

Transcript Prepared by Clerk of the Legislature Transcribers Office
Banking, Commerce and Insurance Committee January 20, 2026
Rough Draft

JACOBSON: Well, I think it's that time, so we're going to go ahead and start. I'm going to call the committee to order. Welcome to Banking, Commerce and Insurance Committee. I'm Senator Jacobson from North Platte, representing the 42nd Legislative District, and I serve as chair of the committee. The committee will take up the bills in the order posted. This public hearing is your opportunity to be a part of this legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward and testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify, but would like to indicate your position on a bill, there are also yellow sign-in sheets back at the table for each bill. These sheets will be included as an exhibit to the official hearing record. When you come up to testify, please speak clearly into the microphone, tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents of the bill, and finally anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will turn green. When the yellow light comes on, you will have 1 minute remaining, and the red light indicates you need to wrap up your final comments and stop. Questions from the committee may follow. Also, the committee members may come and go during the hearing. This has nothing to do with your-- with the importance of the bills being heard, it just-- it's just part of the process as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Let me repeat this. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill may be included in the record-- that would be included on the record must be submitted by 8:00 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person

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before the committee will be included in the committee statement. I will now have the committee members with us today introduce themselves starting with my left-- starting at my left.

RIEPE: Thank you, Chairman. I'm Merv Riepe. I'm privileged to represent District 12, which is Omaha Millard and a small village or town, I guess it's not a village, of Ralston, and I'm honored to be here.

von GILLERN: Senator Brad von Gillern, Legislative District 4, west Omaha and Elkhorn.

BOSTAR: Eliot Bostar, District 29.

HALLSTROM: Bob Hallstrom, Legislative District 1: Otoe, Johnson, Nemaha, Pawnee, and Richardson Counties in southeast Nebraska.

HARDIN: Senator Brian Hardin, District 48, the real west: Banner, Kimball, Scotts Bluff Counties.

WORDEKEMPER: Dave Wordekemper, District 15, Dodge County, western Douglas County.

DUNGAN: George Dungan, LD 26, northeast Lincoln.

JACOBSON: Thank you. Also assisting the committee today, to my right is our legal counsel, Joshua Christolear, and to my far left is our committee clerk, Natalie Schunk. Our pages for the committee today are Jessica and Teresa. You two want to just stand up so they can see who you are? They're the people you give your information to and are here to assist you. So why don't you give us just a brief little what you're doing. You're both students at the university, I think. How about just a brief little, who are you guys?

JESSICA CARROLL: I'm a senior political science major at UNL and I'm looking for exposure in this experience and just wanted [INAUDIBLE] today.

TERESA WILSON: Hello. My name is Teresa Wilson. I'm an advertising and public relations major and I am a junior at UNL. And I'm here to learn more about the legislation process.

JACOBSON: Thank you. With that, we'll begin our first item on the agenda. And, actually, that would be the confirmation hearing for a committee appointment. In this case, the appointee is Maureen Larsen.

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The position is Director of the Department of Economic Development. So at this time, Maureen, you're welcome to get in the hot seat and give us your open.

MAUREEN LARSEN: Good afternoon, Chairman Jacobson, and members of the Banking, Commerce and Insurance Committee. My name is Maureen Larsen, M-a-u-r-e-e-n L-a-r-s-e-n. I appreciate the opportunity to testify today, having been appointed as the Director of the Nebraska Department of Economic Development by Governor Patten. Began my time at DED approximately 6 months ago, and it's been a pleasure to partner with business community leaders on initiatives to grow Nebraska. It's truly been an honor to serve in this capacity. Prior to joining DED, I served as General Counsel to Governor Patten and Deputy Director of the Governor's Policy and Research Office. Before that, I worked as a Deputy County Attorney for Lancaster County, Nebraska, and as a law clerk for the former Chief Justice Michael Heavican. I was also a small business owner and operator from 2004 to 2020, providing sign language interpretation services throughout the whole state. At DED we are focused on growing Nebraska, and I'd like to highlight just a few of the things we're working on; first, workforce development; second, strengthening our public-private partnerships; and third, supporting business development. We're investing in Nebraska's workforce and our kids. We're working to prepare students and connect them to great career opportunities right here in Nebraska. Shortly after my appointment as interim director, DED oversaw the first ever Governor's Youth Summit where approximately 250 kids were introduced to Nebraska opportunities and industries. The event was a tremendous success. And through public-private partnerships, we were able to fund the entire event through sponsorships. I'm so excited to expand and build on the success in the second year of the event, which will take place in Kearney again, Tuesday, September 29, 2026. I'm also excited to talk about our Good Life is Calling initiative, which is DED's talent retention and recruitment program that markets all of the amazing things Nebraska has to offer. We have careers, educational opportunities, communities, and attractions. We're not only focused on recruiting talent from other states, we're also working to keep our students in a workforce right here in Nebraska. We're showing them what Nebraska has to offer, and we're also connecting them with employers and industries at talent recruitment events and networking events through our Nebraska NEXT program. If you haven't seen it yet, please check out our website, The Good Life is Calling. It was recently refreshed, and you can explore all the available careers there, all the wonderful things Nebraska has to offer. And we're

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working with the Nebraska Department of Labor, so you can actually apply right there on that site through our portal to available opportunities in Nebraska. And because January is Mentorship Month, I also want to highlight our READ Nebraska program, which is expanding mentorships throughout Nebraska. Through this program, we have 16 mentoring organizations and they've been able to impact 3,136 students during the 2024-2025 academic year. And that is in more than 200 schools across the state. With public-private partnerships, DED is also activating Nebraska communities to grow the state. In 2025, DED applied for successfully \$1 million in private foundation funding to support our Good Life is Calling and our 6 Regions, One Nebraska campaigns. In 2024 the Governor's Office, DED, and the Nebraska Chamber launched 6 Regions, One Nebraska. This is a statewide data-driven economic development strategy that brings together business leaders, community partners, and state agencies to address regional priorities through collaboration and target investment. We're seeing success. For example, the 6 Regions, One Nebraska Childcare Champions Project is helping expand high-quality childcare capacity with mentoring and challenge grants that can be leveraged with local matching contributions and statewide partnerships. Through this project, the central region has 20 new licensed providers, 218 new licensed childcare spots with the goal of creating 300 by July of 2026. The Panhandle Childcare Expansion Project was also recently awarded \$65,000 in support of its goal of creating 25 new or expanded licensed childcare programs and adding 200 to 250 new childcare slots. Finally, DED remains committed to business development by encouraging entrepreneurship, engaging in business recruitment and expansion efforts, and increasing opportunities for international trade. In December, Governor Pillen announced a boost in funding for the state's Business Innovation Act or BIA. These grant investment programs are a valuable tool for Nebraska-based startups and small businesses and the state. Also in 2025, Nebraska celebrated the ribbon cuttings of several major economic development projects, which DED provided key support for. Additionally, DED coordinated trade missions to Japan and Israel last fall to promote Nebraska products, technologies, manufacturing, and business services. It's an exciting time to be working in business development and Nebraska is open for business. Nebraska's blessed with a world-class workforce, unsurpassed quality of life. We have tremendous strength in agriculture, manufacturing, insurance, and transportation. The ability to sequester carbon has created incredible opportunities to grow the bioeconomy, and Nebraska is poised to become home to this nation's first transcontinental railroad. And we have six housing programs, through your state,

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through your federal good life districts, in the port authorities, iHUBs, Opportunity Zones, along with numerous other economic development projects through our Site and Building Development Fund, Rural Projects Act, Community Development Block Grants, NSORG, and our ARPA programs. I'm so grateful for the opportunity to help our state make the most of these competitive advantages. I look forward to serving Governor Patten, working with the Legislature, and collaborating with Nebraska communities to grow this amazing state. At this time, try my best to answer whatever questions you might have.

JACOBSON: Thank you. Questions from the committee? Senator Dungan.

DUNGAN: Thank you, Chair. Thank you for being here, Ms. Larsen. I appreciate-- you and I spoke, obviously, before the hearing and you and I have known each other for quite some time, so appreciate you being here. A couple things I wanted to ask you about today, just broadly and then a little bit more specific. Speaking broadly, I know it was reported back in December that the Department of Economic Development had ostensibly downsized. You know, I think the report was originally 22 fewer positions this year than last year. That seemed to take place around the time that you had moved in as the interim director. And so I was curious if you could speak a little bit more to the potential downsizing of the department or the removal of folks who had already been working there and how that squares with some of the concerns, I think, that have been expressed by folks about whether or not Nebraska is open for business when the Department of Economic Development seemingly is, is shrinking under your potential leadership.

MAUREEN LARSEN: Sure. Thank you for the question. I think there's two parts to that answer. As you are aware, the Department of Economic Development had incredible influx of funds during COVID. We had over \$900 million additional funds, which created a plethora of new programs. Those programs right now, as we say, are the planes in the air. Those programs are now winding down. We have one that's going to end at the end of September, 2026, that's our ARPA program. And our NSORG programs are ending at the end of December, 2027. So, yes, we are shrinking, but it's not because there-- there was one reduction in force, so one person was laid off that had, I believe, which was duplicate of duties to another position that we had. And there was one voluntary-- or one involuntary termination that was actually already in the process before I arrived. One of the things that I can say is that by arriving at the department and noticing what processes were in place, there was a lot of still working from home. And one of the

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things I think is very important is to hold all of our public servants accountable, including myself. I would never ask anyone else to work more than I do or work in a place that I wouldn't. So, yes, one of the issues that I brought back was enforcing the Governor's executive orders so everybody was on the same playing field unless it was a very specific exception. So our workers are back. We had a number of people that, yes, did resign. We had a few retirements. Those I would say happen when we have a very high turnover in our department just that's the way the economic development has had. For example, we've had approximately 10 directors and interim directors in the last 11 years which is pretty significant. I will say that every time you change leadership there's going to be some people that move on and also some people they come in and, and they'll start interviewing. For example, my program managers they often get, I would say, poached, but it's a good thing, right? They learn the programs, they learn who it is that they're working with, these grantees, and they're very smart people, and they know the programs and they know economic development. So, yes, there's a lot that leaves that way. But we are going to be shrinking because when these programs go away, when you have 900 million extra dollars and those extra dollars go away then we don't need everybody that we used to.

DUNGAN: Thank you for that, I appreciate it. And then a little bit more micro level as opposed to macro. So there's been a lot of conversation reporting recently surrounding no-bid contracts, right, that are awarded during potentially emergency situations. Obviously, we've all heard about a contract that was awarded potentially or seemingly under an emergency situation without an emergency designation. I was curious, first of all, could you just walk us through what the general operating procedure is for awarding those kind of contracts, what it should look like based on your understanding now that you've been in there?

MAUREEN LARSEN: Sure, and I will say that that contract that you're speaking of, that one was executed and actually terminated approximately 6 months before I arrived at the department, so I don't have any knowledge to that one specifically except what you and I both read in the paper. I will say that contracts-- there was also a number of contracts that were still in effect when I arrived at the department that I went through and terminated those contracts because I did not think that the department actually needed them. Those were not above the \$50,000 limit, but I do think we should as efficiency always be looking at how we're contracting out our services. If there is an emergency contract that is to be needed, then there is a

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procedure in there. There has to be justification and it has to be approved by procurement and by the Department of Administrative Services. So, yes, we have our internal compliance team. That's one of their highest priorities, and they are working to make sure that any contract that we execute goes through the right procedures.

DUNGAN: And I guess that was part of my, my main-- the point I'm trying to get out of that question is it seems like there's not a lot of consequence in the event that one of these contracts is awarded absent that actual explanation of what the emergency is. My reading of the law, it doesn't seem like there's any real criminal or civil penalties. And so as the potential Director of DED, I'm curious what internally you plan on implementing to make sure that any no-bid contract that goes out does meet the requisite emergency standards. Internally, it sounds like there are procedures in place to make sure that doesn't happen. So could you just explain a little bit more as to how you're going to make sure this doesn't happen again?

MAUREEN LARSEN: Yes. So one of the things that I did after arriving at the department was I restructured our legal team. So our legal team was very much embedded into different programs. We had attorneys that were working as-- with program managers actually administering the programs. We've restructured that in order to have a legal services team, which can provide services throughout the entire agency over multiple programs. For example, if you were a housing attorney, you would only be working on housing, and I don't think that's an effective way to use our attorneys. We have housing program managers, we have housing staff. They can run the programs when they have a legal question, such as a contract. All of our contracts are now going through our legal team, and then we also have a second level, which is an independent compliance team, which is made up of attorneys and auditors. So we are implementing a second standard of review to get the house in order.

DUNGAN: And in addition to that, it sounded like you said earlier, too, that DAS, Department of Administrative Services, also has to sign off on those contracts, correct?

MAUREEN LARSEN: Correct, yes.

DUNGAN: So for the one that had been administered prior to your arrival, DAS would have had to ultimately approve that contract as well.

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MAUREEN LARSEN: I believe they would have, yes, but, again, I was not at the department at that time and I know that the law has recently changed with the new procurement law.

DUNGAN: OK. Thank you.

MAUREEN LARSEN: You bet.

JACOBSON: Senator Riepe.

RIEPE: Thank you, Chairman. Thank you for being here. You are an internal appointment, so my question would be is where would you look for mentoring, if you will, do you have organizations that you can belong to so that we see things that are bigger and better than Nebraska might have or different ideas? Do you-- can you respond to that?

MAUREEN LARSEN: I do, yes. I think learning and in the past 6 months, I've been working and meeting with everyone that will meet with me. I've been meeting with business owners, with the chambers, learning what's worked, learning what isn't working, and learning what their goals and their priorities are and also people that have been in this field for a very long time. Gary Person, for example. I met him at one of our 6 Regions, One Nebraska event. Also, I have Roberta Pinkerton, who is very much involved in the economic, business, and development community for a number of years. I rely on her. Specifically, she's directing our One [SIC] Regions, One Nebraska program, and she has extraordinary experience.

RIEPE: Is there a national organization of economic development officers?

MAUREEN LARSEN: There is a national organization.

RIEPE: Will you be participating in that?

MAUREEN LARSEN: I am not participating at this time simply because of the amount of subscription cost or the association fee that it would require, but I do have contact with that organization and I would be willing to work with them on perhaps maybe a speaker role or some time of something that would not cost the department an extraordinary amount of money at this time.

RIEPE: What's the size of the budget that you have?

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MAUREEN LARSEN: The current budget is about \$261 million.

RIEPE: OK. I have another question. The state-- what is the state's position on recruitment of publicly traded corporations?

MAUREEN LARSEN: What is the state's position on--

RIEPE: Yes.

MAUREEN LARSEN: --the recruitment? The state's position--

RIEPE: Publicly traded.

MAUREEN LARSEN: Publicly traded. I believe and I know that the Governor is very much in favor of growing Nebraska. I also know that if we are going to be recruiting businesses, we need to be recruiting those businesses that are going to give back to the state. Currently, our incentive programs are anybody who applies under the statute can get the incentives. If you ask local economic developers, they'll tell you one of the problems with that is when these businesses come into the state and they get incentives, they often will poach or take the workforce from smaller businesses and put them out of business. So I do think we need to be more strategic. But, again, I have very little discretion when I'm signing agreements, because it is if you are statutorily qualified, then you get the agreement.

RIEPE: The story on the street is that the state of Nebraska is closed to publicly traded corporations. That's a statement, not a question. The other question that I have, Mr. Chairman, is the Aksarben report reported that both Omaha and Lincoln are falling way behind comparable metropolitan areas, one being Des Moines, Iowa. And I know there's a great level of concern in the urban area, in Omaha in particular, through the Aksarben Foundation, about the growth going forward and the absence of it. And so it, it will be a, a big task, if you will, to get on top of that. And I don't know that we have that plan in place, and I think that we have to, and you can respond to that.

MAUREEN LARSEN: I would love to respond to that. Thank you for that question. Yes, we do have that plan in place. We actually contracted with DCI, which is the same consultant that the Aksarben Foundation used. We got a plan, we got some research, and we are actually implementing that plan. I would love it if our public-private partnerships would help me scale up that plan to the place where it should be, but, again, we're just one state agency and we are implementing the recommendations of that DCI. For example, our The

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Good Life Is Calling campaign is a direct result of that research and of that recommendation that DCI gave us.

RIEPE: What does it take to turn that hope plan into some action so that we see some accountability, if you will?

MAUREEN LARSEN: Again, thank you. I would love it if I had public-private partnerships with more businesses, more networking, because statistics, as we learned from our youth summit, kids, students, and our public servants, also our workforce, if you can get them to that second job, and if they have a network, they will stay in the state of Nebraska. It's that second job. That's the time where they start looking elsewhere, and it's that network that we need to build. Currently, we're hosting events at honors colleges with other industries. I would love it if we could get more businesses and more private companies and private industries to come in and participate in those events. We'll bring these students in and we have a panel. Generally, it's people that either they are remaining in Nebraska after they graduate or what we call boomerangs, people who've left the state and then come back. And, generally, the best demographic that we have is people that are boomerangs, they come back, they start-- ready to start a family, they move back. And if you look at the most recent studies for our migration data, which was published just last month, it shows that the highest percentage of people moving into the state moved back for the reason of family. It's those boomerangs that we are targeting. And I would love to have more businesses and more help with that to scale it up, because, yes, we can't do it by ourselves. I would love it.

RIEPE: I think the Aksarben Foundation says great in theory, but it's not actually happening. In fact, it's we're losing more and more and that's, that's got to be stopped and turned around. I have no further questions, Mr. Chairman, and thank you.

JACOBSON: Thank you. Other committee questions? Senator Hallstrom.

HALLSTROM: In some of our conversations, I got the impression that Nebraska, maybe, is lagging behind in tourism revenues to the national average. Do you have any thoughts on how we can turn that around?

MAUREEN LARSEN: I do have some thoughts, there is a bill this session to actually bring the Department of Tourism or the Tourism Commission back into DED. Historically, it was within DED, because, again, if you're trying to recruit businesses, if you're trying to recruit that

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talent, keep people in Nebraska, tourism is a giant component of that. We have to have a positive marketing campaign. I have a marketing team right now that we're using with our Good Life is Calling campaign. It's in-house. We could actually bring that in and we could actually do a whole lot more marketing that's positive. And we're also a grant agency, we could use these tourism dollars to have more of an impact on things. For example, the Tourism Commission currently right now has a budget between \$8 and \$10 million. Only \$755-ish of that million-- or \$750,000-ish of that is used towards direct grants. We could do a grant program where we could have local control with those state funds. Those state funds are coming in. Yes, national tourism is up about 4%, the last stats that I looked at a couple months ago, Nebraska's is not there. Nebraska's would say it was flat, Nebraska's is [INAUDIBLE]. Tourism dollars are flat. And we need to have a more positive campaign. We need to bring people in here. Because if you look at statistics, will show you that people that visit a state, 67% of those people actually consider while they're there, would I like to move here? Would I like to move my business here? That's the part of-- that's the demographic that we have to bring in if we're going to grow Nebraska effectively.

HALLSTROM: Thank you.

JACOBSON: Just to clarify what you just commented on. Wasn't it true that tourism was under DED back prior to 2012 and it was separated to a separate commission? Do you remember the circumstances of why that was done?

MAUREEN LARSEN: Yes. But I don't remember the circumstances, I was not in state government at that time, but yes.

JACOBSON: But you realize-- do you know what the reason was, it was separated?

MAUREEN LARSEN: I believe they did not-- were not doing an effective job at marketing Nebraska.

JACOBSON: All right. Thank you. Yes, Senator von Gillern. I just thought maybe the look would be enough.

von GILLERN: Thank you again for being here today. You've got a-- you've got the perfect platform here right now to state-- you, you, you stated that you need more from private industry. I'm going to ask you the, the huge question here, tell us exactly what you need from

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private industry because the, the engagement level appears to be very, very high, particularly from the Aksarben group. Is it cash? Is it greater engagement in programs? What is-- what are the top three things you need from private industry to make, to make these new incentives work and to stem the brain drain and the things that Senator Riepe mentioned?

MAUREEN LARSEN: All of the above. I need everything. I need-- we currently right now we have private philanthropy. They're donating to this-- our Good Life is Calling campaign so we can actually do that more. We have to create a match. If we can get 300,000 more dollars we will get 300,000 more dollars from this philanthropy. I need that and I also need the investment of time. The joke is when I meet with people, business owners or industries, they end up with homework just as I do. They're saying, hey, there's-- you know, we're losing people. We need a workforce. I say, hey, we're having an event next week. This event is at UNL. Do you have a group of people or do you have a person or do you have interns? Do you have, maybe, some associates that can show up, be on a panel, help us out with sponsorship, help buy the cookies or the coffee that we're feeding the students in to get them in the door? And then talk about the opportunities you have in your industry and your business, because, again, it's showing them that there are those opportunities here, and that will keep them here. But they just don't know, and that's a really sad fact. They don't know the opportunities that are right here under their nose.

von GILLERN: Thank you.

JACOBSON: Other committee questions? I guess I just have one more. I, I, I look at and ask the question as always about why are we not growing faster? What is it going to take to attract people to the state? I know Senator von Gillern and I probably agree on this that, you know, our tax rate and our tax climate has a lot to do with, with corporations deciding where they want to locate and, and how is that part going to work. You're also looking at workforce and you're looking at other natural advantages. If you were to look at your focus going forward, are you focusing more on growing organically in Nebraska? Are you looking to grow by attracting from outside the state? Where do you think that would be most weighted?

MAUREEN LARSEN: I think we're, we're doing all of the above. Again, I think we are growing organically within the state by developing that workforce. If we have that workforce, that is a major attraction for industries. And also we want those industries, we want industries with

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those high paying, really good valuable jobs to come into Nebraska. We want to make Nebraska competitive. And I think that we're able to do that. But, again, it's going to take help from the business industries, help from all of the organizations. And if we are all running towards the same thing, then I think that would be the best way forward.

JACOBSON: Well, I guess as an example, we look at what Costco's done in Fremont, building a plan, my understanding 500 barn-- chicken barns across the state, consideration that they later decided maybe now is not the right time to double that. How would you see attracting a company like them to come back and, and expand here rather than in Iowa? What do you think that would take?

MAUREEN LARSEN: I think it would take, we have a business recruitment and development team, that business recruitment development team is constantly meeting with these businesses. We have our top 10 list of industries that we're currently attracting. That is statutorily confidential for the reasons that you would think that businesses, they want to come and they say, hey, what do you got? They'll go to Iowa and say, hey, Iowa, what kind of agreement can you do to beat Nebraska? Then they'll go to Kansas or Missouri, and they'll do the same thing. It's the connections that we have, and it's also being very responsive to those businesses. If we can actually, like, keep in contact with these businesses and find out what it is that they're looking for and then reach out to local economic developers, local organizations, do you have a site that would fit this? In a real world, if I had a magic wand, I would do what Iowa is doing and I would have certified sites. I would have certified sites where you can go-- actually go out and do an RFI and say, hey, we have this site here, here's the number of "kegawatts" or megawatts or whatever it is that you need, and here's the infrastructure that here's-- is, is in place, who wants it and who's willing to pay the best price? And then you could just have discretion over putting the best business in there that's going to make-- get the best bang for our buck and the best bang for that community.

JACOBSON: And one other thing you, you had alluded to, incentives, and how do you see incentives falling into your role and to attracting business and expanding business within the state and from outside the state to get here? How would you go about modifying our incentive plan to be-- to work better?

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MAUREEN LARSEN: I will tell you what I have at my discretion is I have levers that I can pull, but they're very, very few.

JACOBSON: So what would you change?

MAUREEN LARSEN: What would I change? I would make it so that they're discretionary. I would make it so you can actually go and find a community and you could find a business that came in that would come and get into that community and do the best things they can to raise the revenue of Nebraska. Currently, right now, there's no discretion and it's just if you make the-- if you qualify for what's under statute, you will get those incentives. I think if there was some way to make it more discretionary, I think that would be helpful because you could actually make it so the revenue that was coming in is exactly what we needed and the type of business is exactly what we needed.

JACOBSON: OK. Thank you. Other questions from the committee? Yes, Senator Dungan.

DUNGAN: Thank you, Chair Jacobson. I apologize. You talking made me think of a few other questions, and for those in the room who know me, you know I like to talk, so I apologize. Broadly jumping off of Chair Jacobson's question, though, about creating the correct environment or a welcoming environment for companies to come here. I hear time and time again, both anecdotally from people that I know and as well as larger groups of folks, young people sometimes leave the state and don't want to come back to this state because there is seemingly a growing emphasis on what we could call divisive culture war issues. And I'm not saying, not even trying to get into the politics of one side of that, but do you, do you see the continued efforts that we've seen in the last 3 to 4 years of focusing on what I would say are very divisive cultural war issues as antithetical to your concept of Nebraska being open for business when we have larger companies and corporations who have to make a determination as to whether they want to locate here and they see young people leaving the state in droves not in any small part because of some of these continued things that we continue to see focused on in the Legislature and the executive branch? So how do you square that, what we've seen this emphasis on with how do we also say we're open to business from folks all across the country?

MAUREEN LARSEN: I will tell you, you may not know, you may be familiar with the statute that created my agency in that it is statutorily a

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nonpolitical agency so we don't get involved in the politics. We simply do things like attracting people. And this goes to-- going back to the talent recruitment, one of the things that we've done with our DCI contract is we have something with our Good Life is Calling campaign. We have seen it at Husker games. We're actually doing this. We're going out to, we're going out to tailgate events at Husker Huddles working with our alumni association so that if you have people who've graduated from Nebraska and they live in UCLA and they want to go see a Husker game, come, come to our huddle and this is where the businesses that could come in, come to our huddle, see the opportunities we have and then we're using that to digitally market to them to say, hey, here's all the things that we have that you might like. And someday perhaps if we can get some, you know, partners in this, more public-private partnerships, we could directly market to you and say, hey, have you thought about the Huskers lately? Have you thought about Creighton lately? Have you thought about these things that you love in Nebraska? And then we can do direct marketing that way. The politics of it, statutorily, we don't get involved in politics.

DUNGAN: Thank you.

MAUREEN LARSEN: You're welcome.

JACOBSON: Any other questions? If not, thank you for your time.

MAUREEN LARSEN: Thank you for your time.

JACOBSON: At this time, it'll close the-- I'll close the hearing on Maureen Larsen for the Department of Economic Development confirmation and we'll move to the first bill, which is LB719. And since that's my bill, I'll turn the chair over to Senator Hallstrom.

HALLSTROM: Senator Jacobson, welcome.

JACOBSON: Thank you, Vice Chair Hallstrom and members of the Banking, Commerce and Insurance Committee. My name is Mike Jacobson, M-i-k-e J-a-c-o-b-s-o-n. I represent District 42. I'm here today to introduce LB719. LB719 is a narrow clarification to the Nebraska Rural Projects Act. It does not expand the program, increase funding, funding levels, or change eligibility requirements. Its sole purpose is to clarify how existing matching funds may be used so the act functions as the Legislature originally intended. The issue we are addressing stems from the current interpretation of the act. Under that interpretation,

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matching funds are generally limited to improvements made on property owned or directly controlled by the applicant. In practice, this has unintended-- unintentionally created barriers for rural rail access in business parks, business projects that rely heavily on infrastructure that often needs to be constructed off-site. I want to briefly highlight a few examples that illustrate the problem. First, rail infrastructure. Rail spurs, run-around tracks, and transloading facilities are often required to be built on the, the railroads right-of-way, along the-- although the local developer is fully responsible for funding these improvements, current guidance indicates that state matching funds cannot be used because the land is owned by the railroad, even though the infrastructure serves only the rail park. Second, highway access and safety improvements, industrial parks generate increased truck traffic, which can require turn lanes or other safety improvements on adjacent state highways. While the Department of Transportation may participate, the local developer is often required to make matching funds-- provide matching funds because this work occurs within a state right-of-way, eligibility under the current statute is unclear. Third, utility extensions, electrical substations, water capacity expansions, wastewater improvements, and power lines are frequently located off-site on utility-owned land or easements. These improvements are critical to the success of the park and are being built because of the park, yet current statutory language does not clearly allow matching funds to be used. Finally, there are cases involving shared access roads or easements across adjacent private property. Even when those improvements clearly benefit the business park, they are excluded simply because the land is not owned by the applicant. LB719 addresses these issues by clarifying that matching funds may be used for off-site infrastructure improvements when they directly benefit the business park and are critically-- are critical to its development. The bill explicitly references items such as right-of-ways, easements, highway turn lanes, rail connections, and necessary utility improvements while keeping the existing program structure and oversight intact. With that, I'd be happy to answer any of your questions, and I appreciate the committee's timeline and consideration.

HALLSTROM: Thank you, Senator Jacobson. Senator Riepe.

RIEPE: Thank you, Chairman. Thank you for joining this committee. Thank you.

JACOBSON: It's an honor to be here.

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RIEPE: The chairmanship was just amazing, right? Question, is there opposition?

JACOBSON: I, I would hope not. This-- I will tell you that this is-- two of the rail parks, in particular the rail park in North Platte, which struck my interest, and also in Fremont are rail parks that are needing this change in the statutes because of their need to be able to connect rail, rail siting to their park. And the way the rules work today is they cannot have access to the matching funds which are included in the Rural Projects Act unless we can own the land and you can't own the land if it's owned by the railroad and they're not going to sell it to you, so you need to strike an agreement, easement or a right-of-way with the railroad and then be-- and, and pay for building it out. So the goal is and I think the intent has always been for the project dollars that were allocated to each of these sites, dollars that have already been allocated, it's already funded, there's no fiscal note here. We're just simply being able to finish the park the way it was supposed to be finished, but we ran into this hurdle of you don't own this land so now you're going to spend 100% of your dollars rather than using part of the dollars, or the matching funds, if you will, that were allocated for these projects.

RIEPE: Do you think that this is a concept that could be applied to Greenland?

JACOBSON: I don't know that Greenland, that might be a little stretch, but we'll work on that.

RIEPE: [INAUDIBLE]. Thank you, Mr. Chairman.

HALLSTROM: Any other questions of the committee?

JACOBSON: I think there are people behind me that will speak to the specifics as well and so they can answer your questions also for that.

HALLSTROM: Seeing none, thank you.

JACOBSON: Thank you.

HALLSTROM: We'll move next to support testimony. Welcome, Mr. Person.

GARY PERSON: Senator Hallstrom, other distinguished state senators, my name is Gary Person, G-a-r-y P-e-r-s-o-n, President and CEO of the North Platte Area Chamber and Development Corporation. I represent one of the original applicants to the Rural Projects Act, creating new

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industrial rail parks in Nebraska. Also here today is with the support of the Nebraska International Port of the Plains, which is in Lincoln County. Thank you, Senator Jacobson, for the introduction of LB719. This is very much needed legislation to bring clarity and definition to rail park development projects identified in the act. While developing industrial rail parks are a very challenging and complicated process, this legislative request is simply commonsense development practices. As an economic development practitioner with over 40 years experience in my background, I say with confidence these changes will expedite our development goals at a very critical stage. Rail parks are game changers for regional economies. North Platte has a unique situation where the community has been, for the most part, shut out of industrial development opportunities and projects that needed rail access for the past 80 years. This is due to the unique feature of being home to the massive Union Pacific's Bailey Yard, the world's largest rail logistics classification yard where 10,000 rail cars daily move through North Platte. Our plea to Union Pacific a few years ago was successful to help us open up opportunities to diversify our economy by allowing additional rail access in Lincoln County. This will allow us to target value-added agriculture processing, warehousing, transloading, and unique distribution qualities. It would not have been possible, however, without the outstanding cooperation of the Nebraska Legislature and the formation of the Nebraska Rural Projects Act. Like many state statutes, over time we need to have some clarity and interpretation of what the qualifying state investment dollars can be expended on. This is all provided in five key identification areas of the Rural Projects Act. However, the confusion lies in that some of the infrastructure developing in the rail park fall on right-of-ways or easements, just as Senator Jacobson explained. Utility upgrades are also a very necessary situation on raw development ground. A lot of those upgrades are necessary to bring these improvements to reality and are not on the developer-owned land, but specifically are for the rail park development and its success. Development is not possible without it. When we started down this long-winding road, Nebraska did not have electrical capacity shortages. Now we do, and we must follow additional processes to determine where and how the capacity can be delivered, sometimes creating lengthy study processes that must be paid for up front. I could certainly go into a lot more detail, but I'm just emphasizing key points. North Platte is very appreciative of being one of the recipients of the Rural Projects Act funding and being designated also as an inland port authority whose overlay includes our entire rail park property. We have acquired six parcels of land, done

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environmental impact studies, went through annexation zoning and blight designations and designated an inland port authority headquarters. We have worked with all utility providers on future planning, cleared widened structures off-site, and acquired railroad access approval to activate the rail park. Our first transloading operation began this month. We have worked with numerous business and industry prospects and transload customers, have reached the point of major heavy lifting on remaining infrastructure development. This is where this language clarity comes into play, provided by LB719, and we-- as we hope to have much of the work started in 2026. This has the potential in having a huge impact on a regional economy, a region that has continued to lose population and jobs for decades. This proposal still provides the guardrails and assurances from the state of Nebraska on all expenditures moving forward and these-- that these infrastructure projects will directly serve the rail park's best interests and are critical to its long-term success. This action is unanimously endorsed by our board of directors. I thank you for your consideration. Certainly willing to answer questions. Apologize, went a couple seconds over.

HALLSTROM: Thank you, Mr. Person. Your presence today reminds me of my dear friend and our dear friend Barry Kennedy and brings a smile to my face, so thanks for being here. Any other questions of the committee? Senator Riepe.

RIEPE: Thank you, Chairman. It seems like this has been a long-standing problem. Why is it that we're only getting to it at this time?

GARY PERSON: Well, it was always my understanding, and the whole reason that we worked so hard to get this legislation in place was to do this. It's just become the interpretation of what the original statute that-- it, it just doesn't have the clarity to it to say-- it doesn't necessarily say you have to do it on your property, it's just-- it was my understanding that this would always be part of the process and be an allowed expenditure. It's now to the point that we have all those other things done, and we're getting ready to expend those dollars. And so I started having additional dialogue with the Department of Economic Development, making sure that what we were planned to do was within their approval. And I tried to-- everything that we do, I try to run by the staff and make sure we're both on the same page so nobody gets themselves in a, in an awkward situation. It became at that point that the, the staff was having a hard time approving it without more clarity in the law. So I, I told them I

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would work with Senator Jacobson to try to help bring clarity and they were 100% for it. It helps relieve some of their anxiety over they-- nobody wants to make the wrong decision. Nobody wants to makes a decision that the, the statute wouldn't necessarily allow. So this clarity is now at the critical juncture when we're doing all these other things which we could not have done had we not done all that previous work that we, we did. This whole program was designed over a 10-year plan. And by year 5, you have to meet certain thresholds to be able to move on. We've met all of those thresholds, and now that we have our rail park activated, went into business actually this month. Now the heavy lifting has to come with the drop and pull yard, the utility upgrades. The people, the companies we're working with are needing more energy than what is available. So we have to do additional studies. We have to bring in substations, the other kinds of development that needs to occur. Never thought it would be a problem, but that's where we are at this point.

RIEPE: OK. Thank you. Thank you, Chairman.

HALLSTROM: Senator Dungan.

DUNGAN: Thank you, Vice Chair Hallstrom. Thank you for being here today, sir. I appreciate your emphasizing sort of the, the need for this, and I appreciate your expertise. You clearly are an expert in this area. You mentioned early in your testimony that you have over 40 years of experience in economic development. Broadly speaking, what does a career in economic development look like? What is your experience-- what does that breadth of experience kind of look like?

GARY PERSON: Well, it's a hodgepodge. I have-- I've served as an executive director of a chamber of commerce. I've spent probably 35 years as an economic development director. I was a city manager for 16 years. I worked for Governor Orr for 4 years, operating her western office. And so, you know, it comes in a hodgepodge of different things, but I've been both on the board of directors' side as well as the paid hired gun, so to speak, to go make things happen. And it's just a, a culmination of a lot of things. I never, certainly never, as a farm kid that grew up milking cows out in Banner County, I never, never saw myself in this role. But you learn to work hard in Nebraska. And that's what it is, it's common sense, working hard, getting people to rally together and making things happen. Because if you don't make things happen, you're not a development director. And so that's always been my mission and, you know, we've had good success in the different

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roles that I've played in my professional life and my job's to go make it happen and bring the other people along with us.

DUNGAN: Wonderful. Thank you, sir. Appreciate it.

HALLSTROM: Any other questions? If not, thank you.

GARY PERSON: Thank you.

HALLSTROM: Next witness in support.

MEGAN SKILES: Good afternoon. Thank you, Chairman Jacobson, for the introduction of this bill. Members of the Banking, Commerce and Insurance Committee, I'm Megan Skiles, it's M-e-g-a-n S-k-i-l-e-s, and I am President and CEO of the Greater Fremont Development Council and am also testifying on behalf of the Greater Omaha Chamber of Commerce, the Nebraska Economic Developers Association, and the Nebraska Chamber of Commerce. And I am here to express our support for LB719, a bill for an act related to the Nebraska Rural Projects Act. The Nebraska Rural Projects Act has played an important role in guiding state support for infrastructure and economic development in Nebraska communities. However, the effectiveness of any law depends on clear and workable language so that economic development organizations, county officials, community leaders, and state agencies can implement it consistently and with confidence. This bill provides the necessary clarity for the Nebraska Rural Projects Act to be administered as intended to help develop shovel-ready, multi-tenant rail-served industrial parks in the state of Nebraska, increasing our competitiveness to attract and retain capital investment and jobs in our state. As written today, the act does not give NDED the clarity needed to confidently allow the necessary extension of utilities and infrastructure that are not directly located on the site, even though I believe, and this has been mentioned before, the intent of the program was to support exactly these types of projects to create competitive shovel-ready sites. To give a real-life example from our site in Fremont, we currently do not have water and gas on our site. Those utility lines lie directly east of the site, but on the other side of a four-lane divided highway. Though there is very close proximity of the lines is beneficial to the site, the fact that they must go under a four-lane divided highway makes the cost to develop them expensive and very time-consuming to speculatively develop. So this is exactly where the Nebraska Rural Projects Act, I believe, was intended to come in and play a part in making that site more competitive and drastically reducing the timeline it needed to

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develop. However, the current interpretations only allow those on-site improvements, which alone cannot adequately progress the development of the park and serve the true intent of the act. So LB719's refinement of the statutory language will reduce ambiguity, strengthen the act's usability and improve the state's ability to leverage these resources for rural investment. This bill helps ensure that the law functions as intended and supports innovative rural projects that create jobs, broaden the tax base, and expand opportunities for Nebraska communities. So I thank you and welcome any questions.

HALLSTROM: Thank you. Any questions of the committee? Seeing none, thank you.

MEGAN SKILES: Thank you.

HALLSTROM: Next witness in support? Anyone in opposition today? With that, Senator Jacobson, if you wish to close.

JACOBSON: Neutral.

HALLSTROM: Oh, neutral. Anybody in neutral? Thank you. Senator Jacobson, you may close.

JACOBSON: I'll be very brief. If I close, I just want to reiterate the fact that I know there was an online comment, I believe, with regard to, is this going to cost more money? No, it does not. This is already funded. It's, it's-- there's dollars allocated and by doing this and bringing this into it, it's just simply using the dollars that are already allocated to complete the project that was always envisioned. I think Senator or I believe that Mr. Person has done a good job of really outlining how North Platte would use it and also we heard from Ms. Skiles about how Kearney or how Fremont will work with it. Obviously, we've got rail park in, in Omaha as well who will be interested in utilizing this addition. So this really is intended to make the bill work like it should have to begin with. And as, as Gary Person had indicated, as they were working through it and they're getting to the final pieces, they're realizing, oh, we assumed that we'd be able to connect this on items outside of our property and we can't. And so, obviously, with the scrutiny that would be out there in terms of reviewing any of these dollars spent we just wanted to clean it up and that's really what the language of this actually does. And I will tell you that I intend to exec on this today and there is an amendment that would be there to also include natural gas pipelines

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because that would also need to be brought into this. And with that, I would stand for any further questions.

HALLSTROM: Seeing none, thank you.

JACOBSON: All right.

HALLSTROM: For the record, we had three proponent online letters, three opponent online letters, and the committee did not receive any written ADA testimony regarding this bill. And with that, we'll close the, the hearing and move next to LB717, which is also introduced by Chairman Jacobson.

JACOBSON: Again, good afternoon and thank you Vice Chair Hallstrom and members of the committee. My name is Mike Jacobson, M-i-k-e J-a-c-o-b-s-o-n, and I represent District 42 in the Nebraska Legislature. Today, I'm here to introduce LB717. LB717 is a bill that was brought to me by the Nebraska Department of Banking and Finance. It is the department's annual omnibus bill designed to update and clarify various statutes under its jurisdiction. These changes ensure that our state-chartered institutions remain competitive, secure, and aligned with federal regulatory standards. The-- LB17-- LB717 will make several substantive changes to our financial laws. First, it amends the Nebraska Banking Act to allow the director to authorize the temporary emergency closure of a federal-- of a financial institution in the event of a cybersecurity event. This provides the department with the necessary agility to protect consumer data and, and, and institutional integrity in an, in an increasingly digital world. The bill amends the financial-- the Nebraska Financial Innovation Act to include credit unions in the definition of financial institution and allows the digital asset depositories to hold customer funds in any FDIC insured bank. This removes geographic restrictions that currently limit those institutions to Nebraska-based banks. In the areas of installment loans and residential mortgages, the bill introduces a requirement for licensees to provide a net tangible benefit analysis to borrowers seeking to refinance. This ensures that a refinance actually serves the customer's best interest rather than simply generating fees for the lender. It updates the Securities Act of Nebraska to exempt certain merger and acquisition brokers from registration, aligning the state law with federal exemptions and reducing the regulatory burden on those specific business transactions. The bill raises the principal balance cap for certain usury rate exemptions from \$25,000 to \$100,000, reflecting modern lending realities and the inflationary environment since those caps

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were last set. So what that really referring to is for finance companies, you have to give further disclosure of interest rates. You were exempt once you went over \$25,000. You did not need to do that. Now you're not exempt until you're over \$100,000, if we would pass this bill and update this. LB717 also performs the critical task of annual wild card update due to state constitutional requirements. We must annually reenact those statutes to ensure that our state-chartered banks, savings associations and credit unions maintain the same rights, powers and immunities as their federally chartered counterparts. Finally, the bill updates dozens of cross references to federal laws and regulations including the Electronic Fund Transfer Act, the Bank Secrecy Act, and the Commodity Exchange Act to reflect these statuses as of January 1, 2026. This cleanup ensures that our state-chartered institutions are not operating under obsolete federal definitions or rules that have been changed over the past year. Thank you, and I would refer any questions you might have to the department of who's here and, and will testify. And if you want me to come back, I can read you the entire bill. But I'm guessing you'll take my word for it and ask-- point your questions to the department. Are there any questions?

HALLSTROM: Any questions? I would think whether we want you to come back and whether we want you to read the bill are two different issues.

JACOBSON: I, I, I assume that might be the case.

HALLSTROM: At any rate, thank you, Senator Jacobson. Anyone in support today for LB717? Welcome, Director Lammers.

KELLY LAMMERS: Good to be here. Vice Chair Hallstrom, members of Banking, Commerce and Insurance Committee, my name is Kelly Lammers, K-e-l-l-y L-a-m-m-e-r-s. I'm Director of the Nebraska Department of Banking and Finance, and I'm appearing today in support of LB717, which was introduced at the request of the department. LB717 is the department's annual bill proposing updates to laws governing many of the industries regulated by the department. I'll highlight the areas of most impact. On the depository side, Section 6 of the bill would amend Section 8-1,124 of the Banking Act to provide a cybersecurity event as defined in existing Nebraska law as an emergency occurrence for which a financial institution can temporarily close. LB717 contains the annual equal rights updates for Nebraska state-chartered banks, credit unions, savings and loans. Sections 7, 9 and 25 are known as wild card statutes and provide these entities with the same

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rights, powers, and privileges as those enjoyed by their federal chartered counterparts doing business in Nebraska. On the security side, LB717 proposed one change to the Securities Act. Section 10 would amend the definition of broker-dealer to exempt a merger and acquisition broker from, from registration, excuse me, when they handle the purchase and assumption of privately held companies and do not receive or hold funds. A similar exemption was recently added to Section 15(b) (13) of the Federal Securities and Exchange Act of 1934. LB717 further amends a number of our consumer financial acts, Section 26 through 29 amend the general usury rate statute and the Installment Loan and Sales Act to revise the definition of an installment loan by removing the \$3,000 threshold amount and raising the \$25,000 cap to \$100,000. The current amounts are very outdated and prevent the department from reviewing most loans made by licensees. The bill will amend the Residential Mortgage Act and the Installment Loan and Sales Act to provide borrowers with a net benefit analysis when refinancing loans or examiners of these entities over the past 3 years show an increasing trend of continuously refinancing loans and collecting fees on each refinance loan, even when the refinancing provides little or no benefit to the borrower with some cases being particularly egregious. VA, USDA, and FHA loans are similar-- are subject to a similar standard, and more than 25 other states currently require these disclosures. LB717 would amend the Crypto ATM Act to add a provision that if a controllable electronically record kiosk is used to fund a stored value account, and the stored value account either at the time the account is funded, or thereafter, offers the ability to purchase cryptocurrency it is subject to the act. The department has already facilitated \$129,000 in refunds to Nebraskans. LB717 proposes four changes to the Nebraska Financial Innovation Act, which were designed to update the act to harmonize with the GENIUS Act, a piece of federal legislation governing payment stable points. First, the definition of digital asset depository is clarified. Second, the definition of financial institution is expanded to include credit unions. The GENIUS Act, adopted by Congress in '25, provides credit unions with this authority. Third, the bill will allow a digital asset depository to hold customer funds in any bank insured by the FDIC. Current law limits the deposits placement to Nebraska banks or banks that previously held an office in Nebraska. Fourth, the act, act would authorize the director to approve a capital level that is on par with similar federal charters or licenses. This addresses the concern that the GENIUS Act or federal regulations yet to come will severely undercut the Nebraska's capital requirements making the Nebraska charter nearly obsolete. LB717 would update cross-reference federal

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statutes, regulations, and standards affecting our industries providing a new reference date of January 1, 2026. References updated have been consistently adopted by the Legislature on an annual basis due to constitutional restrictions on delegation of legislative authority. I want to thank Chairperson Jacobson for introducing this legislation to update and clarify the laws affecting our financial institutions. I'm happy to answer any questions. Thank you.

HALLSTROM: Very good. Any questions of the committee for Director Lammers? I have some. Director Lammers, with regard to the changes in the definition of financial institution for credit unions, my recollection is that, that they were left out of the original digital asset depository and that the GENIUS Act requires our act in-- or our regulation at the state level in order to control the issuance of stable coins to be substantially similar to the federal law and/or regulation. Have you been given anything in writing that indicates that the inclusion or exclusion of credit unions will have an impact on substantially similar requirement?

KELLY LAMMERS: I concur that the wording within the GENIUS Act includes the definition of financial institutions to include both banks and credit unions. The GENIUS Act does require substantially similar local regulation, and I do not have a written opinion in terms of what is substantially similar, sir.

HALLSTROM: And with regard to the emergency-- definition of emergency for closures can you give the committee a little bit of background? Is that related to a statute where a bank has authority to request closure from the department under those circumstances whether it be weather related or in this case we're expanding it to the crypto situation and that there have been some banks that have had situations that, that have given rise to this?

KELLY LAMMERS: Very much. This legislation enables the ability to have local decision at, at the front door, if you will. In current statute, if the-- if it isn't safe to have customers in the lobby, if the snowstorm is so bad, the business of banking must occur and the back room continues to be processed, but the lobby may be closed. So that definition of bad weather includes flood. The water is rising and should you really have to call the Director of the Department of Banking to close the lobby in order to evacuate for a flood? This is, is asking to expand that consideration in terms of if something is irregular occurring with the computers that you're using to answer questions within that lobby, are you able to lock that lobby without

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calling the department? Take care of the matters immediately. Do what is appropriate for the community that you're currently serving, and then, of course, give the department a call in a reasonable time period.

HALLSTROM: And the Hickman tornado would be another example where there could be a temporary closure and if they're needed for a longer period of time, then the statute allows the department to, to extend that.

KELLY LAMMERS: With, with, with incredible respect because there were, there were many community heroes there, but slightly and just, sir, I believe the statute of limitation is passed and they did not call me if they could lock the door before that building was swept away, sir, but they did protect a number of people. Yes, sir.

HALLSTROM: And then just, just one other thing, I think you mentioned \$129,000 in refunds from Senator Bostar's legislation last year on the crypto ATMs, do you think that's really positive?

KELLY LAMMERS: Senators, this ability to reach out and talk to people that have been victimized, that are very intelligent, very capable, very strong people, that in a moment made a decision that they want to reverse, you have enabled a conversation that says, what can we do? And while it doesn't fix everything, it has opened an opportunity to have incredible conversations. And, yes, I, I very much appreciate this opportunity to be part of that kind of financial transaction. The team behind me, the team that's assembled at the department, has very much reached out to a number of zip codes in the state of Nebraska just this first hundred days. And we're already seeing that some people use the service appropriately. But many don't understand that there are bad people trying to convince them to use the service. It has been enabling, Senator. Thank you.

HALLSTROM: This may be more of a statement than a question that AARP should be commended for what they're doing out in the marketplace to, to promote good things for their, for their members and others.

KELLY LAMMERS: Very much so. Yes.

HALLSTROM: Thank you, sir. Any other questions? Seeing none, thank you, Director.

KELLY LAMMERS: Thank you.

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HALLSTROM: Anyone else in support of LB717? Welcome, Mr. Gerhart.

PATRICK GERHART: Good afternoon, Chairman Jacobson and members of the Banking, Commerce and Insurance Committee. My name is Patrick Gerhart, P-a-t-r-i-c-k G-e-r-h-a-r-t, and I serve as President of Telecoin Digital Asset Bank, and am here to offer our support for LB717, particularly for the provisions of the bill that update several sections of the Nebraska Financial Innovation Act. I want to thank Director Lammers and his team at the Department of Banking and Finance for their continued partnership and engagement with our Telecoin Digital Asset Bank team. In 2021, the Nebraska Financial Innovation Act opened the door for responsible, forward-looking digital asset institutions like Telecoin Digital Asset Bank to operate within a clear and modern regulatory framework. By establishing the Digital Ascent Depository Institution Charter, Nebraska became the first state to create a pathway for fully regulated, blockchain-native financial services. This framework gives consumers and businesses the confidence that digital asset banks are held to rigorous standards for custody compliance and operational integrity. For Telecoin Digital Asset Bank, it means the ability to offer secure, user-owned financial products while working hand-in-hand with our state regulators who understand the importance of innovation in today's global digital economy. LB717 strengthens Nebraska's position as a national leader in financial modernization by encouraging competition, investment, and technological advancement. Telecoin Digital Asset Bank benefits from the regulatory environment that supports innovation without compromising consumer protection by enabling the development of efficient, low-cost services built on blockchain rails. This alignment between public policy and private sector innovation helps expand financial access, attract new economic activity to the state, and demonstrates how digital asset institutions can operate safely and transparently within the U.S. banking system. The changes outlined in LB717 complements these efforts. For example, the striking of the requirement for institutions to have a main chartered office in the state will help allow more charters to be granted by the Nebraska Department of Banking and Finance, allowing more digital asset depository institutions to be established in the State of Nebraska, bringing more financial industries to the state, and with that an increase in jobs and income. Another change that will benefit the industry-- another change, another change that will benefit the industry is changing the minimum capital requirements from \$10 million to being at the discretion of the Director of the Nebraska Department of Banking and Finance. This will allow the department to work with

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those applying institutions regarding their size, business plan, and other risk factors, giving current banks who are looking to add digital asset departments and to those who are looking to become digital asset banks a more tailored approach to their application. We are continuing to engage and educate our banking partners, including the Nebraska Bankers Association, the Nebraska Independent Community Bankers, on additional efforts to advance the NFIA. Thank you for your time and service to the state, and I would be happy to try to answer any of your questions.

HALLSTROM: Any questions of committee? Seeing none, thank you.

PATRICK GERHART: Thank you.

HALLSTROM: Other supporters of LB717? Mr. McIntosh.

RYAN McINTOSH: Good afternoon, Vice Chair Hallstrom, members of the committee. My name is Ryan McIntosh, R-y-a-n M-c-I-n-t-o-s-h, and I appear before you today as a registered lobbyist for the Nebraska Bankers Association to testify in support of LB717. We appreciate Senator Jacobson's leadership on this legislation, which advances our state's ability to keep pace with evolving federal laws, protect consumers, support innovation and ensure ongoing safety and soundness in Nebraska's financial institutions. A specific note that you've heard about today is the important updates in Nebraska Financial Innovation Act to synchronize with the federal GENIUS Act which passed Congress in 2025. The NBA continues to be engaged with Director Lammers and representatives of Telcoin Inc and Telcoin Digital Asset Bank, and we appreciate their willingness to work together. We would typically be concerned with expanded powers being granted to credit unions which fall outside of their scope and mission. This includes the authority to issue our custody stable coins under the Nebraska Financial Innovation Act. However, given the passage of the GENIUS Act, which allows credit unions to engage in these activities, we see no reason to oppose the same under Nebraska law. We thank Director Lammers for his work on this and the committee for dealing with this important issue and urge the committee to advance LB717. Thank you.

HALLSTROM: Thank you, Mr. McIntosh. Questions by the committee? Seeing none, --

RYAN McINTOSH: Thank you.

HALLSTROM: --thank you. Next witness. Welcome.

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L. JAMES WRIGHT: Thank you. Pardon my glasses. Thank you.

HALLSTROM: You may proceed.

L. JAMES WRIGHT: Thank you. Vice Chairman Hallstrom and members of the Banking, Commerce and Insurance Committee, my name is L. James Wright, last name spelled W-r-i-g-h-t. I'm here today on behalf of the Nebraska Credit Union League as their Chief Advocacy Officer and registered lobbyist. Our organization represents Nebraska's 50 not-for-profit, member-owned credit unions and their 560,000 members. I appear before you today to offer our association's support of LB717 as it pertains to credit unions. I want to thank Chairman Jacobson for introducing LB717 and the Nebraska Department of Banking and Finance Director Lammers for his team's work on this important legislation. LB717 includes several provisions important to credit unions including: Section 18 updates the Financial Innovation Act to include credit unions within the definition of financial institution. Section 24 updates the State Credit Union Act by updating from January 1, 2025 to January 1, 2026, the current statute which provides permissible investments for a credit union relating to employee benefit plans. Section 25 makes the annual update to the credit union wild card or parity provision that is extremely important to Nebraska's ten state-chartered credit unions. Section 26 updates the exemption to the user rate by raising the \$25,000 principal balance cap on loans to \$100,000. I respectfully request the committee's support to advance LB717 to General File. We thank you for your consideration and I would answer any questions you may have at this time. I would take this opportunity to also amend or add to my comments today that the inclusion of credit unions in the Financial Innovation Act is not an expansion of powers but provides for parity and equality before the law for all our credit union members. So thanks again for your time.

HALLSTROM: Thank you, Mr. Wright. Questions of the committee? I was glad to see a kinder, gentler Nebraska Bankers Association on, on board with that.

L. JAMES WRIGHT: I love you all.

HALLSTROM: Thank you, Mr. Wright.

L. JAMES WRIGHT: Thank you.

HALLSTROM: Any other witnesses in support of LB717? Anyone here today in opposition? Anyone in a neutral capacity? Yes, sir. Welcome.

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EVAN EGGER: Thank you. Good afternoon, Vice Chair Hallstrom, Chairman Jacobson, members of the committee. My name is Evan Egger, E-v-a-n E-g-g-e-r, and I'm the Executive Director of the Nebraska Bitcoin Association, a nonpartisan nonprofit incorporated in Nebraska last summer with the mission to educate Nebraskans about Bitcoin, the protocol network and asset. And on behalf of Nebraska Bitcoin Association, I ask you to adopt our proposed amendment to LB717 to explicitly protect the self-custody of digital assets under state law. Today, the Nebraska Financial Innovation Act leaves open a critical gap. Nebraskans who hold their own private keys and independently use blockchains face legal uncertainty and widespread false presumptions of illegality. This uncertainty risks capital flight, chills innovation, and pushes investment to other states. We are blessed that Nebraska's Constitution provides robust protection of property rights. This narrow amendment simply clarifies that controllable electronic records fall within our legal tradition while preserving our existing laws on fraud, zoning, taxation, and public safety. It further carries no fiscal impact as it requires no new agency duties or enforcement. This amendment would, one, protect savers who choose self-custody; two, prevent potential regulatory conflict and litigation conserving public resources; three, keep financial innovation and investments in Nebraska. I appreciate Senator-- or I appreciate Director Lammer's work in the Department of Banking and Finance to harmonize state law with the GENIUS Act. I don't have it in my written testimony, but one aspect of our proposed amendment would also harmonize the Financial Innovation Act with GENIUS in the sense that GENIUS explicitly recognizes self-custodial digital asset activities as not subject to federal regulations as money transmitter businesses. Closing the self-custody gap would demonstrate Governor Patten's promise in November, the digital assets industry, that Nebraska is open for your business. We, therefore, respectfully ask you to adopt this proposed amendment. Members of the Nebraska Bitcoin Association are ready to volunteer our efforts and resources to assist or educate the Legislature anytime and we appreciate your consideration. I'd be happy to answer any questions.

HALLSTROM: Thank you. Senator Riepe.

RIEPE: Thank you, Chairman. Can you answer this? Is this a friendly amendment to, to the sponsor of the bill? Is it hostile?

EVAN EGGER: I wouldn't describe it as hostile myself. We're neutral on LB717. We propose this as another avenue to harmonize with the GENIUS Act.

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RIEPE: OK. Well, we'll leave it up to the bill's sponsor to make the determination if he thinks it's quite hostile or not. Thank you. Thank you, Chairman.

HALLSTROM: Any other questions? Have you shared or vetted this with Director Lammers and department staff?

EVAN EGGER: We did. Yeah, I reached out last week to a review examiner. Their legal team didn't view it as aligned with the agency's objectives. You know, I can't speak on their behalf, but certainly had a warm reception to reviewing our proposal.

HALLSTROM: OK. Thank you.

EVAN EGGER: Appreciate it.

HALLSTROM: Seeing nothing else, thank you very much. Any other neutral testimony? If not, Chairman Jacobson, if you'd like to close.

JACOBSON: Thank you, Vice Chair Hallstrom, and just a couple comments. First of all, I spend quite a bit of time interacting with the Banking Director and discussing issues that might be pertinent to the committee. I also had-- and I wanted to point out to the committee and to Senator Bostar that I did get an unsolicited phone call from Sheriff Aaron Hanson from Omaha, Douglas County, telling me how much he appreciated our bill last year on crypto kiosks and that by putting those guardrails in place we went from the Wild West to an 80% reduction in losses and things that they've investigated. He said it was night and day. Just couldn't thank us enough for moving the bill forward. So I want to publicly thank Senator Bostar for bringing the bill and for the committee to get behind the bill in getting it passed. So that's significant. I would also say that AARP has been a very important partner. They had a lot of complaints from their members, and I think they're very happy about that change as well. With regard to crypto in this bill, no one has contacted me about this, so I would consider that the amendment would not be a friendly amendment, and it's not something that I'm interested in considering. I did have conversations with Mr. Wright, and I would tell you that, generally speaking, I'm opposed to expanding powers with credit unions. I would agree with him that this is not an expansion of power. This is simply bringing them into conformity with federal law. And that's what really our purpose is today with this wild card bill is to simply to bring the state laws in conformity with federal laws and that's really what this does. So I will continue to work with the

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director as it relates to any changes they may have as it relates to crypto. But clearly tail coin-- the stable coin and the tail coin product, in particular, has been something that is active and moving and I will continue to work with them on any other changes as well. With that, questions?

HALLSTROM: Thank you. Seeing none, we have closing the hearing here with two proponent letters on LB717, no opponent, no neutral, and no written ADA testimony regarding this bill. That will close the hearing on LB717 and we'll move next to LB718 by Senator Jacobson.

JACOBSON: I'm back. Good afternoon, Vice Chair Hallstrom and members of the committee. Again, my name is Mike Jacobson, M-i-k-e J-a-c-o-b-s-o-n, and I represent District 42 in the Nebraska Legislature. Today, I'm here to introduce LB718. LB718 seeks to modernize the Public Accountancy Act to address a critical challenge: the shrinking pipeline of accounting talent in Nebraska. Currently, our state requires 150 credit hours, essentially a fifth year of college, just to sit for the CPA exam. For many qualified students, the cost and time associated with that extra year act as a "keep out" sign. This bill is being-- is about removing these unnecessary educational hurdles and ensuring Nebraska remains competitive with the more than 30 other states currently moving towards these flexible pathways. We want our students to stay in Nebraska, test in Nebraska, and start their careers in Nebraska. LB718 creates a new high-standard framework by establishing 3 distinct pathways to licensure: pathway 1, a master's degree with 1 year of experience; pathway 2, bachelor's degree plus 30 additional credit hours and 1 year of experience; pathway 3, a bachelor's degree with 2 years of professional experience. By providing these options, we ensure that a student who cannot afford an expensive fifth year of school can instead earn while they learn through additional supervised work experience. To implement this, LB718 will make the following substantive changes: one, amend Section 1-116 to allow candidates to sit for the uniform public accountancy exam, our CPA exam, at 100-- at, at 100 semester hours, typically a standard 4-year degree. This aligns us with the national trend and allows our graduates to work-- to enter the workforce and the testing cycle simultaneously. Amend Section 1-117 to, to clarify that passing the exam is not the same as being a CPA. Regardless of what pathway a candidate chooses, no one will be granted the title or a permit to practice until they have met the full experience and educational requirement. We are keeping the gold standard of professional-- of the profession intact while widening the on-ramp. Amend the mobility and reciprocity rules,

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Sections 1-124 and 1-125.01, to align Nebraska with Uniform Accountancy Act, UAA. This ensures that Nebraska CPAs can practice across state lines and that firms can recruit talent into our state without unnecessary red tape. And then amend Section 1-137 to require a fair distinction between administrative lapses and ethical violations. This protects the professional reputation of our accountants by ensuring that a simple failure to renew a permit isn't categorized alongside serious misconduct like fraud. Amend Section 1-148 to update the board's ability to level civil penalties of up to \$5,000 for violations of professional misconduct. Ensure our regulatory body has the tools it needs to protect the public. This legislation is about alignment and access. It mirrors the model legislation supported by the American Institute of CPAs and the National Association of State Boards of Accountancy. By passing LB718, we are ensuring a sustainable workforce that supports Nebraska's small businesses, local governments, and our broader economy. We are making it clear that you don't need to move to another state to find a flexible path to a successful accounting career. Thank you, and I'll refer any questions that might-- you might specifically have on the bill to those who will follow me, but I'd be happy to entertain any other questions.

HALLSTROM: Thank you, Senator Jacobson. Senator Riepe.

RIEPE: I just wondered, did you come up with the term administrative lapses? I like that.

JACOBSON: I would like to take credit for-- most of everything I get, you know, my wife helps dress me and my, my staff helps write my scripts, so thank you.

RIEPE: That's good, though. That's good.

HALLSTROM: That would be under the category of lapses of judgment. Any other questions? Seeing none, thank you, Senator Jacobson.

JACOBSON: Thank you.

HALLSTROM: Those in support of LB718. Welcome.

JODI ECKHOUT: Thank you. Vice Chairman Hallstrom and members of the Banking Committee, thank you for the opportunity to testify today. For the record, my name is Jodi, J-o-d-i, Eckhout, E-c-k-h-o-u-t. I am a licensed certified public accountant practicing at Woods and Durham in Holdrege, Nebraska. I am here as the Chairman of the Nebraska Society

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of CPAs to urge your support for LB718, which modernizes Nebraska's Public Accountancy Act and strengthens our CPA pipeline while maintaining the profession's high standards. Certified public accountants are the backbone of our economy. CPAs ensure financial transparency, guide families and businesses in making sound financial decisions, and uphold trust in our tax system and capital markets. Yet Nebraska, like much of the nation, is facing a growing CPA shortage as demand for these services increases. The American Institute of CPAs, the AICPA, has reported that 75% of today's CPAs will retire within the next 15 years. For more than 2 decades, there has effectively only been one pathway to CPA licensure, a bachelor's degree with an accounting concentration plus an additional 30 credit hours, typically a master's degree, followed by either 2 or 3 years of supervised experience and passage of the uniform CPA exam. While well intentioned, the 150-hour education requirement has become a barrier for many capable students due to the added tuition costs and delayed entry into the workforce. LB718 removes that roadblock by creating an additional pathway. Under this bill, candidates may qualify for CPA licensure by completing a bachelor's degree, including the required hours in accounting, 2 years of supervised qualifying experience, and passage of the same rigorous uniform CPA examination required of all CPAs. Every CPA in Nebraska, regardless of pathway, must complete the same core accounting coursework, pass the same national exam, and demonstrate real-world competence under the supervision of a licensed CPA. LB718 simply replaces additional classroom hours with meaningful hands-on professional experience while aligning all experience requirements with the Uniform Accountancy Act model rules. This approach is accessible, affordable, and practical. It allows future CPAs to gain experience sooner, strengthens the talent pipeline, and improves access to trusted financial expertise for Nebraska businesses, communities, and taxpayers. LB17-- LB718 also ensures Nebraska remains aligned with the national standards. More than 30 states are considering or adopting similar pathways, and both the AICPA and the National Association of State Boards of Accountancy, NASBA, support these reforms through updates to the Uniform Accountancy Act, preserving interstate mobility and strong regulatory oversight. Now is the time to act. LB718 is a thoughtful, balanced solution that protects the public, removes unnecessary barriers for students, and helps ensure Nebraska has a strong, sustainable CPA workforce for decades to come. I respectfully urge the committee to advance LB718. Thank you for your time and consideration, and thank you to Senator Jacobson for introducing LB718.

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HALLSTROM: Thank you very much. Any questions of the committee? Seeing none, thank you.

JODI ECKHOUT: Thank you.

HALLSTROM: Other witnesses in support of LB718?

LUKE WENZ: Vice Chair Hallstrom and other members of the committee, thank you so much for the opportunity to hold this hearing today and the opportunity to testify. My name is Luke Wenz, it's L-u-k-e W-e-n-z, and I'm here in support of LB718 on behalf of the Platte Institute. Nebraska is, as you all know, without question the best place in the country to live, work, and raise a family. We proudly market the good life and for good reason. Our communities are safe, our cost of living is reasonable, and our quality of life is second to none. As a result, Nebraska is uniquely positioned to attract talented professionals from across the country who are looking for opportunity, stability, and a place to put down their roots. However, our licensing framework needs to match that ambition. Under current law, if a young professional from Colorado wants to come, amongst many other states, wants to come to Nebraska to complete-- to, to maintain and earn their CPA license, they have to go back and earn an additional 30 credit hours, despite already being fully licensed and practicing in another state. This requirement does not enhance outcomes and instead it just creates an unnecessary barrier to entry, discourages mobility, and sends a signal that Nebraska is closed to otherwise qualified professionals. LB718 fixes that problem. This bill modernizes Nebraska's approach by recognizing professional mobility is simply a reality of today's workforce. It shifts the model towards one that allows licensed professionals to carry their credentials across state lines and continue practicing when they move to Nebraska without redundant, costly, or arbitrary requirements. This is just smart public policy that respects competence, experience, and earned credentials. As many of you know, for years, the Platte Institute has worked on universal occupational licensing to ensure that individuals with out-of-state license bring their skills to Nebraska and can quickly enter the workforce. These reforms are pro-worker, they're pro-family, and they're certainly pro-growth. One notable exception to this framework has been the CPA examination, but LB718 corrects that gap and puts Nebraska in line with best practices from across the country. Importantly, this bill maintains the high professional standards while eliminating duplicative hurdles. It does not lower the bar, it removes extra hoops. And in doing so, it strengthens Nebraska's competitiveness at the time where states are actively

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competing for talent, for employers, employees, and for investment. So I'd ask you all to consider a couple-- a few things while deciding on this bill. Number one, Nebraska businesses need qualified and skilled accounting professionals to grow and remain competitive. Number two, workforce mobility benefits both rural and urban communities by expanding the talent pool. Number three, reducing unnecessary licensing barriers helps military families, mid-career professionals, and young workers relocate without delay. And four, states that modernize licensing laws tend to see higher workforce and stronger workforce participation and economic growth. So I'll end with this: Nebraska's future depends on our willingness to welcome talent and reward hard work and remove barriers that no longer serve a purpose no matter how virtuous said barrier was intended. LB718 is common sense and it's forward-looking reform that reinforces our commitment to growth and to opportunity. And if we really truly want people to come and live their good life, we must ensure that our, our laws invite them, not turn them away. Thank you for your time and I respectfully urge the committee to advance LB718. I'd be happy to entertain any questions should you have them.

HALLSTROM: Thank you, Mr. Wenz. Any questions of the committee? If not, welcome to the Nebraska Legislature.

LUKE WENZ: Thank you, sir.

HALLSTROM: Next witness in support of LB718.

ANDREW BLOSSOM: Good afternoon. My name is Andrew Blossom, A-n-d-r-e-w B-l-o-s-s-o-m. I'm a certified public accountant and I currently serve as the Vice Chair of the Nebraska Board of Public Accountancy. I am here today to-- on behalf of the board and have been authorized to testify in support of LB718. The Nebraska Board Of Public Accountancy is the state agency charged with regulating the CPA profession in Nebraska. Our members are appointed by the Governor to 4-year terms. The board worked in concert with the Nebraska Society of CPAs in development of the bill. Myself and two other board members participated in the society's pathway licensure task force. As you've already heard today, this bill establishes a new licensure pathway for CPA candidates, and the board sees no reason to oppose the, to oppose the bill. You've also heard reference to the Uniform Accountancy Act, which is promulgated by our national organization and the CPA's national organization to promote uniformity among state boards. 22 states including Iowa have already adopted this pathway and we expect probably another 30 to adopt in the course of, of 2026. So this brings

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us into alignment with those, those states. In addition to this new pathway, the bill also aligns-- it creates the opportunity with that alignment to avoid confusion and complexity for future Nebraska CPAs. In addition, the CPA profession has strongly valued the ability of CPAs to serve their clients across state lines without the need for individual licensure in each jurisdiction. This licensure model has been approved by virtue of all U.S. jurisdictions, and this bill also strengthens and aligns Nebraska's law in this area. In summary, the bill keeps the initial and ongoing licensing of CPAs in Nebraska consistent with the rest of the United States, and we encourage you to advance it. Thank you.

HALLSTROM: Thank you very much. Senator von Gillern.

von GILLERN: I just can't let you go without asking a question.

ANDREW BLOSSOM: Fair enough.

von GILLERN: What's taking so long to get here? The CPA exam, for as long as I can remember, has been famously known for being needlessly cumbersome, and that's my words, not yours or anyone else's. Is it just the, the reduced number of students that are going into accounting in, in current times? What's, what's taking so long to get here?

ANDREW BLOSSOM: At the risk of getting too far into the weeds, when I became a CPA 30-plus years ago, you only needed an undergraduate degree in order to qualify and you had experience on top of it. The profession went through a time, about 25 years ago, where they said, oh no, we want a master's degree or extra education and less experience. I, I think we're coming to the realization that that was an experiment that proved not to be needed. And so nationally there's a movement to go back to say undergrad with experience under a CPA is enough to get your ticket into the door to be a CPA. It's probably not the person you're going to go hire right away but it's that initial credentialing that's going to allow them to participate in the profession.

von GILLERN: OK. Thank you.

HALLSTROM: Any other questions? Thank you, Mr. Blossom.

ANDREW BLOSSOM: Thank you.

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HALLSTROM: Anybody else in support? Any opponent witnesses today?
Anyone in a neutral capacity? If not, Senator Jacobson, you may close.

JACOBSON: I'm going to waive closing on this one.

HALLSTROM: Senator Jacobson waives closing. Online letters: no proponents, no opponents, one neutral letter, and no written ADA testimony regarding the bill. That will close our hearings for today. Thank you all for coming and participating in the legislative process.