

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee March 2, 2022

**LINEHAN:** Welcome to the Revenue Committee public hearing my name is Lou Ann Linehan. I'm from Elkhorn, Nebraska, and I represent the 39th Legislative District. I serve as Chair of this committee. The committee will take up bills in the order posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. We do ask that you limit handouts and it's important to note if you are unable to attend a public hearing and would like your position stated for the record, you must submit your position and any comments using the Legislature's online database by 12 p.m. the day prior to the hearing. Letters emailed to your senator or staff member will not be part of the permanent record. You must use the online database in order to be part of the permanent record. To better facilitate today's proceedings, I ask that you follow-- you abide, excuse me, by the following procedures. Please turn off your cell phones and other electronic devices. The order of testimony is introducer, proponent, opponent, neutral, and closing remarks. If you will be testifying, please complete the green form and hand it to the committee clerk when you come up to testify. If you have written materials that you would like to distribute to the committee, please hand them to the page to distribute. You will need 11 copies for all committee members and staff. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell both your first and last name for the record. Please be concise. It is my request that you limit your testimony to five minutes. If necessary, we will use the light system. So you have four minutes on green and on yellow, you need to wrap up. If there are a lot of people wishing to testify-- I don't think that's the case today. If your remarks were reflected in previous testimony or if you would like your position to be known, but do not wish to testify, please sign the white form at the back of the room and it will be included in the official record. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. I'd first like to introduce committee staff. To my immediate right is legal counsel, Mary Jane Egr Edson. To my immediate left is research analyst, Kay Bergquist. To my left, at the end of the table, is committee clerk, Grant Latimer. Now I would like committee members to start-- introduce themselves, starting with Senator Friesen or Senator Pahls.

**PAHLS:** I couldn't get in. The door closed.

**LINEHAN:** I'm sorry.

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**FRIESEN:** That was for you.

**PAHLS:** [INAUDIBLE]. Rich Pahls, District 31. Thank you.

**FRIESEN:** Curt Friesen, District 34: Hamilton, Merrick, Nance, and part of Hall County.

**LINDSTROM:** Brett Lindstrom, District 18, northwest Omaha and Bennington.

**BRIESE:** Tom Briese, District 41.

**ALBRECHT:** Joni Albrecht, District 17.

**LINEHAN:** Our pages today are Natalie from Norfolk, who's studying international business at Wesleyan, and Thomas, who is at UNL studying political science-- who's from Omaha. I should have said he's from Omaha. Please remember that senators may come and go during our hearings, as they may have bills to introduce in other committees. Please refrain from applause or other indications of support or opposition. For our audience, the microphones in the room are not for amplification, but for recording purposes only. Lastly, we use our electronic devices to distribute information. Therefore, you may see committee members reference information on their electronic devices. Be assured that your presence here today and your testimony are important to us and critical to our state government. With that, we'll start the first hearing, which is LB12-- oh, wait-- LB972. Good afternoon.

**M. HANSEN:** Good afternoon, Chairwoman Linehan and members of the Revenue Committee. My name is Senator Matt Hansen. For the record, M-a-t-t H-a-n-s-e-n, and I represent Legislative District 26 in northeast Lincoln. I'm here today to introduce LB972. This bill is an attempt to increase the development of housing across the state by giving special valuation for agricultural land that is being transitioned into residential buildings, which could last up until the actual construction of the housing started. This idea arose from an interim study I introduced in the-- in Urban Affairs Committee last year, LR131, which was looking at barriers to housing development. At the hearing in August, we heard from a number of stakeholders and one issue in particular that came up was the plating process for creating new housing subdivisions out of agricultural land. Specifically, several cities reported that developers were requesting subdivisions to be replatted and rezoned in a piecemeal manner over a number of years. For example, a housing development of 60 planned houses might

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only be submitted 10 or 15 houses at a time over four or five years rather than all at once. The goal of this incremental approach is primarily to avoid paying the residential tax rate of lots before they are profitable, basically, whether a city has uncultivated agricultural land. This both limits the amount of lots available to be developed and creates repeated and excess work for cities and developers. My idea with this bill is to allow for the land that receive the special valuation under 77-1344 until the actual housing begins construction on the lot, essentially saying that undeveloped agricultural land only becomes residential when the building starts, not when the plating changes. This should hopefully enable developers to plan larger developments at once and reduce the risk of being stuck with unprofitable lots for too long. With that, I'll conclude my introduction and be happy to take any questions.

**LINEHAN:** Thank you, Senator Hansen. Are there questions from the committee? Seeing none, thank you very much.

**M. HANSEN:** Thank you.

**LINEHAN:** Are there proponents? Hi.

**CAROL BODEEN:** Good afternoon, Chairperson Linehan and members of the Revenue Committee. My name is Carol Bodeen, C-a-r-o-l B-o-d-e-e-n. I'm the director of policy and outreach for the Nebraska Housing Developers Association. Our office is located here in Lincoln. The Nebraska Housing Developers Association is an organization of over 70 members from across the state. Our mission is to champion affordable housing. It's our goal that Nebraskans of every income have the cornerstone foundation of a healthy and affordable home and our members include both nonprofit and for-profit developers and organizations. And I'm here to testify in support of LB972. We thank Senator Hansen for his work to improve opportunities to develop more affordable housing in our state. This legislation could encourage development by maintaining the land at its current agricultural valuation until construction actually begins. This could be an additional tool to potentially increase the number of buildable lots to be developed into affordable housing by lowering some of the costs and therefore impacting the price of future homes. In many areas of the state, especially more rural areas, development moves more slowly and the reduction in the carrying cost of the land waiting to be built upon could be significant. Along with the steadily increasing costs of land and construction materials, the challenge to build homes that are within reach of families with low to moderate income levels is becoming increasingly difficult. We support the discussion of new

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ideas to meet this challenge and therefore ask that you advance LB972. And thank you and I'm happy to take any questions from the committee.

**LINEHAN:** Thank you, Ms. Bodeen, for being here. Are there questions from the committee? So I'm from Elkhorn so we do a lot of this in Elkhorn.

**CAROL BODEEN:** Yeah.

**LINEHAN:** So are you saying that in Elkhorn, where they're selling lots for \$70,000 to \$150,000 this should apply?

**CAROL BODEEN:** That's-- as I was reviewing through it, I think that, at least in my mind, the way that I saw it is that in the more rural areas, it could be of more benefit than in the areas in the eastern-- you know, this part of the state where development happens so quickly. You know, in some areas out in the western part of the state, central part of the state, I've seen developments that can sit for quite a while before the-- this construction actually begins. And so I think what, what the senator was talking about with the fact that it can happen a little bit more piecemeal and-- you know, and I think that this could be a tool that could help with that. So I think that there could probably be a little bit, you know, work on the bill maybe to, to change a few things, but I think in some areas of the state that it could be a tool.

**LINEHAN:** Thank you. Are there other questions from the committee? Seeing none, thank you very much.

**CAROL BODEEN:** Thank you for your question.

**LINEHAN:** Are there other proponents? Are there any opponents? Good afternoon.

**JON CANNON:** Good afternoon, Chairwoman Linehan, distinguished members of the Revenue Committee, the only committee I refer to as distinguished this session, by the way. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of the Nebraska Association of County Officials here to testify today in opposition to LB972. Certainly, while this is well intentioned, we don't think this is the right policy. We do like to thank-- we'd like to thank Senator Hansen for bringing this in front of us. I do not believe we've really yet to have that discussion about special value and exactly what it means and so to that extent, we appreciate having this kind of-- sort of conversation. As you all are probably aware, special value comes from Article VIII, Section 1(5), subsection (5) of the Nebraska

Constitution. And one of the things that, that is in there is that it requires that we have that parcel of land that would receive special value, as we've come to call it, actively devoted to agricultural purposes. I'll get into that in just a little bit, but I wanted to have that to set the stage. Really, this kind of gets to the question of what is market value and what are the factors that influence market value? And certainly, when you've got someone that purchases land for development, we see that market value go up and, and I know if I'm a taxpayer, I would prefer the market value not to go up. I get that. That's, that's an understandable motivation. But what this does is it will shrink the tax base and particularly-- and in prior years when we've had special value as it currently exists, when special value is deployed, we're, we're limiting the tax base in those areas, which have a lower rate. And so perhaps it doesn't make that much of a difference as far as the numbers of dollars and cents that are, that are lost to the political subdivision. I believe that the cities may, may have an opinion on that. I don't want to speak for Lynn Rex and so I'll, I'll leave it at that. But what we're talking about here is extending this into more urban areas and within the city limits. And therefore, that is typically where you're going to have an additional rate that's on top of what you already have. And so that's going to be-- certainly would be a blow to that city that might want to develop a little bit further. You know, for, for starters or-- not for starters, pardon me-- one thing I do want to bring to the committee's attention is we, we have already undertaken those sorts of efforts to help development in the state through L-- with the passage of LB191 back in 2014. You find it codified in particular in Nebraska Revised Statutes Sections 77-132, which defines a parcel and how-- the application process that you go through in order to have that recognized as development, a development personnel, and 77-1314, which has a provision in there which, you know, provides for an income analysis of what that property will yield. And I think that that's a tool that has, has been available for a few years. I have not heard of anyone that has really complained about that being an ineffective tool for keeping valuations down for property that's under development. So I'm very curious. I don't-- I'm not sure that we really have a necessity for this law to pass in its current form. And I would suggest that the current system we have encourages development right away. If I know that the value of the property has gone up, I'm going to want to put something that's income producing out as quickly as possible. What this probably would do is it would yield to-- it would, it would yield a few unintended consequences and I think one of the consequences that you could reasonably foresee is that when you're talking about something that's already been subdivided with streets

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and sewer lines and that sort of thing, the parcel that you actually have available for agricultural production is going to be very, very small. And I think you might get that extreme result where someone might run a couple of turkeys, say, across the small parcel of land and say, well, it's ag. It's being actively devoted to agricultural purposes and therefore I should get that, that special valuation. Those are the observations that we wanted to place. I, I understand the, the desire. We think that this law is not quite the direction that we want to go as far as how we implement special valuation across the state. And with that, I'd be happy to take any questions you might have.

**LINEHAN:** Thank you, Mr. Cannon. Are there questions from the committee? So how-- if you bought-- if you had 40 acres and you started developing, I don't quite follow how it works now. Is it just where you put the streets and sewers in? Then others still would be-- let's say it's a hayfield. Wouldn't that still be ag then? If you had 80 acres and you develop 40 of it, the other 40 were hay fields, wouldn't that still just be agriculture?

**JON CANNON:** Sure. That, that would-- but I think what we're doing here is we're saying that this could be, unless I read this incorrectly, that this would be available within the city limits. And maybe it doesn't. I'll have to go back and look at that.

**LINEHAN:** But in the city limits, they lose the ag value, don't they?

**JON CANNON:** The--

**LINEHAN:** It's not 75 percent more when--

**JON CANNON:** So if it's agricultural land within the city limits, it will receive 75 percent of its market value. It can qualify for 75 percent of its market value, which is going to be its influenced value, right? If, if I'm within the city limits of Elkhorn or Hickman or wherever, that value isn't necessarily going to be higher because of within the city limits. But you get 70-- you still get 75 percent--

**LINEHAN:** OK.

**JON CANNON:** --of that value. You don't get 75 percent of the uninfluenced value.

**LINEHAN:** OK. Questions? Seeing none, none, thank you very much.

**JON CANNON:** Thank you.

**LINEHAN:** Other opponents?

**BRIAN McALLISTER:** Hello.

**LINEHAN:** Hi.

**BRIAN McALLISTER:** Thank you for, thank you for allowing me to have this opportunity. My name is Brian McAllister, B-r-i-a-n M-c-A-l-l-i-s-t-e-r. I am in opposition of LB972. The Nebraska Constitution Article VIII, [Section] 1, subsection (5) quote, the Legislature may enact laws to provide that the value of land actively devoted to agricultural or horticultural use shall, for the property tax purposes, be the value which such land has for agricultural and horticulture use without regard to any value which such land might have for other purposes or uses. Taking land out of agricultural use, subdividing that land, putting in infrastructure that includes streets, sidewalks, curbs, gutters, sewer lines specifically for residential construction would no longer meet that criteria in the state competition-- constitution, "actively devoted to agricultural or horticultural use." This would clearly be an unconstitutional act. In a Supreme Court decision in 2017, the Supreme Court stated that the state constitution gave the Legislature the authority to define agricultural and horticultural land. The Supreme Court stated that the Legislature did this with state statute 77- 1359: agricultural and horticultural land; legislative findings, terms defined, 77-1359. The Legislature finding-- legislative findings gave terms to agricultural and horticultural land and defined each of those terms. The entire law defines and gives specific terms to different types of agricultural and horticultural land. I have 160 acres of farmland on the east side of Lancaster County. We have a farm site, a farm home site along with the, the land. And the farm site/farm home site are defined in state statute 77-1359. Our Lancaster County Assessor refuses to classify our farm site or farm home site as agricultural or horticultural land. Our farm site is approximately 1.75 acres. This land is used for staging our farm equipment, tractors, balers, swathers, grinders, wagons, trucks, etcetera, storing big round bales for feeding cattle in the winter. There is a feedlot where we feed the cattle in the winter and feed our steers during the year. Corrals and water facilities are for the cattle. This bill, LB972, will give residential developers the ability to take hundreds of acres of land, eliminate all agricultural activities, subdivide the land, put in streets, sidewalks, gutters, and still classify it as agricultural land knowing that the land is not and never will be used as agricultural land again. And they want this land to be classified as agricultural and horticultural land for tax purposes. I can't even get the farm site I have in use for 100

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percent agricultural purposes to be classified as agricultural land even when the law clearly states it is agricultural and horticultural land. I have no intentions of doing anything different with my land other than using it as a farm site. I feel you will also find the language that was put into 77-1359 in 2017 by Senator Harr's cleanup bill is also unconstitutional. I have included a copy of 1359 with a few corrections I'd feel that could clean up this matter and better clarify this bill and this language. Please, if you have any questions, comments, let me know.

**LINEHAN:** Thank you very much, sir. Are there questions from the committee? Seeing none, thank you very much for being here. Appreciate it.

**BRIAN McALLISTER:** Thank you.

**LINEHAN:** Are there other opponents? Is there any wanting, wanting to testify in the neutral position? Senator Hansen, would you like to close?

**M. HANSEN:** Yes, Real briefly, I-- thank you to the testifiers both for and against. Thank you. I'll note there's also one letter from the realtors sharing kind of similar ideas from the homebuilders who testified today. The problem is kind of, as, as I addressed, is you have this hesitancy to maybe develop a whole neighborhood at once because if the lots don't sell fast enough, you essentially have land that's being taxed as residential when really what it is is just the field. You, you haven't built anything. You haven't do anything. At most, you maybe have done some minor grading. But at the end of the day, it is just kind of an uncultivated field. And I know when I was knocking doors in my first campaign in 2014, I had a neighborhood that was really hit hard by the 2008-- all that housing bubble where, you know, there were streets and streets of like a single house at the end of the cul-de-sac and everything around it was just grassland for like several acres. And we see that now that developers have learned from that, that they-- at risk of paying the full residential value on what is essentially at that point, you know, just natural state land, they don't want to develop or expand at most. Senator Linehan, to your question earlier, it probably doesn't need it in booming areas in the same way. If there's some way to tailor that or narrow it to the most needed areas, I'm on board. The reason I introduced this bill was upon talking to stakeholders and talking to others is, like-- it seemed like it was an issue that had kind of come up, an idea had come up that I don't know if we'd ever got to the point where we had a hearing or at least not anytime recently. So I wanted to broach that subject.

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Certainly, this kind of development of, of land is going to be kind of a big barrier in a lot of cities that are growing just because there aren't that many lots and there's some pretty significant cost barriers to getting them platted as residential. So with that, I'm happy to take any questions.

**LINEHAN:** Thank you, Senator Hansen. Are there any questions from the committee? Seeing none-- I don't see anything. Thank you. We did have--

**M. HANSEN:** Perfect, thank you.

**LINEHAN:** --one letter for the record; proponent representing the Nebraska Realtors Association, Home Builders Association of Lincoln, and the Metro Omaha Homebuilders Association Coalition. Thank you. And with that, we close the hearing on LB972 and open the hearing on LB115 [SIC]. Welcome, Senator McKinney.

**McKINNEY:** Good afternoon, Chairwoman Linehan and members of the Revenue Committee. We are here today to discuss LB1115, which would require the development of certain property in order for the property to retain its property tax exemption. This bill acknowledges that the Legislature has an interest in ensuring that areas deemed high poverty are invested in. This bill implements provisions prescribing that tax-exempt property owned by government entities of city, county, state, philanthropic organization, nonprofit organizations, housing authorities, economic development companies, land management companies, charitable organizations, and religious organizations that is currently undeveloped or underdeveloped to be, be developed or redeveloped, redeveloped within three years from the implementation of this bill or such property will lose its tax exemption status until such development takes place. On page 2, part (3) states that "if the owner does not develop or redevelop the underutilized tax-exempt property as required in subsection (2) of this section: such property shall lose its property tax exemption until it has been developed or redeveloped as described in subsection (2); (b) the owner shall pay a fine of two thousand five hundred dollars to the Property Tax Administrator. The Property Tax Administrator shall remit all fines received under this section to the State Treasurer for Credit to the High-Poverty Area Assistance Fund. Section 2 or page 3 creates the High-Poverty Area Assistance Fund. "The fund shall be administered by the Department of Health and Human Services and shall consist of amounts credited to the fund pursuant to section 1 of this Act." The fund shall be used to provide mental health services, family counseling services, financial literacy training, mentoring and

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tutoring services to individuals located in areas of high poverty. Currently, my district has an issue that has existed for years where entities and individuals will purchase property and never do anything with it. In turn, these same stakeholders perpetuate negative stereotypes of my district pursuant to the aesthetic in some areas and other matters, but are a huge part of the problem. I don't understand why anyone would buy any property only to leave it undeveloped or otherwise make no use of it. Based on this issue, I believe there should be penalties for acting in this manner. The penalty I am proposing is a loss of tax exemption status and the imposition, imposition of a penalty fee. The fees collected pursuant to this bill shall be paid into the, into the Into the High Poverty Fund. The fund, as prescribed in the bill, will be to-- used to rectify harms caused by the underuse and nonuse of property in areas of high property. And in closing, I just want to say the days of buying up property, letting property sit dormant and dilapidated must come to an end. Omaha carries with it such great potential and this will take us to-- us one step closer to actualizing it. I strongly encourage your support of this bill to rectify this issue. It is something that I've seen for my life and it's something I've always wondered. Why do we have all these abandoned buildings in north Omaha and who owns them? And then when you go see, see who owns them, it's the same people that get on TV and say, you know, the area is bad and people don't want to come here or business doesn't want to come here, but they're not even developing the property that they own. So why-- so, so what's the purpose of having the property? And that's why I brought this issue.

**LINEHAN:** Thank you--

**McKINNEY:** No problem. Thanks.

**LINEHAN:** --Senator McKinney. Are there questions from the committee? Do you-- could you provide us, like, a list of examples? I mean, I don't want you to have to do a lot of work, but I am assuming maybe you already have some examples?

**McKINNEY:** So I could. I had a list and it's, like, a bunch of, like, properties, but-- so for example-- I'll use churches, for example. When I went to LRO to kind of get a list of who, like, owns property, churches, for example, own a lot of properties. And a lot of this property is sitting dormant and it looks horrible, but they own it. And I find issue with that because I just don't understand why are you hoarding property and not doing anything with it? And I've heard the argument of people saying like, oh, we're just buying up the property so, so nobody comes and gets it. That's cool if you have a plan to

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redevelop it, but if you're just buying property to buy property and letting it just look horrible for the neighborhood, I have an issue with that. And then you have others like-- we've got a land bank in Omaha that holds property for people that they just sit on for long periods of time until they figure out what they want to do and that's the issue as well.

**LINEHAN:** OK. Any questions from the committee? Senator Pahls.

**PAHLS:** Thank you. My stay on the council, sometimes there were 700, 800 houses that needed to be demolished and they did set up lots of dollars and they sort of caught up with it because I think there were 700, 800 houses that needed to be taken to the ground and the city did do that. I think they're pretty much on top of that issue. The land banks, I think it has potential. Are you seeing some issues with the land bank?

**McKINNEY:** Two things, so although they get rid of the houses that look horrible, they don't upkeep the, the lot. So the lots, you see the grass is high, not taken care of or a lot of trash is in those lots. So yeah, you tore down the house that looks bad, but you're not even keeping the upkeep on that property. The land bank also has a lot of issues. I think they probably just need some different management because it's hard for a regular person to even get a property from the land bank. It's more set up for larger organizations to access that land than the normal person like you and me.

**PAHLS:** Yeah, I did see the, the website. They do throw out some houses there that-- I mean, they, they do seem affordable. I mean, because they're not-- I mean, they're not really fancy, but they're pretty well cleaned up. And also about the overgrowth and things like that, those properties just need to be turned into the city and the city is required to go find the owner and clean them up. If they don't do that, then they do it and charge back.

**McKINNEY:** Yeah, but--

**PAHLS:** They just can't find the owners?

**McKINNEY:** I-- it's not that you can find the owners. I don't think the city currently has the capacity to enforce any of those rules. Just like, you know, the inspections for the rental, rental properties, they don't have enough inspectors to even do it. So I agree that the city should be doing a better job, but they're not and I don't see a willingness to do it as well.

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**PAHLS:** OK, thank you.

**LINEHAN:** Thank you, Senator Pahls. Any other questions? I may have to leave before we finish here, but-- OK. Are you going to stay to close?

**McKINNEY:** Yeah, I will.

**LINEHAN:** OK. Do we have any proponents? Any opponents? Anyone wanting to testify in the neutral position? OK, I guess not. Would you like-- oh, let me check. We had two proponents letters for the record. Nebraska Realtors Association supported it, so.

**McKINNEY:** I guess in my closing, I just think this is a-- if it goes anywhere, it's a good way to start addressing some historical concerns from the community about property being hoarded and not developed and then wondering why the community hasn't improved. I agree that, you know, the city has a part, but I think owners have a part. No matter if you are a for-profit, for-profit business or a nonprofit business, you shouldn't just be able to hoard property and never develop it in hopes of future financial gain and things like that.

**LINEHAN:** But this bill addresses specifically people who are nonprofits who aren't paying property taxes, so it's not costing them anything--

**McKINNEY:** Yeah--

**LINEHAN:** --to hold onto the land.

**McKINNEY:** --right. So-- and they would have to just pay a fee. But I read the fiscal note that said it might not be doable, but even so, I think it's a good start.

**LINEHAN:** OK.

**McKINNEY:** Thank you.

**LINEHAN:** Thank you. Any other questions from the committee? Seeing none, thank you very much.

**McKINNEY:** All right.

**LINEHAN:** And with that, we close the hearing on LB115 [SIC] and we'll open the hearing on LB1250. Senator Hansen.

**B. HANSEN:** Good afternoon. Moving right along,

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**LINEHAN:** We are.

**B. HANSEN:** Yeah.

**LINEHAN:** This is good.

**B. HANSEN:** Good and mine should only take about an hour and a half so that's probably good.

**LINEHAN:** Your opening is not going to be that long.

**PAHLS:** Says the Chair.

**B. HANSEN:** Let me, let me scratch off a few paragraphs.

**LINEHAN:** No, I'm kidding. I wasn't going by the-- doesn't look like there's that many witnesses-- testifiers.

**B. HANSEN:** Well, good afternoon, Chairman Linehan and members of the Revenue Committee. My name is Ben Hansen. That's B-e-n H-a-n-s-e-n. I represent Legislative District 16. Last year, if you remember, I worked to pass the Property Tax Request Act that worked to put out a-- that worked to put a check on government spending. Political subdivisions are now required to justify the reasons for increased taxes to the taxpayers by way of a postcard in the mail. Each postcard will include an explanation of proposed property tax increases, along with the details of public meetings where Nebraskans have the opportunity to voice their opinions. Oftentimes, when a bill is passed, there's a need for cleanup language to clarify the logistics of the statute. That is the purpose behind LB1250. I have been in communication with Nebraska's counties and school boards to figure out the specifics that would update the process of sending out the postcards and running the joint public hearings. In the statement on the postcard that informs taxpayers of revenue increase, LB1250 adds language that further explains how it would be-- how it will result in an overall increase in property taxes. The county assessor will then send the information required on the postcard to a printing service designated by the county board. The initial cost for the printing of the postcard will be paid for by the county's general fund, while the remaining cost that comes with everything involved in creating and sending the postcards will be charged proportionately to all the political subdivisions that are included in the joint public hearing. The cost will be divided based on the number of parcels in each participating political subdivision. The joint public hearings that are held will be organized by the county clerk and take into consideration the concerns of the taxpayers. AM2100 that I'm attaching

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reinstates original language in the bill to confirm that the hearings are to be held before the subdivision files their adopted budget. This means the joint public hearings will be held on or after September 17th and prior to September 29th. And finally, LB1250 ensures that enforcement process for the Property Tax Request Act, a political subdivision that has followed the guidelines will not have its property tax request invalidated due to another political subdivision's failure to comply with the act. I'm excited to see the postcard sent out this year and to know the taxpayers are able to participate in the decision-making process. This transparency of, transparency of revenue increases is a shift in how political subdivisions address property taxes. This encourages the engagement from those who will be impacted most and returns the power to the citizen. With that, I appreciate your time and I will answer any questions you may have and ask for your support of LB1250.

**LINEHAN:** Thank you, Senator Hansen. Are there questions from the committee? So you're not adding anything. You're just kind of fixing--

**B. HANSEN:** This is almost kind of some cleanup-- yeah to--

**LINEHAN:** OK.

**B. HANSEN:** --and communication with the counties and schools that makes sure that everything's kosher before we start sending out postcards.

**LINEHAN:** OK. Excellent. OK. You'll stay here to close?

**B. HANSEN:** I should have another bill coming up, but I'll stay if I can.

**LINEHAN:** OK. Are there proponents? Good afternoon.

**JON CANNON:** Good afternoon, Chairwoman Linehan, distinguished members of the Revenue Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of the Nebraska Association of County Officials, also known as NACO, here to testify in support of LB1250. And again, as Senator Hansen alluded to in his opening, he was very, very proactive in working with us. We certainly want to thank him for his proactivity in making sure that we were able to get this bill to a place that is-- really makes it more workable for us producing these postcards. You know, from the moment that the session concluded, he reached out to us to make sure that we were-- we had a plan in place for how we were going to do this. I can tell you that for our part, from the county perspective, you know, we got to work on LB644 last

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year. We started off with the programming because there was a lot of programming that had to be done in order to produce this postcard. We encouraged different participating political subdivisions to go engage in a dry run where we took the 2021 values, all that good stuff, and produced a PDF of a postcard. We didn't want to hit print because that would have been a-- quite a cost. And through that, we communicated with all of our members, assessors, clerks, treasurers, etcetera, county boards to make sure that they understood what was going on. And so we received a few notes along the way and these are the notes that we were able to pass along to Senator Hansen and his office. So one of the things that came up, you know, we need to have someone that's going to organize the meeting. Otherwise you're just going to have a bunch of people who are sitting in the school gym looking at each other. So we said, well, it's the county clerk that all this information is going to initially. So we figured the best person to run the meeting would be the county clerk or his or her designee. There is a clarification that we wanted to seek on the postcard that the actual tax may go down if the value goes down so we just wanted that as a clarification. It would be possible that you-- and it did happen in our dry run last year where we did produce a PDF of, of these postcards, where the overall property tax asking went up for the political subdivision. But because someone's valuation had gone down, their actual amount of tax was going to be less than the prior year. So we wanted to have that statement and there was clarification for the taxpayer. There were concern-- there was a concern from other political subdivisions that an error on probably the county's part, if there was an error in printing or in delivery, would invalidate their property tax request and they wanted to make sure that there was information on there or there was a provision in the bill that made it so that a failure on the part of one political subdivision did not invalidate the levy for the other political subdivision. We thought that was, that was fair. We had a concern from the assessors that their name was going-- if they were actually producing the postcard that the assessor's office would be somewhere on the postcard, whether it was in the return address or something. And they said, hey, look, we've got the thing on there where we're going to have the designated person that you're supposed to call. We don't want the calls coming to our office. I said, I get it. You know, they're supposed to be calling you, you know, during the month of June for protest season and so, you know, we understand that. We put that into the, into the bill as well. And then we wanted to make sure that the charge was proportionate. I think that was understood by everyone last year. There were a few political subdivisions, for whatever reason-- I want to say that Eustis comes to mind. They said, hey, look, we're a lot smaller than

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Frontier County or in Senator Hansen's case, you know, Arlington versus vis-a-vis Washington County. They didn't want Washington County presenting them with a bill, saying, we're going to split this 50/50. And so we thought it should be proportionate based on the number of postcards that, that someone appeared on it. So with that, again, I want to thank Senator Hansen for working very proactively with us to get this put into a bill form. You know, I'd be happy to take any questions you might have. I'd certainly encourage you passing this along.

**LINEHAN:** Thank you, Mr. Cannon. Are there questions from the committee? Seeing none, thank you for being here.

**JON CANNON:** Thank you very much.

**LINEHAN:** Are there--

**JON CANNON:** I think this is my last time in Revenue this year so thanks everyone for having been very patient with me.

**LINEHAN:** But we'll see you in the lobby. Good afternoon,

**JESSICA SHELBURN:** Good afternoon. My name is Jessica Shelburn, J-e-s-s-i-c-a S-h-e-l-b-u-r-n. I'm the state director of Americans for Prosperity and I think this will be my last time in front of the committee this year. Just wanted to say that we support LB1250, what Senator Hansen's doing to clean up the "Truth in Taxation" bill that you guys passed last year. We have no issues with it and just wanted to offer our support.

**LINEHAN:** Thank you very much. Are there questions from the committee? Senator Pahls.

**PAHLS:** Since this is the territory, how many positive comments did you receive?

**JESSICA SHELBURN:** We actually-- so after the bill was introduced last year, we started talking about it when we were going out and meeting with people across Nebraska. And we have heard nothing but positive comments and people looking forward to getting it so that they can be more actively engaged and that's been from Lincoln all the way out to Scottsbluff, so.

**PAHLS:** OK, when you say lots, are you talking about 20, 2,000? I'm just trying to get a figure.

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**JESSICA SHELBURN:** I'm not going to say 2,000.

**PAHLS:** I'm just trying to get a figure of people who are paying attention.

**JESSICA SHELBURN:** I would say probably-- I would say we've had communications with at least probably 200 to 300 over the course of the last year.

**PAHLS:** Are you advertising this?

**JESSICA SHELBURN:** We are going to be working with Senator Hansen and the other interested parties to, to promote it so that people are aware of it.

**PAHLS:** I think that would be good.

**JESSICA SHELBURN:** Yeah.

**PAHLS:** Thank you.

**JESSICA SHELBURN:** Um-hum.

**LINEHAN:** Thank you, Senator Pahls. Are there any other questions from the committee? Seeing none, thank you very much.

**JESSICA SHELBURN:** Thank you.

**LINEHAN:** Are there other proponents? Are there any opponents? Is there anyone wanting to testify in the neutral position? Aha.

**LYNN REX:** Senator Linehan, members of committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities, and we're here today to thank Senator Hansen for being receptive to AM2100. With that change, we would be neutral on the bill, makes it-- makes the bill workable and that would be on page 2, line 26, basically deleting the new language and reinstating the old language. With that, I'm happy to respond to any questions that you might have.

**LINEHAN:** Are there-- thank you for being here. Are there any questions from the committee? Seeing none--

**LYNN REX:** Thank you, committee.

**LINEHAN:** --thank you very much.

**LYNN REX:** Thank you.

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**LINEHAN:** Anyone else wanting to testify in the neutral position? Good afternoon.

**COURTNEY WITTSTRUCK:** Good afternoon, Chairwoman Linehan and members of the Revenue Committee. My name is Courtney Wittstruck. That's C-o-u-r-t-n-e-y W-i-t-t-s-t-r-u-c-k and I represent the Nebraska Community College Association and I am here today to testify in the neutral position for this bill and that is provided that the amendment, AM2100, is passed. If it is not, we would have to testify in the-- in opposition because of some of the timing things. But today, if that amendment is attached, then we would be in the neutral position. We do feel like in further set-- in future sessions, there might be opportunities for further improvement. We'd like to be a part of those, but otherwise we would be neutral if this passes.

**LINEHAN:** Thank you.

**COURTNEY WITTSTRUCK:** Thank you.

**LINEHAN:** Are there questions from the committee? Seeing none, thank you very much. Are there anyone else wanting to testify in the neutral position? Senator Hansen, would you like to close? We had two proponents for LB1250, Platte Institute and Nebraska Taxpayers for Freedom. And with that, we'll close the hearing on LB1250. This is miraculous. Thank you all.