just how much he, as a large farmer in the school district, would be expected to pay for a bond issue that most of the people in town would vote for as a matter of fact. Because everybody had up signs, yes, support our schools. He'd be paying over \$100,000 over the life of this bond in taxes. Like, they should name the new building after him. Ag already pays enough. I'm worried about unintended consequences in rushing LR2CA to the ballot. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. I'll try to be brief here. I'm just going to once again express my opposition to the bill for many of the reasons that have already been expressed. But again, we're talking about ballots getting into people's hands roughly 30 days after this would be out. There is no time for people to really look

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at this and educate themselves on-- as to the impact of this bill. This is very premature. There's a lot of moving parts. I understand what we're trying to get done. But why don't we bring that back in the next session and-- let's, let's give it the time of day. Let's understand all of the unintended consequences that could occur that are in the bill today. Senator Slama is right. There-- and as is Senator Conrad. There's a lot of things that we have-- we just looked at this this session. And, and I do apologize. I did not-- what-- was not aware that it came out of Revenue 8-0. But nonetheless, I would tell you, they looked at a lot of different information. And, has everybody looked at the unintended consequences that this bill could produce? And yes, we're sending it to the voters to decide, but if we don't even know where we're at on it, how do we expect the voters to know where it's at? They expect us to do our due diligence before we sic-- stick-- kick something to the ballot. I think it's premature to do this. I certainly hope we don't get 40 votes. I'm not going to filibuster this on, on Select. I, I-- and, and it looks like we have the votes to probably get to 33, I don't know. But I certainly hope we don't have 40. This, this is not ready for prime time. I wish it would be pulled back. But nonetheless, I oppose it. I hope every-- everybody else looks at this and understands that this is, this is way too early. It's not ready for prime time. Thank you, Mr. President.

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

**WAYNE:** This is just crazy to me. Thank you, Mr. President. This is just crazy to me. I've been here since 2017. Has anybody else in here put on a constitutional amendment from the Legislature? One. One. I put on two. When we put on one of his, Senator Bostar, two of mine, there wasn't this going back and forth with lawyers for months and-- no. All-- we don't have time. It's not that complicated. He-- this amendment actually almost mirrors the exact same language with-- of ag. There's only, like, four words that are different. And what-- the scary thing that people are talking about doesn't happen with a vote. It happens if the Legislature decides to do something. Now, I may be wrong, but I believe Senator von Gillern and Senator Jacobson are not in an election year and they'll be here. So if you're worried about something happening, you'll be here. But do you want to have the tools to do something? That's the question before us. Do we want to leave the Legislature with the tools to do something? I thought we did. Do we know the consequences of what we just passed, front-loading and everything else? We ran some numbers here and there. There's actually things that every year, we come back and have

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cleanup bills on. Tell me one year we haven't had a cleanup bill where we had to fix something. That's the nature of things. This one is simple. It does nothing except give this body tools that they haven't had to do. Now, there is current case law that says even if-- when ag moved this valuation down to 75, there were actually some case laws out there, and one of the statutes was found to be unconstitutional. Why? Because it shifted the tax burden in a-- too much-- in big a-- too big of a direction to residents and businesses. So there's already safeguards for what these individuals are talking about. It's case law. I just had my staff bring back up my laptop. Thought I was done for the day. I can print it out, show you the case law. And the reason that's there is because at the top of the constitution of this section, it says all property still has to be uniform and proportionate. So nothing can get out of whack even if we want it to. This is a way to actually, down the road, target real property tax relief in a way that benefits people if the Legislature choose to do so. I had people coming up to me, asking me about, well, where do we get the money to do, do anything? We're not doing anything. The Legislature has to figure that out. It reminded me of the Education hearing I had in the special session where I brought something about discrimination. And they were like, well, what about the, the school-- the new school that the, the kid wants to go to? What if they don't have the resources? I'm, I'm trying to deal with the kid who's being discriminated over here. I-- we can give all these scenarios down the road and say, what if, what if, what if, but the reality is there is no what if. The what if is what the Legislature wants to do. This is just the tool.

**KELLY:** One minute.

**WAYNE:** Another tool in your toolbox as you go into this body next year to do something. If the voters overwhelmingly support it, that doesn't mean anything changes. You have to come back and enact something. Let me repeat. If the voters-- it's a 90-10 win. That doesn't mean this Legislature has to do anything. It simply means you have a tool. When is the right time? Well, we're in a special session because property taxes are so bad we have to do something now, but we don't have time to do a simple amendment that mimics the agriculture amendment that's already on-- in the constitution? That makes no sense to me. I'm trying to protect the owner and the person who owns that home, not corporations.

**KELLY:** It's your time, Senator.

**WAYNE:** Thank you, Mr.--



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**KELLY:** Thank you, Senator Wayne. Senator Linehan, you're recognized to speak.

**LINEHAN:** Thank you, Mr. President. Senator Slama, would you yield to a question?

**KELLY:** Senator Slama, would you yield?

**SLAMA:** I will. Yes, ma'am.

**LINEHAN:** So there's been some confusion on the floor about current law. Does it say in the Nebraska Constitution that ag will be at 75%?

**SLAMA:** No, ma'am.

**LINEHAN:** It says that it can be valued differently, right?

**SLAMA:** Yes, ma'am.

**LINEHAN:** So next year, you could have something on the floor and we could move ag up to 90%?

**SLAMA:** That's, that's true, yes.

**LINEHAN:** Or 100%?

**SLAMA:** What-- whatever-- you, you wouldn't be able to and I wouldn't be able to--

**LINEHAN:** Oh, that's right. I'm sorry. The Legislature.

**SLAMA:** --every-- yeah. We'll be, we'll be on a beach somewhere. Don't worry about it.

**LINEHAN:** The Legislature can move ag up or down.

**SLAMA:** They can as they see fit, yes.

**LINEHAN:** Can they move, if they saw fit, owner-occupied, residential? Can they move it up and down, different than commercial?

**SLAMA:** Different than commer-- so residential, commercial, and ag are three separate buckets. If you want to sub out owner occupied--

**LINEHAN:** Oh, whoa, whoa.

**SLAMA:** --that would-- that's where this comes in.

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**LINEHAN:** Residential and commercial are not in a separate bucket. Thank you, Senator Slama.

**SLAMA:** Fantastic. I'm glad we got that figured out. Thank you.

**LINEHAN:** Yeah. If that's confusion, that's really big confusion. Right now-- and Senator Hughes can speak to this. Senator Hughes, would you yield to a question?

**KELLY:** Senator Hughes, would you yield?

**LINEHAN:** And I'm sorry I did not give you a heads-up.

**HUGHES:** That's fine. Yes.

**LINEHAN:** So on LB9, you were trying to lower ag to 45% and residential and commercial to 80%. Right?

**HUGHES:** Yes, that's true.

**LINEHAN:** Could you separate residential and commercial in LB9?

**HUGHES:** No.

**LINEHAN:** No, because they have to be valued at the same, don't they?

**HUGHES:** That is correct, yes.

**LINEHAN:** So right now, if you wanted to drop residential and commercial 10%, we found out it would cost about \$220 million.

**HUGHES:** It's \$220 million within TEEOSA, yes.

**LINEHAN:** Within TEEOSA, \$220 million. And what would it cost to drop ag from 75 to 45?

**HUGHES:** It was around \$66 million, I believe.

**LINEHAN:** Right. So to drop commercial and residential 10%, it costs \$220 million. To drop ag--

**HUGHES:** 30%.

**LINEHAN:** --30%, it costs \$66 million.

**HUGHES:** Yes, that is true.

**LINEHAN:** Thank you, Senator Hughes.

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**HUGHES:** You're welcome.

**LINEHAN:** So as long as you have commercial stuck with residential, you're not going to move anything. We're the only states in the nation that does this. And yeah, we got people out in the lobby that don't like it. Chambers don't like it. I get that. We're not doing it. We're not changing anything. This passes, residential and commercial is still at 92-100%. Ag is still from 68-75%. It's got to be in that window. Here's what-- we had a meeting, not this summer, but last summer, when-- whatever that group was. Wasn't secret. A lot of people in those meetings. County assessors were in the meetings, and they brought us what the counties were doing across the state. And for the most part, they had commercial at 100% and a lot of the residential at 93%. And I'm like, how is that constitutional? And nobody in the room could answer the question. So we're already doing-- trying to find a way to do this for homeowners, but it's not constitutional. It-- passing this does nothing. Those of you that are coming back next year, you can decide. You can decide to take commercial down to 90, residential down to 75, ag down to 50. You can make those decisions. Right now, you can't. Your hands are tied. And as far as we're rushing through, please. How many times have we come to the floor and vote-- have a vote that all of us are paying attention?

**KELLY:** One minute.

**LINEHAN:** We're not rushing through. And if there's something wrong with it between now and Select, we can fix it. We do that all the time. So anybody that has concerns, whether it's Senator Conrad or Senator Slama or anybody else that has concerns that the language is not quite right, bring a fix-it. I'm sure Senator Brandt will agree to fix it however it needs to be fixed. This is just-- voting against this, I think, is very bad, guys. I don't know how you're going to explain to homeowners that you couldn't give them an option to be treated differently. I think if ag votes that way, that raises questions. Well, why does the ag get a-- you didn't vote for us, but you voted for yourselves? I'd, I'd think long and hard before I'd vote no on this. Thank you, Mr. President.

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

**J. CAVANAUGH:** Thank you, Mr. President. Well, I love that I get to follow Senator Linehan because it's weird to say, but I agree with Senator Linehan. And-- I mean, I've agreed with her many times, but

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in this special session we've been at odds. But she's right. I think she got most everything right there. Anything that she might have got wrong, I'm not capable of contradicting, so. If I agree with Senator Linehan, yes, you should all think very seriously. There's, there's a reason. My district is 34% owner occupied. So my district is not one that would hugely benefit from this particular thing. But the reason this whole process was so labored in terms of trying to find how to give property tax relief to Nebraskans was because we did not have this tool in our toolbox. So that's why this is an important idea that Senator Brandt brought forward, and that's why I support it. And I do, to some folks concern, about how this will affect renters. Of course I will be pushing in the next-- if this passes and we're talking about how to adjust it, I will be making sure-- along with, I'm sure, several of my other colleagues-- that we are also helping out renters when we do that. They were coupling those two things, but we can't do anything like that without this tool. So this is a tool that will allow future Legislatures to be more dynamic in solving these problems going forward. It's a step in that direction. And all we're doing right now is giving the voters an opportunity to give us that tool. So I support AM131, which will allow it to get on the ballot this year. I support LR2CA. And again, pay attention. Because when John Cavanaugh and Lou Ann Linehan are on the same side of something, it's either a really good idea-- well, it's a good idea. So-- or a really great idea. So I encourage your green vote, and then we can all get out of here soon. Thank you, Mr. President.

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

**SLAMA:** Thank you, Mr. President. Good afternoon, colleagues, I'm not going to take my full time on the mic. I just really want to delineate LR2CA because it seems like the proponents have a line in the sand of, you need to vote for this because it does nothing. And it has to be on the ballot in November because it does nothing. OK. First off, no, it does not do nothing. If it does nothing, we don't need a bill and we don't need to change the constitution. If it does nothing like the proponents are saying, why are we pushing it? And two, let's do the next step. Let's fill in the blanks for what happens when this do-nothing constitutional amendment passes to give the Legislature another tool in the toolbox. Like, because the tool in the toolbox after we change the constitution is not just going to sit there and do nothing. So to point out and say that people's concerns about this bill are unfounded because it does nothing aren't appropriate because we're just taking this constitutional amendment to its logical conclusion. You are pushing the CA to delineate

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owner-occupied housing from commercial, which, in other areas of statute-- not constitutionally-- we do have these separated. Homestead exemptions, for example. So for me personally, I just want to rebut the argument that we should pass something because it does nothing. Because if it does nothing, we're not sitting here during a special session being screamed at that we need to rush this to the November ballot because, my God, we are in such a hurry to do nothing. And that's all I've got to say about that. Thank you, Mr. President.

**KELLY:** Thank you, Senator Slama. Seeing no one else in the queue. Senator Brandt, you're recognized to close on AM131.

**BRANDT:** Let's go ahead and call the house now so they can be on their way. I encourage everybody to vote for AM131. And Senator Slama did a fantastic job of explaining how this is going to work. We may need it. We may not need it, but we've got to get it in here now. I would encour-- encourage everybody to vote green on AM131 and LR2CA. Thank you.

**KELLY:** There has 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:** 23 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 and record your presence. All unauthorized personnel, please leave the floor. The house is under call. All unexcused members are present. Members, the question is the adoption of AM131. The request was for a roll call vote, regular order. Mr. Clerk.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht not voting. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard not voting. Senator Blood voting yes. Senator Bosn voting no. Senator Bostar voting yes. Senator Bostelman voting no. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad. Senator Conrad voting no. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay not voting. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator

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Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting no. Senator Lowe. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting no. Senator Raybould. Senator Riepe voting, voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting yes. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne not voting. Senator Wishart voting yes. Senator Lowe voting no. Vote is 28 ayes, 6-- oh, excuse me. Senator DeKay voting no. Vote is 28 ayes, 17 nays, Mr. President, on adoption of the amendment.

**KELLY:** The amendment is adopted. I raise the call. Mr. Clerk.

**CLERK:** I have nothing further on the bill, Mr. President.

**KELLY:** Senator Brandt, you're recognized to close. And waives. Members, the question is the advancement of LR2CA to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all voted who care to? Record, Mr. Clerk.

**CLERK:** 32 ayes, 14 nays on advancement of the bill, Mr. President.

**KELLY:** The bill does advance to E&R Initial. Mr. Clerk.

**CLERK:** Mr. President, LB2, Select File. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, for what purpose do you rise?

**BALLARD:** Mr. President, I move the E&R amendments to LB2--

**KELLY:** Members, you have heard the motion. All of those in favor say aye. Those opposed, nay. They are adopted.

**CLERK:** Senator Conrad, I have MO12, to bracket the bill until January 7.

**KELLY:** Senator Conrad waived.

**CLERK:** Senator Conrad, it's my understanding you wish to withdraw the motion at this time.

**KELLY:** So ordered. Senator Conrad, you're recognized to open on the motion.

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**CONRAD:** Thank you, Mr. President. I'm not planning to engage in any sort of extended debate. I know there are substantive amendments that are on the budgetary bills before us that we need to attend to today, so my hope is that we can jump into those and have a debate on the substantive amendments. And then, of course, each senator will vote their conscience up or down on, on the bill itself. So I am planning to withdraw my amendments and my motions. And I would ask that you would quickly dispose of them so that we can move forward on the substantive debate. Thank you.

**KELLY:** Thank you, Senator Conrad. Seeing no one else in the queue. You're recognized to close. And waive. Members, the question is the adoption of the bracket motion. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 2 ayes, 38 nays to bracket the bill, Mr. President.

**KELLY:** The bracket motion fails. Mr. Clerk.

**CLERK:** Mr. President, Mr. President, Senator Conrad, I have MO26 with a note that you would withdraw.

**KELLY:** It is withdrawn.

**CLERK:** In that case, Mr. President, Senator Conrad, I have a motion to indefinitely postpone, with a note that she would withdraw.

**KELLY:** So ordered. It's a regularly-- it's a regular indefinitely postpone motion. There is no objection.

**CLERK:** Mr. President, Senator Clements would move to amend with FA7.

**KELLY:** So ordered.

**CLERK:** Senator Clements, I also have FA8 with a note that he would withdraw that as well.

**KELLY:** So ordered.

**CLERK:** Senator Machaela Cavanaugh, I have FA28 with a note that she would withdraw, as well as FA29, FA30, FA31, and MO21 to indefinitely postpone. In that case, Mr. President, Senator Cavanaugh would move to amend the bill with AM114.

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

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**M. CAVANAUGH:** Thank you, Mr. President. I am not intending to take extended debate on this. This is a amendment to strike Sections 8, 30 and 37, which is the Legislature portion of the bill, the DHHS, \$15 million, and the Corrections, \$10 million, for a total of \$28.5 million to be struck from this bill, leaving \$47,185,500. That is being taken out of various appropriations. I think if we really want to take that money, we can take it next year in January. Additionally, DHHS indicated very clearly that the \$15 million could be reallocated from the money from the, the hospital assessment fees that we gave them the administrative fee of \$17 million. They said they could very easily turn 15 of that over to the administrative costs that they are cutting. So I would ask for your green vote on AM114 to remove the DHHS cuts, the Corrections cuts and the cuts to our own budget. Thank you, Mr. President.

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

**CLEMENTS:** Thank you, Mr. President. I stand in opposition to AM114. As it was mentioned, the Legislative Council issue already was voted on and was kept in the bill. That was Section 8. Section 30, Health and Human Services, also had a vote and failed. It was kept into the bill. Section 37 is regarding Corrections, which would cancel a \$10 million lapse of unspent funds. They-- just a minute. Corrections had \$18.4 million unspent funds June 30. The committee is-- this bill takes \$10 million out of the \$18 million unspent funds. It leaves them \$8 million to carry forward to this fiscal year. And-- excuse me. And the new appropriation is \$350 million, plus that 8 would be \$358 million. They'd have at least \$350 million available for 2025. The actual expenditures last year are showing up at \$316 million. So even if expenses go up by \$35 million, that's 10% increase. We're already covering it. So this is-- they have a 315-- \$350 million available without this amendment. It would be \$360 million-- no, 370 because it's \$10 million from last year and, and another \$10 million from this year. So they would end up with \$370 million. They're already going to have \$350 million where they only spent \$316 million. So even if they have higher expenses, hire some more employees, we're giving them ample room to do that. And so I ask for your red vote on AM114. Thank you, Mr. President.

**ARCH:** Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I rise in support of AM114 primarily because I don't think we, we should be taking any money from two of the worse departments we have as a state. We have to be



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clear. DHHS is a horribly ran department and "NDPS" is a horribly ran department as well. The Department of "Hell and Harm" is bad and the Department of "Punitive" Services is bad. We should not be taking money from either department. We got kids dying in the care of the state. We got kids being lost. We got families being destroyed. We got caseworkers showing up to court not knowing the cases. We got caseworkers overworked. We got a department that's been influx even before I got in the Legislature. Understaffed. They got a new director. He's trying to do his best, but it's still not a great situation. Building a new prison, which is-- I guess-- I heard yesterday or something, it might be opened in 2028. It's going to be overcrowded day one. We shouldn't be taking money from these departments. The money needs to be reallocated to take care of the things that aren't being taken care of. I think it's very irresponsible to take any dollars away from these departments. We need to be protecting kids in foster care, kids in the juvenile welfare sys-- like I, I don't understand this. Just because money is there does not mean that their needs just disappear. Talk to any family that deals with DHHS, and they will tell you horror story after horror story. I guarantee it. If you did a survey on DHHS, I would guarantee it is unfavorable. Guarantee it. If you did a survey on "NDPS," it would be unfavorable. Even with staff, guarantee it. I, I would guarantee it. If you survey the people that's supposed to get the service, it would be unfavorable. If you surveyed the staff, it would be unfavorable. We should not be taking money away from these departments. These departments are horribly ran and have been horribly ran before any of us even got to the Legislature. They should be improved. We should be using these dollars to improve these departments. We got water issues. We got child and family issues that need to be addressed. We got a department that destroys families day after day, loose kids, kids dying in their care, kids sleeping on the floors of office buildings and hotels. I, I, I really don't get it. It's probably why y'all don't want-- y'all didn't want Senator Wayne's-- what was it-- LB25 to pass. And now y'all don't want LB57 to pass because-- the state has been negligent. These departments have been negligent. And it just makes no sense that we sit by as elected officials and just let these departments get away with these things just because they are ran by the executive branch. Who do we work for? I thought-- I mean, I was voted by the people in my community, so I work for them. I don't work for the executive branch.

**ARCH:** One minute.

**McKINNEY:** So what I'm asking and what Senator Machaela Cavanaugh is asking is for us to step up for the people of Nebraska and not take

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money away from two of the most horribly ran departments in the state. There's others. I'm not talking about those today. But the Department of "Hell and Harm" and the Department of "Punitive" Services, there should not be money being taken away from either. Thank you.

**ARCH:** Senator Clements, you are recognized to speak.

**CLEMENTS:** Thank you, Mr. President. As we've talked before, the director-- Director Jeffreys came to the hearing, and he was in agreement with these changes. And as we talked before, he's been able to hire nurses in-house rather than hiring contractors. He's getting inmates on Medicaid. That was the large expense we've had on medical treatment for inmates. Medicaid will pick up just about 50% of that when, when they're Medicaid eligible. And he's buying food in bulk. And so there's-- and we're leaving 34-- allowing \$34 million more than was spent in 2024's fiscal year. And the unspent dollars, if we leave him and you're sitting in an agency, that's not good use of taxpayer dollars. This money is being applied toward property tax relief. That's what LB2 and LB3 are doing, is funding the increases in the Property Tax Credit Fund. And so I ask you to vote no on AM114, and that the committee did consider reductions, but we kept them reasonable so that we're not cutting agencies down to the bone, leaving room for expansion if needed. Thank you, Mr. President.

**ARCH:** Seeing no one left in the queue. Senator Machaela Cavanaugh, you're welcome to close on AM114.

**M. CAVANAUGH:** Thank you, Mr. President. Colleagues, the document that I distributed a couple of days ago, it has in there an email from Lee Will to Director Jeffreys telling him that he must cut his budget by \$10 million in FY '24 and \$10 million in FY '25 and he just needed to find that money. It wasn't because they were going on Medicaid. It wasn't because they were hiring nurses on staff instead of using visiting nurses. And it wasn't because they were ordering food in bulk. They just needed to cut it by \$10 million. HHS was told that they needed cut by \$200 million-- and I guess they got some sense in their heads and realized that that was insane, and went to 25. And now I believe it's at 15. And \$15 million is the exact same amount that DHHS said that they could turn-- reappropriate within their own budgets. So we don't need to cut this 20-- this \$15 million. We don't. Let's just leave it. Let's just hold harmless here, people. And then there's us. And I am sorry, colleagues, but I think it was pretty insulting the comments that were made about taking the Legislature out of it. Oh, we can cut here and there unless it's our

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money, unless it's our money. That is so just rude to the people who work in this building and this institution. They are good stewards of this institution. They are good stewards of the taxpayer dollars, and it is rude to insinuate anything less. We use carryover funds for a number of things, including technology updates, if we have a crisis and we have to have special traveling hearings, and on and on and on. It's our money to use for good governance. It's not our money to buy pizzas. It's not like we are throwing it away and being frivolous. We're a very economical Chamber, and we shouldn't be taking this money from our, from our own pot of money. Go through the budget process in January. Reassess. See if we need to take it away. And frankly, the fact that we would say at all that the Governor can just blindly tell us how much money to cut from our own budget without telling us what we're cutting it from-- he had no idea. He had no idea if-- what that money would be used for. We have salary increases coming. We have any other things that we don't know. This money should stay where it is, and it is irresponsible and it is reckless to take it away at this time. We should also be going through the normal appropriations process. And my final comment is LB2 is completely illegal. It is a shadow appropriations process done outside of our own statutes on how the budget of the Legislature-- of the government of Nebraska should be handled. It was done completely illegally, starting in June of 2023, and we should not pass it at all. But if we're going to pass it, let's at least take care of vulnerable populations and our own staff.

**ARCH:** One minute.

**M. CAVANAUGH:** And when you say that it's our money, we-- take the Legislature out of it. There's a pot of money. That doesn't seem to apply to a recreational lake fund. We're totally fine keeping that money there. But the money that funds our operations, that's where we have to draw a line in the sand. Colleagues, please. Let's just vote for AM14-- AM114 and move on and go home. Thank you, Mr. President.

**ARCH:** Colleagues, the question before the body is the adoption of AM114 to LB2. 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. Mr. Clerk.

**ASSISTANT CLERK:** 28 ayes, 7 nays to go under call, Mr. President.

**ARCH:** 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

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leave the floor. The house is under call. Senator Day, Senator Dungan, please return to the Chamber. The house is under call. Senator Day, please return to the Chamber. The house is under call. All unexcused members are now present. Colleagues, the question before the body is the adoption of AM-- there's been a request for a roll call, reverse order. Mr. Clerk.

**ASSISTANT CLERK:** Senator Wishart voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator von Gillern voting no. Senator Vargas voting yes. Senator Slama. Senator Sanders voting no. Senator Riepe. Not voting, Senator? Not voting. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting yes. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn. Senator DeKay voting no. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar not voting. Senator Bosn voting no. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting yes. Vote of 15 ayes, 29 nays, Mr. President.

**ARCH:** The motion-- the amendment is not successful. Mr. Clerk. Raise the call.

**ASSISTANT CLERK:** Mr. President, the next amendment, Senator McKinney, AM123.

**ARCH:** Senator McKinney, you're welcome to open on AM123.

**McKINNEY:** Thank you, Mr. President. AM123 continues what I was working on yesterday. First, my mission was to stop the transfer of cash funds yesterday. Successful. Today, my mission is to transfer the \$10 million that the Appropriations Committee is attempting to take from the operations of the Correction-- of Corrections and transfer it-- it says that the-- transfer for-- to, to complete repairs and maintenance on the water system infrastructure at the Nebraska State Penitentiary in Lincoln, Nebraska. Because although I

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know Senator Clements is possibly going to get up and say he doesn't support this because the department said that they worked on the water main issue and it's fully functioning currently. But I will remind you all this is a recurring issue that keeps happening. It keeps needing repairs because it hasn't been properly fixed. So why aren't we properly fixing it? It might be fully functioning today, and it might not be fully functioning tomorrow. So let's put the money up to make sure it's fully functioning. The new prison that is supposed to be built will not be opened until 2028. Let's spend the money to take care of the issue because the men that are inside do not want to be scooping feces out of the toilet again because the water main is not working and needs repairs. So that's why I brought this amendment. That is why. That, that is-- and, and many people might not agree with me, but that it-- it is what it is. It's clear that we have \$10 million that could be used to address this issue. For whatever reason, there is an excess of \$10 million in Corrections. Let's use the excess inte-- of, of funds to repair the water main issue. I believe that individuals being able to live in sanitary conditions should be of the utmost importance to all of us. Just because people are incarcerated does not mean that they need to live in inhumane conditions. Again, just because people are incarcerated does not mean that they have to live in inhumane conditions. The department keeps having to fix the water main issue. Why do they need to do proactive repairs if the water main is not an issue? Why was the water shut off? How long was the water shut off? It's questions that need answers. But the reality is we need to put up the money to fix the water main issue. Why does the department need to go before Senator von Gillern and the Building and Maintenance Committee and request 309 funds-- something I'm not clear that they've ever done before-- to address the water main issue? We have the funds. Let's utilize it. And I'm, I'm looking at this thing Senator Machaela Cavanaugh passed out from-- something from the Governor's staff. It says, in an effort to fulfill Governor Pillen goal of delivering General Fund savings of 3% in fiscal year 2024 and 6% in 2025, Correctional Service goals are to decrease their budget, I guess, by \$10 million in 2024 and \$10 million in 2025. To assist you achieving your goals, Epiphany Associates and the State Budget Division will partner with your agency to help utilize these savings. So I'm-- now I'm not even clear if they actually found savings or are they just saying that to justify the request from the Governor's Office that they need to cut their budget by \$10 million. It's, it's just wild. I mean, it's just wild. So what I'm-- just-- and I really just want to vote on this, honestly. I don't see a lot of people in the queue. There's never a lot of people in the queue when we're up

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talking Corrections and talking about the humanity of people and making sure the men and women that are incarcerated are not living in inhumane conditions. But people stand up every day and say that they care about all Nebraskans and making sure that all Nebraskans are taken care of. Let's be clear. The people in prison are Nebraskans. 90-plus percent of them will return back to society, back to our communities. They will pay taxes. What am I missing? Why should they have to live in a facility for, I guess, at least for the next four years. But it's not even clear if it's the next four years because when I brought amendments to the budget to demolish the State Penitentiary, nobody wanted to demolish the State Penitentiary because I got, maybe we should keep it open. There's buildings that we should save, which was crazy to me. Because for my first two years here, the whole mission behind the new pen that it's supposed to be built was the old penitentiary was in such horrible conditions that nobody could live there. We need to get people out of there. They can't live there. But when I bring a amendment to demolish it, we need to save it. We can't demolish it. We need to keep it open. So if we're not demolishing and keeping it open, we obviously need this \$10 million anyway because it has to be used to repair the water main issue anyway. So I think, I would assume, if-- not even today, all of you guys who might not support this. I hope you do, actually. Not even being sarcastic. But if you don't vote for this today, there will come a day, if the Nebraska State Penitentiary stays open, where you will be voting for maybe \$10 million or maybe more because you keep deferring the maintenance on this place. It might be \$10 million, but let's think about inflation, time value of money. The value of money today is not the same tomorrow. Could be more later. It might not be \$10 million. It could be \$20 million in 2028. Think about it. So would you rather spend \$10 million today or \$20 million in 2028? I'm just asking you, Senator Jacobson. You're a banker. Would you rather spend \$20 million-- I mean, \$10 million today or \$20 million in 2028? Speaker Arch, would you rather spend-- I don't know if you'll be term limited in 2028, but would you rather spend \$10 million today or \$20 million in 2028? It's just simple math. Because nobody wants to close NSP. Y'all don't want to demolish it because the department wants to keep it open. Would you rather spend \$10 million today or \$20 million in 2028? Because the new penitentiary will be overcrowded, guaranteed. So y'all might be ignoring me, but the reality is the reality. The water main issue is a issue. Senator Clements will get up and read that-- good evening. I've confirmed that the warden at the Nebraska State Penitentiary via telephone that the water--

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**KELLY:** One minute.

**McKINNEY:** --is currently fully functioning. A recent repair was made to be proactive in hopes to prevent any other issues with water directly affecting housing units. It is an issue. Why do they need to be proactive? Why do they have to keep repairing this water main? So I'm just saying, would you rather spend \$10 million today or \$20 million tomorrow, Senator Clements? I mean, all these people talk about all these numbers and knowing all this math, but a difference of \$10 million is a difference of \$10 million. That's, that's very simple to me. So it is what it is. I'll get back on the mic, I'm sure. Senator Clements is in the queue, so we'll have a discussion. Thank you.

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

**CLEMENTS:** Thank you, Mr. President. I did receive at 5:00 last night-- or, my office did receive that message that the repairs have been made for the water issues. And I wanted to-- I do take seriously issues like that. We-- and in the budget currently, we have \$4 million allocated per year, for every fiscal year, for maintenance of the Correctional Services. In addition, another \$2.5 million for upgrades of their security system. And that was-- it was reallocated in 2023, the two-year budget, giving them \$4 million a year, which is \$8 million in this budget. In this last session, we had deficit requests from some agencies that needed some more funding for things that needed to be done, and Corrections did not indicate that they had any shortage of funds. And the fact that they did recently repair the system without asking for money to do it means that they still have some budget money left for such repairs. Also, the York Women's Facility has-- we specified \$2.5 million for that facility because of hearing about the water issues there. And that's in addition to the, the \$6.5 million of basic construction, maintenance, and security systems. So-- and the other-- then the other thing is the-- a new prison is underway. In 2024, we allocated \$70 million for-- toward the building of the new facility. And in 2025, this fiscal year, they have \$120 million available to continue to develop the new facility. But we have been relying on the Governor and the agency director to let us know if there are additional needs. And we haven't-- or, as far as funding goes. And my opinion is that we already have given them enough money. And if we allocate this \$10 million, it probably won't be spent. They haven't asked for it, and it would be another amount of money that will be reducing the amount going for property tax relief. And so I am confident that there is-- there are funds

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available that they've been using to make the repairs when they've been needing to do so. And so I oppose AM123. Ask for your red vote on AM23 [SIC]. Thank you, Mr. President.

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

**DeBOER:** Thank you, Mr. President. Colleagues, I know sometimes because Senator McKinney has a sonorous voice, we don't always hear everything he says. I know mine is high and squeaky and annoying, so sometimes maybe you hear that. Senator McKinney and I-- couple summers ago. It was really hot out. Maybe it was two summers ago-- went to Omaha Correctional Center. Was that two summers ago? They're giving us a tour through after we show up. And they're showing us all-- the warden was showing us all the things that were broken. There were a lot of broken things. Warden says, like to fix this. Put in a request to fix this. Told, can't fix this. This is what Senator McKinney is talking about. We got a presentation a couple of years ago about the state of the Penitentiary. The state of the Penitentiary was it was going to take something like \$78 million, I think-- my numbers may be off by \$10 million-- somewhere around \$68, \$78 million to fix the Pen because-- or it was maybe more than that to fix it, and it was because of \$68 million or \$78 million of deferred maintenance, where wardens say this is broken. I'd like to fix it. And they get told, nope, we're not going to fix it. There is a real problem when we are not fixing when our prisons have some sort of problem with them that their wardens are pointing out. That isn't a good way to treat the state's assets. And then what happens? I think it is that it's going to cost \$200-some million to fix because we didn't spend the \$68 million to fix it-- 78, whatever it was. My numbers are not exactly right. They're somewhere in there. The point that Senator McKinney is making is we need to invest in keeping the asset good so that we don't have to keep rebuilding things and so that the people who live there and work there have a decent place to live and work. It's actually not really that difficult. Let's not waste money by saving a penny now to spend \$10 later. It's really not a complicated concept. Let's spend money on maintenance so that we don't have to later spend a whole lot more money. And you may say, well, it's too far gone now. That's not true. Since I've been in here, we have built new buildings at the Penitentiary. Those buildings need maintenance. Senator McKinney says, let's put \$10 million into making sure that the things that are broken, like the water main, get fixed so that they don't cost more later. This is not rocket surgery. \$10 million. It's a start on saving Nebraskans money.



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**KELLY:** One minute.

**DeBOER:** These things may not have to be spent while you're in the Legislature, but I think that's part of the problem. We have people who are term-limited in the administration, in this Legislature. And they say, if I can save money now and the check doesn't come due until later for more money, maybe I'll save money now. I think we need to listen to Senator McKinney here. He probably has the real numbers. I just have thereabouts. So, colleagues, this is-- I know we're tired. I know we're sort of in an odd place, but I think we should take the time to hear what Senator McKinney has to say. Thank you, Mr. President.

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

**McKINNEY:** Thank you, Mr. President. Back on the topic. So this, this water main issue isn't a new issue since I've been in the Legislature. I can't find the document right now. It's probably in my office. But you would see that there was a request, I believe, dating back to 2010 or 2011, asking for the water main to be repaired. It didn't get fixed then. It's 2024. I believe, Senator DeBoer, I think it's, like, \$60 million in deferred maintenance, but it might be 70 today. And the department didn't ask for the \$10 million to repair it, Senator Clements, because the Governor wants to cut these budgets. And we keep talking about property tax relief. We need the \$10 million for property tax relief. But Senator Clements, when I brought the bill to demolish the State Penitentiary once the new Pen opens, I don't think you supported that. But when the new Pen opens and we don't demolish NSP, tell the Nebraskan taxpayers that they're going to be spending money on two penitentiaries-- actually, three in Lincoln. And I'm, and I'm not even talking about the community corrections. So when we're talking about property tax relief, let's have a real conversation. So the, the people-- the, the taxpayers are going to be spending a lot of money on prisons in Lincoln. The people in Lincoln, you're going to have two State Pens, the current one and the other one that's going to be built somewhere off the interstate when you drive into Lincoln. Because nobody in this body-- well, not nobody, but a lot of people in this body did not want to demolish the old one once the new one comes online because people think it should stay open, which means taxpayers are not going to be having any savings. Taxpayer dollars are still going to be spent on NSP. If NSP stays open after 2028, you're going to have to fix the water main at some point in time. So why not spend the \$10 million today? I don't understand it. The department didn't ask for it because the Governor

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doesn't want them to spend it, but they really need it. And this is not a new issue. It dates back to, I believe, as early as 2010. And it might be further than that, but I don't know the history past 2010. And \$4 million in maintenance, it's \$4 million in maintenance for NSP or across all facilities? And if you go to our facilities-- I mean, I mentioned at OCC when we went on that visit, a individual had to put a trash bag over his bed because the roof was leaking. And when it rained, rain was coming down on him when he slept. But the warden at that facility, OCC at the time, couldn't even get those repairs because they kept being told no, because the state didn't want to spend those dollars. We got people sleeping with water coming down. It's, it's just crazy. I, I don't get it. I'm not the crazy one here. I'm really speaking logic, but you don't want to listen. He'll probably stand up and tell me numbers. The Governor didn't request it. The department didn't request it. They don't need it. Yes, they do. It, it just doesn't make any sense. Because you're-- eventually, you're going to have to spend it.

**KELLY:** One minute.

**McKINNEY:** And when they come back-- if I'm, if I'm here when they come back and request money from the Appropriations Committee to repair the water main or to do anything for NSP, especially with the water main, I'm going to say I told you so. And you're going to vote for it. Appropriations is going to vote for it because y'all vote for anything when they ask for it. But I'm telling you, they need it. They're, they're just neglecting to ask for it. But when you talk to the men that-- the men and women that work there and when you talk to the men that live within the facility, they will tell you they need it. Walk through there when the water main is broken. You'll see men scooping feces out the toilet to make sure they could use the restroom. Is that right, Senator Clements? Thank you.

**KELLY:** That's your time, Senator. Seeing no, no-- Senator Clements, you're recognized to speak.

**CLEMENTS:** Thank you, Mr. President. And I just want to say that I have never opposed adding construction funds to the Corrections. And if we give them more money, we can't make them spend the money. And without having a request for more, tells me that they have-- and they just made some repairs-- that they have funds available. So I believe they probably are listening. I think that's probably why we got the emails confirming that the water system's been repaired. And if they're listening and have needs, let's let the Legislature, let the Appropriations Committee know. But we-- giving them \$10 million

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doesn't mean they'll spend it. We can't make them spend the, the money. And I believe that the funding is adequate the way it is, and that I ask for your red vote on AM123. Thank you, Mr. President.

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

**DUNGAN:** Thank you, Mr. President. Colleagues, I stand in favor of AM123. And I want to thank Senator McKinney for his leadership on this issue. He's talking about incredibly important things. And the fact that more of you don't listen when he's talking or don't care is very telling. Thank you, Mr. President.

**KELLY:** Thank you, Senator Dungan. Seeing no one else in the queue. Senator McKinney, you're recognized to close on AM123.

**McKINNEY:** Can I get a call of the house?

**KELLY:** Yes, sir. There has 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.

**ASSISTANT CLERK:** 16 ayes, 3 nays to go under call, Mr. President.

**KELLY:** The house is under call. Senators, please record your presence. Those senators unexcused 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 McKinney, you're recognized to continue on your close.

**McKINNEY:** OK. All right. So again, AM123 is an amendment because the Appropriations Committee was moving \$10 million, \$10 million from operations to the General Fund. What this amendment does is move that money to make repairs to the water system at the Nebraska State Penitentiary because it's needed. And I use a sort of a sports reference, Senator Clements. Yes, they've made repairs, but think in sports. So imagine an athlete gets hurt, still wants to finish the season because it's-- let's say state championships is next week. So what they do? They go to the doctor and get a cortisone shot. Does it solve the issue? No. But they can make it through the next week and be sort of pain free. That's what the department is doing. They're putting Band-Aids on an issue that's not solving the problem. Yes, they repaired it, but they just-- sort of just put a Band-Aid on it that keeps needing repairs because it's never being solved. They just keep throwing Band-Aids on it and hoping-- hopefully these Band-Aids stick for another year, maybe six months. And then, yeah, it might

work. It might work. It might, it might stick together. And then we'll just throw some more Band-Aids on it. But because multiple administrations are electing not to just solve the problem-- let's say, and for a sports references, not-- electing not to have the surgery, you're keep-- you keep needing a cortisone shot, you keep needing a Band-Aid, you keep needing the stitches, but you're not solving the problem. So again, for the people that weren't in here, the people that like to talk numbers and saving taxpayer dollars, do you want to spend \$10 million today or \$20 million in 2028? Because when I brought the amendment to demolish the, the State Penitentiary once the new penitentiary is online, you voted no, which told me the State Penitentiary is going to stay open. If the State Penitentiary stays open, that means you're going to have to address the water main issue. So inflation is going to go up, time value of money, and potentially this \$10 million today could be \$20 million. So Senator, Senator Jacobson, would you rather spend \$10 million today or \$20 million in 2028? Think about it. It's just simple math. That's all I'm asking. And lastly, these people shouldn't have to scoop feces out of toilets. They shouldn't have to get-- they shouldn't have to use bottled water to take showers because the department doesn't want to repair this problem.

**KELLY:** One minute.

**McKINNEY:** I'm, I'm really lost here. It, it was-- just because these people are incarcerated does not mean they have to live in inhumane conditions because we don't want to take care of the issue. If the executive branch don't want to do their job, we should do it. These people are Nebraskans. We talk about taking care of all Nebraskans. We have Nebraskans in prisons. We should take care of them too. And I hope to get your green vote. Thank you.

**KELLY:** Thank you, Senator McKinney. All unexcused members are present. Members, the question is the adoption of AM123. A request for roll call vote, reverse order. Mr. Clerk.

**ASSISTANT 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 not voting. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan not voting. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt voting yes. Senator Hughes voting no. Senator Holdcroft

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voting no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn. Senator DeKay voting no. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar voting yes. Senator Bosn not voting. Senator Blood voting yes. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar not voting. Vote is 15 ayes, 28 nays, Mr. President, on the adoption of the amendment.

**KELLY:** The amendment is not adopted. I raise the call. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, I have a series of previously filed amendments and motions with requests to be withdrawn. I'll walk through those. Senator Machaela Cavanaugh, I have--

**KELLY:** Without objection, so withdrawn-- so ordered.

**ASSISTANT CLERK:** --FA24, FA25, FA26, FA27. Senator Conrad, I have MO25; Senator Ibach, AM8; Senator Ibach, AM9; Senator Aguilar, AM1; Senator Bostelman, AM31; Senator DeKay, AM30; Senator Conrad, AM61, all with requests that they be withdrawn.

**KELLY:** So ordered.

**ASSISTANT CLERK:** In that case, Mr. President, I have nothing further on the bill.

**KELLY:** Senator Clements, you're recognized to close. Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB2 be advanced to E&R for engrossing.

**KELLY:** There's been a request for a machine vote. Mr. Clerk. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 32 ayes, 8 nays on the motion to advance the bill, Mr. President.

**KELLY:** The bill is advanced to E&R Initial-- E&R Engrossing. Mr. Clerk.

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**CLERK:** Mr. President, your Committee on Enrollment and Review reports LB3 to Select File with E&R amendments. Select File, LB3. First of all, Senator, I have E&R amendments.

**KELLY:** Senator Ballard, for what purpose do you rise?

**BALLARD:** Mr. President, I move the E&R amendments to LB3 be adopted.

**KELLY:** Members, you have heard the motion to adopt the E&R amendments. All those in favor say aye. Those opposed say nay. They are adopted. Mr. Clerk.

**CLERK:** Mr. President, Senator Conrad, I have MO16 with a note that you wish to withdraw.

**KELLY:** Without objection, so ordered.

**CLERK:** Mr. President. Senator Conrad, I have MO31 with a note you would withdraw.

**KELLY:** Without objection, so ordered.

**CLERK:** Senator Conrad, I have MO17 indefinitely postponement with a note to withdraw.

**KELLY:** Without objection, so ordered.

**CLERK:** Senator Clements, I have FA11 with a note that he would withdraw, as well as FA12.

**KELLY:** So ordered.

**CLERK:** Senator Machaela Cavanaugh, I have FA33, FA34, FA35, FA36, FA37, FA38, FA39, FA40, all with notes that you would withdraw.

**KELLY:** So ordered.

**CLERK:** MO-- excuse me. Senator Machaela Cavanaugh, I also have AM107 with a note that you would withdraw.

**KELLY:** So ordered.

**CLERK:** Senator Ibach, I have AM11 and AM-- excuse me-- AM11 with a note that you would withdraw.

**KELLY:** So ordered.

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**CLERK:** Senator Bostelman, AM33 with a note to withdraw.

**KELLY:** So ordered.

**CLERK:** Senator DeKay, AM32 with a note that you would withdraw.

**KELLY:** So ordered.

**CLERK:** In that case, Mr. President, Senator Wayne would move to amend with AM132.

**KELLY:** Senator Wayne, you're recognized to open on your amendment.

**WAYNE:** Thank you, Mr. President. Colleagues, I'm not taking this to a, a filibuster to the, to the close, I am giving people an opportunity to vote on something that they all said that we should not have in our statutes. So I would like everybody to understand that I have heard nobody say that we should keep this in. In fact, everybody said that a tax on electricity is bad. So here is a vote to remove electricity as a tax. So we can take care of that right now and today. And with that, I'll ask for a green vote.

**KELLY:** Senator Clements, please state your point of order.

**CLEMENTS:** It is not germane to the bill.

**KELLY:** Senators Wayne and Clements, please approach. It's the point-- it's the position of the Chair that the amendment is not germane. There's been a motion to overrule the Chair. Senator Wayne, you're recognized to open. Each member may speak one time, and members may not yield time. Senator Wayne.

**WAYNE:** Thank you. So I never-- I, I never-- I call balls and strikes on the rules. So I'm, I'm going to point out why this is germane, and why I actually-- I, I disagree with the, with the Chair. On page 31 of AM41, it opens up Section 77. That chapter is now open and on the floor. Specifically, it deals with 77-402 as amended. OK? That's-- one, the chapter is already open on the floor and it is doing it, so it's germaneness by definition because we're in the same chapter. Two, at least two cash funds receive proceeds from the sales and use taxes under 77-203. The one I'm eliminating is 77-204. Same section, same subsection, same sales stream. It is a natural flow from the stream. This is germane, it is on point because we are eliminating some of the money that would be going into one of those streams. So it is germane. This is not a germaneness issue. It is clear that this is germane. Again, any time-- now, what somebody's going to get up

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and say is, well, it wasn't heard in my committee. I've explained this over and over again. Just because the bill is in your committee does not make it not germane somewhere else. It is about the chapter and section on the floor. Chapter and section on the floor. And once that chapter and section is open, you can strike and move anything, and I guess I'm going to give you the best example of that: splitting OPS. Splitting OPS, by Senator Chambers, because that chapter was open on the floor. They were dealing with the same content of OPS. He literally on the floor split it into three pl-- pl-- three different school districts. That is the nature of this. That is why people are saying, hey, we don't want a gambling topic to come up because the entire chapter is open. So I call balls and strikes on every-- I've never pushed my button on the rule and, and pushed it one side or another. Earlier, people thought I was going to be with Senator Lou Ann, and I wasn't. When it comes to rules-- Senator Linehan. Sorry. When it comes to the rules, I don't, I don't play games on them. But the reality is, 77 is open, we are talking about proceeds from sales and use tax, and we're talking in the same subchapter of subchapter 2703, minus 2704. One chapter away. Not-- no, one subchapter away. That is germane because it deals with sales and use tax. I don't know how else to explain anymore. I actually laughed when I thought germaneness because this has been one of the most germane bills that I've had in the last three years on this topic. Thank you, Mr. President.

**KELLY:** Thank you, Senator Wayne. Moving to the procedural queue. Senator von Gillern, you're recognized to speak.

**von GILLERN:** Thank you, Mr. President. Senator Wayne, would you yield a few questions, please?

**KELLY:** Senator Wayne, would you yield to questions?

**WAYNE:** Yes.

**von GILLERN:** Senator Wayne, this came up in a bill that we did hear in Revenue. Do you remember the bill number?

**WAYNE:** I remember-- no.

**von GILLERN:** But we did talk about it in Revenue Committee?

**WAYNE:** Yes.

**von GILLERN:** Do you know, did Revenue exec on that?



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**WAYNE:** Don't know.

**von GILLERN:** The answer is no. Do you know the cost of this bill?

**WAYNE:** \$22 million.

**von GILLERN:** I remember 63.

**WAYNE:** No, that was because it had natural gas in it.

**von GILLERN:** It was 83 with natural gas last year, 63 with electric this year is my recollection. But we can both look and find--

**WAYNE:** Are you against the bill? Or are you-- or what are you arguing here?

**von GILLERN:** I'm asking you questions. Where, where is the money coming from?

**WAYNE:** Well, all the cash transfers we're doing were \$117 million.

**von GILLERN:** And where's the money going to go?

**WAYNE:** To eliminate that tax. It'll offset the cost.

**von GILLERN:** Eliminate what tax?

**WAYNE:** Electricity tax. So you'll still have money left over according to your own calculations.

**von GILLERN:** Very good. Thank you. That's all I have.

**KELLY:** Thank you. Senators von Gillern and Wayne. Senator-- Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. Senator Wayne, any question-- would you yield to a question?

**KELLY:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**McKINNEY:** Would you like to clarify any more confusion about what you're doing?

**WAYNE:** Yeah. So it's real simple. Everybody said that we shouldn't tax this. And when I came up here on the floor the last five seconds

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to throw the 2-- 2.5 cents on, I couldn't get an amendment done. But I got an amendment done. I went back and looked at all the sections of all the bills. We opened up Chapter 77. We're using sales and use tax, and I'm eliminating one of the sales and use tax. How is that not germane? It's sales and use tax. So what I'm doing is taking the \$117 million that we are moving around to property tax relief and providing those who don't own homes and those who do a little savings on their tax. Now, everybody here said they were against this and we should get rid of it. Tax on electricity, a need. This is your opportunity to do so, and we have the funds to pay for it. So guess what? We don't give them 3% of new. We only give them 2. That's a couple dollars less that they get, but they don't have to pay a tax on something they need. I think that's fair. I think we should have that conversation. So you put the amendment up on the board, we have that conversation. If it dies, it dies. But this legitimately, legitimately removes a tax that you all and I agree is bad. But the question of germaneness, the question of germaneness-- it's germane. And it's all-- it's, it's clearly germane. I said it again. 77 opened up the chapter. We have two cash funds that are receiving proceeds from 77-- 77-2703. I touched 77-2704. Any other day, this wouldn't be a germaneness issue on any other bill. And just because that came out of Appropriations doesn't mean anything. See, when I started here, Appropriations wouldn't do policy. Well, there's a whole lot of policy in our budget now and language that comes out of Appropriation. So that went away. It's the same section of law and, as-- now, the rule says naturally flow. Yes. Sales and use tax proceeds in one subsection above is mentioned twice in here, and we are eliminating a sales and use tax. That makes it germane.

**McKINNEY:** Germane and you're trying to take care of all of Nebraskans, right?

**WAYNE:** Correct. And we have the money to do it.

**McKINNEY:** Because LB34 didn't, right?

**WAYNE:** LB34 did not. And what's crazy is, I'll be off LB34. I told you, I wanted two to three things: targeted tax relief, LB57-- which we know is off the table-- and something for renters and everyone else. I don't like the bill, but we're doing something better. We're eliminating electricity. Senator von Gillern has said multiple times in some meetings he is going to bring a bill for natural gas next year, so hold him to it. Thank you, Senator McKinney. Any other questions for me?

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**McKINNEY:** No, but thanks for trying to look out for all Nebraskans because LB34 did not. Thank you. Thank you, Mr. President.

**KELLY:** Thank you, Senators Wayne and McKinney. Senator Clements, you're recognized to speak.

**CLEMENTS:** Thank you, Mr. President. I oppose the motion to overrule the Chair. I, I know that-- I've been told here-- well, first of all, the funds in LB3 are funding property tax relief, and it's \$20, \$30 million, maybe \$60 million. Would make a big hole in the amount of funding that we're doing here. And-- so that-- the first thing-- that's-- we did not discuss tax on electricity in the Appropriations Committee. What we did discuss was-- the most, the most part of LB3 is taking-- transferring interest on cash funds. The interest isn't being used, and we selected 45 out of 65 or so that were offered. Some of those cash funds, the money that comes into them is from sales tax. And so this section of-- regarding sales tax gets opened up because some of the funds-- sales tax goes into Game and Parks-- a Game and Parks fund that we're going to transfer interest from. Some of it is funds that Department of Revenue manages, and sales tax goes into a fund the Department of Revenue manages. So it's, it's true that there's some description of sales tax items in this bill, but it's just funds that get sales tax into them. There's no tax levying or tax-- setting of tax rates in the Appropriations bill. And I just wanted to clarify that, that we have to open up those sections just to discuss a fund that happens to get sales tax put into it. That doesn't mean we're doing anything with sales tax rates on any products or electricity. So that's why I believe this is not germane to LB3. And I ask you to vote against overruling the Chair. Thank you, Mr. President.

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

**MOSER:** Thank you, Mr. President. Well, I think, rather than getting the lawyers in the room all atwitter and starting an argument on germaneness, we should just vote that it is germane and then just vote down the transfer. I was listening when Senator von Gillern and Senator Wayne were talking about how much the fiscal note was, and I was just curious if I could ask Senator von Gillern a question.

**KELLY:** Senator von Gillern, would you yield?

**von GILLERN:** Yes.

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**MOSER:** So did you find the fiscal note on the--

**von GILLERN:** Yes, I did.

**MOSER:** How much is it?

**von GILLERN:** Fiscal year '24-25, \$39 million; '25-26, \$62 million; '26-27, \$65 million; '27-28, \$68 million.

**MOSER:** OK. Thank you.

**von GILLERN:** Thank you.

**MOSER:** Yeah. So it is a substantial amount of money. And spending \$60 million of the money that this bill provides for property tax relief is going to take it from 3% property tax relief to 2% property tax relief. So-- you know, I laud Senator Wayne for wanting to do something about tax on electricity, but I think that that's something we're going to have to do in some-- at some future point. When we were talking about taking this tax away, we had revenue sources to pay for it, and we had more revenue than this to credit toward property tax relief. But when we took away those exemption discussions, we took away the sources of revenue. Then the property tax benefit dwindled down to about 3%. And adding the electrical tax exemption at this point would make it 2%. And if you feel bad going home with only a 3% improvement, you'll feel 33% worse if it's only 2%. Thank you.

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

**CONRAD:** Thank you, Mr. President. Good evening, colleagues. I rise in support of the motion to overrule the Chair, and I think this is perhaps a close call and an interesting question, absolutely. But I, I do think it is germane. I think, I think that this measure is germane. And I listened to Senator Wayne's argument, which, as per usual, was incredibly well-researched and well thought out. And I think the sections that he mentions clearly do relate to and, and open up this dialog. I, I do want to also just set forward a, a few other pieces. So again, the germaneness rule is governed by Rule S-- the germaneness question is governed by Rule 7. And again, perhaps one point of consideration in making a decision is where a bill was referenced and where it ends up. It is not unprecedented to have amendments come together from dur-- different jurisdictional committees. It is rare, but it is not unprecedented in our system. That may be one point of consideration, but it is not the test for

germaneness. And so, I, I do just want to reiterate-- reiterate that Rule 7, on its face, lists the test, and I think Senator Wayne already did a good job applying the rule to this situation. So the, the other two points that I, I do want to lift up here is-- again, it's not unprecedented, but it's definitely not a typical practice for us to set policy within the context of our state budget. Of course, the budget itself is a moral document and impacts a lot of different policies, but we've typically shied away-- for a lot of good reasons-- in utilizing the budget to advance policy debates for a host of, of different reasons, primarily because they become very contentious and we always try to safeguard our constitutional obligation to carry out our balanced budget requirements and otherwise. So it makes me-- and that, that's a separate policy question as to whether or not we want to do more policy in the budget itself, but it doesn't go to the heart of the matter before us in regards to germaneness. The last point that I would just reiterate and lift up here, friends, is that I, I again contend that LB2 and LB3 are unnecessary. They are absolutely unnecessary in terms of our legal obligation in regards to our budget. They are absolutely not A bills for property tax relief. They are absolutely not. So if the body decides to move forward with this discussion-- and, and I think they very well could-- I do think it is germane-- the, the fiscal impact and the price tag here is, for all intents and purposes, irrelevant for the bottom line. We have a balanced budget requirement that applies to the biennium, not to the moment. We are in compliance thereof. So I, I think Senator Wayne has brought forward an interesting idea. I think it's germane, and we should overrule the Chair. And then, we should continue to a debate about whether or not that's a good idea to take up more policy work in our budget, and we can have a broader discussion of fiscal implications or otherwise. Thank you, Mr. President.

**KELLY:** Thank you, Senator Conrad. Senator DeBoer, you're recognized to speak.

**DeBOER:** Well, colleagues, I almost never overrule the Chair, but in this case, I think, I think Senator Wayne is right. This one does appear to be germane. So there we go. I will be mo-- I will be voting to overrule the Chair. I can see how this might be a question someone has, but, it does look like this one is germane. The question about whether we want to pass it or not is a different question. This is the germaneness-- I said to somebody-- earlier, I said, here's a multiple choice question: which is a worse sentence to hear? The first one is, folks, we're going to have to deplane. And the second one is, turning to the procedural queue. So here we are. I think

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we're almost done talking about this, but maybe a few more. The, the issue is that it probably is germane. We can talk about the merits of the amendment after that, but it looks germane. Thank you, colleagues.

**KELLY:** Thank you, Senator DeBoer. Senator Hansen, you're recognized to speak.

**HANSEN:** Thank you, Mr. President. Well, I'm still on the fence a little bit about the motion to overrule the Chair. I'm just kind of listening to what everybody's saying right now because they're making some pretty good points. I just remember-- I just want to, you know, have everyone remember when they chose not to overrule the Chair before because they were very concerned about setting precedents or very concerned about items in two separate committees, and that's exactly what we're doing here. So if you chose to not overrule the Chair before because these-- you had two items in separate committees and then you vote to overrule the Chair now on a-- two bills that are in separate committees, that confuses me. So I want to remind everybody about that. The other thing that I have a, a concern about, just-- not so much the motion, but more what's-- what we're trying to accomplish here with the amendment-- is it may be germane to the bill, but it's not germane to the reason why we're here. The whole purpose of why we're here in this special session, in my opinion, is to deal with bills that have to do specifically with property tax relief. And so, if this was perhaps part of a greater package-- a property tax reform package-- that might be a different story, but in and of itself may-- does not seem to fit the germaneness of why we're here. And so that's why I have an issue with it all of a sudden being thrown on, attached. And it's a significant amount of money. So with that, I was wondering if Senator Clements would yield to a question.

**KELLY:** Senator Clements, would you yield to question?

**CLEMENTS:** Yes.

**HANSEN:** Senator Clements, did you have any other concerns about the motion?

**CLEMENTS:** Yes, I do. And I asked the Fiscal Office to tell me what would happen to our green sheet-- fiscal year 2027 ending balance. If we passed things the way they are without this proposal, we would be about \$57 million positive. If we pass this electricity question, it'll reduce our General Fund \$162 million because it's this year, next year, and the following year. We're looking at three years

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ahead. We would end up \$105 million negative on our financial status, which will-- yeah, you know, that's going to need something else done about it. We've-- the funding for this was-- would have been in some sales tax revenues; and since that revenue is not here, it's just going to reduce our budget amounts and be unsustainable. So thank you for the question, Senator Hansen.

**HANSEN:** How much time I got left?

**KELLY:** 1 minute, 45 seconds.

**HANSEN:** I don't really want to use it. I just was curious. Just one other thing I want to mention. I'm not really opposed to the intent-- if I'm, if I'm thinking right-- of what Senator Wayne is trying to do here. I am in favor of eliminating the tax on utilities, but I would like to see a be a part of a greater package, because (a) that's the reason why we're here and (b) I think, overall, I think we can actually help people quite a bit, not just in this front, but in with their property taxes as well. And then also all the stuff Senator Clements just mentioned with some of the needed revenue when it would, would come to pay for this bill, so.

**KELLY:** One minute.

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

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

**J. CAVANAUGH:** All right. Thank you, colleagues. Thank you, Mr. President. So I was wrestling with this. I heard Senator Wayne. He-- Sen-- Senator Wayne's been great to serve with for four years. I've learned a lot. He's got some real avant-garde ideas sometimes, and that challenges you to learn things better and to look into them. So my-- I would just be honest with you. My first reaction was that it was not germane. I do like the idea. My first reaction was it's not germane. But I looked, I read the bill as it is currently amended, and I read Senator Wayne's proposal, and I went back and I read the rule. And it's-- the standard is not whether it comes from the same committee, though that is an easy shorthand to say one way or the other. But we all know things in the same committee may not be germane; things from other committees may be germane. It's not a-- that is not an absolute. So the standard is whether the amendment that we're proposing follows in the logical-- is a logical, consistent-- natural and logical sequence to the subject matter of

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the original proposition. So the original proposition is LB3-- I think we're on-- as amended and whether Senator Wayne's proposal is in the logical-- natural, logical sequence to that. And I would ask if Senator Wayne would yield for a question.

**KELLY:** Senator Wayne, would you yield some questions?

**WAYNE:** Yes.

**J. CAVANAUGH:** So Senator Wayne, LB3 as amended, at the, the-- what we're talking about right now-- my understanding, it creates a cash fund. Is that right?

**WAYNE:** Yes.

**J. CAVANAUGH:** And it directs sales and use taxes into that cash fund?

**WAYNE:** Yes.

**J. CAVANAUGH:** So it, it does-- and it opens up that chapter, which is, is helpful, but it-- specifically, the purpose of parts of this bill, as amended, are to direct sales and use taxes.

**WAYNE:** Correct.

**J. CAVANAUGH:** And your amendment would direct us as to not collecting sales and use taxes.

**WAYNE:** On a particular thing, yes.

**J. CAVANAUGH:** On a particular thing. So it is logically and consistently statutorily achieving a similar c-- idea, right?

**WAYNE:** It's-- falls right underneath the logical conclusion of where we direct sales and use tax. We can look at what sales and use tax we are directing, and if we should have those.

**J. CAVANAUGH:** So-- yeah. Exactly. We're t-- so, your, your theory is, logically and consistently, if we can say where-- in a bill says where sales and use taxes can go, we can say that they also can't go somewhere, right?

**WAYNE:** Correct.

**J. CAVANAUGH:** All right. Thank you, Senator Wayne. So, colleagues, I, I-- Senator Moser hit it on the head, I think, that if you don't like this idea or you don't want to do it now for any number of reasons,



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go ahead and vote against it. I would certainly-- I'm in favor of this idea. I join Senator Wayne and so many others in supporting this idea. But it is an avant-garde idea. Senator Wayne is an incredibly bright guy, and he figured this one out. Took me a few minutes, even with his guidance, to figure it out, but he's right. It doesn't have to come from the same committee. It just has to logically and consistently follow from the proposition we're-- that's under consideration. His amendment tells the state not to collect sales and use tax. This bill, as amended, tells the state how or what to do-- how to dispose of sales and use tax. Both of them logically, naturally have to do with the disposition of sales and use tax. Opens up the same chapter. So I encourage your green vote on overruling the Chair. And I would certainly encourage your green vote on the amendment, but we can take that up after we get past this point. Thank you, Mr. President. Thank you, Senator Wayne.

**KELLY:** Thank you, Senator Wayne and Senator Cavanaugh. Senator Machaela Cavanaugh, you're recognized to speak.

**M. CAVANAUGH:** Thank you, Mr. President. I am going to say something kind of shocking: I agree with Senator John Cavanaugh and I disagree with Senator Ben Hansen. I know. I know, it's, like, earth-shattering. Not entirely-- I don't entirely disagree with Senator Ben Hansen. I-- the, the idea of, if you voted to sustain the Chair's ruling earlier today on germaneness, then what is different here? Because I did vote to sustain the Chair's ruling on germaneness earlier today, and I am going to vote to overrule the Chair this afternoon-- this evening. I-- like Senator John Cavanaugh, I did not think it was germane at first. That was my initial reaction. I was like, well, it's not germane. But I sat here, and I listened to the debate and I listened to what Senator Wayne was saying, and I thought, OK. That is germane. Then I wondered, was the amendment this morning-- was I incorrect in how I voted? And if I was, I would definitely say that I felt that publicly. But then I checked with the Clerk and I-- as far as I know, quick glance, it d-- this morning, they were not only different committees, but it didn't open up the same section of, of statute. And I like to be as consistent as possible, so. I do-- I also like this amendment. But even if I didn't like this amendment, I would still vote for the germaneness based on the ar-- arguments that have been articulated this afternoon. I do think-- this amendment has to get 25 votes to be adopted, so those of you that don't like the amendment itself, don't vote for the amendment. And my final point to counter Senator Hansen's remarks about seeing it in a broader package: this, this concept was in a broader package. It just didn't make it into the final because it was

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part of a broader package. So Senator Wayne is trying to take one piece of the broader package and put it in to move forward, and it is something that ha-- was talked about a lot, that we-- we don't tax pool services, but we tax electricity. That was a common thread earlier this week in debate, and so I welcome the opportunity to-- for us collectively to say we don't want to tax electricity. I also was fine with voting to get rid of the pool tax exemption. So there you have it. That's where I stand. I appreciate the conversation today. I was originally going to stay with the Chair, but I'm now not. And, again, earth-shattering. I know. But I agree with Senator John Cavanaugh. And, in this instance, I am going to respectfully disagree with Senator Hansen. Thank you, Mr. President.

**KELLY:** Thank you, Senator Cavanaugh. Seeing no one else in the queue. Senator Wayne, you are recognized to close on the motion to overrule the Chair.

**WAYNE:** Colleagues-- thank you, Mr. President. You know, I've often got overruled. I've often-- I think the LB1107 debate, I said some germaneness issues, and the Chair ruled one way, and I tried to override the Chair. It didn't go. But I've never pulled punches on rules. I haven't. I may use them to my advantage, but I'm, I'm always following the rule. And the rule says germaneness amendments relate only to the details of the specific subject of the bill; must be a naturally-- natural and logical sequence of the subject matter. We're dealing with sales and use tax. That is the subject matter. Where those come from is a natural and logic conclusion. The fact of that it even opens up the same chapter tells you that we're using that. And, even a subsection that is one subsection away. That means it is a natural and logical conclusion. You may not like the policy, but on germaneness, it's correct. The arguments that I heard is, it wasn't in my committee. I've never made those arguments on the floor. I do it for rereferencing, saying we have a history of this being in this committee, but I-- I've always known that some things, some-- it goes to other places depending on how you draft it. I used to make a joke that if you draft something that says "counties and cities," it goes to Government; if you draft it for just cities, it goes to Urban Affairs, and then in amendment, we just include counties. I understand all that. But when it comes to germaneness, real germaneness, it opens the chapter. It is a natural, logical conclusion sequence from the subject matter. You may not like the policy. You may vote down the policy. I am not trying to filibuster. I'm not trying to take up a lot of time. I want a vote on this. So before I dropped this, I, I did the research. I looked at it. I verified it. It is the same chapter. It's one subsection away. But

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the overall concept is where we-- what we are doing with sales and use taxes. We are putting into a fund. The natural, logical conclusion is we can dictate what sales tax goes in there, and I'm saying we're eliminating that whole sales tax. It can't go in there. So I would ask you for a green vote to overrule the Chair. We can have a policy debate. We could talk about the pay-for, but procedurally, this is germane. Let's make sure we would be consistent. It is germane. So I would ask for a green vote on this. And we can debate whether or not this should be passed, but this is germane. Thank you, Mr. President. Call of the house. Roll call vote, reverse order.

**KELLY:** Thank you, Senator Wayne. 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; those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 25 ayes, 6 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. All unexcused members are present. The request was for roll call vote, reverse order. The question is the motion to overrule the Chair. 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. Senator Sanders voting no. Senator Riepe voting yes. Senator Raybould. Senator Murman voting no. Senator Moser voting yes. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting yes. Senator Lowe not voting. Senator Lippincott voting no. Senator Linehan not voting. Senator Kauth voting, voting no. Senator Jacobson voting no. Senator Ibach not voting. Senator Hunt. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting yes. Senator Halloran voting yes. Senator Fredrickson. Senator Erdman. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn. Senator DeKay voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Conrad voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting yes. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar voting yes. Senator Bosn not voting. Senator Blood voting yes. Senator Ballard not voting. Senator Armendariz voting no. Senator Arch voting yes. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 21 ayes, 17 nays, Mr. President, to overrule the Chair.

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**KELLY:** The motion is adopted. The vote needed 22. It is not successful.

**CLERK:** Mr. President, I have nothing further on the bill at this time.

**KELLY:** Raise the call. S-- Senator von Gillern, you're recognized to speak. Senator Machaela Cavanaugh is recognized to speak.

**M. CAVANAUGH:** Thank you, Mr. President. I just didn't want the bill to move forwards without any further conversation. And to explain to people at home-- normally something needs 25, which is a simple majority, but this only needed 22 because of the number of senators present, I believe. And I'm getting headshakes from up front. So-- which actually makes that more heartbreaking because it had 21 votes and not 22. And the disappointing thing about it is that that was a procedural vote, not a vote of support for the amendment itself. And, and it seemed like some of the people-- at least the-- some of-- the people who spoke in opposition to the amendment didn't really address the germaneness issue and then voted against the germaneness issue, so that is disappointing. This was used as a point of contention several times during debate on LB34 about how we were being obstructionists to not allow us to take away the-- or, to create an exemption for taxing ele-- utilities, so. Several of the people who came-- stood on the floor and made those comments did not vote to give us the opportunity to make that specific exemption. And that is really-- for me, it's frustrating. I like consistency, as I said to Senat-- about-- responding to Senator Hansen's comments. I like consistency. I try to be as consistent as possible. And to have individuals for days and days talk about how we didn't do this for utilities and then vote against it because it's too expensive-- vote against the opportunity to vote for it because it's too expensive, that just, for me, is very disingenuous. But we are where we are. And I am going to ask for a machine vote. Thank you, Mr. President.

**KELLY:** Thank you, Senator Cavanaugh. Senator Ballard for a motion.

**BALLARD:** Mr. President, I move that LB3 be advanced to E&R for Engrossing.

**KELLY:** Members, the motion is to advance LB3 to E&R Engrossing. And there's been a request for a machine vote. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 32 ayes, 7 nays to advance the bill, Mr. President.

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**KELLY:** LB3 is advanced to E&R Engrossing. Mr. Clerk.

**CLERK:** Mr. President, your Committee on Enrollment and Review reports leg-- LR2CA to Select File. Additionally, amendment to be printed from Senator Wayne to LB34. Finally, a priority motion. Senator Moser would move to adjourn the body until Saturday, August 17, 2024 at 9:00 a.m.

**KELLY:** Speaker Arch, to speak to the motion.

**ARCH:** Thank you, Mr. President. So, yes. Conve-- convene tomorrow, 9:00 am. Tomorrow, we will be convening at 9:00 a.m. We will take up the Select File debate for LR2CA, which we passed today on General. We also need to stay checked in until we receive back from the Bill Drafters' Office the bills we advanced today and LR2CA if advanced to E&R Final tomorrow. So we'll-- again, we've had that before. We'll stand at ease until that comes back. Saturday is a needed legislative day to allow Final Reading, not just for the Select, but also to-- we're not going to read it, but to allow Final Reading for LB34A next Tuesday based upon its introduction date and the constitutional seven legislative day requirement to pass a bill. So that's, that's LB34A on Tuesday. Now, that's Saturday, and hopefully it will be a short day. Monday will be check-in day. We will, we will convene at 9:00 a.m., adjourn by 9:30. In order to count as a legislative day-- which is our layover day for Final-- on Tuesday, we'll need a quorum of 25 members. So please respond to the email I'll be sending later today with this announcement message to confirm whether you will be here on Monday. We-- I, I-- we did this when we did our check-in days for bill introduction, and we'll do the same here. Please, please let me know. I want to be sure that we have 25 on Monday. So then Tuesday, we will convene at 9:00 a.m., take up Final Reading of LB34, LB34A, LB2, LB3, LB4 and LR2CA, dependent upon tomorrow's action. Thank you, Mr. President.

**KELLY:** Thank you, Mr. Speaker. Members, you heard the motion to adjourn. All those in favor say aye. Those opposed, nay. The Legislature is adjourned.