

Transcript Prepared by Clerk of the Legislature Transcribers Office

Judiciary Committee February 4, 2026

Rough Draft

BOSN: All right. Good afternoon, everyone. Welcome to the Judiciary Committee. My name is Senator Carolyn Bosn. I represent District 25, which is southeast Lincoln, Lancaster County, including Bennet. And I serve as the chair of the committee. We are going to take up bills in the order posted outside of the room. This is your opportunity to be part of the legislative process and express your position on the proposed legislation. If you are planning to testify today, there are green testifier sheets at the back of each of the doors that you should please fill out clearly and completely, listing every organization that you represent. Please-- when you-- it is your turn to come forward to testify, give the testifier sheet to the page or the committee clerk. If you do not wish to testify or if someone has already said what you are going to say, you can use one of the yellow testifier sheets, which are on the back table as well. This means you're not testifying, but your position will be included as part of the official hearing record. When you come up to testify, please speak clearly into the microphone, stating and spelling your first and last name to ensure that we get an accurate record. We will begin with a statement by the opener-- or, by the introducer-- excuse me-- followed by proponents, then opponents, then neutral testifiers, followed by a closing from the introducer if they wish. We use a three-minute light system in here. And I'm pretty strict, as-- to the best of my ability on the light system. When it's green, you have three minutes. When the light turns yellow, you have one minute remaining. And the red light indicates it is time to stop so that the committee may ask questions. Also, committee members, as you can see, will be coming and going from the hearing. This has nothing to do with the importance of the bills. It's just part of the process, because they could be introducing bills in other committees. A few final things. If you have handouts or copies, please bring up ten copies of them and give them to the page. Please silence and turn off your cell phones. Verbal outbursts and applause are not permitted and will 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 to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at legislature.nebraska.gov [SIC]. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. You may submit a comment for the record or testify in person, but you may not do both. I will now ask the committee members that are with us today to introduce themselves, starting to my left.

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

STORM: Good afternoon. Jared Storm, District 23: Saunders, Butler, Colfax County.

STORER: Good afternoon. Senator Tanya Storer. I represent District 43, 11 counties: Dodge, Sheridan, Cherry, Keya Paha, Boyd, Brown, Rock, Blaine, Loup, Garfield, and Custer.

HOLDCROFT: Rick Holdcroft, District 36: west and south Sarpy County.

DeBOER: Good afternoon, everyone. Hello. My name is Wendy DeBoer. I represent District 10 in vibrant northwest Omaha.

HOLDCROFT: Terrell McKinney, District 11: north Omaha.

ROUNTREE: Victor Rountree, District 3: Bellevue and Papillion.

BOSN: Thank you. Also assisting the committee today: to my left is our legal counsel, Denny Vaggalis; and to my far right is our committee clerk, Laurie Vollertsen. Our pages for the committee are Kyanne Casperson, Kleh Say, and Luke Lawton, all from UNL. With that, we will begin today's hearings with LB1230. And Senator Strommen, first bill in front of the Judiciary, so enjoy.

STROMMEN: Feeling excited about this. I know that we've got a lot to get done here today, so I'll try and be as brief as possible. Good afternoon, Chairperson Bosn and members of the Judiciary Committee. I am Senator Paul Strommen, P-a-u-l S-t-r-o-m-m-e-n. I represent Legislative District 47, 10,500 square miles of gorgeous western Nebraska. I appear before you today to introduce LB1230. The bill clarifies the specific inclusion of mobile homes in the currently existing Disposition of Personal Property and Landlord Tenant Act. It also then amends existing statutes to allow the use of the Disposition of Personal Property Act to authorize the Department of Motor Vehicle and the county treasurer, once the procedures have been completed consistent with the Disposition of Per-- Personal Property Act, to issue certificates of title to the abandoned mobile homes. It is the expectation that this will be an efficient means to facilitate dealing with the removal of abandoned mobile homes, which create eyesores and safety concerns for mobile home communities throughout the state of Nebraska. Under the existing Disposition of Personal Property Landlord and Tenant Act, there is a procedure for landlords to give notice to

tenants who have abandoned personal property, provide them with the opportunity to reclaim the property, and, if they fail to do so, allows the landlord to sell the property at a public sale; or, if the value of the property is less than \$2,000, to make any disposition of the property which the landlord believes is appropriate, with the expectation in this situation that the abandoned home will be removed from the community. In Nebraska, mobile homes and manufactured homes are deemed to be personal property, but they have certificates of title. In order for a landlord to take control over an abandoned home and either remove the eyesore and safety hazards from the park or, alternatively, rehabilitate the home and put it back into use, it is appropriate for the landlord to get the certificate of title into the name of the community. Although there was a pro-- procedure presently available under the Nebraska lien statute-- more particularly, Nebraska Revised Statute 52-601.01-- services performed under personal property, it requires that the property remain on site for 90 days. And then there is a procedure to give notice to sell the property at a public sale. Such a procedure is cumbersome and not well-suited for the abandoned home situation. This legislation is designed to provide a means consistent with existing Nebraska statutes with regard to the disposition of abandoned personal property of tenants to bring about a relatively quick resolution to the matter so that the landlords can effectively address the abandoned homes located in their parks, which, as I've indicated, are often eyesores and safety risks for other tend-- tenants, more particularly children. My intent with the bill is to provide means to address abandoned mobile homes so that the communities where the homes are located may maintain safe and welcoming environments for the tenants of the community. I have also provided the committee with AM1893, a simple amendment to the bill that reinstates some unintentionally stricken language. I would appreciate your support of LB1230 and AM1893. Thank you. Quick.

BOSN: Questions for Senator Strommen? Senator DeBoer.

DeBOER: Thank you. I'm sorry. I know we got a lot to do today, but did you have this bill last year?

STROMMEN: I did not have this bill last year.

DeBOER: OK. I've heard a similar bill, I think-- and maybe somebody behind you will-- able to talk about it. What is the time lapse that needs to happen-- and you may have said this, but I didn't hear it-- between when sort of the last time we see somebody that has ownership of the mobile home and when this process goes into place?

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STROMMEN: So my understanding right now is there is 90 days-- is the way it works now. Under the new system-- and a-- there's a gentleman behind me here that can more succinctly answer that question-- but my understanding, it will go 30 to 7, if I remember correctly.

DeBOER: Se-- seven days?

STROMMEN: Yes.

DeBOER: OK. Thank you.

BOSN: Any other questions for Senator Strommen? Seeing none. Thank you.

STROMMEN: Thank you.

BOSN: Are you staying to close?

STROMMEN: Yes, I am.

BOSN: OK. Can I just see a show of hands how many individuals are here to testify on LB1230? All right. Thank you. Three was the answer for those who are hearing but can't see.

PAUL ELOFSON: Good afternoon, Chairperson Bosn and the Judiciary Committee. My name is Paul Elofson. That's P-a-u-l E-l-o-f-s-o-n. I'm an attorney in Omaha, Nebraska with the Fitzgerald, Schorr firm. I'm here today representing the Nat-- the Nebraska Manufactured Housing Association. I think Senator Strommen has pretty effectively kind of summed things up, and I'm hopefully not being redundant. But what's happening here is we're putting a little tweak, in my opinion, to existing legislation, provides the-- that specifically calls out that, under the Nebraska Disposition of Personal Property Landlord Tenant Act-- which has been around since 1991-- specifically calls out that mobile homes are included. I think they already were, but, but this is-- specifically calls that out. The thing that's of importance in the bill is, under our present structure, the only way that a landlord in a mobile home park can get a title to the mobile home is to follow a procedure that is under 52.601, called the Storage Lien Act. That requires that the landlord wait 90 days, have the mobile that's abandoned sit around and cause concerns. And then the procedure provides for giving 30 days' notice and then provides for a sale. Using these amendments to the statutes that I'm ta-- discussing, the procedure is that, by statute-- existing statute, you give direct, personal notice no less than 7 days to the tenant or, if it's mailed,

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no less than 14 days, that says, tenant, come and get your mobile home and remove it or deal with it properly. And if you don't, then the landlord says, either one. If it's worth less than \$2,000, we deem it abandoned and the landlord has the right just to do whatever he or she wants with it. Or if it's more than \$2,000, under the statute, there's a procedure for providing for a sale-- a public sale. We are hoping that the Legislature adopts this language and allows for an efficient means by which mobile home park owners can keep their parks clean and safe. I welcome any questions.

BOSN: Thank you. Any questions for this testifier? Senator DeBoer.

DeBOER: So-- OK. First of all, I asked Senator Stromman if he brought the bill last year because I know I've heard a similar bill. You-- I feel like maybe you were here to testify on that bill. We were trying to deal with the problem of abandoned mobile homes in another way.

PAUL ELOFSON: There's been different statutes that have-- or, bills that have come up. Some of them have included dealing with this or attempting to deal with this. I don't think it-- they dealt with it in the manner that this statute does.

DeBOER: They certainly didn't, because the seven days is very quick.

PAUL ELOFSON: Well, that is the existing statute. That is not-- we did not provide for that. That's the statute--

DeBOER: You didn't provide for seven days to sell somebody's mobile home?

PAUL ELOFSON: The statute that's existing, which provides for personal-- the disposition of personal property abandoned by tenants allows for direct notice and-- no less than 7 days or, if it's, if it's mailed, then it's no less than 14 days. We--

DeBOER: Right. So, so let me, let me ask you this. That personal property right now-- am I understanding this right? That would be, like, a couch or some-- you know, like, clothing or some kind of item like that, right?

PAUL ELOFSON: No. In my view, that-- the statute says personal property, and mobile homes are deemed to be personal property in the laws of the state of Nebraska.

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DeBOER: Well, I'm talking about right now. What's the law right now? And you're saying right now you think it also includes a mobile home.

PAUL ELOFSON: I believe it includes a mobile home. The thing that changed is-- or, the statute changes is it authorizes the Department of Motor Vehicles to, once the landlord has completed the procedures of the Disposition of La-- Personal Property and Landlord Tenant Act, to issue a certificate of title to it. In the past, they would not do so. We had to jump through the hoops of 52-601, requires the home sit around for 90 days, plus an additional 30 days' notice of sale, those types of things.

DeBOER: So in the disposi-- how long does it take to get the disposition of personal property-- like, start to finish? How long does that usually take?

PAUL ELOFSON: Well, I have not attempted to deal with mobile homes under the act because I can't get a certificate of title, but--

DeBOER: But under whatever else, not mobile homes. How long does that usually take?

PAUL ELOFSON: Under the-- under, under the 52-601 procedure, probably 120 days--

DeBOER: OK.

PAUL ELOFSON: --at least.

DeBOER: And you're saying that that 52-601 procedure is not one that you would like to go for with mobile homes?

PAUL ELOFSON: I think it's basically a square peg in a round hole.

DeBOER: OK. Thank you.

BOSN: Senator Hallstrom.

HALLSTROM: Just a couple questions. These homes are generally-- are almost always, if not always, going to be on leased property?

PAUL ELOFSON: Yeah. They're going to be on the, on the lot-- the-- of the mobile home park.

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HALLSTROM: OK. So you will never have a situation where someone has made the election for the mobile home or the manufactured home to be treated as real estate? In which case, there would be no title issue.

PAUL ELOFSON: That's correct, but they would not be in the park. The way they do that would be that they put a block basement and they bring it in and they put it on. And then there's a procedure under Nebraska statutes to notify the state basically that this is no longer a mobile home that has a certificate of title. This is a-- basically deemed to be stick-built home that has a deed to it.

HALLSTROM: OK. So it shouldn't have any impact in the mobile home park scenario.

PAUL ELOFSON: The-- putting the home-- I'm not sure I'm under-- following your, your issue, but--

HALLSTROM: It's leased land. It's not affixed to the, to the land, so--

PAUL ELOFSON: Correct. That is correct.

HALLSTROM: Ne-- next question's with regard to your, your proposed amendment. When I first read the bill, I said, oh, they're taking out the-- on page 7, lines 18 and 19, you're taking out the reference to self-storage. My concern was you're disconnecting the self-storage units from landlord. My first thought was-- is, you need to put it back in.

PAUL ELOFSON: And we are doing that.

HALLSTROM: Well-- except it also says a landlord is-- with respect to furnished or unfurnished premises. And you've put mobile homes and self-service storage facilities under premises. If you put self-service storage units back in under the landlord definition, shouldn't you also put mobile homes back in to make sure both of them are connected to the landlord if unfurnished premises doesn't describe both a mobile home and a self-service storage facility?

PAUL ELOFSON: Again, forgive me, I'm not sure I'm following your question. The, the--

HALLSTROM: I'll talk to you off the, off the mic. I, I think you either need both of them in or you take both of them out because both

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of them are covered under the definition of furnished or unfurnished premises for purposes of who a landlord is.

PAUL ELOFSON: Will do.

HALLSTROM: Thank you.

PAUL ELOFSON: Appreciate that.

BOSN: Any other questions for this testifier? Seeing none.

ROUNTREE: Back here.

BOSN: Oh, I'm sorry. Senator Rountree.

ROUNTREE: Thank you, Chairwoman Bosn. Thank you so much for your testimony. Across Nebraska, how prevalent is the availability of abandoned property, especially these mobile homes, in a park-- let's say the size-- 200 homes in a park. How prevalent is abandoned homes that we have to go this route?

PAUL ELOFSON: I can only tell you that my personal experience is that, within the last five months, I have attempted to secure title-- certificates of title to four abandoned homes in one park.

ROUNTREE: In one park, four. OK.

BOSN: Senator Hallstrom.

HALLSTROM: And if there's one abandoned home, do you have to wait 120 days? It's a real problem for you, isn't it?

PAUL ELOFSON: Yes.

HALLSTROM: Thank you.

PAUL ELOFSON: Correct.

BOSN: All right. Seeing none. Thank you.

PAUL ELOFSON: Thank you.

BOSN: Next proponent. Good afternoon, and welcome.

STEPHEN HIPPLE: Hello. Hello, everyone. First thing I'd like to say is thank you for coming to work today. My name is Stephen Hipple,

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S-t-e-p-h-e-n H-i-p-p-l-e. I'm the president of the Nebraska Manufactured Housing Association. And I also own a manufactured housing community in Bellevue, Nebraska called Washington Terrace LLC. Let me give you a couple examples of why we need this, this bill. Last year, we had a storm come through and a large limb landed on a mobile home, and it broke it in half. It was an older mobile home, metal-sided, metal roofs. The mobile homes today are all hardboard-sided, shingled roofs. But anyway, it broke it in half. I talked to the lady, she says, I have insurance. And she did. She had \$20,000 worth of insurance. And I says, OK, what are you going to do? She says, well, I can't fix it up for \$20,000. So what I'm going to do, I'm going to take the \$20,000. I says, well, just remember you'd need to remove it from the property. She says, OK. She got her \$20,000 and disappeared. Never saw her again. So now I had to jump through all the hoops to get rid of this, this home. And-- cost me \$7,000 to get rid of them. Abandoned homes-- and I'm 77 years old. I've been doing this since I graduated from Nebraska Wesleyan University in 1972. Nobody abandons a home if it's worth any amount of money. They're going to sell it. It just makes common sense. I'll give you another example that happened. We had a lady in the park-- and we knew something was-- strange was going on because she took her bathtub out of the home and she threw it in the front yard. And then she took the walls out of the home and she threw it in the front yard. And then she threw the kitchen cabinets. I says, what are you doing? She says, I'm remodeling the home. But people don't remodel that way. That's unusual. I find out that she was picked up at a traffic stop, had methamphetamine in her car, and that explained everything, so. So she moves out of the home and left it. It had negative value. That house cost me \$4,000 to get rid of. So all I'm-- all we want to do is expedite the process of getting rid of abandoned homes. That's all.

BOSN: Thank you. Any questions for this testifier?

STEPHEN HIPPLE: Thank you.

BOSN: See none. Thank you. All right. Next proponent. Anyone here in opposition? Anyone here in the neutral capacity? I knew you were testifying. I saw your hand. I just didn't know what capacity.

BLAIR MacDONALD: Oh, yes.

BOSN: Welcome.

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BLAIR MacDONALD: Thank you. Good afternoon. Chairperson Bosn, members of the Judiciary Committee, my name is Blair MacDonald, spelled B-l-a-i-r M-a-c-D-o-n-a-l-d. Here on behalf of the Self Storage Association in a neutral capacity on LB1230. As Senator Strommen mentioned in his opening, he has brought an amendment to the bill at our request. The introduced copy of LB1230 struck a reference to self-storage units in facilities, which removed self-storage owners from the definition of landlord in the Disposition of Personal Property Landlord and Tenant Act. We would like to remain within the definition of landlords. And it was not the intention of Senator Strommen or the Nebraska Manufactured Hou-- Housing Association to remove us in bringing this bill. The amendment restores our stricken language. The Self Storage Association has no position on the overall substance of the bill. Just here in a neutral capacity to explain the rationale for the amendment and to say thank you to Senator Strommen and his staff for bringing the amendment to restore our language.

BOSN: Thank you. Any questions for Ms. MacDonald? Senator Hallstrom.

HALLSTROM: And I appreciate your intent. Are you saying you don't believe that a self-service storage unit or facility is a furnished or unfurnished premise?

BLAIR MacDONALD: Not saying that. I just wanted to have essentially no changes to any [INAUDIBLE] ways that this-- the bill would impact self-storage owners and facilities.

HALLSTROM: So it's a belts-and-suspenders approach, just to make it perfectly clear?

BLAIR MacDONALD: Yes.

HALLSTROM: And that, and that was my point. If, if you want to make it perfectly clear, perhaps the mobile home should as well.

BLAIR MacDONALD: Understand that.

HALLSTROM: Thank you.

BOSN: Anyone else? Last call. All right. Thank you for being here.

BLAIR MacDONALD: Thank you.

BOSN: Any other testifiers? LB1230, last call. All right. Senator Strommen.

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STROMMEN: All right. Oh. Jeez.

BOSN: Excuse you.

STROMMEN: That was the chair, by the way. Was that the prank? Is that what you guys were waiting for?

BOSN: Welcome to Judiciary.

STROMMEN: Yeah.

DeBOER: Yeah. We got you.

BOSN: That's what we do for entertainment.

STROMMEN: I'll be here all week. The-- yeah. Just-- so just to clarify again, these are abandoned properties. So we're not taking property, we're not taking land away from people that are currently in their facilities. And also if we need to make any language changes, we're more than happy to sit down and put those together. Sounds like Bob might want to-- Senator Hallstrom might want to tackle some of that, so. Any questions or--

BOSN: Any questions for Senator Strommen? Seeing none. Thank you very-- oh. I should note for the record you had 1 proponent and 1 neutral comment submitted online.

STROMMEN: All right.

BOSN: That will conclude our hearing on LB1230.

STROMMEN: Thank you.

BOSN: Yes, you're welcome. Next up, we have Senator Conrad for LB871. While she's making her way up, can I see a show of hands how many individuals are here to testify in some capacity for LB871? 1, 2, 3, 4, 5. All right. Welcome, Senator Conrad. I will also note you had 3 proponent and 1 opponent, 0 neutral comments submitted.

CONRAD: Very good. Thank you, Chair Bosn. Good afternoon, members of the committee. My name's Danielle Conrad. It's D-a-n-i-e-l-l-e; Conrad, C-o-n-r-a-d. I'm pleased today to introduce LB871. LB871 was brought to me by the UNL Civil Clinic. I, 100 years ago when I was a law student at UNL Law, I had the pleasure of learning in the Civil Clinic as a student and worked under Professor Ruser's guidance to

hone my skills on a variety of different Civil Clinic matters. So in addition to that personal connection, the law school on East Campus is right in the heart of my district, so I keep in close contact with what's happening at UNL Law as well. And I've had the opportunity to work with the UNL Civil Clinic on many different pieces of legislation over the years. So that's really what-- that's the origin story or the connection for bringing LB871 forward. So the Civil Clinic students under the leadership of their professor have done a considerable body of work in helping consumers and helping debtors in trying to protect assets and trying to help people who have fallen on hard times kind of reset things so that they can move forward after those challenging economic situations. So in doing this work, they've noticed that there are a host of different statutes on the books that ha-- have long been established in Nebraska that say, when it comes to unsecured debt, the state of Nebraska, like all of our sister states, have said there's certain levels of assets that we're going to help protect in these instances to ensure that people who are in those hard times have at least some sort of subsistence level of survival. Protections for certain types of revenue or income, protection for certain kinds of assets, and, of course, probably the most familiar being protection for the family home. So when you look at how our sister states approach this, there are some variations, but I think one thing that's important to remember on the biggest component of this related to the family home is-- particularly in deep red states, in conservative states, in Midwest states, there's a very expansive protection for the sanctity-- the s-- the sacrosanct nature of private property and the family home when it comes to unsecured creditors. So you may remember a few years ago with the support of this committee and the body and the Governor, we actually did make some adjustments to that com-- component to try and protect more equity in the family home in relation to how bankruptcy court in Nebraska was teaching that and treating that in terms of a marriage penalty that was ambiguous or unimplied. This does reopen that statute, but, like the other components of the statute that this bill opens up, it seeks to just essentially adjust upward the existing exemptions or limitations to better keep pla-- pace with modern reality. There are incredible experts in the audience behind me today who can answer specific questions. I do not practice in this area, so I will definitely defer to them on technical aspects. But the one thing that I want you to remember about this legislation as we move forward is this really isn't establishing new policy. Nebraska has established this policy for many, many years. This is about making modest but meaningful updates to our existing policy to better reflect modern life for

consumers and families, particularly amid an affordability crisis. And I think one thing that people think, perhaps, at first blush when they look at this issue is, well, people should pay their bills. Why are we doing anything to protect consumers from unsecured debts? And I want to again reaffirm the point that Nebraska has answered this question many years ago. People should absolutely pay their bills, but there's a certain level of protection for certain income and certain assets that we do want to allow there to be a protection from in these instances. And I think that's, that's really, really important to remember in that regard. We're not relitigating or rearguing those-- that, that essential policy choice that, that, that we've had in books for many, many, many years in Nebraska. And to give you one example of what I think is important about the approach in LB871 that the Civil Clinic students have identified is that instead of taking kind of a piecemeal approach where we look at this area of statute or that area of statute for this type of asset or income, we're really looking more broadly across all of the statutes and we're making modest adjustments upward based on inflation and other metrics to better account for where we are instead of a piecemeal approach. And then there's an automatic index to inflation moving forward so that we're not back having these kinds of conversations in the Legislature year over year over year. One example I want to list quickly that this-- bless you-- that this legislation touches upon and that I wanted to flag particularly for my friend, Senator Holdcroft-- as I know he always helps us to have a great Navy day each day-- is that-- for example, one of the instances that this legislation opens up is that, way back in 1887 I think it was-- yeah. 1887, when the Legislature first established this kind of policy-- so that's how long Nebraska's answered some of these questions for-- it provided a protection and exemption for property of disabled soldiers and sailors. The last time we updated that amount was in 1887. OK? And I will tell you, having just recently completed a tour around my district, talking to neighbors in north Lincoln, I've actually talked to a, a constituent in north Lincoln that gave his life to service to our country-- gave his service to our country. He's now retired. He has fallen on hard times. And he's working through some of these very specific and related issues in relation to his life to protect his veterans benefits and try and protect his house. And the reason he fell on hard times was because of medical debt for his wife, who has ceased-- who, who, who then passed from cancer. But when you hear about unsecured debt, the primary drivers in Nebraska and many other places are based upon medical issues, primarily, and credit card to a certain degree. And credit card typically doesn't stand on its own. It's usually

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related to the medical debt, either to pay the medical debt or to pay other household expenses when you're paying the medical debt. So those are the two primary areas where people can, can run into problems with unsecured debt, and that's why. So I'm happy to answer questions.

BOSN: Thank you.

CONRAD: Thank you.

BOSN: Senator DeBoer.

DeBOER: Thank you. So I looked through the bill and, from your introduction, I think what you have done is just changed the amounts to reflect where we're at in the world today--

CONRAD: Yes.

DeBOER: --and then added the index, is that right? You've not added any additional areas of law or anything. This is just updating the amounts.

CONRAD: That's right.

DeBOER: Great. Thank you.

CONRAD: Thank you.

BOSN: I have just a couple of questions. And now in-- it's always hard when you set bills because I think this probably goes with the bill that you have coming later that maybe should have been put at the same time, so.

CONRAD: That's OK. Happy to be here on--

BOSN: Are they, are they as related as I think they are?

CONRAD: They are.

BOSN: OK. My apologies for that.

CONRAD: That's OK.

BOSN: Efforts are made and sometimes just missed. But can you tell me sort of where the percentage increases came from? Because they're not, like, across the board 40%. There's a 63%-- a much larger one for the 1887 update that's needed. And then the 46%, 90%, 30%, and 63%. And,

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and now they're-- very not rounded numbers, which is fine. I just-- where did they come from?

CONRAD: Yes. Thank you. And those were put forward by research that the Civil Clinic has conducted looking at how Nebraska handles this and many of our sister states as well. And you're right. Some of the increases seem particularly large, and that's primarily based upon the fact that those provisions of law haven't been updated for so long. But I'm happy to work with the committee or other stakeholders on this bill if you have specific ideas as to what the increase should look like, if it should be round, if the indexing's a good idea, whatever the specific amount might be that brings comfort and clarity for the committee purposes. I know myself and others will be happy to work with you on that.

BOSN: And then-- thank you for that answer. And then on specifically Section 6, which is the homestead exemption, that appears to go up, well, roughly \$100,000-- do you remember what it was last year before we adjusted that-- or two years ago?

CONRAD: I have to go back and look at the bill file. I wanted to say it was stuck at about \$60,000 for quite a while. And then maybe we jumped it to 120 or 100 or 120 or something like that. I can, can triple-check on that. But again, that was in relation to kind of how a marriage penalty was being assessed in terms of bankruptcy court and whether or not that was singular or available to the household family. That's kind of where the genesis of that bill came from. And like I said, I think that's a good example of a recent bipartisan effort to make an upward adjustment on these where it makes sense. But we are reopening it even though we did just do so in 2024. I think the level that-- contemplated in LB871 is actually more accurate in terms of an analysis and assessment about what housing costs look like in for-- in Nebraska and how the homestead exemption protection plays out in a 50-state survey.

BOSN: Because you can't probably buy a house in Lincoln for \$120,000.

CONRAD: I don't think so. Yeah.

BOSN: All right. Any other quest-- Senator Hallstrom.

HALLSTROM: Senator Conrad, will either you or some of the clinic witnesses have some information or data regarding what other states are doing?

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CONRAD: Yes. They will, Senator. And if we're not able to cover that all in the hearing today, I have lots and lots of data that I can send you for your files.

HALLSTROM: And to give them a little head start on this, the, the one area where I'm interested in is the health savings account.

CONRAD: Yes.

HALLSTROM: Senator Beutler was responsible for the first inroad here, and he just randomly picked the figure of \$25,000. My limited research would tell me that Nebraska might be the highest around. And in some states, don't even have them. The other issue I'd be interested in, your opinion, or the opinion of the witnesses to follow is that health savings account, my understanding, are not recognized as an exemption under the federal bankruptcy law. And we've got a case, Leitch v. Christians, in which the Eighth Circuit in a Minnesota case conclusively confirmed that. So I'd be interested in your, your thoughts on that arena.

CONRAD: Thank you, Senator. And just briefly-- and I'd be happy to follow up with more information after the hearing. But as you will know, there's kind of a, a default approach that sta-- states can select to follow federal law closely, or they can set their own public policy on these issues. Nebraska has elected, as many of our sister states have, to follow their own state policy when it comes to this approach and choosing what assets and what income they're going to protect and at what amount. So I do think the previous State Legislatures through Senator Beutler's effort to identify the purpose behind an HSA and to protect that for these purposes remains valid and sound today. And I will tell you I'd be happy to get more information because I don't know the level of protection or how that plays out necessarily in the rest of our 50 states. Perhaps somebody behind me might know. But I think when you look, for example, at where we are today with the uncertainty that families are facing with the loss of the ACA credits and to push to further expand, subsidize, or utilize HSAs or other sort of financing tools that might be available to help families and businesses grapple with health care inflation-- perhaps this Senator Beutler was ahead of his time here-- which wouldn't probably be the first or the last time he legislated in that regard. But if, if that does seem like an outlier, we'd be happy to take a look at it. But I-- I'm thinking that that might be, be more important than ever to have that kind of protection there. I know that there has also been-- or, there is-- how it works under present law, if you

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don't have clear delineation and segregation for some of those incomes and assets and if you end up comingling some of them, that it can-- you can lose protections in certain regards. I know that comes up, say, for example, in, like, maybe the EITC kind of component.

HALLSTROM: Well, you know, Senator Beutler read bills more closely than most. The last thing I'll say is we can coordinate. I have a bill-- I think it's LB1061--

CONRAD: OK.

HALLSTROM: --that addresses the homestead allowance, statutory allowances under the probate code before Banking Committee.

CONRAD: Great.

HALLSTROM: So we can work on that together. Thank you.

CONRAD: Great. Thank you.

BOSN: Any other questions for Senator Conrad? Are you staying to close?

CONRAD: I can. Yes.

BOSN: Perfect. Awesome.

CONRAD: Is it Landlord Tenant Day? Am I here on Landlord-- OK. All right. All right. That's a-- that's great.

BOSN: They're all here to support you.

CONRAD: Thank you.

BOSN: All right. First proponent. Good afternoon, and welcome.

BENEDICT KENNEDY: Good afternoon. My name is Benedict Kennedy. That's B-e-n-e-d-i-c-t K-e-n-n-e-d-y. And I am a law school student with the Debtor's Defense Clinic at University of Nebraska College of Law. And I'm here in my personal capacity to testipa-- to testify in support of LB871. This bill updates three areas of our statutes: general personal property exemptions, wage garnishment exemptions, and the homestead exemption. And today, I'd like to focus my, my testimony on the homestead exemption. The goal here is to align the current dollar amount with the original amount that was intended when the homestead exemption was first passed in 1875. In 1875, that amount was \$2,000.

So the question is, what-- how, how much of a home was that \$2,000 intended to protect in 1875? So we don't have inflation data until 1913. And even since then, housing prices have risen much faster than the price of food or the price of gas. So to look at that-- to understand that market, we have to look at the 1875 market. So I've included some fun, little newspaper clippings on page three of my testimony. And if you look at that, it's the Omaha Daily Bee from 1876. And you'll see a small, comfortable three-bedroom home available for \$150 cash. And you can also see a more-- in a more rural setting a 160-acre tract of land for \$2,000. And that's just within that exemption limit. I also included some research from 1934, a bulletin that has the average price of acres in Nebraska being between \$6 and \$7 per acre. So to answer the question, \$2,000 was intended to provide total coverage. So that means you could exempt your \$150 house, you could exempt your 160, you know, acres of property. And, and using that \$6 to \$7 figure, you could exempt up to 300 acres of, of land with that \$2,000. LB871 does not ask for 300 acres. It simply asks to restore the protection that was originally afforded by the homestead exemption. So I also conducted a 50-state survey, and I've attached that on page three and four. This is specifically for the homestead exemption. The numbers might be a little small on there because it's an Excel sheet, but I'd be happy to email you a copy afterwards. And it just shows that the approach we're taking is an established and practical approach in Nebraska. We have states like Texas, Ka-- Kansas, Iowa that have an unlimited dollar amount in their homestead exemption, and other neighbors like Utah, Montana that have that auto-adjusted in-- for inflation. And lastly, I'd like to just note that this bill comes at no fiscal note. And so-- I'm sure-- hopefully that will make you guys happy. And the, the goal here is just to-- that the administrative burden is low, but it makes a massive difference for Nebraska families. And so in order to ensure that the statute remains functional and tied to the real costs that Nebraska's face each day, I urge the committee to advance the bill. Thank you. And I'd love to hear any questions.

BOSN: Thank you for your testimony. Any questions for this testifier? OK. Senator Rountree, followed by Senator Hallstrom.

ROUNTREE: Thank you, Chairman Bosn. And thank you so much for your testimony. And thank you for the relationship numbers from time to now.

BENEDICT KENNEDY: Yeah.

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ROUNTREE: As we're out, how many people do we see that are impacted negatively? How many do we see that may have lost homes or something I-- we're trying to do protective measures now, but how many people have lost as they have gone down the-- down this road?

BENEDICT KENNEDY: Yeah. So I, I don't have specific numbers of-- in, in to-- total how many homes have been kind of forfeited in a debt collection number, but I can tell you that if you look at that \$120,000 number and you look around at real estate prices, you're not going to find a lot of people that aren't affected by that in, in terms of being able to exempt their home.

BOSN: Senator Hallstrom.

HALLSTROM: Will there be a witness later-- you're, you're on the homestead exemption. Someone later will be with regard to the HSAs that can answer some specific questions on that?

BENEDICT KENNEDY: Yeah. I-- I'm sure-- I-- we haven't conducted 50 state surveys for all of the exemptions, but I'd love to work with Senator Conrad to do another one for you guys. It was a lot of work, but, but yeah. And later, there will be other people testifying on other areas of the bill.

HALLSTROM: OK. And I appreciate your work.

BENEDICT KENNEDY: Thank you.

HALLSTROM: And I appreciate you coming here and being engaged in the process. Ju-- just one last question. Your starting point can make a difference in what your perspective is. We just changed the homestead exemption a couple years ago. Did you do any math on where we would be in the last two years if you used that as your starting point as opposed to 1855?

BENEDICT KENNEDY: So if you used the \$120,000 as a starting point-- I believe that, that passed last year or two years ago-- there wouldn't be a lot of change, but I think the, the po-- point is that that wasn't intended to adjust for inflation. And even if it was in the past, it might have used the CPI and only been used since 1913 rather than since it was originally passed. And so just to restore the original intent, this is the number that we ended up going with. And it's a pretty-- it's a pretty easy calculation. It's just total number of parcel-- or, total value of parcels divided by total number of residential parcels. And that data's already collected in the

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homestead tax exemption for the-- by the Department of Revenue. So it's available every year. And it's free. It's there. So it just easy--

HALLSTROM: Excellent answer.

BENEDICT KENNEDY: Thank you.

BOSN: Thank you very much for being here.

BENEDICT KENNEDY: Thank you.

BOSN: Next proponent. Welcome.

NATALIE TAYLOR: Thank you. Good afternoon, members of the committee. My name is Natalie Taylor. That is N-a-t-a-l-i-e T-a-y-l-o-r. And I am a law student with the Debtor Defense Clinic at the University of Nebraska College of Law. I am testifying today in support of LB871 in my personal capacity and not on behalf of the University of Nebraska. LB871 is intended to provide everyday Nebraskans and vuln-- or, intended to help everyday Nebraskans in vulnerable populations, including families, veterans, and people with disabilities who are facing debt. While some of these updates may seem large, many of these existing dollar amounts are incredibly out of date and do not accurately reflect our economic reality. These amendments ensure that exemptions for wages, homes, and essential-- essential personal property will adequately protect our friends' and neighbors' ability to survive and get back on their feet. Importantly, it is my understanding that this bill contains no fiscal note. In addition, the provisions requiring automatic inflation, inflation adjustments every five years help promote legislative efficiency because there's no need to periodically revisit this issue. I will be focusing on the probate code amendments, which were last revised in 2010-- more than 15 years ago. The purpose of these exemptions is allow-- is to allow the heirs-- usually the spouses or the kids-- of a deceased person to preserve a certain amount of property from claims of estate creditors. The death of a spouse or partner is often times one of life's most devastating experiences. In the period leading to their death, spouses are oft-- spouses often incur large amounts of medical and other debts as they sacrifice their time and their own career to care for their loved one, thereby exacerbating the personal and financial struggles they face in the wake of their death. According to the Cus-- Consumer Financial Protection Bureau's analysis of census data from 2018 to 2022, widows had an average of \$28,749 in unpaid medical bills as

opposed to the rest of the population's \$15,785 average. In addition, according to the CFPB's analysis of data from 2004 to 2020 health and retirement studies-- which is found in that same article-- household income decreased while debt increased. Increasing the amount of the homestead allowance and the estate property exemption protects spouses at one of the most vulnerable and overwhelming times in their lives. These exemptions provide surviving spouses with the protection they need while they work through their grief and find stability. In conclusion, these proposed amendments collectively modernize Nebraska's debt protection statutes in order to adequately protect those in our community who are facing debt. I urge the committee to advance-- advance LB871 to General File. Thank you. And I'm happy to answer any questions you may have.

BOSN: Thank you very much for your testimony. Any questions for this testifier? Senator Hallstrom.

HALLSTROM: In my LB1160-- I may have used the wrong bill number earlier-- raises those to \$17,500 and \$25,000. So we're pretty close on what your estimates are.

NATALIE TAYLOR: OK.

HALLSTROM: OK. Thank you.

NATALIE TAYLOR: Thank you.

BOSN: All right. Seeing no other questions. Thank you for being here.

NATALIE TAYLOR: Thank you.

BOSN: Yes. Next proponent. Good afternoon, and welcome.

ANDREW DOMINGUEZ FARIAS: Good afternoon, members of the Judiciary Committee. My name is Andrew Dominguez Farias. That is A-n-d-r-e-w D-o-m-i-n-g-u-e-z F-a-r-i-a-s. And I'm a law student with the Debtor Defense Clinic at Univers-- University of Nebraska College of Law. And I'm testifying in support of LB871 in my personal capacity, not on behalf of the university. LB871 is a much needed update to existing Nebraska laws that adjust the dollar amounts for property, wage garnishment, and homestead exemptions. Exemptions like these are vital for everyday Nebraskans who are facing financial difficulties but still need stability in their housing and income in order to stay afloat in the midst of uncertainty. The inflation adjustments proposed in this bill are common sense and backed by ample research and

evidence from data sources like the Consumer Price Index, housing values, and the state minimum wage. More specifically, I want to speak to the importance of having exemption amounts that are rooted in the financial realities of what are-- Nebraskans are facing. The existing numbers and statutes do not adequately speak to where we are in terms of Nebraska's housing costs and spending. And as my colleagues prior to me have noted, we should update these numbers to reflect the intent of the Legislature to ensure protection of one's property and livelihood. This bill also improves how the law is administered and implemented by including automatic adjustment mechanisms every five years. LB871 reduces the need for repeated legislative fixes and avoids sudden disruptive changes. It also creates stability over time rather than forcing exemptions to lag for years and decades and then jump automatically. And I really want to emphasize that exemptions are not about shielding wealth or avoiding responsibility, as Senator Conrad touched on. They define the minimum level of security that the law recognizes as necessary for people to remain housed, employed, and able to participate in the economy. So when exemptions fail to reflect modern, everyday costs, they stop being effective rules and instead hinder the livelihoods of Nebraskans. In conclusion, these proposed amendments-- which come with no fiscal note-- collectively modernize Nebraska's debtor protection statutes by ensuring that exemptions for wages, homes, and personal property keep paces with economic realities. And they also make sure we don't have to keep introducing new legislation and make these adjustments every few years. So you don't have to keep coming back here. And therefore, I urge the committee to advance LB871 to General File. Thank you. I'd be happy to answer any questions.

BOSN: Thank you very much. Are there any questions for this testifier? You did a great job. No questions. Thank you. Thanks for being here. Next proponent. Good afternoon, and welcome.

KEVIN RUSER: Good afternoon. Members of the Judiciary Committee, my name is Kevin Ruser. That's K-e-v-i-n R-u-s-e-r. And I teach the Debtor Defense Clinic at the University of Nebraska College of Law. I'm offering these comments in my personal capacity. LB871 brings a much overdue update to the dollar amounts in Nebraska's exemption statutes. The goal of the bill is threefold. First, to update the dollar figures in the exemption statutes to adjust them for inflation that has occurred since they were ado-- adopted; two, to build in an every-five-year inflation adjustment to those figures to alleviate the need to revisit this issue; and three, to tie the wage exemption rate in Nebraska's statute to the state minimum wage rate rather than the

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federal minimum wage rate. In the clinic in which I teach, law students under my supervision work with folks who have had judgments entered against them as they navigate the legal issues they encounter post-judgment. As part of our work, we go to the Lancaster County Court each Friday morning the clinic is in session to talk with people about the legal issues they are facing, whether that be understanding a debtor's exam, exerting exemptions to which they are entitled, or otherwise explaining the post-judgment debt collection process to them. Based on our work, we have discovered that most of the people we encounter who have had judgments entered against them related to unsecured debts can trace their financial difficulties to one of two sources: first, medical debt; or second, the loss of income due to either a medical problem or an unexpected reduction in earning capacity. And we have found that people with the most to lose in terms of home equity are older individuals who have spent their lives building equity in their homes. Adjusting the dollar amounts in the existing exemption statutes would effectuate the Legislature's statutory policy by reflecting the current value of those exemptions. Adjusting the home state exemption amount to the average median home value in Nebraska would also effectuate the Legislature's intent to allow individuals to shield a reasonable value of their equity in their homes. And tying the amount of wages exempt from wage garnishment to the Nebraska minimum wage rather than the federal minimum wage would bring the wage exemption wholly into a Nebraska-related realm. I urge you to advance LB871 so that those Nebraskans who are dealing with unsecured debt can, pursuant to our long-standing policy, retain a reasonable amount of personal property and equity in their homes in order to support themselves and their families. Thank you. I'd be happy to answer any questions.

BOSN: Thank you. Any questions? Senator Hallstrom.

HALLSTROM: Yeah. Thank you, Mr. Ruser. I was under Civil Clinic with Peter Hoffman a number of years ago.

KEVIN RUSER: Yes. Me too.

HALLSTROM: That-- well, probably suggested how really old I am. What I'm interested in is-- I think if you look at-- Senator Conrad mentioned that Nebraska historically determined to divest itself from the federal exemptions and set its own course.

KEVIN RUSER: Yeah.

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HALLSTROM: And whether you look the current exemptions as being stingy or prudent-- and we-- I'm not here to argue that, but, either way, we have a historical intent of the Legislature to set those at the levels that they are now. Wouldn't going back to the beginning of time to readjust those just leapfrog that entire legislative intent that's been set up in getting where we are today?

KEVIN RUSER: I, I, I would buy that argument if I-- and please don't take this the wrong way. But if I had faith that the Legislature had thought about the dollar figures that they came up with when they adopted them into statute, I could buy that argument. I'm not sure I buy that argument. And again, don't think this personally, but I don't know where those figures came from. To me, they feel like they were plucked out of the air.

HALLSTROM: Yeah.

KEVIN RUSER: I think this is a more principled way of establishing those figures and doing a reset.

HALLSTROM: And, and they-- and that may go to the question of whether one thinks they're stingy or prudent. And it may make more sense to start where we are and bootstrap them on to the cost of living or the CPI under that. And, and we're free to make a decision that--

KEVIN RUSER: Yep, you are. That's, that's your job, not mine.

HALLSTROM: Yes.

KEVIN RUSER: Right. That's right.

HALLSTROM: Thank you.

KEVIN RUSER: Yeah.

HALLSTROM: And then with regard-- nob-- nobody has commented yet on my initial question-- maybe you're the best one with regard to the HSA exemptions. What, what is the lay of the land in other states? And is in fact-- are in fact the HSAs exempt under-- or, not exempt under federal bankruptcy.

KEVIN RUSER: So-- I-- the-- so-- it-- as to the bankruptcy question, we have in Nebraska-- and when the Bankruptcy Code was adopted in 1978, every state had a certain period of time to say, are we going to go with the federal exemptions under 522 in the Bankruptcy Code or are

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we going to reject those in favor of applying state exemptions in the setting of a bankruptcy context? And Nebraska chose that latter route. So I, I don't know about the Minnesota case you talked about and I don't know whether Minnesota has rejected the federal exemptions under 522 or not. I think a lot of the, the answer depends on that, and I don't know the answer to that. As to the amount that Senator Beutler wrote into the HSA, I don't know. What I will say is I don't think there are a lot of people using health savings account to shield wealth. I-- you know, they put money in there in order to have-- to pay medical bills. And so I don't-- to the extent that this would increase that amount a lot, I, I don't know that practically speaking it-- my clients, at least, or the clients that we see in the clinic don't have a lot of money in health savings.

HALLSTROM: Usually not big dollar accounts.

KEVIN RUSER: That's right. That's exactly right.

HALLSTROM: OK.

KEVIN RUSER: Yeah.

HALLSTROM: Thank you, sir.

KEVIN RUSER: Yeah.

BOSN: Senator DeBoer.

DeBOER: So does Nebraska have a wild card exemption?

KEVIN RUSER: It depends on what you mean by that. But yes, there's a nickname-- that's in 25-1552. And it says that a, a, a certain amount of property not otherwise set forth specifically in the other main exemption statute-- which is 25-1556-- can be exempted. Yes. So the answer is yes.

DeBOER: OK. Would that-- how would that affect the health savings accounts? Does that come into it, not come into it?

KEVIN RUSER: Well, my view would be that it wouldn't because they're separate pots, right? So the health savings account, I think, would be-- to the extent that there is a separate health savings account, you'd look at the statute applicable to that particular pot of money and not 1552, which is designed to cover, you know, none of the above, right?

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DeBOER: Right. OK.

KEVIN RUSER: So that-- if none of the above is covered, this is what 1552-- the so-called wild card exemption-- is for.

DeBOER: And do other states do the exemptions for health savings accounts and that sort of thing?

KEVIN RUSER: I can't imagine they don't, but I-- the, the honest answer is I don't know.

DeBOER: OK. OK. Thank you.

BOSN: I have just a couple of questions sort of piggybacking off of what she was talking about with the HSA accounts. It seems-- I-- and I don't-- I never practice in this area, so I apologize if I'm misunderstanding something. If I put money every year into an HSA from my paycheck, the point of doing it is that it's tax-free--

KEVIN RUSER: Yes.

BOSN: --and I can then use it--

KEVIN RUSER: Yes.

BOSN: But it's very limited in what I can use it for.

KEVIN RUSER: Ye-- well, the ta-- the tax-free part of it is, yes.

BOSN: OK. But it can only be used then for medical purposes.

KEVIN RUSER: Yes.

BOSN: And I think every single testifier has talked about the number one driver of these issues is--

KEVIN RUSER: Medical debt.

BOSN: --medical debt. So wouldn't allowing an individual to put all of their HSA towards their medical debt be a benefit to the person who's about to lose their home so that they can reduce their liability for a bankruptcy?

KEVIN RUSER: You're, you're, you're a former prosecutor. You know how to ask a leading question, Senator Bosn.

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BOSN: Thank you.

KEVIN RUSER: The answer is yes.

BOSN: We never got to do it, though.

KEVIN RUSER: The answer is yes.

BOSN: We never got to do it. And I also hear that your trial team made it to nationals yet again.

DeBOER: Woo-hoo.

KEVIN RUSER: And that's-- that is totally on Professor Schmidt, so.

BOSN: Well-- but I'm just really excited as the former coach of that.

KEVIN RUSER: Yeah. Of course you are. Of course you are.

BOSN: And-- congratulations.

KEVIN RUSER: Thank you.

BOSN: And so best wishes. Thank you. Any other questions in light of that? All right. Thank you, Professor. Next proponent. Good afternoon, and welcome.

ROXANNE ALHEJAJ: Good afternoon. My name is Roxanne Alhejaj. That is R-o-x-a-n-n-e A-l-h-e-j-a-j. I'm an attorney with Legal Aid of Nebraska. And I'm appearing today at the invitation of Senator Conrad to testify in support of LB871 and provide information to the committee regarding how Nebraska's current homestead exemption and wage garnishment laws affect low-income Nebraskans. As a lawyer with over 15 years of experience representing debtors in bankruptcy across the state since 2009, I have helped thousands of Nebraskans file bankruptcy. And I am a good position to tell you from direct experience why LB871 would provide much needed protections of property for Nebraskans facing debts. I have seen many people struggle with deciding to keep their home or not when they are facing debts. Adjusting the homestead exemption for current inflationary trends would eliminate the need for Nebraskans to wait for legislation to catch up with economic factors, affecting their home values and outside of their own control. As property taxes rise along with property values, the protections for Nebraska homeowners should also rise to protect those same homeowners from the potential loss of their

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home and the equity they have created. Legal Aid has a current client whose home equity is approximately \$152,000 after considering her mortgage balance. It's not an incredible home. She's just lived there a long time. She's paid her mortgage down. She's low income, and it would be very difficult for her to get a home equity loan at this point in time. She can't afford the repayment that would be required if she were to be in a Chapter 13 bankruptcy. And in Chapter 7 right now, she would lose her home. If the homestead exemption were increased as proposed, this client could get the debt relief she so desperately needs in Chapter 7 bankruptcy and protect her home. The median listing price for a home in Nebraska as of December of 2025 was \$329,900. The housing market has stayed strong and, like the national trend, has skyrocketed, skyrocketed in Nebraska since 2022. The proposed \$228,000 homestead exemption could protect the equity that homeowners have, allowing Nebraskans to protect homeownership, create stable housing, and ensures enduring communities in our state. This bill also includes an update to the garnishment of wage provisions, which would align Nebraskans' exemption with the state's current minimum wage. The current wage garnishment rate has an enormous impact on judgment debtors. Those that are being garnished have so little each week to live on that they are unable to pay for rent, utilities, food, family necessities. The current garnishment formula results in take-home pay that is insufficient to cover basic monthly expenses and puts people into a poverty situation, increasing the risk of eviction and further financial instability. The provision that is in the current proposal ensures that legislation intent of creating a minimum wage-- which is also a living wage for Nebraskans-- is protected when those same people are judgment debtors. Finally, the five-year adjustment throughout this bill relieves the burden on this Legislature to enact new legislation each time there are economic booms or declines. In summary, Legal Aid of Nebraska regularly represents clients who are directly affected by Nebraska's homestead exemption and wage garnishment laws. LB871 would affect housing stability and basic financial security, so therefore we support LB871. And I'd be happy to support-- answer any questions.

BOSN: Questions for this testifier? Seeing none. Thank you for being here.

ROXANNE ALHEJAJ: Thank you.

BOSN: Next proponent. Good afternoon, and welcome.

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AMANDA GERSHON: Good afternoon, committee. Welcome. Thanks for being here. My name is Amanda Gershon, A-m-a-n-d-a G-e-r-s-h-o-n. I'm here to discuss how you become one of these Nebraskans who doesn't pay their bills. I got sick at 19 when I was in college, long before the ACA. And since I had to drop out, I lost my health insurance. By 22, I was \$60,000 in debt and still sick. So I filed Chapter 7. I had no assets, but I had to start over still with no health insurance. I was the face of Medicaid expansion. I shared a lot of my story. But my solution was to move to Mississippi after Katrina on \$1,000 and a prayer. And we made it. I have excellent credit. I have never had problems paying any of my bills except my medical. The worst financial decision I have ever made was moving back to Nebraska, and that breaks my heart. This is where my family's from. We came back in 2009 and, by the time I got disability, I was another \$30,000 in hole. I worked for Perkins for eight years as a waitress because I made \$2.13 an hour. And that was garnished regularly. And they tolerated the sheriffs and state troopers coming to serve me. And I was stuck at a bad job for eight years. Nobody stays in restaurants for eight years, but I did. And here I am again looking at debt. Now it's credit card debt from trying to save my home. But that's how people get into these situations. I had no choice. My prescriptions were \$1,000 a month, and I had to have that or I go through withdrawals and I can't function. So I had to prioritize that. I always paid my rent. I have been an excellent tenant since I moved out at 17 years old. I've never had a problem. In Mississippi, I had an 800 credit score. I don't anymore. I would like that life again, and many other people would too. So I'm happy to answer any questions.

BOSN: Thank you for being here and for sharing your story. Are there any questions for this testifier? Senator Hallstrom.

HALLSTROM: Do you have anything specific or things specific that you can identify that are different from Mississippi to the Ne-- to Nebraska that resulted in having a high credit score there--

AMANDA GERSHON: Yeah.

HALLSTROM: --and, and struggling here?

AMANDA GERSHON: Good jobs with health insurance. I worked for MGM. My husband worked for the Plumbers Union.

HALLSTROM: OK. Thank you.

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AMANDA GERSHON: Yeah. I have a question for, for you and Senator Storer, if you don't mind.

BOSN: Well, we don't take any questions from testifiers.

AMANDA GERSHON: OK. I was just curious about representing which cities.

BOSN: Oh, OK.

AMANDA GERSHON: Burr and Cook.

HALLSTROM: I do.

AMANDA GERSHON: You do?

HALLSTROM: Yes.

AMANDA GERSHON: Do you know the Carmen [PHONETIC] family from Cook? That's my maiden name. So thank you for representing my family.

HALLSTROM: Thank you for identifying yourself.

BOSN: Those kinds of questions are different. All right. Thank you for being here. Any other proponents? Opponents? Anyone here to testify in opposition to LB871? Neutral testifiers? All right. Senator Conrad to close. You're waiving. Can't top that. All right. Your testifiers did great. That will conclude our hearing for LB871. Next up, we have LB801 [SIC: LB809] with Senator Dover. Welcome, Senator Dover. While he's making his way up, could I see a show of hands? How many individuals are here to testify on LB809? Oh my. OK.

DeBOER: OK. That's--

BOSN: That's over a dozen for those who are watching online. Welcome. Go ahead.

DOVER: OK. Thank you, Chairman Bosn. And good afternoon, committee members. For the record, my name is Robert Dover, R-o-b-e-r-t D-o-v-e-r. I represent District 19, which consists of Madison County and the southern half of Pierce County. Today, I'm bringing LB809 with the intent to clarify and reinforce Nebraska's long-standing policy that private property owners cannot be compelled by local governments to participate in federal housing assistance programs. While federal housing assistance programs play an important role in supporting

tenants, participation in those programs has always been voluntary for landlords. LB809 ensures that local ordinances do not transform involuntary federal programs into mandatory requirements imposed at the local level. This clarification especially important in the light of a recent federal court action in Jones v. the City of Kansas City. United States District Court for the Western District of Missouri issued a preliminary ruling blocking enforcement of the local ordinance that required landlords to accept tenant based on their source of income, including the federal housing assistance. The court found that the ordinance was likely preempted by federal law and raised serious constitutional concerns, leading to a preliminary injunction preventing it from taking effect. LB809 is designed to prevent Nebraska municipalities from adopting similar ordinances that could expose local governments to costly litigation, legal uncertainty, and enforcement challenges. By clearly stating that local governments may not mandate landlord participation in federal housing assistance programs unless especially authorized by state law, the bill provides clarity to property owners, tenants, and local officials alike. The bill does not preclude future state legislation that would address this issue. It simply seeks to clarify that local governments cannot mandate local-- landlord participation. LB809 is not intended to discourage affordable housing development or voluntary participation in housing assistance programs. Instead, it promotes a balanced, legally sound approach to housing policy-- one that respects private property rights, maintains consistent statewide standards, and avoids the legal pitfalls that have already emerged in other states.

BOSN: Thank you. Any questions for Senator Dover? Senator McKinney.

McKINNEY: Thank you, Chair Bosn. Thank you, Senator Dover. Yesterday in the Urban Affairs Committee, we had bills dealing with things that will require municipalities to do certain things. And a common theme from a lot of the testifiers was local control. And based on that, I just got a question about just local control and allowing municipalities to make decisions for themselves and the state not telling them what to do, because-- that was the theme yesterday. And it also was the theme of a veto by our Governor last year that the state shouldn't be telling municipalities or a municipality what to do.

DOVER: I guess I would just go back to-- in my hearing, talked about the, the court-- the case in Missouri where they found it to be more than likely unconstitutional. So the-- so I think a lot of times the challenge that we're, we're facing is that-- we hear it a lot as far

as ballot initiatives, that we're not listening to the people. And I, I think that a lot of times even, even here we see a-- we see senators coming up with legislation that they think is constitutional. What's not constitutional then actually goes to court, correct? I mean, we've seen people stand up say, well, they're doing this in Texas, so it must be constitutional. But it's never actually gone through the court system, found to be constitutional. And I think that's the same problem. We have ballot initiatives. So sometimes they think, yes, this makes sense. But I guess, I guess in my instance, I would say bringing this to clarify that it has been found in other states-- [INAUDIBLE] injunction was filed-- that it-- there's a good chance it's not constitutional. And I think that-- obviously, I've been real estate since-- got licensed in '83. We have a property management company. And it, it, it is my-- I believe that the federal government's decided to stay out of housing. That's why we have favorable incentives such as depreciation to en-- enc-- get the private people involved in building housing. I believe affordable housing programs are always meant to be voluntary. And that's why there's an incentive in many cases. We've managed Section 8 properties in Norfolk. And, you know, you enter into an agreement saying, we're gonna get this benefit from the government [INAUDIBLE] ta-- low-income housing tax [INAUDIBLE]. I know you're quite aware wis-- with the-- aware of these nu-- numerous programs that are out there. So basically, you sign an agreement. You get a benefit. And it all works really well together. But I don't think that that-- this was meant to be a voluntary program. And obviously, it's found possibly to be unconstitutional. So I think-- that's, that's why I'm bringing my bill. I don't know if I really answered your question. I hopefully-- hopefully I did. But I don't-- I mean, I think it's a voluntary program and I think it's found to be unconstitutional, so I, I think that-- I don't think that the, the, the-- Lincoln has the right to mandate it.

McKINNEY: I'm not arguing that point. I guess my point is the Legislature passing legislation that would tell municipalities what they can and can't do when I think our Governor set a precedent last year when he vetoed a bill dealing with housing giving a municipality an optional tool to do some-- a ordinance. And the argument with that was that it shouldn't be passed to the Legislature. We should leave it up to municipalities to deal with these type of housing issues. So that's, that's--

DOVER: So I, I would probably agree with you then. I mean, I do think that local government-- the closer you can get the decisions to the--

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where the people are, I think it-- it's-- it makes for better government. And I think as long as a, a, a municipality or, say, Lincoln is passing something that's constitutional, I think that's probably OK.

McKINNEY: All right. Thank you.

DOVER: Thank you.

McKINNEY: Yup.

BOSN: Senator Hallstrom.

HALLSTROM: Isn't your concern that, in light of the Missouri case, there's a strong likelihood that these local ordinances are going to be preempted by federal law? And if that is the case, by being certain under state law, it's going to prevent landlords and others from being subject to unnecessary litigation if the ultimate decision is going to be that the ordinance is preempted?

DOVER: Yes. And I, and I-- and so I'm hoping to-- I mean-- this is what happened in Missouri. So they passed-- the, the senators passed a law saying, you can't do this. So it isn't just, like, right now. It's maybe five years or ten years from now that it's going to-- at least people can look and [INAUDIBLE] no, we can't do this. And currently, it isn't in litigation.

HALLSTROM: Thank you.

BOSN: Any other questions for Senator Dover? All right. Seeing none. Thank you. Are you staying to close?

DOVER: Yes, I am. Thank you.

BOSN: OK. Perfect. First proponent. If I could have anyone who's testifying on this bill just-- since we're looking at a lot of testifiers and a lot of hearings left-- if you'll sit in the front row to the extent the front row is open so that I can kind of keep somewhat of a track, that'd be great. All right. Thank you.

RYAN NORMAN: Good afternoon, members of the Judiciary Committee. My name is Ryan Norman. That's R-y-a-n N-o-r-m-a-n. I'm an attorney in Lincoln that represents housing providers. And I'm the chair of the Apartment Association of Nebraska Legislative Committee. The Apartment Association of Nebraska represents 481 apartment communities, totaling

over 78,000 units and 105 owner management companies in Nebraska. I'm here to testify in favor of LB809 on behalf of the Apartment Association. And I'd like to thank Senator Dover for working with the Apartment Association and introducing this bill. Other testifiers behind me are better equipped to testify regarding the public policy considerations in this bill. I'm a lawyer, so I do want to discuss the legal aspects of the bill. LB809 would keep Nebraska cities from passing local ordinances like the one passed in Lincoln which compel landlords to participate in Section 8 housing programs. This would align us with several surrounding states, including Iowa and Missouri. The number of states with laws like LB809 continues to grow. In the last year and a half alone, in addition to Missouri, Idaho and Kentucky have enacted similar legislation. Texas and Indiana also have similar state statutes. What's becoming clearer from a legal perspective is that-- or-- by requiring landlords to accept Section 8 vouchers, source of income antidiscrimination laws compel landlords to consent to warrantless searches of their properties and records in violation of the Fourth Amendment. Despite this, cities like Lincoln continue to pass ordinances which violate the constitutional rights of housing providers, which result in not only landlords having their Fourth Amendment rights violated but also costly litigation for both the housing providers and the cities. The last two and a half years have seen landlords around the country challenging source of income antidiscrimination laws passed on Fourth Amendment-- based on Fourth Amendment concerns. Courts in New York and Missouri have found that forcing landlords to accept Section 8 is a violation of the Fourth Amendment. I've provided you with the court decisions in those two cases. Senator Dover discussed the one in Kansas City already. These cases are becoming more and more common. Just last month, a case was filed in the city of Lawrence, Kansas regarding the same issue. Obviously, this has also happened in Lincoln, where a group of landlords have filed a case in Lancaster County District Court challenging the constitutionality of the ordinance that was passed here, forcing Section 8 acceptance under both the United States and Nebraska Constitution. That case is ongoing. I got to be careful what I say on that case because I'm one of the lawyers on that case. But it's definitely going to lead to unnecessary expense for both Lincoln landlords and taxpayers who will have to pay the legal fees to defend the ordinance. Failure to pass this law-- or, this bill will lead to similar ordinances like the one in Lincoln being pushed into Omaha and other Nebraska localities. And I would urge the committee to seek the Attorney General's advice on the legality of the Lincoln ordinance. I would urge the committee to protect Nebraska property owners'

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constitutional rights. And I would urge the committee to advance this leg-- legislation swiftly. Thank you for your time. And I'd be happy to answer any questions that you have.

BOSN: Thank you. Senator McKinney.

McKINNEY: Thank you. Thank you for your testimony. I guess my curious question-- and I'll probably ask this of Senator Dover-- wouldn't it be best case to let the court process play out and if the co-- and the court-- if the courts say it is unconstitutional, then pass legislation potentially? Because-- I, I guess a, a thought is, what if the courts say it's not unconstitutional and the ordinance is OK? And then we pass this, we will be forced to come back to undo this bill. You kind of get-- you, you see the conflict?

RYAN NORMAN: Well, I, I guess I have two responses to that, if you'd, if you'd give me a moment. The first one I would say is courts in other states are already dealing with this, and it, and it has already been ruled constitutional in places. Fighting this in court in Nebraska is going to cost landlords money. It's going to cost taxpayers money. And beyond that, I think even if the-- even if the ordinance was constitutional, it's not a good law. It's forcing landlords to enter into contracts with the federal government that they don't want to be in. It's forcing all kinds of things that were not meant to be mandatory upon landlords. So I guess-- yes, I think that the, the law is unconstitutional. Even if it wasn't, I'm-- I don't think it's a good law. And I, I understand that it was passed by, by voters in Lincoln. I don't think voters in Lincoln are experts on the legality of this stuff, unfortunately.

McKINNEY: I, I get your argument. And I'm not arguing back and forth with you on that. I guess my thing is just a process issue of whether we allow the court process to play out, then see if we need to pass this or not. Or pass this, the court say the ordinance in Lincoln actually is constitutional, it'll force somebody in this Legislature to have to come back and say, based on the court ruling, we have to pull-- like, pull this back. So I guess shou-- the, the simple question is a yes or no. Do you think it's better for public policy concerns and process concerns to wait for the courts-- court process to play out or not?

RYAN NORMAN: Well, I, I disagree with how you're framing that, I guess. So no, I don't. I believe that if the Legislature passed this, the case in Lincoln would go away. I don't think there would be a

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court ruling on it. I also-- again, I-- I'm not-- even if the, the court ruled the law constitutional, I don't think that it would invalidate this law by the Legislature. I think this-- the Legislature still has a right to pass laws like this that say this type of law needs to be passed at a state level and not a local level.

McKINNEY: All right. That sounds contradictory, but all right.

BOSN: Senator Hallstrom.

HALLSTROM: Isn't it that the federal law in Missouri was deemed to preempt the local ordinance under the Supremacy Clause and therefore, even if the court ruled differently here, if state law steps in, state law overrides the local ordinance?

RYAN NORMAN: Correct.

HALLSTROM: Thank you.

RYAN NORMAN: I, I will say, though, I, I, I want to be careful with what the, the Kansas City co-- court did-- or, the Missouri Court did. I, I gave you the case law. My understanding of what happened there was the, the judge ruled that the law would not be enforced during the pendency of that case. And then the Missouri Legislature stepped in and passed a law like this one. That case went away because the Missouri-- the legislative decision in Missouri made that ordinance go away-- similarly to what we would have here, I believe. If you passed this bill, the fight in Lincoln is over because the ordinance would go away under state law. So the, the, the final ruling in that Missouri case never happened. There was, there was only the preliminary injunction. The case, I believe, got dismissed following the--

HALLSTROM: Which was that it was likely to be preemptive.

RYAN NORMAN: Correct.

HALLSTROM: Thank you.

RYAN NORMAN: And you've got the case law-- I, I gave it to you-- on, on what that decision was.

BOSN: Thank you. Any other questions for this testifier? Seeing none. Thank you very much for being here.

RYAN NORMAN: Thank you.

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BOSN: Next proponent. Good afternoon, and welcome.

LYNN FISHER: Good afternoon, Senator Bosn, members of the committee. My name is Lynn Fisher, L-y-n-n F-i-s-h-e-r. I represent over 6,000 members of the Nebraska Realtors Association and the Nebraska Statewide Property Owners Association. Our members support LB809. And we want to thank Senator Dover for his hard work on this issue. As with any changes to the Landlord Tenant Act, it's important to understand how this affects our custom. Without this bill, private property rights are in jeopardy. When government interferes with our ability to choose the best way to operate our own private business, it creates additional costs. All overhead costs must be converted by-- covered by rents, and tenants ultimately pay those cost by the need to increase rents. If source of income is a protected class-- or, if source of in-- income becomes a protected class as it does under the Lincoln ordinance, landlords may be legally re-- to re-- be required to accept Section 8-- and that's the whole point of this-- even if, if they prefer not to participate in a program that is voluntary on the federal level-- and Congress specifically made this a voluntary program and doesn't want it to be mandatory. Section 8 comes with government manada-- mandated inspections, regulations, and delays that the landlords-- landlord must comply with, often at significant cost. The HUD, HUD contract gover-- governing the Section 8 program allows government inspections of private property, of financial records without notice, raising serious concerns about property rights and the constitutionality of, of, of such a law. When Kansas City, Missouri made the source of income a protected class, of course, the Midjouri-- Missouri Legislature passed a law prohibiting Kansas City from en-- forcing landlords to participate in that Section 8 program. One of the key arguments from proponents of making source of income a protected class is that rental housing providers are widely rejecting Section 8 vouchers, preventing low-income renters from securing housing. However, the facts do not support this claim. Currently, nearly 100% of available Section 8 vouchers in Lincoln are fully utilized each month. Voucher hold-- if a voucher holder is unable to secure a housing-- secure housing using the program within 90 days, the voucher's returned and the off-- and is offered to someone else on the waiting list. And, and so this issue is not a lack of landlords willing to accept, accept Section 8. Rather, some applicants fail to meet standard rental criteria or do not choose Section 8 approved housing that is available. At our own company, we have Section 8 friendly units that go vacant every month. The real issue is not discrimination but rather applicants failing to meet screening

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criteria such as credit history, rental history, criminal background, or choosing properties that do not participate in the program. The additional costs associated with forced Section 8 participation such as compliance with government inspections, delays-- and delays receiving rent payments, and required repairs, we will be-- we-- that'll have to be passed on to the renters. One of the most frustrating aspects of the debate is, is misleading narrative on the proponents' side. I'm going to stop there and answer any questions if you have any.

BOSN: Senator Rountree, followed by Senator McKinney.

ROUNTREE: Thank you so much, Chairwoman Bosn. And thank you. It's good to see you again this year. Thanks for your testimony. Could you just kind of briefly give me the difference between Section 8 housing and non-Section 8 as we look at the units [INAUDIBLE]? When a person's getting ready to select.

LYNN FISHER: Well, I-- if I understand your, your question, whether a unit is Section 8 ready or allowed and whether it's not?

ROUNTREE: Right.

LYNN FISHER: OK. Well, it's, it's a choice right now for property owners to choose to accept the program or not to accept the program. We-- our company manages pro-- properties that fall into both categories. So some owners choose to participate, some owners choose not to.

ROUNTREE: But the physical unit will be the same.

LYNN FISHER: Be the same.

ROUNTREE: OK.

LYNN FISHER: Yep.

ROUNTREE: Thank you.

LYNN FISHER: Sure.

BOSN: Senator McKinney.

McKINNEY: All right. So I get your-- I'm willing to listen to your argument on source of in-- your source of income is not a protected

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class. But what if somebody presents a ca-- case that, yes, you're right on this source of income not being a protected class, but based on the number of people who have been denied that cu-- that have this source of income, there could be a argument for discrimination, right?

LYNN FISHER: You'd have to give me a specific instance.

McKINNEY: All right. Here's a scenario. A bunch of individuals who have a disability apply that have Section 8 vouchers. And they all get denied. Couldn't there be a argument of discrimination there based on disability?

LYNN FISHER: We can't take the disability into consideration when we look at our applications, so that's not a-- that's not a question.

McKINNEY: I'm not saying you take it under consideration, but couldn't you-- couldn't there be a argument based on disparate impact that individuals with disabilities are being discriminated against based on your decisions?

LYNN FISHER: We spend "inordinant" amounts of time and hours being taught-- and we learn about fair housing, and we do not take into consideration any protected class by federal law. Therefore, when we process applications, disability is not a factor.

McKINNEY: I understand that, but if it turns out that-- although you're saying you don't take that as a factor, the impact of your decision-making shows that individuals with disabilities are being denied and--

LYNN FISHER: No, I disagree because we have a lot of disabi-- disabled tenants that we approved.

McKINNEY: No, I-- I'm just saying-- I'm, I'm not saying you do that. What I'm-- I'm just making the argument that it's possible to make that ar-- I'm asking the question, is it possible for somebody to make that argument--

LYNN FISHER: It would be coincidental at best.

McKINNEY: --if, if you could show the case.

LYNN FISHER: Coincidentally, maybe. But it just doesn't come into play.

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McKINNEY: All right.

BOSN: All right. Thank you for being here.

LYNN FISHER: Thank you very much.

BOSN: Next proponent. Good afternoon, and welcome.

TARA HOLTERHAUS: Thank you. Good afternoon. My name is Tara Holterhaus, T-a-r-a H-o-l-t-e-r-h-a-u-s. I'm an attorney at Spencer Fain LLP and practice in the real estate industry, specializing in multifamily housing representation of property owners and third-party managers. I'm also here today on behalf of the Apartment Association of Nebraska and the Nebraska Association of Commercial Property Owners. This bill is especially important to protect private landlords from overregulation and ultimately an increase in rent prices and housing costs in Nebraska. Making source of income a protected class is problematic for a number of reasons. Most importantly, that it mandates acceptance of Section 8 housing vouchers. The Section 8 Housing Choice Voucher Program is a voluntary federal program that private landlords can choose to participate in order to make their properties more affordable through the issuance of a public housing authority voucher. This is not a mandatory program, nor was it ever intended to be by Congress. But if source of income is made a protected class and if local ordinances mandate participation, then this voluntary program becomes mandatory, and it is our position that this is unconstitutional. It is unconstitutional because it violates private property owners' rights and requires landlords to enter into third-party contracts with public housing authorities. Our local governments cannot require private property owners to enter in third-party contracts. Passing such an ordinance will-- and already has-- resulted in litigation that local governments and cities will need to spend time and money to defend. For example, a ballot measure in the city of Lincoln took effect in June 2025 which made source of income a protected class within the city of Lincoln. Only 25,450 people voted to pass this ballot measure out of an approximate Lincoln population just over 300,000 individuals. This statistic alone is problematic. Only 8% of the population in Lincoln, Nebraska passed this city ordinance. That has now resulted in constitutional challenges and taxpayer dollars funding-- defending the litigation in court. Private property owners are winning cases just like this across the country. Both of our neighboring states, Iowa and Missouri, have similar state statutes that prohibit local ordinances from enacting this legislation. And I've provided you with copies of both Iowa's

code section on this particular issue as well as Missouri's revised statute on the particular issue. We support LB809 and thank Senator Dover for introducing this key piece of legislation and would ask the committee to advance LB809. Happy to answer any questions.

BOSN: Thank you. Questions for this testifier? Seeing none. Thank you for being here. Next proponent. Good afternoon, and welcome.

MEGAN MONK: Good afternoon. Hi. My name is Megan Monk, M-e-g-a-n M-o-n-k. I am the in-house attorney for Seldin LLC. And I am testifying in support of LB809. Seldin LLC is a property management company that professionally manages multifamily housing in 14 states. Seldin is in the business of housing people, and we want to support litigation that will help us to continue this mission. Seldin is in support of this bill prohibiting local governments from enacting ordinances requiring landlords of privately owned housing to accept all sources of income, including federal housing assistance programs. Seldin manages three types of housing: conventional, low-income housing tax credit, which is cons-- often referred to as LIHTC-- and HUD, which is often referred to a Section 8 housing. Seldin has a dedicated compliance department that handles housing assistance programs. Seldin has the capacity to manage both LIHTC and HUD housing because we have a dedicated compliance department. It is unreasonable to expect all landlords to have a dedicated compliance department. The federal requirements that must be met to properly utilize both LIHTC and HUD do require a professional level of understanding. Requiring all landlords to accept any type of income, including housing assistance, will cause compliance issues, ultimately dissuading individuals from becoming or continuing as landlords, which would thus contribute to the affordable housing shortage. Even companies like Seldin that have a dedicated compliance department do not have the capacity to handle additional compliance requirements to properly have persons with housing assistance live at conventional properties. This is because Seldin's compliance department was designed to handle project-based housing assistance as opposed to invid-- individual vouchers. If all landlords were required to accept housing assistance as a source of income, this could also result in potential rent increases and additional liability for landlords-- again, further contributing to the shortage of affordable housing, as less people will be interested in becoming landlords or continuing as landlords. Small landlords are also less likely to have proper insurance that is necessary to carry when you are a landlord for properties that utilize housing assistance. Obtaining this type of insurance may be too expensive for a small landlord and could dissuade people from becoming

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landlords or continuing as-- to be landlords, which would again contribute to the affordable housing shortage. I am available for any questions.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here.

MEGAN MONK: Thank you.

BOSN: Next proponent. Good afternoon, and welcome.

PIERCE CARPENTER: Thank you. My name is Pierce Carpenter, P-i-e-r-c-e C-a-r-p-e-n-t-e-r. I'm a landlord representing myself. I love this bill. It is what I would consider a liberty bill. It gives liberty to the landlords. It, it does not restrict. In fact, it limits the government to restrict the landlords, and I love that. I, I don't know that I've ever seen a bill that I have loved more than this bill. As far as the-- OK. The-- one of the things I did not like about it is if you go to paragraph (4)(a), it's an exception which would allow people to impose certain things, and it says, it is adopted for the purposes of increasing supply of affordable housing, and that does so through land use and inclusionary housing requirements. Whoever tries to find their way around this bill, you know, they'll just put a label on it that this is-- it's a low income-- it's, it's going to be a, a increase housing supply act. And we're going to-- we're going to force people to accept Section 8. And-- I mean, it-- that, that-- I-- I'm not sure what the purpose that-- you have that in there, Senator Dover, but I-- it seemed like that one paragraph could be stricken because I cannot think of a-- I cannot think of any exception that would increase housing, but. So it's (4)(a). And (6) and (3) references an exception. One of the other benefits of this bill is when you, when you read how the, the, the laws that have been passed try to force you to accept the Section 8 voucher and then they say, will you consider it as income? The, the problem is if you have a \$1,000 a month apartment, the income has to be \$3,000. Otherwise, garnishments are impossible in the future. And so, if-- you-- you're preventing anybody from recuperating anything if you just say they have to accept it if they pay the whole rent. And it-- it's just-- it's a nasty piece of legislation that this law prevents from ever going into, into the books. So I really like this-- I really like this law. I didn't have anything else. Thank you.

BOSN: I, I might bring you back to loving it even more because I think what Section 4 does-- these are all renumbered because of the new

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section. So Section 4 really only goes to the new lines 14 through 17. So it doesn't actually apply to the-- Section 2. So you're back to top favorite bill.

PIERCE CARPENTER: OK. I love it even more.

BOSN: All right. Any questions now that we've brought it back to that? All right. Senator McKinney.

McKINNEY: Thank you. And it kind of should have been a question I asked to everybody, but it kind of goes back to kind of a thought I just had. Saying you can't just "blanketly" deny somebody because of their source of income, does that force you to rent to them, ultimately?

PIERCE CARPENTER: Does it?

McKINNEY: I'm asking, I'm asking you--

PIERCE CARPENTER: I woul-- I would guess when they pass the law, it won't. And when they implement it, it will.

McKINNEY: How?

PIERCE CARPENTER: Because what will happen is the-- they'll say, oh, no, it doesn't, it doesn't force you to take them. And then when you don't take them, then somebody from Section 8 or somebody from HUD or somebody will come down and say, well, you don't have any Section 8 people. And it, it just-- it's just-- it-- it's, it's going to be one of those things that when they pass the law, they're going to tell you it's one way. And then when they go to implement it, they discover it doesn't work. I mean, if, if people--

McKINNEY: But, but don't you voluntarily sign up to take Section 8 vouchers?

PIERCE CARPENTER: Today, yes. Yes, today.

McKINNEY: So I don't--

PIERCE CARPENTER: But this would force you to take it.

McKINNEY: I don't, I don't see how it forces you. I guess that's where I'm confused. If all it is saying is you can't make a blank-- you, you can't have a blanket denial, you're still-- you still could, based on

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background check-- I know they do credit checks, everything else-- say, you, you can't deny.

PIERCE CARPENTER: Yeah. Well, the number one thing that, that, that we use is income. And if somebody is not working at all and Section 8 pays 100% of their income and then I have somebody else that's making \$3,000 a month, three times the \$1,000 rent, who would be the better tenant? The \$3,000 one is always going to be better. Now, if you're saying that the Section 8 is 100% guaranteed rent-- so that should be equivalent to the \$3,000, because you can't do better than get all the rent. But the problem is there's, there's a lot of issues there that aren't covered by that.

McKINNEY: I guess I'm just confused. You still, at the end of the day, could make your own judgment on who you want to rent to. You're just-- I-- and, and I'm going to stop because we could probably go back and forth all day, but I-- that's where I'm confused at. Because if you still have the ability to say no, I don't get-- I don't understand it. But thank you.

PIERCE CARPENTER: OK.

BOSN: Seeing no other questions. Thank you for being here.

PIERCE CARPENTER: Thank you.

BOSN: Next proponent. Good afternoon, and welcome.

DENNIS TIERNEY: Thank you, senators. Dennis, D-e-n-n-i-s; Tierney, T-i-e-r-n-e-y. Senators, LB809 is needed to prevent source of income laws from being passed in Nebraska. For the last several years, there have been attempts by Senators Vargas and Senators Guereca to pass such laws. There are currently 17 states and a number of cities that have such laws, yet there is scant evidence that source of income laws has a positive effect on lowering poverty. Three studies have shown at most a 1% decrease in the poverty rate in tracts of voucher holders. In those localities with source of income laws, there's been a number of lawsuits against landlords and management companies-- again, with mixed results but costing landlords and management companies hundreds of thousands-- in some cases millions-- of dollars in legal costs. New York City has had over 175 source of income cases since 2018. Washington, D.C. won a \$10 million settlement against several real estate firms. The Chicago Commission on Human Relations has had a dispar-- a disp-- disparate impact lawsuits against landlords, but the

Case Western Reserve Law Review reports the Second, Fifth, and Seventh Circuits all agree that, quote, participation of the Section 8 program is voluntary and landlords cannot be held liable under the Fair Housing Act for racial discrimination under the disparate impact theory, unquote. It doesn't prevent lawsuits from being filed, however. There have been studies that have shown significant improvement in landlord participation in voucher programs with positive incentives for landlords compared to areas with source of income laws. Colorado, Washington State, Chicago, San Diego, and nine other cities and counties have landlord incentive programs such as leasing bonus incentives, damaging fu-- damages-- funds to reimburse landlords for damages above and beyond normal wear and tear on properties rented by voucher holders, and support services with liaisons for landlords to nega-- navigate bureaucratic red tape and tenant disputes. Some even have funds for landlords to improve their properties in order to pass Section 8 inspections. Senators, common sense even tells you that you'll get better results with a carrot than a stick. Please support LB809.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here. Next proponent. Anyone else here to testify in support of LB809? Good afternoon, and welcome.

NATHAN HAUGEN: Good afternoon, Chairman Bosn, members of the Judiciary. My name is Nathan Haugen, N-a-t-h-a-n H-a-u-g-e-n. And I am president of the Metropolitan Omaha Property Owners Association, representing small property owners of small multifamily and single-family residences all across our largest metro area in Nebraska. I am here today to support LB809 because it provides clarity, consistency, and legal stability for small, locally owned housing providers across Nebraska. LB809 prevents a patchwork of local ordinances that would impose conflicting and inconvenient-- inconsistent landlord-tenant rules across cities and counties. For mom-and-pop property owners-- many of whom own just a few properties-- this lack of uniformity creates real compliance risk. Local experimentation of landlord-tenant law may sound flexible in theory, but, in practice, it creates confusion, accidental noncompliance, and increased litigation. These costs are not absorbed by large corporations alone. They fall hardest on our small property owners and local managers who lack the legal departments or compliance staff. LB809 preserves the Legislature's role in setting statewide housing policy, ensuring that changes to landlord-tenant law occur in a-- through a deliberate, transparent process where impacts are fully considered. This predictability benefits not only housing providers

but tenants as well by promoting stable operations, clearer expectations, and continued investment in rental housing. When rules become fragmented and uncertain, small property owners exit the market, supply tightens, and rents rise. LB809 prevents those outcomes by keeping Nebraska's housing framework consistent, predictable, and fair statewide. For these reasons, MOPOA respectfully urges the committee to advance LB809. Thank you for your time.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here. Next proponent. Anyone else here to testify in support? I like your shoes.

SONI ALBERTSON: Thank you.

BOSN: Thanks for being here.

SONI ALBERTSON: Thank you. Soni Albertson, S-o-n-i; last name, Albertson, A-l-b-e-r-t-s-o-n. I'm in support of LB809. I think a lot of people kind of said similar things. It allows third-party management companies to not be forced into government contracts. And it still allows that program to be voluntary. I think-- I managed some properties here in Lincoln who-- they recently have passed this law. I work on both sides of it. I work from the new developer side and to the established re-- established properties, if you will. We've seen definitely a decrease in being able to rent up some of the properties where they were given some funds from the city of Lincoln to develop more housing and things like that. So I think we're seeing some issues in that regard. But forcing the other properties to be in third-party contracts is going to force us to raise rents and kind of be able to accommodate any additional work that needs to be done through those contracts and how we manage those and how we are sending those funds back and forth to be able to get the income from housing. So I think-- Senator Kenny [SIC] had a question in regards to disparate impact for discrimination. Was that your question? I would-- I, I understand what you're saying. You're probably correct. It may kind of fall in those lines. I think that you-- it depends on how the law is written and how that, you know, obviously will impact. I think it's-- it also kind of stems from, like-- I've noticed the-- a lot of the funds to be able to build those affordable housing and things like that have been restricted to certain parts of the city and certain things like that. So I think that's something to look at as well from a legislative standpoint. Like, should that be spread out, you know, in other areas of town or city, states, et cetera. So that's I think that's something in addition to look at as well. So. That's all I have.

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BOSN: Thank you. Any questions for this testifier? Senator DeBoer.

DeBOER: Thank you. So I'm very, like, intrigued by the idea that Mr. Tierney mentioned in his testimony, which was that he had this idea that, in other places, they have these incentive programs for landlords in areas that have the source of income laws. Would something like that with the-- if there was, like, a pool of money that would help defray costs if there was an extra cost or something like that, would that, would that make you less upset with the source of income laws?

SONI ALBERTSON: As for the source of income laws, no. And the city of Lincoln is-- or, Lincoln Housing Authority is doing that currently. There is an incentive to accept a small portion. It's-- I don't want to say the amount. I'm not sure where my legal--

DeBOER: Sure. No. That's OK. That's OK. That's OK.

SONI ALBERTSON: --abilities are, but they do give incentives. There is some offset costs, but it's the continued-- the renewal costs, the, the waiting for the inspector, the waiting for-- you know, there's a lot of waiting time through the housing authority. And a lot-- I don't want to say a lot of hoops, but there are hoops we have to jump through. And we have to call and they set up appointments. And that could be a week out, sometimes two weeks out. So it just-- I-- it's just-- even that incentive is still putting the-- a large burden and forcing the contract-- the government contract needs to be updated as well that housing-- both Lincoln and Omaha housing are using. It definitely needs to be revisited.

DeBOER: OK. Thank you.

SONI ALBERTSON: Yeah.

BOSN: Senator McKinney.

McKINNEY: Thank you. I guess I'm trying to understand. When are you being forced to take Section 8? I'm, I'm kind of lost right now.

SONI ALBERTSON: So in this--

McKINNEY: Because you're voluntarily signing up to-- for the program.

SONI ALBERTSON: Correct.

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McKINNEY: If, if a city or Lincoln said you just can't blankly say no, [INAUDIBLE] person did a application and said they had Section 8, you're still not forced to accept their application or lease to them. So I'm lost about this whole forcing--

SONI ALBERTSON: So we would-- right. So we would be forced, let's say-- like, obviously, you're correct. We-- they apply. They tell us that their source of income is a housing voucher. So we would go through our normal-- and this is what our company does. And I can't obviously speak for other institutions, but we do go through our process, like, their qualification process and all those things. And obviously, from a discrimination, if they hit all of those marks, then, you know, then we come to the income piece of that. And then we would be required to accept them. So it-- I can't-- if, if I change my qualifications-- which I'm sure that's your next question-- then does that restrict-- I mean, it feels like it would restrict other people who are in similar credit scores or similar situations that don't have housing. Does that force them not to be able to have good housing also? Does that make sense?

McKINNEY: I get what you--

SONI ALBERTSON: So if I raise my qualifications and that puts me into a limited-- right-- a more limited bracket of people-- and then you're missing out on all the people that are still in those same brackets that don't have housing.

McKINNEY: But I guess you're still-- so on one hand, you could say, I-- we accept people on Section 8. That means potentially you have a wider pool of applicants.

SONI ALBERTSON: Correct.

McKINNEY: But if you say no, you have a smaller pool of applicants.

SONI ALBERTSON: I do. But if-- but--

McKINNEY: So-- but at the end of the day, all I'm wondering and still kind of confused on is, where are you being forced to say, yes, we're leasing to you--

SONI ALBERTSON: OK.

McKINNEY: --if they just are saying, I just want the ability to apply?

SONI ALBERTSON: Mm-hmm. It-- obviously, they definitely can apply. But in order for me to say, you know, you've qualified and now we're to the income piece and they qualify on the income piece because I'm forced to use the housing voucher as part of their income, I can only accept that housing voucher by signing the contract with housing authority. And I wouldn't-- I'm restricted because if it's a protected class and I'm-- right?

McKINNEY: So--

SONI ALBERTSON: Does that make sense?

McKINNEY: No. So I'm, I'm just trying to say, if I want to come spend my \$40 or \$50 to apply at your apartment complex, that's all I think people are asking. They're not saying, let me apply and you have to rent to me. I think there's a-- those are two separate things.

SONI ALBERTSON: Fair. But would you want to-- if you had a housing voucher and I told you-- and we kind of went through the qualifications of applying for an apartment and I said, yeah, I'm not-- I'm unsure about this little piece on your application or whatever, is it still something you want to apply for? They obviously can. But would you want to waste your \$40 if you already knew that there was a possibility of not being able to qualify under the qualifications?

McKINNEY: There's other bills today that kind of get to that about the, the spending of the money before you're being deni-- but, I mean-- but people will argue against that too, so.

SONI ALBERTSON: Yeah. I mean, I, I-- if I had a housing voucher, I'm not sure I would have extra money to continue to apply places knowing that I wouldn't qualify.

McKINNEY: Yeah. But people don't-- I don't know. I, I, I-- thank you.

SONI ALBERTSON: Yeah. There's definitely-- yeah. OK. So anything else?

BOSN: Any other questions for this testifier? Seeing none. Thank you for being here.

SONI ALBERTSON: Thank you.

BOSN: Next proponent. Good morning-- or, good afternoon. My goodness.

DANA STEFFAN: Thank you. My name is Dana Steffan, D-a-n-a S-t-e-f-f-a-n. I am a property manager right here in Lincoln, Nebraska. Before the city ordinance went into effect in June of 2025, I did not accept Section 8 vouchers. I would take them if they came with the property. But as far as new vouchers, I would not. After this program was put into place, I went ahead and opened my doors, started looking into Section 8, accepting the vouchers, going through the process. I think-- now, I on-- can only speak to Lincoln Housing Authority because that is what I've dealt with. And Tara hit it on the head. Compliance. I don't have a compliance department. That would help tremendously, because it's going to take more man-hours, more power, more understanding, right down to Lincoln Housing Authority having to sign the contract with them that they didn't like certain things in my lease. So I had to go back and strike a few words here, add a few words there. It wasn't-- it was minor things. But still, they're telling me how to run my business. And I had to change those. Then we get down to the inspection piece. Yes, the property does need to inspect it. It needs to be-- meet certain qualifications. Those qualifications are higher than the building and safety-- or, the international building and safety codes. So we have that to deal with. The first voucher I did accept, she was a young lady that was already a current tenant living with her mother. Her voucher came through. I said, great. This is a great opportunity to try the voucher program out because we already have that relationship. It took Lincoln Housing Authority almost 60 days to get me the first month's rent. I don't know why. Again, calling down there, trying to get answers was an issue. If this program is going to succeed, there are a lot of things that need to be changed at the local level. So therefore, I support this at the state level because I would love to help people out. We are here for affordable housing. We are here. But as you can tell, thi-- it's a bigger-- carrot, stick, however you wanna put this. But there's a lot of changes that need to occur at the local level for the program to be successful. So I think we have a lot of issues to change. So. Any questions?

BOSN: Senator Rountree.

ROUNTREE: Thank you, Chairwoman Bosn. And thank you so much. I'm, I'm glad you're here. Thanks for your testimony. So when you accepted your voucher and the tenant and you had to do some modifications-- I had asked the other gentleman are they the same units. But what type of modifications did you have to do to meet that federal requirement?

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DANA STEFFAN: For me, it wasn't the unit that needed to be modified. It was the lease agreement.

ROUNTREE: The lease agreement.

DANA STEFFAN: Correct. And those are all scripted. You know, just like everything, we have automation. People apply, the application flows into the program, the program pulls the pieces out, plunks them in the lease agreement, the lease agreement goes out to be signed. So I had, you know, sever that process, go in, try to tweak that, save it as a different document to re-- remember to use the different document because now there's different requirements. Same way with, like, notice to vacate. I believe Lincoln Housing requires a 60-day notice instead of the-- Landlord Tenant Act says 30-day notice to vacate. So you've got to meet new guidelines. And yeah, I need a compliance department. Like I said, Tara hit it on the head. That's what I'm missing. And then that goes to more affordable housing. Because if I have to add staff, I have to bill that out, I have to recoup the costs, and there we go again.

ROUNTREE: OK. And it took 60 days to get the first payment. But once you got it, it's probably been a couple more months down-- a few more months since then. Did it start to come on time?

DANA STEFFAN: Correct. Yes, yes. They come in on time after you get in the, in the groove of it. Luckily, the property owner that had that has been in business a long time and he had some grace to be able to wait that long. I do have some younger investors that-- now, now you, you get into the other bill about exemptions and if they go bankrupt, because some of them are on thin ice. They're waiting for those rents to come in, and waiting 60 days can put their loan in jeopardy. And then they're playing catch-up. And then it just snowballs from there. I get to play the middle man, try to make them all happy.

ROUNTREE: OK. Thanks for your testimony. I appreciate that.

DANA STEFFAN: Any other questions? Thank you, senators.

BOSN: Thank you very much for being here. Yes. Next proponent. Anyone else here to testify in support? All right. Moving on to opponents. Anyone here to testify in opposition to LB809? Good afternoon, and welcome.

AKEYDRA HAGENS: Good afternoon, Chairperson and members of the committee. My name is Akeydra Hagens, A-k-e-y-d-r-a; last name,

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Hagens, H-a-g-e-n-s. I am here today to oppose LB809, and I respectfully ask this committee to vote no on LB809. I am a licensed real estate agent, property manager, landlord, emerging developer, and a United States Air Force veteran. I am also someone who personally benefited from the Housing Choice Voucher Program for many years. I did not just use a voucher as a renter. I ultimately used that same program as a bridge to homeownership once I was made aware that that opportunity existed. That awareness changed the trajectory of my life. What LB809 threatens to do is remove protections that ensure Nebraskans are not discriminated against based on their source of income. This type of discrimination directly impacts veterans as well, particularly those relying on the V-- Veteran Affairs Supportive Housing Program, which exists to prevent veteran homelessness. When veterans with VASH vouchers are turned away by landlords, the promise of that program becomes meaningless. As a property manager, I have represented property owners whose homes sat vacant on the market. After educating them on the Housing Choice Voucher Program, I have seen those same homes get rented quickly to families who paid their rent on time, cared for the property, and were deeply grateful for the opportunity. There are not risky-- these are not risky tenants. They are families looking for stability. This issue is also deeply personal to me. I grew up in the Southside Terrace Homes, which are recently going through demolition. Every one of those displaced families are given a voucher and told to find new housing. But a voucher does not guarantee a home if landlords are allowed to refuse it. Without protections against source of income discrimination, displacement does not end. It simply moves families from one crisis to another. For families that cannot find landlords willing to accept their voucher, their harm goes far beyond a denied rental application. They lose access to safe and stable housing, yes, but they also lose access to opportunity. For many families, a voucher is not a permanent solution. It's a stepping stone. It is often the first stable housing situation that allows someone to improve their credit, stabilize employment, save money, eventually pursue homeownership. When landlords refuse vouchers, families are cut off from that entire pathway, including the chance to build equity, wealth, and long-term stability. As someone who works in housing professionally, I see every angle. I see families and veterans doing everything right, working, complying with program requirements, and still being shut out simply because of how their rent is paid. That is not about risk or quality of tenancy. That is about discrimination, and Nebraskans deserve protection from it. Housing is foundational. It impacts health, education, employment, community stability. Every Nebraska family inclu-- including those who

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served our country deserves a fair chance to access housing without being excluded because of their lawful source of income. For these reasons, I strongly oppose LB809 and respectfully urge this committee to vote no on this bill. Thank you.

BOSN: Thank you for your testimony. Any questions from the committee? Senator Rountree.

ROUNTREE: Thank you so much, Chairwoman Bosn. And thank you so much for your testimony today. And thank you for serving in our United States Air Force. I appreciate that. As you were moving along in this Section 8 process, what were some of the difficulties that you faced? I know you were wanting to push through and get it done, but what were the some of the opposition, what challenges did you face as you were going through?

AKEYDRA HAGENS: Just not finding landlords that accept the Section 8 voucher. There's a limited-- I mean, housing is limited already. So the housing that is available, there's a lot of landlords that do not accept the Section 8 voucher, and I think that just is a lack of knowledge and education around the program and how it works. So as a property manager, I have been able to represent owners and educate them on the Section 8 voucher program, and they find it to be not as daunting as a lot have said.

ROUNTREE: So you've been able [INAUDIBLE] as a facilitator.

AKEYDRA HAGENS: Yes. Absolutely.

ROUNTREE: Thank you. Mm-hmm.

BOSN: Thank you very much for your testimony.

AKEYDRA HAGENS: Yeah.

BOSN: Next opponent. Good afternoon, and welcome.

CONNOR HERBERT: Good afternoon. Chairwoman Bosn and members of the Judiciary community-- Committee for the opportunity-- for the opportunity to speak today. My name is Connor Herbert, C-o-n-n-o-r H-e-r-b-e-r-t. And I serve as a staffer for the Nebraska Commission on African American Affairs. We are testifying today to express our opposition to LB809, which seeks to remove local legislative capac-- capabilities for explicitly home-rule cities like Omaha and Lincoln and further limit lower level cities with respect to the adoption of

ordinances prohibiting source of indiscrimination-- or, of income discrimination by prete-- predatory landlords. I will say we welcome Senator Dover's clear demonstration of support for affordable housing development in his legative-- legislative package this year but find this to present a potential negative impact to our constituency and low-income Nebraskans across the board. The commission's work in housing affordability seeks to promote access to housing and reduce conditions that contri-- that can contribute to segregation by income or race. Current practices statewide-- which generally do not prohibit specifically, like, preda-- predatory landlords from discriminating against tenants on the basis of their source of income, whether those are private funds, public funds, as previously mentioned, Section 8, Veterans Affairs housing vouchers, or individual funds, naturally lead to a class-segregated rental housing stock bifurcated between landlords that do accept alternative income streams for rent payments and mur-- more predatory landlords that do not. Relating to the constitutionality question, we wanted to bring attention to the fact that Massachusetts has had a statewide prohibition on source of income discrimination since 1971, three years before the signing of Section 8's authorizing legislation by President Gerald Ford, a son of Nebraska. Further, it is currently the situation that cities like Lincoln and Omaha are the only ones that can adopt these kinds of legis-- ordinances as a consequence of their home-rule charters. Cities like Gretna, Norfolk, Tecumseh, Valentine, and Schuyler cannot adopt local ordinances such as the kind adopted last year in Lincoln because they are beholden to Dillon's Rule, which stipulates that the state's constitution sets what kinds of ordinances cities can adopt. We also want to make, make it very clear that the commission supports legislation that promotes civic engagement. This legislation comes as a direct response to local civic projects in places like Lincoln, where municipal voters directly decided to voice their support for a prohibition on source of inc-- income discrimination through the ballot. In conclusion, the commission would support future legislation that empowers local authority across the state to adopt ordinances as they see fit, tailored to local housing access challenges. However, we must oppose LB809 as written. Thank you.

BOSN: Thank you. Any questions for this testifier? All right. Seeing none. Thanks for being here. Next opponent. Good afternoon, and welcome.

JESS GIESEKE: Hi there. My name is Jess Gieseke. That's J-e-s-s G-i-e-s-e-k-e. And I'm at 1200 South 20th here in Lincoln. I am here in a personal capacity as a landlord. And I wish I was here as a

proponent of a bill that would actually extend the protections that Lincoln voted on to renters and, and ban source of income discrimination in, in housing. Unfortunately, we're not there yet, and I'm here to oppose LB809. I'm hearing a lot about, just in other testimony, about private property rights and inspections and-- you know, that this, this forces landlords into a, you know, position where their, their-- they've got to comply with really difficult regulations and-- as somebody who recently went through a, a inspection for a Section 8 voucher, I, I was-- it wasn't one of units, but I was with somebody during that inspection. If you can't pass this, I, I really don't think you should be renting that property. This is not-- the-- these aren't extreme standards that, that people are having to comply with. We're talking about making sure that windows are operational and that smoke detectors are working, that there's proper egress, that units are clean and habitable. And I think that most people that, when they apply to rent a unit and are planning on using a voucher, they're not going to want to apply for a unit that is not going to pass this inspection. Tenants don't want to pay \$50 application fees over and over and over again-- especially if they're a voucher tenant. They can't afford that. So they-- you know, while this-- while prohibiting source of income discrimination extends, you know, their, their opportunity to rent, you know, wherever they would like to in the city, they're still going to want to go for places that are going to pass those inspections. We have lots of other things that we inspect for. If you cook in your own home, you can give people that food. If you're making that food available to the public, you're going to go through an inspection. I have a nursery. If I'm giving away nursery stock, I actually have to have that stock inspected. They come onto my private property and inspect my nursery stock. The-- that's the state of Nebraska. I, I don't see why housing inspection-- I mean, you're not-- this isn't your private property. This is something that you're making available to the public. Therefore, it's reasonable that there would be an inspection. And most of us already have to go through a certificate of compliance process with the city of Lincoln and go through an inspection process when we purchase our properties. Do you have any questions?

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here.

JESS GIESEKE: Thank you.

BOSN: Next opponent. Good afternoon, and welcome.

KAYLA BOGENHAGEN: Good afternoon. My name is Kayla Bogenhagen, K-a-y-l-a B-o-g-e-n-h-a-g-e-n. I am a current recipient of transitional housing assistance and a youth advocate in Lincoln. I am testifying in opposition to LB809, which would cause our youth to suffer more than they already are when it comes to housing. I strongly believe that LB809 will hurt, hurt Nebraska youth by creating more hardships in securing self-sufficiency, security, and making the transition for our youth who are currently unsheltered or at risk of being unhoused more difficult. Young adults have various diverse experiences that can make navigating growing up to be a brutal process. They struggle and suffer to get their basic needs met, and housing is a key to this successful transition. Some youth are already faced with numerous challenges such as learning how to obtain basic health care, learning how to secure basic physical needs such as food, water, and consistent warmth in winter. What about our youth who are mentally and/or physically disabled that are waiting to hear back on progress has been made on receiving SSDI, a system that can take years for approval? As well as they are challenged by barriers of navigating confusing systems and applications that are not accet-- accessible to our youth in general. In fact, without internet access, transportation, or enrollment in case management, these forms of assistance are barely attainable as is. I believe that LB809 further restricts and prevents our youth from finding and securing a successful future for themselves as well as hurts the future of our state. This process is already hard to deal with, given the current policies. Our youth have to make the daily choice to either learn how to navigate and persevere through endless barriers that are completely overwhelming or give up and go back to unstable and potentially dangerous places to live in. I as well as numerous youth in Nebraska have found burnout in an unshakable sense of defeat just trying to survive. LB809 would increase hardships, and it would put our youth in positions where they have to work even harder than they already are. A discrimination on sources of income would further challenge our youth to find assistance and independence as well as prevent our youth that are currently receiving services from receiving-- achieving a successful transition. One important milestone for youth in transitional living includes applying and waiting for a housing voucher. The current wait from submission to receiving a HUD voucher's 12 to 15 months. LB809 allows landlords to discriminate and reject HUD vouchers. Finding someone who will accept them currently is hard to come by. And if recipients with a voucher finally-- cannot find a landlord who will accept it within 90 days, it will expire. It is vital to protect our youth from discrimination in housing so they can

have a successful transition. I firmly believe that LB809 would further challenge our youth from transitioning and having the chance at a successful future. Let me remind you, senators, it is your responsibility to help the people of Nebraska and assi-- assist in creating a promising future for our state and our youth, a system that supports and inspires growth, especially for our youth who have already been through enough. Please do not make our kids go through even more suffering just to get basic needs met and help them have hope. I urge you to vote no on LB809 and vote yes on LB223 in order to protect our youth from discrimination and ensure not only a better future for our state but for our kids in the present day. Thank you.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here.

KAYLA BOGENHAGEN: Absolutely.

BOSN: Next opponent. Good afternoon, and welcome.

JUDY KELLY: Thank you. My name is Judy Kelly, J-u-d-y K-e-l-l-y. The League of Women Voters of Nebraska supports policies that provide decent, safe, and affordable housing for American families. The league opposes LB809 because it allows landlords to discriminate against tenants' lawful sources of income. Specifically, the league is concerned that this bill will reduce access to affordable housing for some Nebraskans, spend taxpayers' dollars without a tangible positive outcome, and undermine local efforts to ensure safe and affordable housing for all. Rental availability in Nebraska has declined significantly in the past few decades, with the vacancy percent cut by over a half in the last 20 years. By banning efforts to include all forms of, of income, predatory landlords can discriminate against funds provided by, by programs such as Social Security, disability benefits, Veterans Affairs housing vouchers, as well as public housing vouchers. Nationwide, up to 40% of voucher recipients have to return their vouchers because they can't find a landlord who will accept them. Source of income discrimination isn't-- doesn't just target voucher holders. It affects those whose income is lawful but nontraditional. It disallows various other forms of income such as child support, hourly workers without a guaranteed monthly salary, as well as those who own their own businesses. While all these sources of income are legal, those who make their living with irregular monthly salaries are at a disadvantage as prospective tenants. As of January 2025, 23 states and the District of Columbia had passed statewide laws prohibiting source of income discrimination. LB809 proposes to reverse

attempts to protect certain individuals by prohibiting local governments from enacting ordinances that would institute source of income protections. As Nebraska communities try to address rental housing issues and homelessness, this bill is an overreach that will take away local control. Nebraska is facing a housing crisis where many are cost-burdened, paying more than 30% of their income on rent. LB809 would only make this situation worse. Currently, landlords are able to consider a potential tenant's rental history, income amount, and financial stability. And that won't change. As a state, we should encourage policies that lead to secure housing using sources that provide our neighbors, including veterans and the disabled, a safe, secure place to live where they can maintain their dignity and thrive in our communities. We urge you to vote no on LB809.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here.

JUDY KELLY: Thank you.

BOSN: Yes. Next opponent. Anyone else here to testify in opposition? Good afternoon, and welcome.

ROBIN NOLTE: Hello. Thank you. My name is Robin Nolte, R-o-b-i-n N-o-l-t-e. And I'm here to oppose LB809. And I'm a resident of Lincoln. Housing vouchers and the ability to use them are important in helping people access stable housing. I know this because my family and I wouldn't have a home that we have today without them. It was May of 2024 and my son was graduating high school, my daughter was turning 16. I was working a great job clearing six figures. I had arrived-- until I hadn't. I left my son's graduation in an ambulance and my life would never be the same. I had an infection following a recent oral surgery and I had later learned that I was in septic shock. That, that infection had already spread to my heart and the damage was done before I even knew what was happening. I spent the next three months fighting for the re-- fighting for my life and learning the true implications of my situation. I learned that I'd live with that diagnosis for the rest of my life at the age of 38. I was eventually able to go back to work to find out my job had been eliminated during my absence. Although that was fairly irrelevant because the chances of me working again full-time was almost zero. I filed for disability, and I had done all of the right things. I lived on savings for the next ten months. I sold everything we owned to make ends meet. In the end, I could not maintain our lifestyle any longer and we were facing eviction by February of 2025. I couldn't move into a cheaper place

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because I had no job and no income and no rightful landlord would rent to me. My initial disability claim was denied, and I was looking at at least another year of no income and no way to maintain our housing. We became homeless and lived the next ten months in basements and on the street. Within a month of becoming homeless, we got on the homeless voucher program through Lincoln Housing Authority, Section 8. It would take another seven months of endless paperwork and processes, but, in September of 2025, we were finally approved for a voucher. Now to find a place to accept it. We were fortunate. We found a property that was more than happy to follow Lincoln's source of income protection law and accept our voucher. On October 10, 2025, we moved into our new home that I can afford with or without disability. Our lives were flipped upside down, but having a place to call home is no longer a problem that we face. Speaking from experience, having a stable home isn't a luxury. It is everything. It's the foundation of everything else that you need to thrive. Thank you for listening. And please vote no on LB809. We need source of income protections in our state, not legi-- legislation that takes away our ability to find a home.

BOSN: Thank you for being here and sharing your story.

ROBIN NOLTE: Thank you.

BOSN: Let's see if there's any questions. Senator Rountree.

ROUNTREE: Thank you, Chairman Bosn. And not a question, but just a comment. I just want to say thank you for persevering.

ROBIN NOLTE: Thank you.

ROUNTREE: And coming to the point where you are, taking care of your family. Thank you.

BOSN: Thank you. Any other questions? Seeing none. Thanks for being here.

ROBIN NOLTE: Thank you.

BOSN: Next opponent.

AMANDA GERSHON: Hello again.

BOSN: Hello again.

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AMANDA GERSHON: This is actually why I was here today, but. Again, I'm Amanda Gershon, A-m-a-n-d-a G-e-r-s-h-o-n. Kind of had some notes, but listening-- I want to say Senator McKinney was on point. I'm still working my neck backwards. But earlier this year, my head was about here for the first time in my life. And I have never been treated so poorly. I have never been treated so-- like I'm not intelligent, like I don't have a voice. And it is hard to prove that you are discriminated against. It is hard to get genuine evidence that you are discriminated against. In 2011, after moving back, was the first time I became homeless. Because of the medication expenses, I could no longer afford rent. I was lucky enough to move in with family. Got back on my feet. And once again became homeless waiting for disability. I thought disability was temporary when I took it. I thought I'd get better and get back out there. But it's been 11 years next month. And I-- I've been in school. I am working forward. I am not giving up, but I also have to accept that I may never go back to work. My wonderful landlord that I rented from from se-- for seven years retired this year. And the new landlord's decided to increase my rent \$650 a month. I am on Social Security. I will be blunt: I get \$1,291 a month. So in order to be three times the income, I would have to find something for \$425. Again, I moved out at 17 and I am 43. I am friends with my landlord's wife because I am such a good tenant. I have never once paid le-- rent late. Ever. But I will be on a voucher for the rest of my life. I have no choice in that. I would love to go back to work, but that's not my reality at this point. So in order to find a home again, I have to wait on the voucher list. I had to reapply for housing. It'll be two years. I have a temporary place with a friend, but unfortunately he's been terminal for a year, so it is a 30-day situation. I have nowhere else to go. And again, third time homeless. First two times, I was working. This time, I'm on Social Security. I thought I could survive, and I have for 11 years up until this point. There is nothing in Lincoln I can afford to rent. There is nothing in small-town Nebraska I can afford to rent. So I am stuck again even though I have tenacity like you wouldn't believe. I never give up. So if anyone has any questions, I'm, I'm absolutely open to them.

BOSN: Any questions for this testifier? Thank you for sharing your story as well.

AMANDA GERSHON: Thank you.

BOSN: Yes. Next opponent. Good afternoon, and welcome.

KASEY OGLE: Hello. Thank you. Chairperson Bosn and members of the Judiciary Committee, my name is Kasey Ogle. And I'm a senior staff attorney at Nebraska Appleseed in our Economic Justice Program. Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans. I'm here today on behalf of Nebraska Epp-- Appleseed and representing my clients, Jennifer Capps and Elizabeth Ramirez, who are current housing choice voucher recipients in Lincoln and who are interveners in the ongoing lawsuit filed by landlords and property management companies who are seeking to strike down the protections enacted by the voters of Lincoln that prevent discrimination against tenants on the basis of their source of income. Attached to my testimony are statements from my clients urging you to reject LB809. As their statements detail, qualifying for a housing choice voucher means being able to demonstrate a good rental history and continue to meet significant reporting requirements with the Lincoln Housing Authority. Despite these guardrails around the Section 8 program, both Jennifer and Elizabeth have found it almost impossible to find housing that would accept their vouchers. However, last May, Lincoln voters overwhelmingly agreed that this type of discrimination-- based on the source of a person's income-- should be banned. Since then, source of income discrimination has been illegal in the city of Lincoln. With these protections in place, my clients feel more secure in their housing and have more cha-- housing choices. Source of income protections do not force landlords to surrender their Fourth Amendment rights. When a landlord rents to a tenant who uses a housing choice voucher, they enter into an agreement with the housing authority to ensure that rental units meet these basic quality standards. The agreement is consistent with the constitutional limits in the Fourth Amendment and does not violate a landlord's reasonable expectation of privacy. Even so, this question is currently being litigated. We urge you to let this play out in court and give local governments the chance to promote affordable housing solutions that work for them. Local governments are best situated to make policy decisions that work for them, but LB809 proposes to take away that power. We've heard a lot of testimony today about whether an SOI-- source of income protections are legal or whether they are good or bad policy, but this bill is about preemption. And the state shouldn't jump to preempt local laws merely because they disagree with a policy. Instead, it should be based on principles of what should or shouldn't be a matter of local concern. We've heard zero testimony today even trying to explain why cities should not be able to make their own housing choices. And we would urge you to continue to-- or, to reject LB809 and the attempt to stop cities from being able to make those

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choices. Source of income protections are critical for Jennifer and Elizabeth and all the other housing choice voucher recipients in Lincoln. And for these reasons, I urge this committee to oppose LB809.

BOSN: Senator DeBoer.

DeBOER: Thank you. So I've hor-- sort of heard conflicting things back and forth about whether or not a landlord could refuse to participate in Section 8 program based on a source of income law. Can you clear that up for me?

KASEY OGLE: Yes. The source of income protections in place in Lincoln mean that a tenant cannot be turned away because of their source of income. So if a tenant-- right now, there are landlords who won't accept applications from tenants with, with housing choice vouchers, and this would mean that that can't be a factor that landlords consider-- or-- the, the law currently in Lincoln. It cannot be a factor that landlords consider when determining whether or not to rent to someone.

DeBOER: So-- then they wouldn't be able to say we won't accept applications from Section 8 eligible folks? Is that right?

KASEY OGLE: That's correct. That's correct.

DeBOER: So is there any way-- if I'm a landlord in Lincoln, under the law-- or anywhere else that might enact a source of income law-- is there any way that I can say-- someone with a Section 8 says, you know, I'd like to live there. They apply, they have enough income to fit my requirement, my rubric, is there any way that I could say, no, you can't live here?

KASEY OGLE: Not based on that person's source of income, but landlords are free to impose and do impose other requirements for their tenants and have their own screening processes.

DeBOER: So-- I've also heard sort of conflicting things today about the onerousness of the Section 8 pro-- like, the program. Like, are there specific things that are required under the Section 8 program that are not required by any other currently in place Nebraska laws?

KASEY OGLE: I, I don't know that I could answer that. I, I know that what is required by the Section 8 program is the housing quality standards as outlined in the, the Federal Register as set by HUD.

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DeBOER: And-- would those go a-- you don't know if those go above what is currently--

KASEY OGLE: I know what they look like. They look like things that you've heard from previous testifiers: working smoke alarms, proper methods of egress, things of that nature. No tripping hazards.

DeBOER: So I've been in this committee for a while now, and I have--

KASEY OGLE: Certainly.

DeBOER: I've heard this bill a few times. And I know that there is certainly a strong feeling by landlords that they would not like to participate in Section 8. And I don't-- it-- in my hearing of that, it doesn't seem to be just about the tenants. It's the program itself. Can you speak to, like, the program itself? Is the program itself problematic?

KASEY OGLE: I, I can't really speak to the program itself.

DeBOER: OK.

KASEY OGLE: No. I'm sorry, Senator.

DeBOER: No, that's OK. OK. Thank you.

KASEY OGLE: Thank you.

BOSN: I guess let me ask one thing. So you, you also talk a lot-- your-- some of your comments pertained to-- let the cities have the local control to make these decisions.

KASEY OGLE: Yes, Senator.

BOSN: And I think-- and perhaps you disagree, but I think that cuts both ways because the ultimate, most local control down to its very minute detail would be the property owner should have their own local control over their own properties. And so it's just food for thought in terms of when we talk about who should decide what the local control is. Is it the counties, the state, the cities, the municipalities, or the person who purchased, bought, and is paying for the actual property? Just food for thought. And, and if you have a response to that, I'm, I'm open to it.

KASEY OGLE: I don't believe I do, Senator.

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BOSN: OK.

KASEY OGLE: Thank you.

BOSN: Thanks. Any other questions? Seeing none. Thanks for being here. Next opponent. Good afternoon, and welcome.

REID GAHAN: Good afternoon, Senator Bosn and members of the committee. My name is Reid Gahan, R-e-i-d G-a-h-a-n. And I am a mom-and-pop landlord. I own a duplex in town. And Martha [PHONETIC] and I are moving to another house in Lincoln this month, so-- and we're opening up our single-family detached as a rental unit as well. And I jumped up to go next because I have gone through the inspection process for-- it was a voucher through Community Action. The specifics of which kind of voucher it was, I, I honestly don't know. I just know that it helped my tenant pay her rent on time every month. And she has since graduated from that program and has just signed her sixth lease, moved here from out of state escaping a domestic violence situation and then was able to move to Lincoln and has now seen one son graduate high school and, and is now attending college at the university. The other son is a junior in high school now and is working at Culver's. The exact trajectory that you want to see a family like this going on. To speaking directly to the inspection process, it was-- I bought-- I graduated from college in 2019. I bought the duplex in winter of 2020. So I opened it up for rent in January 2021. Sure, I have a college degree. I did not study how to be a landlord. It was not a difficult process to go through. All the documents were provided to me by the caseworker through Community Action. When I bought the house, it went through an inspection process as a homebuyer, where an inspector comes and tells you every single problem about the house. It's a 1908 house. There are a lot of problems with this house. When I had the voucher inspector come, he pointed out that I had a few outlets that were not grounded that I should just replace with GFCI. There was a exterior staircase that was four steps that needed a handrail added. And there was some exposed wiring on our garbage disposal. That was it. I could ju-- the pay-- the printout I got from the inspector in the homebuying process, five, six, seven pages. I had three notes from the, the voucher inspector. I went back to my accounting, I guess. That totaled \$202 worth of repairs. For context, about five months later, I had bats in the attic. That was \$2,500. That was not mandated by any, any organization. That was a decision I made to make my house safer. Additionally, just going back to requirements making things more expensive and you have to pass that on to your tenants, when I buy a home and I'm on a mortgage, the mortgage company requires that I hold

insurance on my property. That is a cost of doing business that, sure, I do pass it on to my tenants in the form of the rent covers the insurance, but every cost of business-- I'm not go-- I'm not going to say mortgage companies shouldn't require that I hold insurance, because that is a reasonable requirement on their side. And yes, everything just gets passed along. And so saying that, oh, we shouldn't require people-- or, we-- it's not even-- it's-- also with Senator McKinney, no one's being required to accept Section 8. You're just saying that you can't not accept them. You still have your own choice. You can do-- this is all-- oh, sorry. Time's up. Any questions?

BOSN: All right. Do you want to finish your last thought?

REID GAHAN: Sure, yes. It is preventing discrimination on source of income, not amount of income. And I think there's a very important distinction there. Because you can still have whatever standards you want to set in terms of how you pick or do not pick various tenants.

BOSN: Thank you. Are there any questions in light of that testimony? All right. Seeing none. Thank you for being here. Next opponent. Good afternoon, and welcome.

ISAAC REMBOLDT: Hi. Good afternoon. My name is Isaac Remboldt, I-s-a-a-c R-e-m-b-o-l-d-t. This is my first time testifying, but--

BOSN: Well, welcome.

ISAAC REMBOLDT: I was a former state employee, so it's kind of interesting. I'm excited to be here on the legislative side.

BOSN: Yeah.

ISAAC REMBOLDT: I'm also a disabled Air Force veteran, and I just wanted to give my perspective on using GI Bill for obtaining housing. When I was in college, I was receiving GI Bill and had good credit and everything but still had to get a cosigner to acquire housing even though I had income from GI Bill and good credit, but. So I oppose LB809. I urge the committee also to ad-- consider advancing LB223. I also worked to collect signatures for the source of income discrimination ban ordinance in Lincoln, so I think that source of income discrimination shouldn't be a thing. But yeah, so my veteran benefits, those were benefits that I earned through my military service, but they were treated as less legitimate than traditional forms of income. If landlords can discriminate against veterans of

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good credit and stable sources of income, imagine how the situation is for the elderly, single parents, folks with disabilities, and Nebraskans of color. I myself now receive VA disability. And being in the reserves, I see a lot of my active duty colleagues transition to civilian service and have some struggles with that, so. Could see source of income discrimination being something that could impact people I work with. But everyone deserves safe, affordable, and stable housing. That's part of why I helped to collect signatures for the ballot initiative. And I also testified before the Lincoln City Council in support of the source of income discrimination ban here in Lincoln. I'm also the president of District 28 here in Lincoln. But again, I urge you not to advance LB809. You have the opportunity to help house Nebraskans by advancing LB223. Thank you.

BOSN: Well, thank you for being here and for your testimony and also for your service. Let's see if there's any questions from the committee. Senator Rountree.

ROUNTREE: Thank you, Chairwoman Bosn. And thank you so much for your service as well. As you were going through [INAUDIBLE] discriminatory practices with your VA disability and your GI Bill, VH and so forth like that, was it-- the landlords you were encountering, were they afraid that that source of income was going to be cut off?

ISAAC REMBOLDT: So, so the property manager was actually my aunt.

ROUNTREE: OK.

ISAAC REMBOLDT: So it was just a policy that because I didn't have a paycheck or verifiable income that they would have to have a cosigner. So even though I had good credit, because I didn't have provable income through a pay stub, I had to get a cosigner. And that was just the policy of the landlord that she was the property manager for, but. Tried to help me out there, so.

ROUNTREE: Appreciate it.

ISAAC REMBOLDT: Yeah.

BOSN: All right. Thank you for being here.

ISAAC REMBOLDT: Mm-hmm.

BOSN: Next opponent. Good afternoon, and welcome.

CHRISTOPHER GOMEZ: Thank you. Good afternoon, Chairperson Bosn, members of this Judiciary Committee. My name is Christopher Gomez. I am a law student at the Nebraska College of Law, a law clerk at a local nonprofit, and a lifelong Nebraskan. I am speaking today in my pers--

BOSN: Can I quick have you just sta-- spell your first and last name for the record, please.

CHRISTOPHER GOMEZ: C-h-r-i-s-t-o-p-h-e-r G-o-m-e-z. I am speaking today in my personal capacity in opposition to LB809 with some knowledge on landlord-tenant relations and as a concerned resident. We do not need to hide the ball today. LB809 is in direct opposition to the ballot initiative, initiative we Lincolnites passed last year in May. 30,000 residents joined together to stop source of income discrimination because they believe that all Nebraskans deserve the chance to secure safe and affordable housing-- what should be a fundamental human right. Any deci-- any decision should be made with these 30,000 residents in mind-- enough to fill this room hundreds of times over. It was a popular measure. It was more popular, popular than both presidential candidates, more popular than the repeal of the death penalty, and there's not many issues where so many people agree on one issue. We all agree that source of income discrimination results in housing instability, unaffordable, unsafe or inaccessible housing, or homelessness. In Lincoln, housing is unaffordable for 44% of renters at all income levels. And 11,280 households are ex-- are extremely cost-burdened by rent. There's rising hou-- house prices throughout the entire country, and Nebraska's no different. Please understand that housing vouchers are hard to come by. Many people must wait countless months before hearing a de-- a decision from the Lincoln Housing Authority. Of the lucky people that do receive a voucher, over 33% of Section 8 vouchers issued by Lincoln Housing Authority expire before they're used. And the initiative that just passed last year, we, we don't have enough data to, to see if this number has decreased at all. And passing this, this bill wouldn't [INAUDIBLE] the success of what happened. Landlords can continue to make decisions on multiple risk factors. They've always been allowed to. Application fees are made for background checks, credit score checks, rental history checks, and more. They can continue to make decisions based on these risk factors. There-- during my time at the law school, I have been involved in the Housing Justice Clinic through the tenant assistance project with the Nebraska Bar Association. I have met with many tenants who are currently facing housing issues. What I am-- what I'm reminded of constantly is how close I am to their

position. It takes just one bad month, one job loss, a loss of a close family member, one expensive hospital visit, one sick child. I am a lot closer, closer to their position than I think. Laws should be made for the betterment of Nebraskans. And because this law does not do that, I urge this committee to reject LB809. Thank you for your time and attention.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here. Next opponent.

BRENT LUCKE: Hello, members of Judiciary Committee. My name is Brent Lucke, B-r-e-n-t L-u-c-k-e. I'm a Lincolnite who proudly voted to pass the fair housing ordinance that this bill aims to supersede, an ordinance which more Lincolnites showed up to pass than any other item or candidate out serving the public who was in the ballot during the last at-large municipal election. I want to note that fact to address prior comments that 8% turnout of the total population around 30,000 invalidates the ordinance. If that's true, we have larger concerns about the validity of the whole election in Lincoln, which I'm sure we can all agree would be a little ridiculous. It's no surprise to hear for anyone, particularly those who pay rent, that Nebraska's experiencing a rise in the cost of housing. Low-income renters-- which are some of my friends and neighbors-- are facing an immediate crisis. In fact, 40% of Nebraskans are rent-burdened, paying more than 30% of their household income on rent. Our social safety nets-- namely Section 8 housing choice vouchers-- were established in order to protect our most vulnerable from being priced out cen-- out of necessities like housing. Ensuring that housing first and foremost's purpose as shelter and as home is available to folks that the private market is unable or unwilling to serve on its own. Unfortunately, those eligible for these programs aren't able-- always able to find stability through them. Many folks have already testified on that today. And it's because not just the fact that they can't find a landlord who will accept it but because they're trying to find housing that are in neighborhoods where they can access work and other household needs. Household budgets are more than just housing. Transportation is also a factor. Those Nebraskans that don't find a place to use their voucher don't simply figure it out. They're forced to make hard decisions, often forgoing-- often making impossible choices between safe and stable housing and medical or nutritional needs for themselves and their families. Source of income protections-- including those passed at the ballot in Lincoln last year-- are one of the ways that local governments can reduce these negative outcomes. This bill would severely limit the ability of

communities to best leverage their existing housing stock to serve low-income residents and to protect renters against discrimination based on how they're able to pay rent. Housing affordability is only-- or, affordable housing is only useful as it is accessible to the most vulnerable populations. In service of le-- alleviating unaffordability, preventing homelessness, and providing opportunities to stabilize mixed-income communities, every municipality should be allowed to adopt fair housing policies that they need given their local context. Recognizing the true purpose of a community's housing stock as shelter for its residents is a critical component of the ideals that Nebraska has espoused since its founding: the opportunity to build a good life for all who know it as home. I urge you all on the committee to vote no on the prohibition of political subdivisions from enacting certain ordinances related to landlords' LB809. Please don't forward this one. Instead, look at forwarding LB223 towards General File. Thank you.

BOSN: Thank you for your testimony. Any questions for this testifier? Seeing none. Thanks for being here.

BRENT LUCKE: Thank you all.

BOSN: Next opponent. Good afternoon, and welcome.

SCOTT JACKSON: Good afternoon. My name's Scott Jackson. I work for Heartland Family Service. That's S-c-o-t-t J-a-c-k-s-o-n. Based out of Omaha, Nebraska. So I want to talk a little bit about the housing inspection process because I typically do a lot of those. I'm trained to do tho-- to, to do those. So as previously mentioned, the inspection process is meant to-- make sure that these apartments for renters are habitable, right? So we go in and we're looking at all the appliances, making sure that they're worka-- working appropriately. We're looking to make sure that there's no infestations of critters or, or bugs, mice, things like that. We're also making sure that the windows are-- windows' open so there's means of egress, making sure there's no holes in the floor, things like-- I mean, we're making sure that this is a safe place to live, that anyone, anyone of us would want to live. So that process for us typically starts after we have a tenant identif-- or, a client identify a unit that they want to apply for. So they'll-- they will have applied for it. And then we'll go in and schedule that inspection with the landlord. Typically, I try and do that within 48 hours because landlords want to make money. We also want people to get into housing. So working to better with-- working together be-- better with our landlords to get our folks in quickly.

So-- try and expedite that, that process. And then typically, we do-- so then we'll do that inspection. And then what-- if it passes-- and most of them do-- we get that lease signing scheduled and then get first month's rent deposit at that lease signing. So that's typically how our process works. We, we really think that making-- it's really important to note that source of income for a lot of our folks is, is-- are, are-- basically us paying their rent portion. So if they don't have income, then obviously we'll cover that rental portion until they start work or if they're able to get on disability. If they get on disability, then they'll get-- or, they do start work, then 30% of their gross annual income goes towards their rent and then we cover the rest. And we provide case management. So we're going into that unit and making sure that it's being upkept, that clients are being good tenants, that they are paying the rent on time, that they're not causing issues with other, other tenants, things like that. So I'll be happy to answer any questions because I want to save time for everybody else.

BOSN: Thank you very much. Any questions from the committee for this testifier? Seeing none. Thank you for being here.

SCOTT JACKSON: Thank you very much.

BOSN: Yes. Next opponent. Good afternoon, and welcome.

LEE HEFLEBOWER: Good afternoon. Thank you for having me today. I'm Lee Heflebower, L-e-e H-e-f-l-e-b-o-w-e-r. I re-- represent the Nebraska Coalition to End Sexual and Domestic Violence. Coalition's network of 20 programs collectively serves all 93 counties in Nebraska, and we're the primary service providers for survivors of domestic and sexual violence as well as human trafficking. And I'm here to testify in opposition to LB809 and speak to the importance of housing resources for survivors of violence. Many survivors of violence and their children lose their housing when they escape abuse and often face significant challenges locating permanent, affordable housing when seeking safety. Abusers often use tactics of economic abuse in addition to violence and leave survivors with difficulties in regaining financial stability and a lower household income after leaving the abuse. Affordable, safe housing is critical for survivors and their children to achieve economic stability and heal from the trauma they have experienced. The Nebraska Legislature recognized the importance of ensuring that survivors have the resources necessary to access safe housing when it created the Domes-- Domestic Violence and Trafficking Survivor Housing Assistance Fund that was enacted into

statute in 2025. That was created through an adjustment to the doc stamp tax. This fund assists survivors with critical housing supports to provide safety and security. Many survivors only need one-time assistance with first month's rent and deposit while others may need longer to regain stability. Survivors often also access other housing supports such as rental assistance program through local nonprofits, such as-- I believe Community Action and some others were mentioned earlier-- and Section 8 vouchers. LB809 would create significant barriers for the administration and use of the Domestic Violence and Trafficking Survivor Housing Assistance Fund. It creates an environment in our communities where landlords would be allowed to refuse to lease housing units to survivors simply because they were trying to utilize the survivor funds that the state of Nebraska has determined are critical to their safety and housing stability. This is particularly harmful for survivors in rural areas, where there are very limited other housing options. LB809 is antithetical to the values and priorities that our state upheld last year when creating the survivor fund. It would be damaging to survivors and their children to give them access to financial assistance for housing yet create roadblocks to them actually being able to use that assistance and allow a landlord to discriminate against them for attempting to do so. It's important that Nebraska communities are allowed to individually determine how to best assist survivors and others in need of safe, affordable housing. This provides the flexibility needed in each part of the state to most effectively support survivors in moving forward with lives free from violence. We recognize the importance of removing barriers to safe, stable housing. And we oppose LB809. And we would ask that the committee vote no on LB809. Thank you.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here. Next opponent.

ZEKE ROUSE: Chairperson Bosn, members of the Judiciary Committee, good afternoon. My name is Zeke Rouse, Z-e-k-e R-o-u-s-e. And I serve as a policy analyst and lobbyist for Spark, a nonprofit organization based in Omaha focused on revitalizing disinvested neighborhoods. While our roots are in Omaha, our impact is growing statewide. This year, we'll be hosting three developer academies across Nebraska in Fremont, Norfolk, and, of course, Omaha to help train and equip local developers across the state. I also lead Spark's Emerging Developers Action Group, a network of more than 140 members, most of whom are graduates of Spark's Developer Academy. These are local, small-scale developers. Spark respectfully opposes LB809. We recognize the amazing

work that Senator Dover has done in the housing space, but we believe this bill would make it harder for Nebraskans who rely on lawful, nontraditional income sources to access safe, stable housing. This in-- includes families who use federal or state housing assistance as well as older Nebraskans on Social Security, veterans using VA benefits, and more. It doesn't just hurt renters, of course. It hurts entire communities. In the neighborhoods Spark serves from north and south Omaha all the way to Norfolk and beyond, these forms of income assistance are essential tools to prevent displacement and keep long-time residents rooted in their communities as property values rise. Eliminating the ability to protect these renters would move Nebraska in the wrong direction at a time when housing costs are already strained-- straining household budgets. In reference to just HCVs, it's also important to note that landlords who accept vouchers have the right to choose tenants based on their own criteria that is consistent in objectives such as credit reports, criminal background checks, and rental history regardless of whether an SOI protection is in place. Regarding his-- history in other states-- also have fun numbers. I believe the League of Women Voters said 23-- my research said 22 states have passed legislation, as well as 120 local jurisdictions. Additionally, legal experts from the National Fair Housing Alliance and Thurgood Marshall Institute explain under the Fair Housing Law-- or, Fair housing Act-- apologies-- that rejecting vouchers-- voucher holders-- which disproportionately affect marginalized groups-- may be seen as a form of indirect racial or disability discrimination. HUD's Landlord Task Force is working on reforms to streamline inspections and improve payment speed, measures that could address some of the landlords' concerns. In closing, someone previously referenced this as a liberty bill. But in our quest to appease a few landlords, whose liberty are we taking away? For these reasons, Spark respectfully urges the committee to vote against LB809. Thank you for your time and consideration.

BOSN: Thank you. Any questions of this testifier? Seeing none. Thanks for being here.

ZEKE ROUSE: Thank you.

BOSN: Next opponent. Anyone else here in opposition?

CLARICE DOMBECK: Good afternoon, committee members. My name is Clarice Dombek, C-l-a-r-i-c-e D-o-m-b-e-c-k. I'm the senior campaign organizer for the Redress Movement. We are a national nonprofit organization that works in four municipalities across the country with

local communities to repair the harm caused by intentional policies that segregate our neighborhoods. Our work is grounded in telling the truth and acknowledging the facts of history. And history shows that the Section 8 program was created by President Nixon and supported by conservatives and the realtor, realtor lobby as a part of-- as a part of the Housing and Community Development Act of 1974. Their goal was to shift away from concentrated poverty and large public housing developments and to give people a choice and to give people opportunity. Ultimately, the program failed to live up to that promise because, in most cities, families with vouchers are concentrated in the lowest income in blackest neighborhoods. As an example, nearly half of all of Omaha voucher holders are concentrated in north Omaha, the same north Omaha where black people were relegated during government-sponsored segregation. And it continues to be the blackest part of the city today. One of the primary reasons for this continued segregation is that most landlords refuse to accept families who use vouchers to help pay for rent. In fact, a city survey done as part of the Housing Action and Affordability Plan in 2022 found that only 6% of Omaha landlords accept families with vouchers. That's disturbingly low and threatens to undermine the entire program. What that looks like in practice is that families with vouchers often have no way to leave a bad situation because no one will accept it. I believe I came in front of this committee last session and shared about the conditions that we saw at City View. A lot of those residents at City View had housing choice vouchers. They weren't staying in those terrible conditions because they wanted to. They were forced to stay in those terrible conditions because only 6% of landlords will accept vouchers. The law that Lincoln voters passed last year will provide some relief to families in those kind of conditions and doesn't can-- it doesn't guarantee anyone a home, but it makes it clear that families can't be turned away for the sole reason of using a voucher to help pay rent. I believe we're debating the wrong bill today. We should be talking about LB223 to put these protections in place statewide rather than enforcing discrimination across the state. We're in the midst of an affordability crisis. Allowing discrimination against people in our primary housing assistance program, it doesn't make any sense. So I'm asking you to vote against LB09 [SIC: LB809] and consider real protections for our state. Thank you.

BOSN: Thank you. Any questions for this testifier? Senator McKinney.

McKINNEY: Thank you, Chair Bosn. Thank you. Thank you, Clarice. I was wondering-- cause I think some of those individuals that lived in City View have vouchers from the Omaha Housing Authority, right?

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CLARICE DOMBECK: Yep.

McKINNEY: And the city of Omaha's position last year was that they could do nothing to tell OHA what to do, correct?

CLARICE DOMBECK: Yeah.

McKINNEY: And we passed a bill that was vetoed by our Governor because he said it's not the Legislature's job to tell the city what to do.

CLARICE DOMBECK: Mm-hmm.

McKINNEY: But this bill would tell a city what to do, correct?

CLARICE DOMBECK: It sure would, yes.

McKINNEY: All right. Thank you.

BOSN: Any other questions? Thank you. Next opponent. Good afternoon, and welcome.

COURTNEY CARON: Good afternoon. My name is Courtney Caron, C-o-u-r-t-n-e-y and C-a-r-o-n. I work as a social worker for trying to help folks who are currently experiencing homelessness or at risk of homelessness in the Omaha area obtain housing. I see day to day how folks end up in the situations they are experiencing homelessness, as well as a lot of the folks who are trying to get into housing and the barriers they face. I was very happy to see the things that Lincoln had accomplished with that ordinance, because it meant a lot of great change. And our counterparts in Lincoln have seen that change. They've had better success finding landlords who will take vouchers and be able to help get the folks we're working with into housing as soon as possible. I know there's been a lot of concerns on the legality of it all. And I am not a lawyer, but I think that the cities should have their rights to be able to decide their own things and to respect the people's vote. Because in the end, the people of Lincoln voted for this and had that choice, and it shouldn't be overridden. There are other states who have passed these similar laws. Some have made it so that Section 8 is not specifically in it, others haven't. It's easier to not, but it is up to each place. I think that there's a lot of great opportunities with this for people to have better, safer housing. I know somebody earlier had mentioned that 100% of the vouchers here in Lincoln are being utilized. Per HUD's own website, it's not that. It is 78-- or, 79-- 78.9. But there are many more that are still being used for folks who are trying to find places. It takes

a very long time. And if you're not with, like, an organization such as, like, a HUD-VASH voucher, it is even harder to find landlords. You will find more landlords under a HUD-VASH voucher than you would a normal voucher because there's somebody they can have that case management with. It's similar with the Community Action Partnership and other nonprofits, but that still leaves folks at a, a rate of more issues. Senator McKennedy-- or, McKinney had asked some great questions that I can kind of go into a little bit on the discrimination. But the main thing that I would love to see with this is that people are protected, because most of the folks I work with are retired or disabled. They're on VA disabilities, Social Security disability, or Social Security. They get \$9,000 to maybe at best \$2,000 a month to find housing. And if they aren't currently in the streets or shelters, I can't really help them find housing because of the limited vouchers in the city of Omaha for normal, mainstream, and HUD-VASH. And they are often told to figure something out. But landlords are denying them because they don't make three times the rent even though they have enough money to pay their rent with barely anything left. I have had a gentleman call me every single week for a year-- almost a year now because he can't find an apartment. And he's staying with family and I cannot help him. But he hasn't been able to go anywhere because he only gets \$1,500 and the rent wants three times that.

BOSN: Thank you. Any questions for this testifier? Senator McKinney.

McKINNEY: Thank you. And thank you. I got a question. This is actually a real-life scenario. What is a mom supposed to do if she has a housing voucher? She has a kid who is kind of at risk of going to the streets or have been in the streets and trying to move away because, let's say, her house got shot up. But other parts of town primarily don't accept housing vouchers. What is she supposed to do?

COURTNEY CARON: If it's a normal, mainstream voucher, you keep trying any of the, quote, unquote, normal landlords they have. And it's just trying to see who accepts them. There's not a lot. And unless you're working with an organization-- generally, there is a, a list of landlords. It's one of the benefits that a lot of the nonprofits have, is they have those relationships with landlords to help. A lot of folks who are in that traditional-- especially OHA housing vouchers-- are left to figure things out on their own. They have to constantly refile for extensions if they hit that 90 days, which they often do. And a lot of the times, they have to end up turning to the shelters or streets if they can't stay wherever they are currently until they find

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that housing. There's not a lot of, like, temporary support for things like that. And especially in Omaha and Lincoln-- but really the state-- there's not a lot of family support. The folks who are experiencing homelessness the most in my caseload at work are folks who are families because I have nowhere for them to turn outside of the MICA House. I usually have to tell them to stay in their vehicles because there's nothing else, especially if they are two-parent households.

McKINNEY: So would it be fair to say that the probability of-- if the 6% in Omaha is correct, that the probability is higher for that family to be probably more so affected by some sort of violence than to be able to get a new place of residence if they have a housing voucher?

COURTNEY CARON: Yeah, especially since a lot of the times if you are trying to leave, if you don't have to leave, it's very difficult to transfer and, like, move your voucher into a new place. And you have to usually tell the housing authority that. So it could be quite difficult. That was an issue we ran into quite a lot with City View because a lot of the folks who did see the signs coming before it was condemned tried to leave. But they had to go through OHA and do a normal move packet, which takes a lot longer just because OHA in general's kind of slow. So it's very difficult. And a lot of folks either stay where they are and are at risk or become homeless or have to just wait a really long time and hope that everything's OK.

McKINNEY: Thank you.

COURTNEY CARON: Mm-hmm.

BOSN: Thank you for being here.

COURTNEY CARON: Yeah. I-- in terms of-- can I ask kind of a question to McKinney?

BOSN: We don't allow you to ask questions, but I'm sure he'd be happy to follow up with you if you have a question.

COURTNEY CARON: Yeah. No worries.

BOSN: All right. Next opponent. Anyone else here in opposition?

CARINA McCORMICK: Hi. My name is Carina McCormick, C-a-r-i-n-a M-c-C-o-r-m-i-c-k. I've been involved in affordable housing volunteer work for a-- about a decade now. And it's really hard and slow to make

new affordable housing units. I'm a past president and current treasurer of the South of Downtown Community Development Organization and-- here in Lincoln, and we try to make affordable housing new, either from scratch or by renovating existing structures. And it's incredibly slow, it takes so much work, and it takes money from the city and the state to make it happen because new construction is so expensive and renovating existing buildings is so expensive. And that's why Section 8 is a necessary tool in the affordable housing puzzle to make it work. It's not practical to have an affordable housing system in which Section 8 isn't functioning as planned, because we have too many people who are unable to use their Section 8 vouchers and too many people-- thus, too many people are left without housing. It's not practical at all to just expect nonprofits to create new affordable housing stock. And that's the main point I wanted to get across. But secondly, a point got brought up that this law only affects Omaha and Lincoln because there is an existing law that I didn't know about, about what are the rights of different types of cities. So it's already been decided that Lincoln and Omaha should have the right to make these sort of decisions for themselves. And this bill would take away that already decided right of Omaha and Lincoln. A lot of folks put a lot of work in with getting Lincoln's source of income discrimination bill passed and they explained to voters the benefits of a source of income discrimination prohibition. And voters saw that. They understood how important it is to allow all people that have Section 8 vouchers to be able to use them. And I think that work should stay because the voters of Lincoln made that decision. So that's all I have to say.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here. Next opponent. Good afternoon, and welcome.

ALLIE CHRISTIANSON: Good afternoon, members of the committee. My name is Allie Christianson, A-l-l-i-e C-h-r-i-s-t-i-a-n-s-o-n. And I'm a community organizer with Lincoln for Fair Housing. We are a coalition of local renters, landlords, homeowners, and service providers dedicated to advancing fair housing for all Lincolniters. For nearly a decade of local listening and advocacy, our community advanced source of income protections with over 66% of the vote. And we urge you to vote no on LB809, as it would worsen our state's housing crisis and take power away from local communities to enact the fair housing policies they need. LB809 is a bill about discrimination. It props up predatory landlords at the expense of working and disabled Nebraskans. If passed, LB809 would allow predatory landlords to turn tenants away because of their source of income and segregate families with low

income into the worst kinds of housing. I'm sure you can all imagine a place in your community where people have to live because they have no other choice. That's what this bill is about. Now, a source of income discrimination knows no urban-rural divide. It impacts Nebraskans across our state. On average, 32% of Nebraskans who receive a voucher have to return it because they can't find a landlord who will accept it. In fact, source of income discrimination is the worst in Kearney, with a 52% voucher failure rate because of this discrimination. Trailing behind is Norfolk at a 50% voucher failure rate. And moving west, it doesn't get much better. West Central Nebraska Joint Housing Authority has a 46% voucher failure rate. And across our state, 200,000 Nebraska households are cost-burdened, paying more than 30% of their income alone on housing, forcing families to sacrifice necessities to make ends meet. Public benefits programs like vouchers are supposed to help, but they can't when landlords discriminate against those who use them. This hinders our state's best housing tools from solving the housing crisis we're all facing right now, trapping tenants in a wasteful cycle of applying for assistance and then being denied the opportunity to rent because they have that assistance. As our state faces a budget shortfall, it's imperative that we ensure our public benefits programs are used efficiently to ensure that families can access the housing they need. Now, this issue's not new to Nebraska. In fact, Senator Guereca introduced a solution last year through LB223, and Senator Vargas had introduced it for years beforehand. We know the solution. We should advance protections, not ban them. Therefore, I urge you to vote no on LB809 and instead advance LB223 so that all our neighbors can have a safe place to lay their heads at night and wake up each morning. I'm happy to answer any questions.

BOSN: Thank you. Any questions? Seeing none. Thank you for being here.

ALLIE CHRISTIANSON: Thank you.

BOSN: Next opponent. Neutral testifiers. Anyone here in the neutral capacity? All right. Senator Dover, if you'd like to come up and close. While he's making his way up, I should note for the record we had 30 letters in support, 65 letters in opposition, and 0 letters in the neutral submitted for the committee.

DOVER: Well, I apologize for having such a long hearing for Judiciary, although I did leave-- Appropriations' kind of a sister-brother committee, if you know what I mean. And we had three times as many people waiting to testify in the hall. So I think they'll be going a

little longer here. First, I'd like to say that I kind of jotted down-- I wanted to address what some of the people said today, and I started jotting down and I kind of had to move around. So [INAUDIBLE] necessarily in the, the best order, I do apologize for that. I'd like to start first of all by saying that Senator McKinney, Senator Hallstrom, and I are definitely champions for affordable housing, and I, and I think that was referenced today. So it is not my intent-- actually, my intent is to provide more affordable housing a-- and make housing available to people with Section 8, et cetera. I'll also say this, that we, we own a number of apartments in Norfolk, a number of duplexes, a number of houses, and guess what? Anyone with Section 8 is welcome to apply. So everything we own as a family is open to Section 8 people. And, and, and like so many topics we get into on the floor, we're really talking about two different things and the, and the argument going [INAUDIBLE] goes like this in the night, right? And so I think-- I'd normally agree with the opponents of my bill, but I, I don't-- it-- with what their cause is, I don't honestly disa-- ag-- agree with that this is a bad bill because this-- the purpose of this bill is the public should not be able to take pri-- private property owner's rights away, and that's really what this is. This, this is not-- it isn't the pa-- the place of the government to do this kind of thing. So I'm going to just address a few things here quickly. The first thing I just want to point out is, over half of the funding for the ballot initiative at Lincoln came from where? Washington D.C., from a group called the Fair, the Fair-- let's see-- the Fairness Project. And so I always get concerned when funding comes not from local people but from outside the state, as we've all seen before. So I'll ha-- had a little question about that. And again, just the overall participation of everybody in Lincoln. Had there been a higher turnout, who knows what would have happened? And again, of course, a question with constitutionality, et cetera. I will say one thing also is-- I like the statement that Chris Cox from Epiphany said when I met with her one time because she was analyzing programs and she sai-- and she said this-- and I'll never forget it-- she said, tell me how you'll measure me and I'll tell you how I'll act, right? So here's what we're gonna do. With best intentions-- as the goven-- government usually has-- they do more harm than good in certain situations because they're trying to fix something and don't understand the dynamics of the situation. So as we say, you have to-- let's say-- [INAUDIBLE] got to take Section 8. That's the way it is. And it [INAUDIBLE] you know what's gonna happen? They're gonna chan-- they'll just change the, the repor-- the, the requirements for the credit requirements. And here-- and what's gonna happen then is, guess what?

As pointed out earlier, there's more people that would have qualified for that but didn't-- wasn't perhaps using a Section 8 that would've qualified to rent that house but now they can't. They're-- [INAUDIBLE] what does that actually do? What's the impact? Now we have more people not be able to find housing. We're limiting housing. And I don't think that's-- and I know that's not the purpose of the people behind me, is to limit housing. So that's one thing I wanted to say. I also wanted to say, as far as-- I do believe in local control. I think if there is a shortage-- I heard-- people were-- this kind of weaponizing of, of verbiage by some more than other ones, but-- I mean, I don't know what a predat-- predatory landlord is, I mean, necessarily and, and things like that. Most landlords want to rent their property and they just have certain concerns that they want to address. But I do believe it's-- it is a city, a state, and a federal responsibility to provide affordable housing, right? And-- like low-- that's why we have-- I mean-- and the problem we're talking about too, where there was some ta-- some talk about-- you know, Kearney has a 50% whatever vouchers go unused. You know why that is? It's because Kearney is growing. And when Kearney is growing, you know what you have to do if you need more housing units? You have to build them. And here's the thing. There's people that don't, that don't want to take Section 8 housing because if they took Section 8 housing, they couldn't make their mortgage payment. They couldn't build-- and so let's just say you blanketed everybody in the state of Nebraska saying you have to take Section 8 properties, there's no new housing. None. Because it doesn't cash flow. And why-- if it doesn't cash flow, what do we have to have? We have to have really federal programs-- and that's what we have, low-income housing tax credits, right? And low hou-- low-income housing tax credits, there's obvious-- a-- an incentive to use these programs that are supposed to be voluntary. But again, it's using a carrot, not a stick. And so in low-income housing tax credits, 20% has to be below 50% of the AMI, the average medium income. 40% has to be below 60% of AMI. And 40% have rent restricted, and it-- and, and, and the average has to 60% AMI. And it can range from 20% to 80%. So it's actually an averaging. So that's why we have low-income housing tax credits and other federal programs, to assist in helping the people of our, our towns, our state, et cetera, to find housing that can't find housing. I, I mean, no one in America should, should be homeless. I, I personally believe that. And I thank Senator McKinney, I thank Senator Hallstrom for working with me because I'll tell you we are really focused on affordable housing in the state of Nebraska. I also believe that-- [INAUDIBLE] a gentleman was speaking earlier about, you know, you, you, you shouldn't control zoning, you shouldn't control this,

whatever, affordable housing. I don't believe that. I believe you should be able to go zoning and say, this is affordable housing over here. And there's many, many programs. I know-- Senator McKinney's on Urban Affairs, is aware of those type of programs. And we're working hard to make them more, more available to people because people, again, should not go homeless in the state of Nebraska. And so you can have zoning. You can have houses that are built where the ground is actually-- is owned by the housing authority. I mean, there was a recent article here where I think the house co-- cost [INAUDIBLE] \$400,000 for a new house. But through the use of the, the habitat, I believe owning the ground and other, other down payment assistance-- it was \$190,000. So that young family with kids could afford that house. And those are the kinds of programs that we need to have. OK. I apologize. Just reading through my notes here. OK. I'll go ahead and [INAUDIBLE] my close.

BOSN: All right. Any questions?

DOVER: Oh, no, no. I'm going to basically do my closing now. Sorry. That was just answering questions. I-- I'll be brief.

BOSN: All right. We have three bills after you.

DOVER: First, we've heard about the argument for LB809 defies the will of the people because Lincoln voters have, have approved a fair housing ordinance. I respectfully disagree. What we are seeing here is not a rejection of democracy. It is a democracy in action. If our system of government, law is permanent-- not a city ordinance, not a state statute, not even the United States Constitution. Every law is subject to review, challenge, and refinement through the checks built into our democratic system. Ballot initi-- initiatives are one expression of the public will, legislative review and judicial scrutiny are others. The Legislature exists precisely to serve as a check when local actions raise broader legal, constitutional, and statewide concerns. Exercising that responsibility is not undoing the will of voters. It is honoring the system they participate in. LB809 represents one of those checks, ensuring that local policy aligns with constitutional protections-- excuse me-- federal law, and uniform statewide standards. This is not defiance. This is how our democracy is designed to function. Second, we have heard that Nebraska needs more affordable housing and this bill will somehow limit that goal. We all agree Nebraska needs more affordable housing. LB809 does not prevent affordable housing development, does not prohibit participation in the housing assistance programs, and does not

eliminate voluntary partnerships between landlords and housing authorities. What it does is preserve the voluntary nature of federal housing programs as Congress intended. Forcing participation through a mandate does not create housing supply. In fact, it risks doing the opposite, driving smaller landlords out of the rental market and discouraging investment. Affordable housing is best expanded through incentives, zoning reform, and voluntary programs, not by compelling property owners to enter federally regulated contracts under the threat of penalty. Finally, I want to address the importance-- constitutionality point. Constitutional rights do not disappear because the issue is, is housing or because a program is well-intended. If a law effectively forces participation in a federal program that requires a warrantless inspections and access to public business records, that is a legitimate Fourth Amendment concern, one that the federal court has, has already recognized in a closely related case. LB809 is a measured response. It protects constitutional rights, respects federal law, preserves voluntary participation, and still allows communities to pursue affordable housing solutions through lawful means. Thank you.

BOSN: Thank you. Any questions? Senator McKinney.

McKINNEY: Thank you. Thank you, Senator Dover. My first question. And I-- you-- you've been here. And I asked a question about letting the court proce-- process play out before making a decision in the body. How do you feel about that?

DOVER: I think that having to go to court is an unfair burden when other, other states have found-- I would-- other, other courts have found it to not-- to be constitutionally questionable. I don't think-- I don't think it's fair. I mean, going to court is not, is not cheap. And I understand right now they're, they're in litigation. The problem is that Appleseed wants to also become a complainant in the case. And they're arguing about if they have a right to, to participate in that case. So-- I, I don't-- I mean, I guess personally-- I guess-- talked-- like someone said earlier, I don't think that the government has any right to go to some-- a mom-and-pop's or even a business or whoever and take away the private right of ownership to be able to, to manage their property, rent, and do-- they-- if they're found to do something wrong-- I mean, criminally wrong or whatever and cause harm to someone, I definitely think you should stand in. But I don't believe that the government has a right to take over private property from someone who owns it. I mean, I think we ha-- I think that's a basis of the United States, is the right to own property.

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McKINNEY: I guess--

DOVER: It's why a lot of us came here from Europe, I guess.

McKINNEY: --on that same frame of thinking, it's-- it is my understanding that the ordinance that was passed in Lincoln and even the other ones that may be being discussed or not, they don't mandate that a property owner has to lease to somebody with Section 8. All they're saying is let them apply. And I've, and I've heard the argument, but I'm feeling like there's some disconnect somewhere because just letting them apply doesn't mean you have to rent to them. So I'm kind of confused about the argument.

DOVER: I, I am not an attorney. I don't practice law, so I, I can't ask that question. But I will be-- I will-- we will make sure that we get an answer to you, because I think it's more complicated than simply you have to simply take the applicant-- I mean, you have to take the application. And I'll be quite truthful. We take applications all the time in our company. We manage-- I don't know-- it's, like, probably 500, 500 units. People are very, very upset because they don't have a lot of money sometimes when somebody pays for the application process and they're denied because of their credit situation. I mean, it-- and, and-- for whatever reason. They're very, very upset because it-- I mean, they said, I don't have any other money-- I don't have any additional money go-- go to another place and file another. So that, that amount of money, it's-- I think it's a lot-- it serves them better to say, we don't take Section 8-- I mean-- but that's a whole other issue that I'm dealing with-- than to have them fill it out and then say you can't. But I think that's more complicated than that. And I-- and I'll get you an answer.

McKINNEY: Thank you.

BOSN: Thank you for being here. That will conclude our hearing for LB809. Next up, we have Senator Guereca with LB880. Can I see a show of hands how many individuals are here to testify on LB880? 1, 2, 3, 4, 5, 6, 7, 8, 9, 10. All right.

HOLDCROFT: We have a rule in Judiciary: if you're the testifier-- if you're the introducer-- Senator Guereca, we have a rule here in Judiciary: if you're the introducer at 6:00, you have to provide dinner.

BOSN: I have dinner being provided.

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GUERECA: I think a fair enough rule.

BOSN: And Senator Guereca, you're welcome to join us. Because it sounds like you will still be here at 6:00. In other news. All right. Go ahead and get started. While he-- while he's preparing to get started, can I note really quick: we had 13 letters in support, we had 29 letters in opposition, and 0 letters in the neutral capacity. Good afternoon, and welcome, Senator Guereca.

GUERECA: Good aft-- thank you, Chairwoman Bosn. Good afternoon, members of the Judiciary Committee. My name is Dunixi Guereca, D-u-n-i-x-i G-u-e-r-e-c-a. I represent District 7, which includes the communities of downtown and south Omaha. LB880 prohibits residential landlords from prohibiting or charging extra fees for tenant payments made by Automatic Clearing House transfers. I also want to clarify that my intent with LB880 was to prevent landlords from charging the extra fee as an ACH payment, not requiring that landlords are obligated to accept ACH payments. So I passed out a white copy amendment along with my fact sheet that'll reflect that change. Now, what is an ACH transfer? The Automatic Clearing House, or ACH, is a centralized U.S. financial network for banks and credit unions to send and receive electronic payments and money transfers. ACH payments are transfers of funds put in accounts at different financial institutions using the ACH network. The ACH network is safe, secure, cost-saving, and a convenient way to collect electronic payments. ACH payments are safe and common according to NACA, which is the association that oversees and regulates these ACH transactions. There were 7 billion payments made on the ACH at work during the fourth quarter of 2020, reflecting an 8.9 increase over the same period in 2019. ACH processing fees are cost-effective options for transferring funds between bank accounts, typically ranging from \$0.20 to \$1.50 per transaction. Compared to other payment methods like wire transfers and paper checks, ACH payments offer a balance of affordability, security, and reliability. To me, AC-- LB880 is about transparency. When a tenant signs a lease agreement stating that the rent is a specific amount, they should only be responsible for that specific amount. Now, LB880 does not prevent landlords from raising tenants' rent to cover this fee. It only states that this total cannot be charged as an additional fee. With that, I am happy to take any questions.

BOSN: Thank you. Any questions for this-- Senator McKinney.

McKINNEY: So you're arguing that I shouldn't be charged a extra \$9 when I pay my rent?

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GUERECA: If it's an ACH fee, no. But they don't say-- they should disclose that to you, right? You should be co-- you should be responsible for your rent. Now, if they want to raise your rent by \$9 to cover that transaction, well, then that's an agreement you and the landlord are going to come to, right? Again, for me, it's about transparency. If rent is, you know, \$1,000 and that's the contract you signed, I can write you a check and drop it off at the office for \$1,000, right? So if-- now, if they wanted to ra-- raise that to cover the ACH fee, they're more than welcome to. But again, for me, it's about transparency. If I'm building my budget off the rental agreement that both parties have signed, that's what I should be paying.

McKINNEY: All right. Thank you.

GUERECA: Yeah.

BOSN: Thank you. Any other questions? Senator Hallstrom.

HALLSTROM: Out of 100 rental units, ten people choose, knowing this, to pay by ACH and they can't be charged a fee, would you anticipate the landlord is going to single out those ten people and raise their rent proportionately? Or is it going to be distributed amongst all 100 units?

GUERECA: [INAUDIBLE] you know [INAUDIBLE] talk about whether they're grandfar-- grandfathered or not, but I'm saying moving forward, that should be clear, right? And, and what, what are you-- there's extra hassle with me dropping off a paper check, right? The staffer has to take it, you've got to drive to the bank, you got to deposit it. That takes time and money. This might be a cost-saving measure for landlords. Who knows?

HALLSTROM: And that's a good argument if we ever face a bill as well if that tenant says that you can't charge fees or you can't pass through fees on credit cards, debit cards, and things of nature.

GUERECA: Absolutely. We're-- this is what we're dealing with right now, Senator.

HALLSTROM: OK.

GUERECA: Appreciate it, sir.

BOSN: All right. Are you sticking around to close?

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GUERECA: I shall.

BOSN: Thank you. First proponents. Anyone here in support? Good a-- evening, and welcome.

ALICIA CHRISTENSEN: Good evening. Thank you. And thank you to Scott for allowing me to jump the line. I got to get a kid to baseball practice at 6, so. I am happy to be here and testifying. And thank you to Chair Bosn and members of the Judiciary Committee for staying so late and listening to all of our testimony. I'm Alicia Christensen, A-l-i-c-i-a C-h-r-i-s-t-e-n-s-e-n. And I'm here in support of LB880 on behalf of Together, an Omaha-based service provider committed to ensuring that everyone in our community has enough nutritious food to eat and a safe, affordable place to live. Our housing programs serve a broad spectrum of participants, from those in need of housing stability assistance to individuals and families experiencing homelessness. We recognize that LB88-- LB880 won't change landlords' and property owners' practice of passing the cost of ACH transactions onto the tenant, but we see the value that this legislation would confer on our participants and all Nebraska renters by increasing the transparency in the rental mark-- residential rental market and decreasing the logistical issues created by separate ACH transactions. Mandatory monthly ACH charges are one of a number of fees that are rarely included in the advertised rent. While all of these mandatory fees are spelled out in the lease agreement typically, it's incredibly challenging for renters to determine the total amount they'll need to pay each month when searching for affordable housing. Many prospective renters aren't aware that these fees exist and don't know what to ask about mandatory fees when inquiring about or applying to rent. Often, tenants don't know how much they'll need to pay each month until they've submitted their application and nonrefundable pre-tenancy fees. L-- so LB880 improves this situation by requiring landlords to incorporate ACH processing costs into the monthly rent amount. Additionally, LB880 would address problems that arise from the practice of charging rent and the ACH fee as two separate transactions, which creates confusion and complications. And additionally, when rent and ACH charges are treated as separate amounts, the tenant's monthly payment and the-- nen-- the tenants' monthly payment is late, some landlords assess late fees on both the montly-- monthly rent and the ACH fees, doubling the penalty. Therefore, I urge this committee to support transparency and rental-- residential rent-- I'm sorry-- and advance LB880 to General File. Thank you for your time and consideration.

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BOSN: Thank you. All right. Let's see if there's questions. Seeing none. Thank you for being here.

ALICIA CHRISTENSEN: Residential rent is kind of hard, I think, so.

BOSN: Good evening, and welcome.

SCOTT MERTZ: Thank you, Senator. My name is Scott Mertz, S-c-o-t-t M-e-r-t-z. I'm director of Legal Aid of Nebraska's Housing Justice Project. And I have over 16 years experience representing low-income tenants in Nebraska. Thank you for pro-- providing me with this opportunity to appear before the committee today in support of LB880. I also want to thank Senator Guereca for introducing the bill and inviting Legal Aid of Nebraska to testify this evening. Now, one of our top priorities at Legal Aid Nebraska in our Housing Justice Unit is eviction defense. Every year, we represent hundreds of renters facing eviction any-- during a time where there is insufficient affordable, available housing in the state. Unfortunately, many of our clients face this threat not because they are unable to afford base rent but because of their lease agreements, which impose numerous unexpected and unreasonable fees that make it difficult for cost-burdened renters who are already living paycheck to paycheck to remain current on their rent. One such example of these fees are the service fees associated with the automated electronic payments that are-- become a-- come as a surprise to many renters. These fees are low-- they seem low. They're likely not gonna be above \$10 a transaction. But for an elderly renter who's subsisting on a single Social Security check or a single parent raising three children, these unexpected cost that occur every month and cannot be waived do result in a te-- tenants falling behind on rent and incurring late fees, which are far greater than these processing fees. At Housing Justice, we talk to renters every day who ask us if what they are being charged by their landlord is legal. Often, these renters had no idea at the time of lease signing that they would be paying these extra cost every month for just the mere privilege of paying their rent. Processing fees are sometimes paired with other administrative fees, service calls, garbage pickup, pet fees, the garage fees, even a fee just for applying for the unit, and then an additional fee at the time of signing the lease agreement. And LB880 will not eradicate all unconscionable fees, but it will promote fairness in Nebraska residential leases. Any cost or expenses associated with processing rent payments should already be considered in the base rent of a lease agreement. Renters should know what their rent will be before they agree to move in and sign any lease agreement. And for these reasons,

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Legal Aid of Nebraska supports LB880. I thank you for the opportunity. And I'm happy to answer any questions.

BOSN: Thank you. Any questions? Senator Hallstrom.

HALLSTROM: Yes, sir. Thank you for testifying today. I believe Senator Guereca mentioned transparency. The first witness mentioned the same thing. Your testimony says this is a surprise to many renters. Would it make more sense to require, if you're going to charge a fee, to have it set forth in the agreement if you're looking at transparency as opposed to telling the landlord that they can't specifically charge for that particular rental-- or, payment mechanism?

SCOTT MERTZ: So-- I, I mentioned in my testimony-- you know, we, we get calls from renters all across the state every single day. Often, they have specific questions about these provisions in their lease agreement or, or they're maybe absent or confusing their lease agreement and we have to remotely or sometimes get copies of these documents to really properly advise them. But the simplest road to fairness and transparency, I would argue-- you know, the [INAUDIBLE] everything that is going to be every single month and cannot be opted out is just part of that rental amount, that if there are additional fees, that-- that's for more discretionary, voluntary things like, like, like the pet fee being a classic example. But if anything is going to be automatically part of the monthly obligation, it's a lot easier for people to budget, for expectations, and when they're going through a marketplace of where they're gonna rent that it's just there, right there in the monthly rent.

HALLSTROM: This goes back to the question I asked Senator Guereca that he didn't answer, which is if only a per-- certain universe-- or, segment of the universe chooses [INAUDIBLE] incur that fee if they were able to charge it-- or, in this case, the reverse-- we don't allow the landlord to collect that fee, is that something that the landlord should only assess to the people that chose that payment mechanism? Or is it going to be externalized to the entire population?

SCOTT MERTZ: Yeah.

HALLSTROM: In which case, somebody that didn't choose that payment mechanism is paying more rent than they should.

SCOTT MERTZ: As a practical matter-- and again, just going on first-hand experience with talking to renters, it is very rare that

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there is some opt-in mechanism for this. It's usually mandated or part of a rental company or property management that they're using, if not ACH, but some other portal or automated system. And that-- as part of the, you know, management of any one unit or any property company, they've adopted some policy with respect to how the rent could be paid. And some do prefer this electronic method for, for reasons provided by the senator, because there's also costs associated with having, you know, physical payments and staffing. And so a lot of properties do mandate having this automated function.

HALLSTROM: [INAUDIBLE] in which case, it would be mandated and then everybody would either be paying it or not paying it and you could externalize it across the universe. I, I, I would assume not all landlords mandate the payment by ACH.

SCOTT MERTZ: No. No, they don't.

HALLSTROM: And if, if that's the case, then you're going to have some people that still choose-- particularly if they can't pass it through-- they're going to choose to take that and determine whether or not the landlord's going to pass it through directly to them or through the entire universe of renters.

SCOTT MERTZ: I, I would just say that the issue should be settled at the time of the signing, that if anything is going to be a requirement that that is just part of what is the rent if that's part of the [INAUDIBLE] process.

HALLSTROM: Which could also be done by notice if you're looking at transparency.

DeBOER: Thank you, Senator Hallstrom. Senator Storer, you're recog--

STORER: Thank you, Vice Chair. I, I guess just to follow up on that question. I'm a little confused now because-- so the, the white copy that we have says, a landlord shall not, shall not charge a tenant any extra fee for payment made by means of an Automated Clearing House transfer. So even if that was part of the, the-- my understanding is this couldn't even be part of your rent agreement upfront-- like, that extra fee for that very specific transfer. So in no case in this bill could a landlord charge-- if there was-- I don't know what the fee-- if it's \$5 or \$9 or whatever that-- the-- they can't pass that on through an extra fee to that renter. Is that--

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SCOTT MERTZ: I-- my, my understanding is this would prohibit an additional fee being attached to a lease agreement. But there might be an increase in the rent if there are costs-- much in the same way that operation of any business does-- you know, they incorporate those expenses into the rental amount. There's the lack of transparency if, if it's not.

STORER: If the rent was advertised at \$1,000 and I knew you wanted to pay by a electronic transfer, I-- this is saying I can't charge you \$1,009.

SCOTT MERTZ: I don't know that it's saying that, but it also presumes-- again, this scenario in which it is the tenant who is the one opting in for a system. Most properties are the ones requiring these kind of payments to go for-- and that's why there-- they have these fees in their lease agreements, because they are anticipating that the charge will be incurred.

STORER: OK. And when Senator Guereca come back up-- comes back up, I'll, I'll ask him as well. The way I read this, it, it can't be in your lease agreement, you can't charge for it.

SCOTT MERTZ: Well, agai-- I, I think as a fee. But the money could be there in the rent. The rent is what would not be impacted by the bill. The bill would impact whether or not there's an additional fee incurred in a lease agreement.

STORER: Thank you.

DeBOER: Thank you, Senator Storer. Other questions? Let me ask you one.

SCOTT MERTZ: Yep.

DeBOER: So I think what Senator Storer is getting at and what I'm trying to understand here is I think that the, the fix you're trying to make is that no one's surprised by a fee.

SCOTT MERTZ: Primarily.

DeBOER: OK.

SCOTT MERTZ: Yeah.

DeBOER: What's the additional piece? Because I got the surprise piece.

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SCOTT MERTZ: Well, ju-- I mean, we, we are assuming that, you know, that money would be factored into the rent and, and, and that, that would be strictly-- yeah, to assess for a surpri-- it might not be the case that this is a necessity that anything goes up in exchange for--

DeBOER: So--

SCOTT MERTZ: --whate-- any, any landlord is choosing to, to advertise as their, as their rent and, and actually rent that could be-- you know, a lo-- a lo-- I-- a lot of factors would go into how the rent is assessed. I mean, what they are deciding to be the actual rent now.

DeBOER: OK. So if instead of saying-- instead of writing this as you can't charge the fee for payment, that you disclose it at the time of-- you know, this-- if you choose to opt into ACH, you will be charged this amount. Would that solve the problem that you're trying to get to? Because I think what Senator Hallstrom is saying is if Senator Bosn does not want to use ACH and I want to use ACH and if we pass this bill and you raise our rent both \$10 because you think, well, I can't pass it on anymore, then Senator Bosn is kind of getting-- I shouldn't use the technical term screwed, but she's paying \$10 more in rent and I am the only one using the service.

SCOTT MERTZ: Yup.

DeBOER: So do you see what I'm saying?

SCOTT MERTZ: I do see what you're saying. That makes sense. Again, I would simply push back on this hypothetical as what's actually occurring and what's being corrected by the bill. I mean, the problem is a lot of companies and larger properties that do ACH or automated transfers, they want to get out of the paper payment business altogether. And so there are these additional fees that are, that are getting thrown in and surprising long-term renters who had not been using the system in the past. And they are the ones who are really victims of the, of the fees, not individuals who are wanting to opt into a system and also not incur this additional charge.

DeBOER: So, so could there be some kind of notice requirement that would just say, look, if, you know-- so that it would cover the situation where Senator Bosn and I are renting from Mr. Tierney but only one of us wants to do it and the other one doesn't and he's fine with both. And then also cover the situations where it's a giant place and they just say, starting next year, everything has to be ACH. And

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by the way, your rent is not gonna go up this year. But when you sign this lease, if you want to u-- you know, we're going to charge you \$10 for ACH. Something like that. Do you see what I'm saying?

SCOTT MERTZ: I, I, I, I, I do. And again, that, that may be, but that's just not what's often occur-- or, at least not what people who are complaining to Legal Aid of Nebraska are incurring. People are complaining about the fact that they have property management that's--

DeBOER: That's not giving them notice?

SCOTT MERTZ: Well, they, they are giving them the notice that that's what's going to happen. That's just how it is. You-- you're not, you're not having an option. You could go-- live somewhere else could be the option, but the-- you are going to have to absorb an additional \$10 fee, as opposed to the more traditional route of, you know, rent just goes up a bit because cost are going up.

DeBOER: So how is that different?

SCOTT MERTZ: Mm-hmm.

DeBOER: How is it different to say, I'm gonna raise your rent \$10 or-- I'm not gonna raise your rent, but you're gonna have this \$10 fee?

SCOTT MERTZ: I, I think transparency being the overarching theme, that as long as things are disclosed outright is that's what the rent is because that's what you're going to pay every month as opposed to these fees which-- agai-- I, I would describe as perhaps hidden and missed by a lot of individuals. Because even if it is somewhat noticed and/or written down, a, a lot of people do not notice a lot of things they're agreeing to in their lease agreements.

DeBOER: I think I'm getting it.

SCOTT MERTZ: Yeah.

DeBOER: The problem that you're trying to solve is that even if you do give notice, the future the tenant or the current tenant that's signing a re-lease is-- renewed lease is not going to sort of fully take in that these fees are in fact increasing their rent.

SCOTT MERTZ: Yeah. Ri-- I, I-- yeah. I, I, I think that's correct. I, I think the problem is, is when we have a system that allows for just fees to go in for every single thing when those are not discretionary

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or cho-- chosen by the, the, the tenant, it makes it easier for landlords to perhaps push more cost onto the renter without that renter being aware of what it is that they're actually agreeing to when they, they move somewhere or deciding where to live and comparing rents to other places when those rents don't actually reflect what would-- it would cost to live in a given place.

DeBOER: Yeah. OK. Thank you.

BOSN: Any other questions? None. Thank you for being here. Next proponent. Anyone else here in support? Good evening.

KAYLA BOGENHAGEN: Good evening. I wrote good afternoon on my--

BOSN: Yeah.

KAYLA BOGENHAGEN: --form here.

BOSN: I have bad news.

RACHEL TOMLINSON DICK: It is evening, which I should know with landlord-tenant and the Judiciary Committee, but. My name is Rachel Tomlinson Dick, R-a-c-h-e-l T-o-m-l-i-n-s-o-n D-i-c-k. I am a licensed attorney and serve as director of the Housing Justice Clinic at the University of Nebraska College of Law. I'm testifying today in support of LB880 at the request of Senor-- Senator Guereca and my personal capacity as an attorney in Nebraska with specialized knowledge in landlord-tenant law. I support this bill because I think it is-- would alleviate a small but recurring financial burden that can negatively impact renters and provide important clarity for both landlords and tenants. I think it's safe to say that we have all experienced the dreaded junk fee at some point. Junk fees are unexpected and often deceptive, mandatory fees that are passed along to consumers for things that in actuality cost the fee's collector little or nothing. And I think that is an important issue that is, is being brought with this bill as well. As Senator Guereca mentioned, the fee for ACH transfers, or Automated Clearing House transfers, is generally between \$0.30 and around \$1. So then for tenants to be paying mandatory \$10 fees, that is not just passing along a cost. That is ripping off tenants. This is something that has gotten a lot more attention from local governments, state governments, federal agencies. To quote a report that's published by the American Economic Liberties Project-- which is a nonpartisan, nonprofit organization-- companies are nickel-and-diming working Americans through exorbitant fees, add-ons,

and other junk fees and making hefty profits in doing so. This is something that I have increasingly observed firsthand in my work with low-income tenants who are facing judicial eviction from their homes. For context, in my role with the Housing Justice Clinic, I help facilitate the Tenant Assistance Project in Lancaster County as well as training and supervising senior, certified law students and providing free, limited-scope legal assistance for residential tenants with housing income-- or, household incomes that are at or below the low-income level as defined by HUD. For families who are already struggling with skyrocketing rent, seemingly small fees can stack up quickly and can truly mean a difference between tenants regaining their financial footing and being evicted from their homes. I also want to note: this is something that frequently happens. This is something that I have experienced in the past as a renter when renting from a larger landlord in the Lincoln area. This landlord used a common app. And every time I paid my monthly rent, I pay-- paid an additional \$2.49 for an ACH transfer. This was not optional. This was mandatory. However, this was not disclosed to me before I signed my lease agreement. It was imposed later with no option or consent being given. Even though I was an attorney at the time and in theory in a very good position to try to negotiate the fee away. I was also a single parent who had already signed a lease agreement for a safe and habitable, affordable place to live with my daughter. So ultimately, I decided not to fight it. May I finish my thought, committee?

BOSN: Yes, please.

RACHEL TOMLINSON DICK: Thank you. In addition to being unfair and harmful to vulnerable tenants, national polling has also shown that 80-- or, 79% of voters are in favor of state legislation prohibiting such junk fees. For these reasons, I urge this committee to support LB880. And I'm happy to respond to any questions committee members may have for me at this time.

BOSN: Any questions from the committee? Senator McKinney. Sorry, I didn't see you.

McKINNEY: Oh, you're all right. Thank you. So are renters in some cases essentially paying the fee that the landlord would pay?

RACHEL TOMLINSON DICK: Potentially in some cases. However, in my experience personally and then in talking to tenants at the courthouse, I have never seen a charge for these, these transfers that is, like, \$0.30. And I also kind of want to push back on the idea that

every single cost of doing business that landlords incur is something that can and should be passed along to tenants. The idea that because a processing fee might incur a \$0.30 charge that the landlord then needs to raise everyone's rent-- part of doing business and being a good business owner is you incur overhead costs. You have to balance your budget. And you have to, to make the budget work. You don't pass on every single cost you incur to the end consumer. I think that's-- I think in many other areas, we wouldn't really entertain that argument, that a \$0.30 processing fee needs to be externalized to the consumer and that that is something that is, is routine and just, you know, understandable.

McKINNEY: So if my rent is \$750 and all I have is \$750 and the only option for me to pay my rent is through this ACH payment, which could be, let's say, \$10, what am I supposed to do?

RACHEL TOMLINSON DICK: That's a great question. And-- I mean, I would argue that if that is a mandatory form of payment, you have no other option to make that payment, your landlord would be violating the lease agreement by requiring you to pay an amount that is not contracted for in the lease. That would be my argument. However, for tenants to actually challenge that is incredibly difficult, likely to be fruitless-- like in my case where-- I am an attorney. I did not raise that issue because I figured it would be fruitless. And I did not want to be labeled as a, as a problem tenant and, you know, potentially jeopardize being able to stay in this, in this housing unit in the longer term. So tenants really don't have a lot of recourse. Landlords really have a lot greater power in the residential tenancy setting. And that is part of why we have consumer protection laws and why consumer protection laws like this one introduced by Senator Guereca are particularly important. It's in areas basically where the parties are un-- uneven bargaining pow-- they have uneven bargaining power, right? A tenant does not have the same power to negotiate for terms in a lease agreement as the landlord does or to negotiate away all these additional fees that get added on. They are reliant on the landlord to provide this-- to provide housing, which is a basic, essential need. And landlords have more access to resources in order to, you know, support their-- the fees that they're imposing. So this is why just commonsense, basic consumer protection laws like this are necessary. And frankly, I'm really baffled that there's so much pushback over landlords not being able to pass along a fee and overcharge tenants based on the cost that the landlord is potentially incurring when processing a payment.

McKINNEY: Thank you.

RACHEL TOMLINSON DICK: You're welcome.

BOSN: Senator Hallstrom.

HALLSTROM: I, I just want to make sure I-- clear on your, on your testimony. You, you talked about being associated with the University of Nebraska College of Law and representing low-income people through that program. Is-- have you represented those people-- your, your testimony didn't seem to indicate any representation of those people through your private practice-- which you identified as a private attorney-- as opposed to the UNL capacity. Have you represented those tenants either directly yourself or just through law students? Or do you have any practical experience with tenants as a private practicing attorney?

RACHEL TOMLINSON DICK: I guess I'm failing to see how the distinction is, is relevant.

HALLSTROM: Well, because the distinction is your comments today were in the capacity as a private attorney. If you haven't represented folks as a private attorney, your only involvement is as a representative of UNL.

RACHEL TOMLINSON DICK: Let me clarify.

HALLSTROM: Thank you.

RACHEL TOMLINSON DICK: I am testifying in my personal capacity--

HALLSTROM: I understand that.

RACHEL TOMLINSON DICK: --which is the precise phrasing that I used.

HALLSTROM: I understand what you--

RACHEL TOMLINSON DICK: Which my-- my work experience, regardless of whether it is private practice or pursuant to a position that I have, I can speak from that experience and from my education. But I am not a lobbyist for the university. I am not representing an official position by the university. Quite similar to how Professor Ruser testified on behalf of a bill earlier today. Although he is employed by the university, he does not engage in private practice. He was able

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to speak in a personal capacity rather than as a lobbyist for the university about that bill.

HALLSTROM: But he did not suggest anything in the testimony, that I gathered, that had to do with his representation of individuals, which was the basis of your testimony, in my opinion.

RACHEL TOMLINSON DICK: Oh, I recall him talking about the, the, the folks that he worked with in the Debtor's Defense Clinic in, in detail.

HALLSTROM: OK.

RACHEL TOMLINSON DICK: I was here in the room when he testified, sir.

HALLSTROM: OK. Thank you.

RACHEL TOMLINSON DICK: Certainly.

BOSN: All right. Any other questions? Seeing none. Thank you.

RACHEL TOMLINSON DICK: Thank you.

BOSN: Next proponent.

KASEY OGLE: Hello.

BOSN: Welcome back.

KASEY OGLE: Thank you very much. Chairperson Bosn, members of the Judiciary Committee, I am not Ken Smith. My name is Kasey Ogle, K-a-s-e-y O-g-l-e. I am a senior staff attorney at Nebraska Appleseed with the Economic Justice Program. Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans. And I'm testifying today in support of LB880 because it ensures that tenants can use ACH transfers to pay their rent and protects them from being subject to additional fees when doing so. LB880 disallows extra fees to be charged in connection to ACH transfers. And over the past several years, this committee has frequently heard about the myr-- myriad of hidden and predatory fees imposed upon tenants in Nebraska. These fees combine to function as de facto rent hikes that landlords do not have to disclose or explain and contribute to housing insecurity across the state. Allowing tenants to use ACH transfers without restricting addin-- additional fees for its usage would render it functionally unavailable for the tenant who

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would benefit most from a more affordable electronic payment option. We support LB880 because it prevents hidden rent increases, protects low-income tenants, and strengthens housing stability at a time when it is critically needed. We ask this committee to advance LB880. Thank you.

BOSN: Thank you. Any questions for this testifier? Thank you for being here.

KASEY OGLE: Thank you.

BOSN: Next proponent. Anyone else here in support?

SCOTT JACKSON: It's-- it is evening time now. I just didn't realize where the time went.

BOSN: Good evening, and welcome back.

SCOTT JACKSON: Scott Jackson. That's S-c-o-t-t Jak-- J-a-c-k-s-o-n. I'm with Heartland Family Service. And in interest of time-- I don't want to be too repetitive. So Senator Guereca, thank you for bringing this forward. We su-- Heartland Family Service supports this bill and hope to see this move forward. Thank you. And I'll take any questions.

BOSN: Appreciate your brevity. Thank you. Any questions for this testifier? Thank you for the handouts. That helps.

SCOTT JACKSON: Thank you.

BOSN: Next proponent. Anyone else here in support? Opponents. Anyone here in opposition?

LYNN FISHER: Good evening, Senator Bosn, tired members of the committee. Thank you very much for all your service. I appreciate it. My name is Lynn Fisher, spelled L-y-n-n F-i-s-h-e-r. And I represent the Nebraska Realtors Association, Nebraska Statewide Property Owners Association. Our members are opposed to LB880. As with any changes to the Landlord Tenant Act-- and I, I passed out an article that you can reference-- this is another canary in the coal mine bill. We see these-- a parade of these come every year. And it's only \$0.30 or it's only \$1. Every-- despite what you've heard-- every cost that we incur operating our business has to be passed on in the form of higher rents. There's just no choice. So it-- to say that it's insignificant and we can absorb all those costs-- times 100, it's not possible. So when I go to the DMV and I want to pay my car taxes, I have to pay a

fee to use my credit card. If I want to mail in that, that payment, they charge me a fee to process it through the mail. It's only fair. One important aspect of this bill is multiple payments. What if a tenant, for whatever reason-- out of spite or, or-- for whatever reason just makes a multiple series of payments to pay their rent? \$1,000-- 100 times-- 10 times \$100 or 100 times \$10. If this bill passes, we would have to incur those charges. And so it-- it's just-- it, it can get to the point of being silly. My last comment-- and I'll answer questions based on the testimony I've heard. Should tenants be held irresponsible for their unwillingness to read the lease? We see this come up all the time in eviction court and with the, with the TAP attorneys. It's as if tenants are, you know, held irresponsible for understanding what the lease says. And if they're unwilling to read the lease-- we, we used to-- in our business, we used to sit down-- this is pre-COVID. Can't do it anymore. But we used to ask tenants to come to our office and we would spend up to an hour going over the lease in detail, explaining every aspect, every fee, all-- disclosing everything, making it very transparent. Now, it's, it's-- people don't want to do that. They want to-- they want to get that, that email with DocuSign and they want to sign here and there and go through-- they-- and they, and they fly through it. And then the first time they have a, a dispute or we have to take them to eviction court, they don't know about all the things that they're ignorant of because they refuse or just didn't want to read the lease. So I'll be happy to answer any questions.

BOSN: Thank you. Questions for Mr. Fisher?

LYNN FISHER: Thank you very much.

BOSN: It's 5:30. We're good. Yeah. Thank you. Next opponent.

PIERCE CARPENTER: Hello. My name is Pierce Carpenter, P-i-e-r-c-e C-a-r-p-e-n-t-e-r. My perspective is quite a bit like Lynn's. I have a, a couple of different takes on it. The first is I keep hearing about this myriad of pre-- predatory funds-- or, fees. And-- I mean, this is just one fee. What are we going to do? Have a, you know, five or six of these bills every year till all the fees are covered? I, I think it's just beneath you guys to even consider this. The budget for the state of Nebraska's \$1 billion. Do you want to be legislating how individual landlords handle a \$9 fee? I, I think this is a petty bill and it should be simply ignored. And I do agree with the-- that lady attorney that said that, you know, if it's not on the lease and you're forced to use Doc-- or, whatever the service is, ACH, if it's not on

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the lease and you're forced to do it, for the term of the lease, you know, you should-- or, the landlord should probably pay it. But as soon as that lease reaches the end of its term or if it's month to month, and just one month, now it's-- it should be back on the tenant. I mean, that's how I would handle it. Anyways, I didn't, I didn't really have a lot. And I want to get going, so. Are there any questions?

BOSN: Seeing none. Thank you for being here.

PIERCE CARPENTER: My pleasure.

BOSN: Next opponent. Good afternoon, and welcome.

KYLE HANTEN: Thank you. Good evening. My name is Kyle Hanten and-- K-y-l-e H-a-n-t-e-n. And I'm here to oppose the LB880. I'd like to take a minute to kind of shift the focus away from the ACH and the collecting fees. The language in the bill is a bit vague and doesn't necessarily provide carve-outs for common and legally required payments as it relates to le-- lease violations and defaults. There are certain situations in which, for example, a 14/30 might be issued, in which we would have to prohibit or ban, restrict access to payment while we took the necessary steps to protect the tenant and the landlord or tenants, in some cases, during our investigation. And-- at which time then, you know, once it was concluded, we would permit payments again. But some instances would require to protect the tenant as well on certified funds. For example, if they were regularly defaulting, the certified cashier's check is cheaper or more minimal expense than any of the NSF fees they would "incru" not only from their bank but from our bank. That could get pushed down to the tenant. Working in property management, we see situations like this all the time. It, it appears that most of this focus seems to imply that we are forcing that fee on them when, more often than not, it's a convenience fee for the method of payment, which Senator, I believe, clarified earlier. But we're not requiring that payment by any means. We still accept checks and other forms of payment. That's all.

BOSN: Thank you.

KYLE HANTEN: Thanks.

BOSN: Any questions for this testifier? Thank you for being-- oh, sorry. Senator McKinney.

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McKINNEY: Thank you. And I appreciate your testimony. I guess for those who may-- I don't-- you say you don't, but if there are some property owners and land-- landlords out there who are just requiring this fee, do, do you see where the issue might arise?

KYLE HANTEN: I-- I'm not an attorney, but I think-- as a business, we're obligated to accept any form of legal tender, whether that's credit card, debit card, check, cashier's check. I, I, I can't speak on other management companies or landlords. I can just say that, you know, we, we accept all forms of payment.

McKINNEY: All right. Thank you.

KYLE HANTEN: Mm-hmm.

BOSN: Thank you for being here.

KYLE HANTEN: Thanks.

BOSN: Next opponent.

DENNIS TIERNEY: Good evening. Dennis, D-e-n-n-i-s; Tierney, T-i-e-r-n-e-y. Senators, as is currently written, LB880 forces landlords to accept ACH payments from tenants, whether they agree to electronic payments or not. They have no choice in the matter. Many older and mom-and-pop landlords that I know do not use electronic banking in their business and do not feel safe having their bank account information available via the internet. Some have been victims of identity theft, have lost or nearly lost money because of this. This ba-- bill also disallows landlords from recovering any bank charges related to electronic banking they're forced to accept. Currently, banks do not charge for ACH payments, but there's no dare-- guarantee they won't charge in the future. And, and we've all seen banks increase fees over the years. Then the landlord will be left with another added cost of doing business and they'll have to recover by raising rents. That's not good for landlords or tenants. Many management companies use third-party companies to accept electronic payments from tenants that choose that method, and these companies charge processing fees that should be legitimately charged-- shared with tenants. The state of Nebraska currently allows convenience fees for electronic payments made to state agencies, courts, and local governments. The state does this. I can't pay property taxes electronically without paying a fee. In any county. Why would Senator Guereca think that landlords and management companies should not be

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allowed the same ability to conduct business enjoyed by all of these government entities? Please reject LB880.

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here.

DENNIS TIERNEY: Mm-hmm.

TARA HOLTERHAUS: Good evening. My name is Tara Holterhaus, T-a-r-a H-o-l-t-e-r-h-a-u-s. I'm an attorney at Spencer Fane and practice in the real estate industry, specializing in multifamily housing representation of property owners and third-party management companies and here on behalf of the Apartment Association of Nebraska and the Nebraska Association of Commercial Property Owners. I hope that my testimony's going to be more brief than my intro. I just-- I-- this bill is about transparency, not about the acceptance of an ACH transaction. If the intent of the bill is that this is transparent in the lease agreement, that's what should have been proposed and brought. If there is a requirement that a landlord accurately and clearly state what the fee is in the lease agreement, I think that that is clear and fair. To say that landlords cannot pass along these fees to tenants is quite frankly ridiculous. If we're talking about balancing a budget, it needs to balance. It needs to be fair on either side in order for it to make any business sense for a property owner to choose to invest in real estate and to rent that property to anybody. We ask that you reject LB880. I'm happy to answer any questions.

BOSN: Thank you. Questions? Senator Storer.

STORER: Thank you, Chair Bosn. I guess I would just follow up. I, I think-- the way I'm reading it, it sounds like it's the same way you're reading it. So I, I have been a little bit confused in the conversation that it is-- maybe if it's intended to pay no surprise fees. But do you as well, I guess, understand that this would just prohibit any-- a tena-- a landlord from charging a tenant any extra fee for electronic payment?

TARA HOLTERHAUS: That is how I read it. I, I think it would still allow for a landlord to increase rent. And, and-- I mean, we increase rent year over year to account for increased property taxes, increased insurance, increased in, in anything. So I think we could increase rent. Again, I think that unfairly treats all of the tenants who choose to pay by cashier's check, money order check when now they are

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facing an increase in rent for the half of the tenants that choose to pay via ACH. So I do think it allows the fee to be made up for in rent. And it just wouldn't be a-- able to be a line-item fee under the lease agreement. But I, I don't think that that is fair or right. If, if the issue is transparency, then the bill should be about transparency and not about overregulation of what can and cannot be charged.

STORER: Thank you.

BOSN: Senator Rountree.

ROUNTREE: Thank you, Chairwoman Bosn. And thank you so much. Just to piggyback on what Senator Storer was asking on that, what if all the variables are taken away and you mandate an ACH and that's the only method that's available to an individual or your-- all of your--

TARA HOLTERHAUS: Then the lease agreement should state what that fee would be. Just like if a late fee is mandated, it should be in the lease agreement. If a utility fee is to be paid by the tenant, it should be in the lease agreement, all of which they are. If it's mandated, I, I think it should in the lease agreement. And I think that that's fair for both the tenant and the landlord. This-- I can only speak for the clients I represent, but that's more than 400 properties across this state. And as far as I know, these are not mandated ACH payments. They have the option to go get a check. It is a convenience to pay online. I prefer to pay online. It's easy. You can do it from your phone, wherever you are when you remember that you have to pay something. But there's a fee associated with that convenience. And if you choose to forgo the inconvenience of going to get a check, then there is a fee associated with that.

ROUNTREE: Thank you.

BOSN: Thank you for being here.

TARA HOLTERHAUS: Thank you.

BOSN: Next opponent.

NATE HAUGEN: Good evening, members of the Judiciary. My name is Nate Haugen, N-a-t-e H-a-u-g-e-n. I serve as president of MOPOA. I'm still testifying on behalf of MOPOA. I'm here to oppose LB880 because it imposes real financial, legal, and operational risks on small mom-and-pop housing providers, the backbone of Nebraska's

single-family and multifamily rental market. Dr. Tierney already talked about the accepting of ACH for folks who may not even bank online already, so I'll skip that part. But concerning is-- one of the other members kind of mentioned it-- was that, that ACH kind of eviction trap, that if we're required to accept payments via ACH, they can be delayed, they can be reversed, they could even be clawed back through fraud. So if you're in a state of eviction, basically accept-- or, being forced to take that ACH payment, they could claw that back the next day after the eviction hearing, complicating the entire process, having to start the whole thing over again. So for small owners relying on timely rent to pay mortgages, property taxes, or insurance, this creates uncertainty, delays, and additional legal costs. And LB80 [SIC: LB880] prohibits property owners from recovering banking and processing costs tied. And I've never had an ACH payment reverse, but, from what I understand, those-- there-- there's also a fee for that. If you receive money, ACH, and it's not there, it has to be returned. And that's a cost that my bank will charge me. So again, I've never had that personally happen, but that apparently is a, is a, is a consideration possibly as to why they charge the higher fees than just the normal \$0.30 or \$1 or whatever it is. Additionally with that too is property management softwares charge a fee. So even though it might not be my fee, it's the property management software that charges the fee. And it might not even be going to the property owner themselves. So there's that kind of consideration as well that-- may need to consider. But mom-and-pop property owners are not large corporations or compliance departments with fraud teams. Mandating payment methods, shifting financial risk, and complicating the eviction process will push local owners out of the market and reduce affordable housing options. For these reasons, MOPOA respectfully urges the committee to reject LB880. And I'm sorry, I didn't get the copied amendment to see what that actually said beforehand, so. [INAUDIBLE].

BOSN: Any questions for this testifier? All righty. Thank you for being here.

NATE HAUGEN: Thank you.

BOSN: Next opponent.

RYAN NORMAN: Good evening, members of the Judiciary Committee. Again, my name is Ryan Norman, R-y-a-n N-o-r-m-a-n. And I am an attorney in Lincoln that represents housing providers. And I'm the chair of the Apartment Association of Nebraska Legislative Committee. I have to say

I-- it must be a cold day in hell because I've been hearing the tenant advocacy groups calling for raised rent on this bill, which I think is really interesting. I don't think that this bill actually does what they say it does if, if the goal is transparency. Hiding a fee within rent is the opposite of transparent. What you're asking landlords to do is raise rent and then-- my, my long history with this is the same groups that are doing that now are going to turn around and vilify landlords for raising rent. So if this bill said any fee charged for processing of payments must be specifically outlined in the lease agreement, we would probably support it, though it would be totally unnecessary because that's already required under Nebraska law. You can't charge a fee like this if it's not in the lease agreement. So the Apartment Association of Nebraska opposes this bill. And I'm happy to take any questions. Thank you so much for your time.

BOSN: Questions? I guess, to your point, cold day in hell, it seems to me that in an effort to keep rents as low as physically possible, you're offering the opportunity for those who wish to take advantage of an electronic service but not imposing it on everybody. And, and the-- you were here when Senator DeBoer gave the example of, I choose to pay with a paper check and she chooses to use ACH, why should I pay for her choice? And the goal here is to keep rents as low as possible.

RYAN NORMAN: Correct. So-- I, I mean, in, in a perfect world, a landlord is taking both types of payments and you as the tenant get the, get the ability to choose which one you want. And a landlord should be able to charge the specific tenant who wants the ability to, to pay online because it's easier. We shouldn't be charging every tenant the same amount when that's what that fee is for.

BOSN: And so-- I-- and, and I'll get to Senator DeBoer in just a moment, but you, I believe, were here and testified last year. And we worked some language out on a bill that was brought by Senator Cavanaugh, John Cavanaugh, regarding transparency and fees. And there was some negotiation that went on there in an effort to solve what I see as a duplicative issue here. Do you recall that when you testified?

RYAN NORMAN: I do recall that. I do remember testifying. I think I testified in opposition to that bill. And Senator DeBoer, my, my recollection is that you had some great ideas. And I think by the end of that I said, well, if that was the bill, then we might support it if-- what Senator DeBoer was saying at that time. I haven't seen any new language on that bill, but the Apartment Association would be

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really open to anything that-- in terms of transparency-- actual transparency in lease agreements, we're all for that. So if, if that's what we're talking about here, great. I don't think that this bill does that.

BOSN: OK. I-- I'm happy to report I think there's an amendment that you might be getting fairly soon to look at that then to see--

RYAN NORMAN: Perfect.

BOSN: --that is in fact the case. Senator DeBoer.

DeBOER: Thank you. So yeah, so we did work with a number of different stakeholder groups and-- I don't know. We've circulated it to a bunch of people. So I don't-- if you haven't seen it, then we'll circulate it to you too-- on trying to-- on the, on the Senator Cavanaugh bill. But with this one, I-- I'm hearing something slightly different maybe. And it almost seems like if we did something like you can either allow a nonelectronic payment, right-- OK. Let's start over. You have to either allow an nonelectronic payment-- so checks, money orders, whatever-- or if you're only allowing the automated payment, then you have to disclose it, you have to whatever, you have to-- you have to, you know, put that number with-- it sounds like just the nature of the difference between a fee and rent, it might be better to say, this is your rent. It is \$753, and that is the 753-- 750 plus the 3, or whatever. Something like that. I mean, we could, we could find a way to make that transparent, I think, where your rent becomes \$753 and, and then also say, or you have to have-- you have to accept some paper form, I, I-- for lack of a better word. Some nonelectronic form. Would you object or would your members object to being required to either allow a paper form going forward or a-- or if you require the electronic that you have to put it within the rent?

RYAN NORMAN: I don't know. I would have to look at the language of that. Frankly, my take on this is we're solving a-- we're writing a bill to write a bill, and I don't think-- really think there's a problem. But-- I mean, that's truly what I believe here. I think that landlords are already disclosing this in the lease-- they're required to-- if the-- if they're charging for this. And I think what we're saying here-- I'm sorry, but this is what I'm hearing, is tenants aren't smart enough to read their lease and understand what the fees are. And I categorically disagree with that. Now, I, I-- if there are landlords out there that are hiding these fees, they're not putting them in the lease, and then they're charging them, they shouldn't be

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doing that currently under Nebraska law. So I'm not sure how a, a new bill is going to change that. We're certainly willing to work on language of a bill that we might be able to, to, you know, to pass that we would agree with always. So if that answers your question, we are happy to look at that and talk through it with you.

DeBOER: Yeah.

BOSN: All right. Seeing no other questions. Thank you for being here.

RYAN NORMAN: Thank you.

BOSN: Next opponent. Anyone else here to testify in opposition to LB880? Neutral testifiers. All right. Senator Guereca, if you want to make your way back up. Welcome back.

GUERECA: Took Senator Holdcroft's threat of, if we're here by 6:00 I have to foot the bill for dinner, so. We got it done quick, out of the way. So again, the amendment eli-- eliminates, eliminates the fact that-- yeah, there was a, a mistake in the drafting of the initial bill. The amendment, AM1934, eliminates the fact that it would be a requirement. And the intention is to eliminate this fee as an additional charge. And I'd like to note that-- and this is the sort of the-- and again, this is not all landlords. Again, this-- sometimes we have to pass legislation to protect against the bad actors. It certainly means some of the landlords have stood up and said, hey, if it's not clear, you know, you shouldn't be charging until it's clear. And I appreciate that. But un-- unfortunately, there are bad actors out there. And a lot of times, what they charge the tenant, what they charge the customer is not what they are charged by the processing fee, be it the platform or whatever other vendor they use. AppFolio-- App-- AppFolo, which is a very common rental portal, offers the property manager the choice to pay the \$1 per unit ACH fee or pass it on. That's a \$2.49 fee per transaction directly to the tenant. That's built into the software. That's the two options that they have. Right? So again, to me, this is about transparency. It's about not nickeling-and-diming folks that-- that nickel-and-dime might be that differentiator between being on the street and being able to afford rent. And now on my prepared statements. Just kidding.

BOSN: Too soon, but thank you for the-- yeah-- comic relief. All right. Are you now taking questions?

GUERECA: And I-- I'm done.

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BOSN: OK. Any questions for Senator Guereca? He's got seven minutes before he has to foot the bill. All right. Thank you for being here.

GUERECA: Appreciate it. Thank you, Madam Chair.

BOSN: That concludes our hearing for LB880. Next up, we have Senator Dungan with LB1007. Can I see a show of hands how many individuals are testifying on LB1007? 1, 2, 3, 4, 5, 6-- you don't raise your hand-- 7 individuals. All right.

DUNGAN: It's been a long day in Re-- Revenue too. I understand.

BOSN: Not as fun as our day.

DUNGAN: It's been an interesting day.

DeBOER: So welcome.

DUNGAN: Thank you. Good evening, Chair Bosn and members of the Judiciary Community. I am Senator George Dungan, G-e-o-r-g-e D-u-n-g-a-n. And I represent Legislative District 26 in northeast Lincoln. Today, I'm introducing LB1007, which does two things, primarily. First, it prohibits the nondisclosure language from being included in lease agreements. And second, it prohibits landlords from retaining prepaid rent and security deposits when a rental agreement is not signed or finalized. Simply put, if a landlord receives prepaid rent or a security deposit before entering into a rental agreement and the tenant thereafter declines to enter into such an agreement, the landlord shall return the prepaid rent or security deposit. This does not apply to application fees. There are multiple situations in which not signing the final lease agreement is not in the lessee's best interest-- a sudden family illness or a job change that requires relocation, for example. A loss of income that makes the situation no longer affordable. Prepaid rent and security deposits are not small amounts of money for many people. If a landlord or company keeps that prepaid rent, that can make another payment impossible for that family or individual. So just to contextualize that component of what we're talking about here, this conversation came from a constituent, a Nebraskan, reaching out to me about their lease. And the situation they were talking about was one where they had paid an application fee, got accepted after applying an-- with an application, and then were told, you have to give us X amount of dollars of security deposit, then we will give you the lease to review. If you decide not to sign that lease, we're going to keep your money. To me, that is

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unfair bargaining and something that I thought was already illegal, frankly, under the current laws. I'm not entirely sure based on conversations if it is or isn't. If I'm being also totally frank, I thought I misunderstood the situation and thought that that couldn't possibly be true. After filing this bill, however, I've seen a litany of online comments from people who oppose this bill specifically because of that section, which implies that that practice is currently going on. And I think that's problematic. If I apply for something and ultimately decide not to sign that lease-- I think they can keep the application fee. That's exactly what that's for. But to take the application fee and then say, you have to give me a security deposit prior to reviewing the terms and conditions of the lease and then if you decide not to sign that lease, we're going to keep that money, that's a very large amount of money. Now, if I'm incorrect and that's not happening, great. I hope that's the case. I think there's some folks behind me who work in this field and can testify, both opponent and proponent, about that. And I genuinely encourage the folks in this committee to ask if that is currently a practice. If it's not and if it's been mistaken, that would be wonderful. The second portion of this is nondisclosure agreements in the lease. This actually stems from-- same conversation-- a provision of a lease. I'm not going to go into details about the lease beyond. It was over 50 pages long. And one of provisions on page-- one of the pages of that lease was that it shall be a material brea-- a material breach of this lease if the tenant records this lease in the public records of any public office and the landlord shall be entitled to all rights and remedies that landlord has at law or in equity if tenant breaches this provision. The way I read that is that is effectively a nondisclosure agreement that you're not allowed to talk about the terms and conditions or any provision of your lease in the public record, whether that's at trial, if you decide to actually have litigation at some point, or potentially here. If you come before this committee and on the record are talking about terms and conditions of your lease, that could count, I would argue, as a violation and a material breach of your lease. And I think that is problematic as well. I think people should be able to discuss their lease on the record. And I think that certainly in the event that there were ever litigation that were to occur and you were to talk about the terms and condit-- excuse me-- conditions of your lease, that should not count as a breach. So those are the two things that this bill is seeking to remedy. I have brought much broader, sweeping legislation with regards to landlord and tenants in the past. This is not that. This is intended to be targeted and two small fixes that I think are good public policy. I think

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they're best practices. And I would encourage your support of LB1007. I'm happy to answer any questions.

BOSN: Thank you. Questions for Senator Dungan? Senator Hallstrom.

HALLSTROM: Senator Dungan, before I read the comments-- and I just read the bill-- I was wondering if it was too broad in terms of-- it doesn't say any length of time. And, and I'm assuming-- and after I read the comments, it, it, it occurs to me that what we're looking at is I may in essence hold that apartment for someone because they've been approved, they've put down a deposit. And if you don't have any time frame to make that decision, have they not in essence taken that apartment for some period of time off the market and then have to start over from scratch?

DUNGAN: Yeah. And I, I read those same comments. And I've also been approached by some folks who represent various landlord organizations with that same concern, and I understand it. I get that that's a problem. I think-- what strikes me as a larger issue is sort of the unbalanced bargaining position where you're expected to provide that security deposit-- which, as we know, can be up to a month's worth of rent-- \$1,000, let's say, for a round number-- before you even get the provisions of the lease. And it's that sort of back-and-forth that I find problematic. I, I don't know if we can, you know, have a, a broader conversation about timelines or time periods. I'm open to talking to folks and hearing today about the opposition to learn more about that. I, I just think it's problematic and, and, and probably not OK just from a public policy perspective to hold somebody's security deposit for that amount of money before they even understand the terms and conditions of the contract to be considered.

HALLSTROM: OK. And, and you didn't have the benefit of sitting in on the last hearing in its entirety, but a driving force was that apparently the tenants don't read the contracts because they don't know that there's a, a fee or, or something em-- embedded in that. So it would seem to me that-- typically, when people decide not to carry through with it, it's not that they looked at the contract and they said, oh, my gosh, I can't believe paragraph seven requires me to do this. It's about the rent. Or they found another place that's maybe cheaper or more convenient or whatever. So-- and, and I-- not dismissing anything out of hand. I just think it-- it's a little bit too open-ended in terms of the, the time frame that, that the apartment could be left vacant.

DUNGAN: Yeah, and I appreciate that. Like I said, I'm open to listening to the, the opposition here today. It can also potentially be cured, I think, by providing the terms and conditions of the lease upfront. I think it's the withholding of the terms and conditions of the lease and then only release-- giving that over once you've received the money that creates the problem. I think that if you say-- and I'm speaking hypothetically here. I don't want to box myself into any potential amendments. But if you were to apply, submit an application fee, and have that accepted and then have the landlord hand over the lease and say, here's your lease, now we expect a security deposit in order for it to be held-- or something to that fashion-- that's a different bargaining circumstance. But what we're talking about-- at least in this particular scenario-- even if it's not widespread, was an expectation that, prior to learning the terms and conditions, the money be paid. And then if you are to say, wait a minute, never mind. I don't wanna do this. That could be a problem. And, and it could be-- and, and I understand there may be other reasons for deciding not to follow through with signing the lease, but it could be something as, I guess, major as getting the lease and it saying, you know, you're signing a lease for six months and you thought, oh, no, I thought this was for a year. Or vice versa. You know, I wanted this to be six months, not a year. And then you realize the terms and conditions that you thought you were applying for are completely wrong based on what you were intending. But at that point, you've paid \$950 and you're not going to get it back and you can't enter into that agreement by virtue of a job or something else like that, so.

HALLSTROM: And, and the other-- I, I didn't see any of the comments that spoke to the other part of the bill about the nondisclosure.

DUNGAN: Right.

HALLSTROM: Can you-- have you been given any indication of what it is that's in a particular rental agreement that, you know-- if you have an option to purchase or something like that or they're trying to, to set up some type of arrangement for an option to purchase at a certain price-- clearly, there's nondisclosure. What is it, if you know, in a rental agreement that the landlord would not want to have disclosed to the public? Is it the rental amount itself? Is there-- it, it-- if you know or if anybody's enlightened you.

DUNGAN: Those are good questions. I don't have an answer to that. I will say that-- if I'm being totally honest, I thought that was going

to be the provision that would get some more pushback and that people would say, oh, we don't do the other thing. And in fact, it's been the exact opposite. I've seen no pushback on the nondisclosure portion and seen a lot of pushback in the other portion. So if somebody does have a reason for that, I'm, I'm happy to listen to it. But from my conversations, at least with some representatives of folks-- paid lobbyists, for example, who represent some, some landlord groups-- they don't seem to have much of an issue with that provision, so.

HALLSTROM: Thank you.

DeBOER: Any other questions? You going to stay to close?

DUNGAN: I'll be here.

DeBOER: All right. Thank you. We will have our first proponent, please. Welcome.

CONNOR HERBERT: Hello. Good evening, Vice Chair DeBoer and members of the Judi-- Judiciary Committee for the opportunity to speak today. My name is Connor Herbert, C-o-n-n-o-r H-e-r-b-e-r-t. And I serve as a staffer for the Nebraska Commission on African American Affairs. The commission comes here today to express its support for the commonsense inclusion within the Uniform Re-- Residential Landlord and Tenant Act of prohibiting landlords from including nondisclosure statements in rental agreements and requiring from the same the return of prepaid renter security in the case of a tenant's decision to decline to enter into a rental agreement. While we recognize the vast majority of landlords engage in business practices that align with the Uniform Residential Landlord and Tenant Act's promotion of good faith agreements between landlords and tenants, we also understand that small minorities can engage in business practices that genuinely sow distress between tenants and the folks that, you know, are trying to house folks-- landlords. LB1007 effectively proposes recourse for tenants that have been maligned by predatory landlords that request preperma-- prepayment in advance of the signing of tenancy agreements and fail to return the same following a potential tenant's free-market decision to not enter into an agreement. LB1007 also facilitates due diligence and the promotion of good understandings of the law between tenants by denying don-- nondecla-- nondisclosure clauses between tenants and landlords. It's well understood that education levels vary across renters, and these two commonsense propositions promote good faith encounters in an activity that constitutes many Americans' first engagement in long-term contracts. We find that time and time again

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many renters, first time or not, find themselves in legal arrangements that they may not fully understand for one reason or another, and the inclusion of this language in Nebraska's Uniform Residential Landlord and Tenant Act will be one action that this Legislature may take to promote tenant education and their rights and obligations. Thank you. Any questions?

DeBOER: Thank you. Let's see if there are any questions.

CONNOR HERBERT: All right.

DeBOER: Thanks for being here.

CONNOR HERBERT: Thank you.

DeBOER: We'll take our next proponent.

SCOTT JACKSON: Good evening. Scott Jackson, S-c-o-t-t J-a-c-k-s-o-n, with Heartland Family Service. LB1007 is a simple bill that puts two protective measures in place for Nebraska tenants, prohibiting landlords from including nondisclosure terms in rental agreements, and requiring they-- to-- they return it with security deposit in case that an agreement is not signed. Nebraska has been en-- experiencing a housing shortage for years, and low-income renters at the greatest disadvantage with a shortage of 37,210 units, according to 2023 data. This housing shortage means that landlords have a wealth of options when looking for tenants and, conversely, tenants face steep competition when looking for a place to live. When landlords are allowed to include nondisclosure terms in rental agreements, it takes away the ability for tenants to speak out about their experiences without concern for retribution. This not only prevents opportunities for tenants to work collectively to have concerns with their housing addressed by their landlords, but it inhibits their ability to warn potential tenants away from units that are not maintained from landlords that are unresponsive and from any negative rental experience. In Nebraska, it is legal to charge up to a full month's rent as a security deposit for a unit. For many Nebraskans, the ability to pay to-- a security to deposit is what stands between them and their ability to find a safe place to live. In our housing programs, we work with clients experiencing literal homelessness. For them, losing a security deposit means if they don't sign a-- for them, losing a security deposit if they don't sign a rental agreement has more than just a financial impact. It means more time living in the shelter, in their car, or in a place not meant to be a home. We know

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that stability at home is the foundation for stability in every other area of life. Ensuring landlords return deposits when someone doesn't sign a rental agreement means not only protecting Nebraskans' ability to maintain safe housing but also medical and mental health outcomes, job stability, and financial independence. Respectfully, we urge you to vote LB1007 out of committee and affirming your commitment to affordable housing. I'll take any questions.

DeBOER: OK. Are there questions? Senator Rountree.

ROUNTREE: Thank you so much, Vice Chair. Thanks for your testimony today. As I'm looking at the bill, I just wanted to go back to-- I've signed a lot of leases, and also my daughter out in Colorado, but I have not encountered a lease that had a nondisclosure agreement of the rental agreement. So how often do you come across one? Is that common?

SCOTT JACKSON: Great question. So it's our job at, at, at Heartland to help our te-- our clients re-- read through those leases. So if those terms are in there, we won't typ-- typically sign those. That doesn't mean they've-- it's happened where a tenant or a client goes and signs a lease without us being present. That-- sometimes that does happen. We've also had in-- instances where we have paid a, a deposit to a landlord and they end up not moving into that unit. And then-- it-- we fight like tooth and nail to get that deposit back. And sometimes, in a few cases, we have not received that money back.

ROUNTREE: And was that-- wasn't given back because after you had made the deposit, then they had an opportunity to read the lease? And so-- OK, I can't work with that, but now I'm kind of bound?

SCOTT JACKSON: Correct.

ROUNTREE: Thank you.

DeBOER: Thank you, Senator Rountree. Other questions? Thank you for being here.

SCOTT JACKSON: Thank you so much.

DeBOER: Let's take our next proponent. Welcome.

COURTNEY CARON: Hi. My name is Courtney Caron, C-o-u-r-t-n-e-y C-a-r-o-n. And I am in support of this. As somebody who is in the field of homeless programs, I have seen both of these types of practices in leases that our clients have been involved in. And it has

been a concerning thing especially for those who are, as Scott had mentioned, experiencing homelessness because a deposit is a very make-or-break deal, especially for some folks-- or, the nonprofit agencies assisting. There's a lot of that that we work with. The nondisclosure is one that we've seen a few times. And in specific, there's, like, a couple landlords in Omaha that we've had that issue with, where they will have that. And then whe-- when the clients have to show their lease to us so that we can help them go to the housing authority and sign that lease and figure out what all of the resources they need are, we find that. And then it has to get brought up because it's going to be on public record because the fact that it's being in these different things. So it is something that happens, but it's not always at that point where maybe folks are aware that those things are in there. A lot of the folks that I work with, they're just happy to have the option to sign a lease. And they don't always realize the kind of consequences those kinds of things can have. Or they don't realize what they're being told. We see it especially for folks who are currently trying to stay in, like, single room occupancy type of places or kind of sleeping rooms. A lot of those places will ask for a security deposit. You don't get a lease at all because it's not an apartment or a place that you're fully leasing. You just pay month to month. And you just agree to pay that one-month fee, but they-- a lot of them do ask for a security deposit and you don't have a lease that you're ever signing, and so they never get that back a lot of the times because it's not a traditional lease. So it's something that there's kind of a gap already that exists legislatively that I think this could be very beneficial to and I think would help protect a lot of vulnerable folks, either those experiencing homelessness, at risk of it, or those who are just in low income and wanting to find a different place.

DeBOER: Thank you.

COURTNEY CARON: Thank you.

DeBOER: Let's see if there are any questions. Senator McKinney.

McKINNEY: Thank you. I'm trying to wrap my mind around this. Why would somebody give a security deposit without signing a lease?

COURTNEY CARON: In the case of a lot of our clients, they don't really realize that that's not maybe the normal situation. A few of the folks are very chronically homeless, so they haven't had a place in-- anywhere from the minimum of two years to-- some of my guys haven't

had anything in their entire life. They've always stayed with friends or family. So they're not aware of kind of the normal procedures that come with housing. So they kind of assume that's normal. They'll give it to them. And then either the apartment takes forever or something will change or they get told, oh, actually, we're-- we couldn't verify this or that. Usually stuff with the housing vouchers if they take too long. And so then the client has to find something else in time or that delay just kind of causes them to become frustrated and want to go somewhere else. And then they get told they can't have that money back. And if they paid for it, then they're usually stuck being homeless for another month or two. Or if it's one of the nonprofits who pay for it, then they're-- as Heartland said-- kind of stuck fighting for quite a while.

McKINNEY: So what is the typical argument somebody would make to say, yeah, we're not going through this rental agreement but we're not giving you your security deposit back?

COURTNEY CARON: A lot of the times, we see it in the case of folks who maybe-- they had additional barriers they weren't aware of. So they might have that security deposit put down and they plan to sign the lease and then they have some kind of health crisis come up, especially-- since I work with a lot of older adults, they might miss their date to sign their lease. Or they'll start giving their information to folks while they're waiting for their vouchers. And then they don't get that voucher, so then they kind of preemptively start working with a landlord assuming they were going to have that voucher and then don't. So then they have to pivot because that landlord will no longer rent to them usually in that case because they don't have the guaranteed funding. And a lot of the times, those folks can't afford those places without those vouchers. So they end up kind of saying, neither of us are gonna move forward with this, but we-- already taken your lease and-- or, your security deposit and we've held this for you or plan to. So this is on you for moving forward before you had the rest of your steps, which a lot of the times they just aren't aware of that they need to wait on. So that's kind of a lot of those ones.

McKINNEY: Thank you.

COURTNEY CARON: Mm-hmm.

BOSN: Thank you, Senator McKinney. Any other questions for this testifier? Seeing none. Thank you for being here.

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COURTNEY CARON: Thank you.

BOSN: Next proponent. Anyone else here to testify in support? Opponents. Anyone here to testify in opposition? Good evening, and welcome.

TARA HOLTERHAUS: Good evening. My name is Tara Holterhaus, T-a-r-a H-o-l-t-e-r-h-a-u-s. I'm an attorney at Spencer Fane and practice in the real estate industry, specializing in multifamily housing representation of property owners and third-party managers. I'm also here on behalf of the Apartment Association of Nebraska and the Nebraska Association of Commercial Property Owners. Our office represents hundreds of properties, property owners, and third-party management companies, and we are opposed to LB1007 in form and principle. When I first saw Senator Dungan's bill, I forwarded it to Ryan and thought, are we really opposed to this? You know, I, I, I don't know how this is implemented in practice at the operational level. So we reached out to our clients to get an understanding. And we do have some folks from the operations side who can help explain how this, in theory, happens, but this is the scenario that we were given as when these fees might be charged. Imagine a situation where a tenant is shopping around a particular neighborhood or city for a new apartment. Not an uncommon scenario. The tenant applies at multiple apartment complexes. In order to hold a specific apartment for them, they pay a portion of the security deposit to hold that unit and remove it from the market. At that time, they're given a copy of the lease agreement. And a property might offer certain concessions. If you sign the lease agreement by Friday, you will receive a X amount discount on your first two months of rent. Certain properties might have a two-month rent concession, where the first two months of the lease are-- they pay no rent. One property I know offers a free parking space if they sign a 13-month lease instead of a 12-month lease. Certain concessions are offered and a lease agreement is provided. In order to hold that particular unit off the market, a tenant would pay a portion of the security deposit. After the tenant weighs their options, they choose to sign a lease agreement with apartment A. They do not sign the lease agreement for apartment B, C, or D. This bill would require apartments B, C, and D to return 100% of the advanced security deposit provided regardless of their out-of-pocket costs associated with removing the unit from the market, needing to relist it after the lease is not signed, and any administrative costs associated with having to return that unit after it was removed from the market. Currently under this scenario, apartments B, C, and D are incurring these costs of holding the unit.

Only after they are informed of the tenant's decision not to sign the lease do they return the security deposit. Under the applications that these properties have that tenants sign, the applications make clear that they have X amount of time to choose to sign the lease agreement. If they do not sign that lease agreement within that period of time, they are charged as liquidated damages under the application, the advanced portion of the security deposit that was paid in order to hold it off the market for them. I see I'm out of time. I do have a few more comments. I think that-- help explain if I may.

BOSN: Briefly, please.

TARA HOLTERHAUS: So there's only a specific period of time in which a tenant would need to fail to notify the property that they choose to not go forward with the lease agreement. If they choose to notify the property-- I'm not going to sign this lease agreement because of a family emergency or I located a different housing provider-- within that period of time, they retain the full benefit of the advanced portion of the security deposit. If they do not notify the landlord within that period of time, the holding fee of the security deposit would be retained by the landlord because now they have to go back, relist the apartment on the market. They've already prepared the lease package. And they would need to essentially start over. I would note that Iowa passed something similar to this, and now they just call it a holding fee. And it's just another fee that gets added that is nonrefundable at the time of the application. So again, I, I think we're just trading fee for fee here and again harming tenants who don't shop around like this by having another nonrefundable fee at the time of paying the application. I'm happy to answer any questions.

BOSN: Thank you. Questions for this testifier? Senator McKinney.

McKINNEY: Thank you. And thanks for that scenario too. I guess-- I think they're-- because I, I get what you're saying, where somebody is shopping around and they talk to three apartment complexes and they tell them to, to hold it. Is there usually a average amount of time where they'll, they'll hold it before you make a decision?

TARA HOLTERHAUS: I don't know the answer to that. I-- there's somebody in operations that I think is going to testify right after me. I hope that she'll have that information for you. I, I don't want to guess, but I would guess something like a week.

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McKINNEY: OK. And my other question, is there usually a percentage of, like, the overall security deposit that you pay?

TARA HOLTERHAUS: I don't know about a percentage. I know that many of them charge somewhere in the neighborhood of \$250 to \$350 as that advance portion of the security deposit, which holds the unit. The only reason you would need to pay that advance portion before you sign the lease is to hold the unit. If you don't care that the property holds it for you, somebody else might take it. But the only reason you would need to pay that in advance of signing the lease is to hold it off the market.

McKINNEY: All right. Last question. What if it's not a situation where they're necessarily agreeing to hold it but let's say somebody is thinking that they're going to rent this apartment, then they give the security deposit upfront for some reason, then it comes back that, hey, actually, I can't rent to you?

TARA HOLTERHAUS: As long as they timely notify the landlord that they're not going to be executing the lease agreement, the entirety of that security deposit is refunded back to them.

McKINNEY: No-- no, that's what I'm getting at, where it's kind of reversed, where it's not the potential tenant saying, I can't rent, but it's the lease-- or, or property management person saying, actually, although you gave us, let's say, \$500, we can't re-- rent to you because of some error or some issue in your background or-- you, you get what I am saying?

TARA HOLTERHAUS: Yes. I understand your question. I'm not aware of any scenario in which that's happening. In order to even begin a lease package-- and, and there's softwares for all of these companies that do this. But in order to even begin a lease package, they have to have cleared the background check and, and be approved in the system. Once they're approved, a lease package can begin. In which case, a security deposit would be assigned for a particular unit. And--

McKINNEY: I guess it might be more of a issue not with, like, the larger associations or management groups but maybe the smaller ones who might not have the same resources to do the process and to have-- all-- and I, I think that might be where the issue is lying.

TARA HOLTERHAUS: Sure. I think that's where fair housing regulations step in. The first-in-time rule applies. I mean, if you qualify, if

you are approved and you are the first-in-time applicant to qualify and be approved at the property, you are the tenant who gets to sign the lease agreement, barring any sort of, you know, we're going to hold this for a different tenant that might come across. That's where fair housing regulations and, you know, the authority over, over that sector comes in. Where-- I don't have any clients or know any landlords who are forgoing prior people on their list of tenants who have been approved for the property to find tenant F on their list because they, you know, just choose to rent to that tenant.

McKINNEY: All right. Thank you.

BOSN: Senator Rountree.

ROUNTREE: Thank you so much, Chairman Bosn. And thank you for your testimony. Thanks for breaking those things down. But I come back to the question I had earlier. We're talking about-- I kind of looked at it as earnest money, something related like that. But however, if I'm having the landlord hold this for me, has that member already had an opportunity to look at the lease and see what all the requirements are of that lease? Even though he may be shopping. But has he had an opportunity to look at that lease prior to--

TARA HOLTERHAUS: I would imagine so, yes. I don't know in practice that that is 100% the case for everybody. Sometimes people sign a lease site unseen. Sometimes they tour the apartment, want the apartment to be held regardless of what the physical lease looks like. They may choose to hold that unit. I don't know how that looks in practice. The person behind me I think will.

ROUNTREE: Thank you.

BOSN: Thank you for being here.

TARA HOLTERHAUS: Thank you.

BOSN: Next opponent. You got big shoes to fill, apparently. Signed you up for all the answers.

SONI ALBERTSON: Yeah. I'm the person, right?

BOSN: Yeah.

SONI ALBERTSON: Soni Albertson, S-o-n-i; last name, Albertson, A-l-b-e-r-t-s-o-n. I represent the Apartment Association of Nebraska,

and I run the Institute of Real Estate Management. I oppose this bill. I, I understand some of it, like why it's-- and I, and I agree. I think there's some companies out there that practice in different ways than what we practice-- or, how I've practiced, I guess, in the last 20 years. But the nondisclosure is a surprise to me. I've rented several apartments and I've worked for a few different companies, and I've never seen that. So that may be a smaller, a smaller type company that, that is doing that. But that is obviously not something that we would practice. There was some-- I guess I can just jump into questions. So our policy-- you come, you apply, you pay your application fee. On a regular, conventional property, we run your application, we call you, we say you're approved or you're conditional, and we give you a period of time. You guys are going to freak when I say-- the period of time we give is, is 24 hours. But again, it is 24 hours to tell us if you want the unit or not. You can hold payment with a portion of security deposit. As Tara mentioned, \$250, \$350 is probably pretty standard in Nebraska. And if you accept, you are more than-- I, I will tell you we probably don't practice that. We just give people a lease agreement. But if-- I have had people request it, and we will allow them to, you know, read it. And if they have questions or whatever have you-- never denied anybody to read their lease, so. And then after a period of time, yes, that security deposit may come nonrefundable. That's stated in the application on the bottom as the disclosure. And that is for the time it takes us to rent an apartment, the time it takes us to, you know, advertise it and do all those things. And we're holding it off the market if they want to. Yes, if they don't want that specific unit and they don't want to hold a specific unit, they, they wouldn't have to pay a security deposit. They could-- you know, if they wanted to show up that day and that was the unit they wanted, they can look at it and sign the lease that day as well. It's-- the security deposit that we request after an approval is more of a commitment. Like, asking for a commitment. Like, are you really going to take this unit or, or not or-- you know. Whatever. That's how we've always, like, practiced, if you will. Quest-- other question. Not sure I answered all of them.

BOSN: Senator McKinney.

McKINNEY: Thank you. Two things I'm thinking about here. Do you think there should be a set-- and, and I know it's kind of hard depending on somebody who walks in on a Friday versus a Monday as far as process, but do you think there should a set time-- timeline as far as if you-- say I want to hold this, you got X amount of time to respond. And make sure it's-- and I, I know it's probably hard depending on where you're

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at in the state and the size of your organization or if it's just you, but just to have some type of clarity around that.

SONI ALBERTSON: I, I mean, from my point of view-- I, I wrote a little note. I wouldn't necessarily be opposed to that. If-- you know, like I said, 24 hours, we do that as a commitment. But yes, if there was a period of time that they could decide to-- you know, a reasonable amount of time that we could all agree on, absolutely. I'm not necessarily opposed to that.

McKINNEY: What about a cap on the amount you can put up to hold?

SONI ALBERTSON: If we could come in to an agreement, yes. We-- obviously, we practice with a certain cap. We don't require-- like, if somebody comes back and, like, let's say their application is conditional, we may require a higher security deposit. That's usually when we require that. And we allow them to pay that all the way up to the day they move in. So, like, they're holding it for, like, let's say 2-- \$250 is usually what we ask them to hold it for. And then that remainder amount that they need to pay, it just needs to be paid prior to move-in.

McKINNEY: OK. And I guess I-- I mean, I've rented apartments, but I've never been in a position where I was shopping around to say hold this and-- it's usually-- when you pay the security deposit is when you sign the lease.

SONI ALBERTSON: I--

McKINNEY: That's what I thought it was like.

SONI ALBERTSON: Yeah. I haven't-- I-- it hasn't been practiced that way in a while.

McKINNEY: OK.

SONI ALBERTSON: Yep.

McKINNEY: All right. Thank you.

SONI ALBERTSON: Yeah.

BOSN: So the security deposit, sometimes the definition is the term. You're securing that apartment.

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SONI ALBERTSON: Correct.

BOSN: And to the point that Ms. Holterhaus made, we can ban security deposits and then we're going to change the fee to holding. And then we can ban holding and we're going to change it to pausing. I mean, we're going to just whack-a-mole--

SONI ALBERTSON: Correct.

BOSN: OK.

SONI ALBERTSON: And-- I mean, from a business standpoint, it's a commitment, right? Anytime you move into a house, you move into a apartment or anything like that, there's always some sort of commitment, monetary fee. I think. I don't know. Maybe there are some things that you don't, but most of the time, there is.

BOSN: Any other-- Senator Rountree.

ROUNTREE: Thank you so much, Chairwoman Bosn. And thank you for all of your testimony. So when you were determining what that holding fee is going to be, do you, like, maybe take the 30 days, you know, the month that we're in divided by 30 and I'm gonna hold it for X and come up with a number, or how do we get there? And then what is the expectation, you know, if you're gonna pay the security deposit at the move-in-- let's say we move in maybe ten days down the road too.

SONI ALBERTSON: Our fee is a-- well-- I mean, from our standpoint, and then I can give you kind of what other-- organization practice. We have-- I, I-- I'm it was just a-- an-- you know, we've been in business for quite a few years. So it was just-- the deposit was \$250. That was just the amount that we believe is significant to-- for damages, for moving out or anything like that. That's how we kind of determine what a security deposit would be. And then the addi-- if there's any additional security deposit needed, usually that's based on what their credit is and how they qualify in our qualifications, if they're high risk or, or not or any, any of those options. So that's kind of how we kind of determined those fees. Other companies, they do some holding fees. And I wouldn't know, like, what those-- how they're determining those.

ROUNTREE: All right. Thank you.

SONI ALBERTSON: Mm-hmm.

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BOSN: Any other questions for this testifier? Seeing none. Thank you for being here.

SONI ALBERTSON: Thank you.

BOSN: Next opponent. Anyone else here to testify in opposition?

LYNN FISHER: Hello again. Good evening, Senator Bosn, members of the committee. My name is Lynn Fisher, L-y-n-n F-i-s-h-e-r. And I'm representing only this time the Nebraska Statewide Properties Owners Association and not the Nebraska Realtors. Our association is opposed to LB1007. And I, I wish that Senator Dungan would have come to us. We didn't hear from him about this. We could have explained to him our position and maybe worked something out ahead of time and made it much easier and maybe something that would not be opposed. But in my 30-plus years in property management, I have never heard of or seen of a, a nondisclosure clause. And I don't think any of our members have ever heard of one. So that's kind of an issue that I think is a nonissue. And-- but speaking only now for myself and our company and the way we operate, decades ago when we first started in the business, we would do something like was described earlier where we would take an application, approve it, and take a, a holding fee or a security deposit, and then ask the people to sign a lease. And they may be out of town and they may-- so what we he-- we'll be here this weekend or Monday and we'll sign the lease. And then that day comes, and then we don't hear from them. And they demand their deposit back because they found something better down the street. We'd give them their money back and, and it just, you know, really was disheartening for us to trust somebody, to, to take the word of a, of a person that says they're going to do something and then they don't. So we changed our policy, and now we don't take holds. We don't take a deposit. And-- so what happens is oftentimes in the summertime when we're very busy and we have maybe a few places to rent and multiple applications, especially as, as kids are coming back to go to college and they, they have a bunch of roommates and they all want to gather their-- themselves up and find a place, we might have multiple applications, two or three or four sets of applications for one place. And people come in and they beg me to-- take my money. Take my money. We want that place. And we say, no, slow down. We have a process. We will determine the order in which we're going to offer the place. And people have 24 hours. No deposit. You have 24 hours to come in and sign the lease and pay the deposit, and only then do you get the place. Because we, we got tired of being burned. And so that's our policy, and I think that's a good one. And no one gets-- no one has to

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be fighting for a deposit that they don't get back. That's, that's our policy. So I'd be happy to answer any quest-- any questions you may have.

BOSN: Questions for this testifier? Seeing none. Thank you for being here.

LYNN FISHER: Yeah. Thank you.

BOSN: Next opponent.

NATE HAUGEN: Nate Haugen, N-a-t-e H-a-u-g-e-n. Testifying on behalf of MOPOA. I'll skip a lot of the points that have already been made, but I'll just hit again on what Mr. Fisher was talking about, that the requirement creates an unintended consequence for prospective tenants. Knowing that deposits must be returned regardless of the reasons, many small property owners will respond by no longer reserving units at all until all funds and paperwork are complete. Applicants who are close but not yet fully ready from a financial perspective-- often working families coordinating paychecks or assistance-- will lose the ability to secure housing. Instead of increasing access, LB1007 reduces pre-lease res-- flexibility and makes the process more rigid for the very tenants it aims to protect. And for that reason, we reject LB1007. Any questions?

BOSN: Thank you. Any questions for this testifier? Seeing none. Thank you for being here.

NATE HAUGEN: Thank you.

BOSN: Next opponent. Neutral testifiers. All right. Senator Dungan to close. Welcome back.

DUNGAN: Oh, thank you. Thank you, Chair Bosn and members of the committee. I appreciate your time. I know it's a late night. I won't take too much time. I do appreciate the testimony from the opponents. I think it's, it's illuminating because I, I do think that-- we all understand the issue that I'm trying to get at and I think that we want to be judicious in how we come to a potential solution. I, I think we're kind of looking at two different issues, like two ships passing in the night. What I'm trying to stop with regards to the security deposit practice is the requirement of payment prior to even knowing what you are entering into. Like, to me, that seems like a problem. I'm happy to have conversations around potential caps of what you can and can't keep for certain periods of time. Senator McKinney

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was asking questions about that. I don't want anybody to be out a bunch of money because someone's gaming the system. That's not what I'm trying to have happen here. But I would say the bulk of people who are renting apartments, at least in my experience, are not able to pay a bunch of different security deposits at once. And for myself, when I rented for a very long period of time, similar to Senator McKinney, when you pay a security deposit, it's usually-- I'm, I'm signing my lease. I'm sign-- paying you the security deposit. I want this lease. And you make sure you have that money saved up. And you make sure you're ready to go. And then that's all kind of paid in one fell swoop. There may be these people out there that are gaming the system and, and paying a bunch of security deposits and then not signing all the leases. I, I don't know of anybody who has that much money personally. I do believe it happens. So I'm happy to continue talking. And I do appreciate the willingness, it sounds like, from the opposition to continue discussions about this if we can find some language that both protects the individuals who are renting to make sure they're not required to put up a bunch of money before they enter into a contract or decide not to but also ensure that the other folks are not out that money if they're holding a unit for a certain period of time. We can talk about caps or things like that. So there's already statutory requirement for how much a security deposit can be. I think we can work in stuff in that with regards to how much they can keep in the event that somebody doesn't sign their lease, but we can have that conversation. Lastly, as it pertains to the nondisclosure agreement-- I don't want to point to any particular company. I will say my understanding is the company that had this lease is in the top five largest leasing companies in the state. Over 4,000 units are serviced, I believe, in Nebraska. And the nondisclosure agreement was page 12 of an 87-page lease. So just for reference, these leases are very, very long. I know not everybody does that, but I do just want to make that clear. This was not a hypothetical. We verified-- I got a copy of the lease. I looked at it. So this is something that is being put in there seemingly on a regular basis, at least by this company. And so if there's no objection to that, that's great. It doesn't sound like there's any objection to that provision. I think it's really just an issue with that nondisclosure. I think that it creates problems legally with people not being able to talk about their lease either on the record at a hearing like this or potentially in court. If that part's not objectionable, that's great. Happy to work on the other portion to find language that does work for landlords as well.

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BOSN: I stepped out for a brief moment, but I don't think I heard anyone object to that portion.

DUNGAN: I didn't think so either, but I certainly don't want to put words in people's mouths. So it sounded like that portion was-- peo-- I think people were saying they were surprised they-- they never heard of that happening before. And so I just want to say that it is, like, a fairly large company that put that in their lease, but I don't think it's by any means a common practice, it sounds like. So that's kind of where that came from.

BOSN: Questions for Senator Dungan? All right. Thank you very much.

DUNGAN: Thank you.

BOSN: That will con-- I forgot to say-- Senator Dungan, you had 14 proponent letters submitted, 32 opponent letters, and 0 neutral test-- letters submitted.

DUNGAN: Thank you.

BOSN: Thank you.

DUNGAN: Have a good night.

BOSN: That concludes LB1007. Next up, LB980.

DeBOER: So as Senator Bosn is getting up to the chair to testify-- or, to open on her bill, I will announce that she had 27 proponent comments, 2 opponent comments, and 1 neutral comment. All right. Bring us home, Senator Bosn.

BOSN: Thank you. I know it's really late and so-- I know we're all as tired as I am, and so I will try to be brief. Thank you, Vice Chair DeBoer. Good afternoon, members-- evening, members of the Judiciary Committee. For the record, Carolyn Bosn, C-a-r-o-l-y-n B-o-s-n. I represent District 25, which is southeast Lincoln, Lancaster County, including Bennet. LB980 addresses actions for possession, the portion of the eviction process in which a landlord seeks to regain possession of the premises and require a tenant to vacate. These actions typically arise after a tenant has violated the lease and will not leave voluntarily, most commonly due to nonpayment of rent. In those cases, the landlord has generally followed the notice requirements and procedures of the Nebraska Uniform Residential Landlord and Tenant Act-- which I will hereafter refer to as the Landlord Tenant Act--

before filing in court. Under current law, the Landlord Tenant Act contains a provision requiring that actions for possession be tried by the court-- meaning a bench trial rather than a jury trial. Last session, Senator Dungan introduced LB101 to provide tenants a right to a jury trial in actions for possession. That proposal was based on a serious constitutional concern that Article I, Section 6 of the Nebraska Constitution may be interpreted to guarantee a right to a trial by jury in these cases. That concern was highlighted in Judge Papak's concurring opinion in the NP Dodge Management Company v Holcomb. Since then and during the interim after substantial research and conversation with the Attorney General's Office, as well as stakeholders, it appears increasingly likely that the Nebraska Supreme Court could strike down the Landlord Tenant Act's bench trial requirement as unconstitutional. And if that happens, colleagues, the consequences could be significant both for landlords and for tenants. At that point, the court could strike the entire Landlord Tenant Act, leaving no clear statutory framework governing landlord-tenant disputes. Or alternatively, the court could only strike the bench trial requirement, resulting in jury trials in possession actions without any statutory procedures or guardrails. That would force courts and litiga-- lit-- litigants-- excuse me-- to navigate uncertainty and it could make these cases significantly more complex, more expensive, and slower for everyone involved. LB980 is not intended to create or expand a right to jury trial. Instead, it assumes the court may soon hold that such a right exists and it-- in tur-- in consequence of that, provides an orderly, procedural framework so that if jury trials occur, they occur in a way that is fair, that is predictable, and is efficient. While LB890-- sorry-- LB980 and LB101 address the same general topic, they take different approaches. LB980 is a narrower and more procedural tactic. It makes four targeted changes. First, LB980 allows parties to voluntarily waive a jury trial through a rental agreement. That concept is not new to Nebraska law. Jury trial waivers are permitted in other civil contexts, including commercial agreements, and many other states allow them in residential possession actions as well. This provision gives parties flexibility and avoids unnecessary jury trials in cases where the facts are not disputed. Second, this bill clarifies summons requirements so that tenants receive clearer notice of their rights-- something we've heard over and over today-- specifically, whether a jury trial is available and when court costs and attorneys' fees may be awarded. In other words, tenants are better informed at the front end of the process. Third, LB980 provides for expedited proceedings in possession actions, particularly through summary judgment when there

is no genuine dispute of material fact. This is not a pro-landlord provision. It protects tenants as well. If a landlord's claim is weak, unsupported, or legally insufficient, summary judgment allows the court to resolve the issue promptly without unnecessary delay and expense. And if there is a legitimate factual dispute, summary judgment will be denied and the case will proceed to trial. Fourth, LB980 authorizes courts to award court costs and reasonable attorney fees in jury-tried possession actions. This provision is intended to discourage delay tactics that will drive up costs for both sides and place additional strain on the courts, especially when a jury trial is requested not to dispal-- dis-- resolve a real dispute but simply to prolong the process. I recognize there may be concerns that this bill shifts the balance too far in favor of landlords, but I respectfully disagree. Efficiency is not bias and clarity is not unfairness. A predictable process that resolves cases promptly and on the merits benefits tenants with valid defenses just as much as landlords seeking possession, especially in cases involving prolonged nonpayment, where every extra week of delay increases costs for everyone. The reality is that most possession actions are nonpayment cases, which are usually not factually complex. The parties agreed in the lease that the tenant would pay rent in exchange for housing. The tenant does not pay, the landlord provides notice and follows the statutory procedures. In many cases, there is no genuine dispute about the key facts, and nothing meaningful is gained by a lengthy jury process. If, however, there is a factual dispute-- for example, whether the rent was actually paid-- nothing in this bill reduces the landlord's burden of proof. That dispute would still be litigated and the case would proceed accordingly. LB980 also anticipates a second category of cases: possession actions not based on nonpayment but based on other alleged lease violations such as allegations of criminal activity, ongoing disturbances, or other noncompliance with the lease. Those cases are more likely to involve genuine disputes of fact. Again, LB980 does not change the landlord's burden of proof. It simply provides clearer procedures so that cases with real disputes proceed to trial and cases without disputes can be resolved promptly. At its core, LB980 is about fair process, judicial efficiency, and predictability. It does not expand eviction authority. It does not change substantive tenant protections. It ensures that the-- if the courts recognize a jury trial right in these proceedings, Nebraska will have a clear framework in place so that the system remains workable for everyone. I will close by saying that I appreciate the stakeholders who have reached out to share their concerns. I'm happy to continue those discussions and willing to consider suggestions that will strengthen the bill.

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Thank you for your time and consideration. I'm happy to take questions.

DeBOER: Thank you. Are there any questions for-- Senator Hallstrom.

HALLSTROM: Yeah. In the last hearing, Senator Dungan-- a different context-- but Senator Dungan suggested that one of the reasons that somebody might need to get out of the security ent-- deposit is that they read the lease and they find out that they wanted a six-month instead of a one-year lease, or vice versa. Same thing here. If they read the lease and it has a waiver of jury trial, they can choose not to enter into that lease. Is that correct?

BOSN: Yes.

HALLSTROM: OK. Thank you.

DeBOER: Other questions? All right. Thank you. You are staying for closing.

BOSN: Yes, ma'am.

DeBOER: Let's have our first proponent.

LYNN FISHER: We're all friends now, right?

DeBOER: Welcome.

LYNN FISHER: Senator, Senator DeBoer, thank you very much, members of the committee. My name is Lynn Fisher, L-y-n-n F-i-s-h-e-r. I represent the over 6,000 members of the Nebraska Realtors Association and the Nebraska Statewide Property Owners Association. Our members support LB980. We want to thank Senator Bosn for all of her hard work. She's done an outstanding job. And, and I think this is a great bill. Without this bill, we fear that our ability to expeditiously restore our property back to producing rent could be in jeopardy. Every day we can't get rent paid adds to our overhead costs. All overhead costs must be covered by rents. Tenants ultimately pay for these cost in higher rents, so LB980 is one way to keep rents from increasing incrementally more than necessary. A jury trial simply takes far more time and money than a bench trial. Nobody wants to spend time needlessly in drawn-out court pro-- proceedings, especially because, as in most eviction cases, when-- it's-- because rent is not being paid. We ask that you consider strengthening the language to require rent to be deposited in the case of a jury trial, which is not part of

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the-- of, of the bill but that would be helpful to strengthen our position in, in accepting this, this bill. A warning court and attorney fees is also a good incentive to expedite the process and restore the property back to producing rents as well. So please vote to advance LB980. I'll be happy to answer any questions.

DeBOER: Let's see if there are any questions for you. Apparently it's getting late. Oh, there's Senator Rountree with one.

ROUNTREE: Thank you so much, Vice Chair. And thank you so much for your testimony. Could you go a lit-- mo-- a little bit more in depth about requiring the rents to be deposited, I guess, during a time of dispute--

LYNN FISHER: Yeah. In the, in the case of nonpayment of rent, if we-- when we go to trial, our members ask that the tenant be required to deposit the rent with the court while the ti-- the trial's being processed, especially if, especially if it's a jury trial. A bench trial not so much because it's pretty quick. But if we end up in jury trial for whatever reason and it's rent that's not being paid, it would be helpful if that was deposited [INAUDIBLE].

DeBOER: Senator McKinney.

McKINNEY: Thank you. I guess my question is, if this passes and-- we all admit that people may or may not read their full lease agreement. Who's going to notify the tenant of this right? And how are you going to communicate whether or not they're giving up the right?

LYNN FISHER: You know, I, I mentioned earlier that we used to sit down and go over the lease in detail and explain it to our tenants and ask them questions and have them initial and sign each page. We do that electronically now. The first document in the stack of documents that they get electronically says, I promise to read every page of this lease and ask questions if I don't agree with it, and et cetera. So it's, it's just a simple statement. And we have them sign that. So we have to take them at their word that they are going through the lease and if there are any questions or concerns that they contact us before they complete and sign that lease. Because if they don't agree with it, we don't want them to take the place.

McKINNEY: I think the, the, the problem that might arise if you don't also put a statement in there, are you also-- under the understanding that you can or cannot waive your right to a jury trial, that most

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people-- I think we like to think people pay attention to the Legislature on a mass scale or when laws pass. I just fear that there, there will be a lot of people who think things are normal--

LYNN FISHER: Well, especially--

McKINNEY: --and, and not pay attention to this change. You, you get what I'm--

LYNN FISHER: I, I get what you mean. And especially when there's a new law, we pay particular attention to, to pointing that out in the lease and usually have a, a whole big, bold section, maybe even highlighted, saying here's something to pay, pay attention to so that there's absolutely no question about it. So we would make sure that they understand what they're signing.

McKINNEY: I get that, but waiving the right to a jury trial is like a higher-- I, I think there should-- in-- there should be something on a higher scale or a stronger emphasis to let people know of this. It-- that-- that's the only thing I'm [INAUDIBLE].

LYNN FISHER: Well, I would hope if you signed one of our leases and you saw that, that you would have a conversation with us so we could go into detail about what that means. And we certainly don't want somebody to agree to something that they don't agree with or sign something they don't agree with and that-- that's not the point. So. You know, we try our best. We try our best. And, and, and again, I think it's the tenant's responsibility to read the lease. I've, I've mentioned this before-- not this year-- I volunteer and I help people learn how to be a good tenant in a program called RentWise, if you're familiar with RentWise. And so we've had-- I think it's almost 15,000 or 20,000 people that have gone through the program. It's been over the course of the last 20 years. And that's the-- one of the things that we do is we emphasize the importance of reading and understanding your lease, and we try to explain to people-- and we go through the terms and conditions that they're expected to understand and abide by. And so, so there's an effort out there all the time to help people to do that. So I, I have a hard time taking the argument that somebody who doesn't read their lease should not be held responsible.

McKINNEY: Yeah, but we got protections for people who don't read a lot of things that they probably should legally, but we, we pass protections for people maybe not reading through the--

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LYNN FISHER: It's my job and your job to make sure they're, they're educated.

McKINNEY: I agree.

LYNN FISHER: All right.

DeBOER: Thank you, Senator McKinney. Other questions? I have one for you.

LYNN FISHER: Yes.

DeBOER: Would you ever-- let's say we pass this law-- would you ever lease to someone and have a rental agreement that did not require them to ra-- waive their jury trial?

LYNN FISHER: No.

DeBOER: So what's the point of the rest of the bill if we're basically just going to say every landlord is from now on just going to put in a, a piece in that says you waive your right to jury trial?

LYNN FISHER: Like, like any marketplace, there are people in the business that will rent to someone without that clause. They'll find somebody. There are people that don't require someone to have a, a good credit score, somebody that is not required to have good rental history, or that may, may have a criminal history and they'll be accepted to certain places. So in the marketplace, the spectrum from you have no qualifications to you have to be solid gold-- on that spectrum, every property owner has to make a decision. Where am I? Where-- where's my red line? What range am I in? And so our decision would be-- I certainly wouldn't want to accept somebody without that provision because of our experience where we know evictions are very costly and we want to avoid them at all-- every time we can. And so the court process, if it had to be a jury trial, would be, would be untenable.

DeBOER: So you would require-- so-- OK.

LYNN FISHER: Yes.

DeBOER: All right. Any other questions in light of that? Thank you for being here.

LYNN FISHER: Thank you very much.

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DeBOER: Let's have our next proponent.

DENNIS TIERNEY: Good evening again. Dennis Tierney, D-e-n-n-i-s T-i-e-r-n-e-y. Senators, no landlord wants to proceed with an eviction. It's not good for the landlord or the tenant. But a jury trial for an eviction is a change in the current law that would result in a massive increase in the cost to the landlord, not only legal expenses but on the resulting delay in the recovery of the possession of the landlord's property. Because the Nebraska Supreme Court has indicated [INAUDIBLE] in favor of jury trials, I support this bill because it has a provision that a landlord and tenant can voluntarily sign a waiver of the right to a jury trial if a lawsuit arises related to the lease contract. Commercial leases frequently have these waivers, as do a fair number of business contracts. Five state supreme courts have up-- upheld the legality of these waivers and leases, and that's Alabama, Connecticut, Missouri, Nevada, and Rhode Island. It's imperative that the waiver provision remain part of this bill, otherwise the massive increase in legal cost to landlords will drive many of them out of the business. I also support the guardrails Senator Bosn has placed to prevent delays and abuse in those cases that go to jury trial and the awarding of court costs and legal fees in, in jury-tried eviction cases. Regarding the waiver, I think it should be a separate part of the lease. It should be definitely separated from the rest so there isn't any question of it being buried somewhere in the lease. It needs to be a separate part that the tenant and maybe even the landlord and the tenant initial it so they're aware that that's a part of the lease. It shouldn't be buried in the lease. I'll, I'll certainly say that. Please support LB980.

DeBOER: Thank you. Are there questions? I'll just ask you one question. Would you ever rent to someone if we pass this bill without having that waiver as part of your lease agreement?

DENNIS TIERNEY: I would not.

DeBOER: OK.

DENNIS TIERNEY: There's, there's 93,000 rentals in the city of Omaha, over 11,000 landlords, according to statistics I found. So there's plenty of other properties that somebody can go to.

DeBOER: I appreciate your honesty. Thank you.

DENNIS TIERNEY: Mm-hmm.

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DeBOER: Any other questions? Nope. Next proponent.

NATE HAUGEN: Good evening, Vice Chair DeBoer, members of the Judiciary Committee. I'm still Nate Haugen. And I'm still the president of the Metropolitan Omaha Property Owners Association. I'd like to thank Senator Bosn for bringing this legislation. I'm here today to support LB980 because it provides a necessary and balanced solution while preserving fairness and due process. LB980 protects the right to a jury trial, but it also allows that right to be knowingly and voluntarily waived by both parties at the time the lease is signed. This mirrors long-standing contract principles and reflects how many civil disputes are handled across Nebraska's legal system. Equally important, LB980 addresses procedural abuses that can occur when jury trials are requested solely to delay eviction proceedings. Extended delays without any requirement to deposit ongoing rent create severe financial hardship, especially for mom-and-pop property owners who rely on rental income to pay mortgages, taxes, insurance, and maintenance. LB980 restores balance by allowing courts to require rent-- [INAUDIBLE] option of the, the courts to require rent to be deposited during the pendency of a jury demand, protecting both parties while the legal process plays out. MOPOA members are not seeking to deny tenant rights. Eviction is always, always a last resort. And most housing-- housing providers work extensively with tenants to resolve issues before reaching that point. However, when that process is abused, small property owners-- many of whom only own one or three properties-- two or three property-- they can lose a large amount of their rental income literally overnight, and that loss is oftentimes unrecoverable. LB980 promotes fairness, efficiency, and constitutional compliance without eliminating tenant protections. It provides courts with the tools needed to prevent delay tactics while also ensuring legitimate disputes receive proper consideration. For these reasons, MOPOA respectfully urges the committee to advance LB980.

DeBOER: Thank you. Before we see if there are any questions, even though you've been up here, like, five times already, we need you to spell your name.

NATE HAUGEN: Oh, I'm sorry.

DeBOER: No, that's OK.

NATE HAUGEN: I'm sorry. My apologies. Nathan Haugen, N-a-t-h-a-n H-a-u-g-e-n.

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DeBOER: OK. Now we'll see if there are questions for you.

NATE HAUGEN: I'm trying to hurry you guys.

DeBOER: No, no, no. Thank you. Are there questions? All right. I'm going to ask-- oh, Senator McKinney has one.

McKINNEY: Thank you. Quick question. So if there is a waiver, what would you envision that waiver's stating? And how would it be read to the potential tenant?

NATE HAUGEN: I-- I'm definitely still not a lawyer. And I could definitely never write that legal verbiage. And to, to answer your question, Senator McKi-- I'm fri-- upfront, right? But I would definitely have legal counsel write that up, definitely point it out, because this is a, a change, obviously, a big change. And again, as Dr. Tierney testified as well, have the tenant initial so that they fully understand what, what-- what's happening in that, in that verbiage.

McKINNEY: Because I, I, I think that's important as far as, like, the-- whatever is in the waiver and how people are notified of-- you have the right to a jury trial, you can waive or not. I, I just think what's in the waiver is very important. To, to just make it as simple as possible--

NATE HAUGEN: I believe transparency is a good word for tonight, right? I mean, being transparent. Completely upfront about that. Absolutely. 100% agree with that.

McKINNEY: Thank you.

NATE HAUGEN: You bet.

DeBOER: Thank you, Senator McKinney. Anyone else? So you represent-- MOPOA is a lot of smaller landlords--

NATE HAUGEN: Yes, ma'am.

DeBOER: --rather than just a bunch of big--

NATE HAUGEN: Very, very small. Typically, it's somebody who had a house and they maybe grew-- outgrew it and then they started to rent it, or, or things like that. They may-- they-- very, very sma--

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typically, our membership is between, by a large part, three to six properties.

DeBOER: OK. So--

NATE HAUGEN: They're very small. So a loss of an-- that's why I keep talking about litigious-type situations, because that really can, can put us under water and out of business fast, and you're gonna lose supply quickly.

DeBOER: OK. OK.

NATE HAUGEN: Sorry.

DeBOER: No, no, that's OK. So you have-- you, you work with a lot of folks who are mom, pop, small number of rentals. OK. So as a organization, if this passed, would you put together education for your members about the new law?

NATE HAUGEN: Absolutely. Just a few months ago, we had a lawyer present on the changes that happened last year at the Legislature here to educate our members. Absolutely. That's in, in our mission statement, to educate and advocate for, for property owners.

DeBOER: Would you tell your people, as part of that education, that they should always include a rais-- waiver provision within their lease?

NATE HAUGEN: Will we? I, I would imagine so. [INAUDIBLE] discuss it with the board, but I would imagine that-- that'll be part of our standard lease. Absolutely.

DeBOER: OK. Are there any other questions? Senator McKinney.

McKINNEY: Thank you. Another thought while you were talking. Kind of-- it's not the same as criminal with Miranda rights or anything like that, but let's say somebody forgets to tell the tenant of the waiver-- I don't know. I'm just wondering also if, like, a notary or somebody needs to be present to affirm that the rights were read. You get what I'm saying?

NATE HAUGEN: I do. I'm-- I mean--

McKINNEY: Just so it's not a-- you to-- you said you told me and I say, no, you never told me. A witness to-- I, I, I guess that's--

NATE HAUGEN: Requirements could always be made, but then [INAUDIBLE] increase costs and, and somebody has to pay those costs. But to have a notary present, you know, that's not--

McKINNEY: I just-- even just for fairness and protection for everybody. Because let's say on the other hand I'm a tenant and I end up evicted and then you did tell me and I'm, I'm saying, no, you didn't. You get what I'm saying?

NATE HAUGEN: I, I, I do. But again, the initial next to that paragraph-- and then I also have-- at least from-- I can-- this isn't MOPOA-- this is me personally. I have my future tenants, when they sign the lease, initial the bottom of every page. So that initial next to that paragraph should match the bottom of every page. So-- I mean, they, they shouldn't initial next to a paragraph if they don't understand.

McKINNEY: But I'm sure you've had people argue that it-- and-- I'm sure somebody would argue, I didn't initial that.

NATE HAUGEN: Maybe. I, I-- personally--

McKINNEY: Yeah.

NATE HAUGEN: But I, I could see somebody might say that, yeah.

McKINNEY: I'm just thinking of the hypotheticals. Thank you.

NATE HAUGEN: No problem, Senator.

DeBOER: Any other questions? Thank you for being here.

NATE HAUGEN: Thank you.

DeBOER: We'll take our next proponent. No one else here to testify in favor? We'll move then to opponents. Sorry. Welcome.

ALYX OLNEY: Hi. Thank you. I'm not Scott Jackson, but I am with Heartland Family Service. I am Alyx Olney, A-l-y-x O-l-n-e-y. Scott had to leave, so you get me. I work with Heartland Family Service. Through our housing and supportive services programs, we serve individuals and families experiencing and at risk of experiencing homelessness. We assist our clients in identifying affordable housing, acc-- accessing available resources, and achieving housing, with the ultimate goals of supporting our clients in maintaining safe,

permanent housing and maintaining financial independence. While LB980 does affirm a tenant's right to a jury trial in eviction proceedings, it also adds language stating that a rental agreement may include a provision waiving the right to a jury trial in an action for possession. Tenants and landlords are not on equal footing when they enter into a rental agreement. Nebraska has been experiencing a housing shortage for years, and low-income renters are at the greatest disadvantage with a shortage of over 37,000 units, according to 2023 data. If given the opportunity, landlords will quickly adopt provisions to waive that right in their standard lease agreement, as we've heard. Low-income renters, individuals, and families, including the clients we serve, are at a loss for housing options. Competition for affordable units is very high, leaving tenants feeling powerless in the face of unfavorable lease terms like this. Evictions are traumatic experiences, leading to both immediate and long-term instability, and access to a jury trial is one way to help move us toward leveling the playing field between tenants and landlords. Please do not allow that resource to be taken from Nebraskans so easily. Respectfully, we urge you to oppose LB980 and commit to policies that expand access to affordable housing and provide resources to tenants who are already facing an uphill battle. Thank you.

DeBOER: Thank you. Let's see if there are questions. I don't see any. Thank you for being here. We'll take our next opponent.

CONNOR HERBERT: Good after-- or, good evening, Vice Chairwoman DeBoer and members of the Judiciary Committee, for the opportunity to speak today. My name is Connor Herbert, C-o-n-n-o-r H-e-r-b-e-r-t. And I serve as a staffer for the Nebraska Commission on African American Affairs. We are testifying today to express our opposition to LB980, which, while proposed here in good faith, may provide means for landlords operating in bad faith to disempower tenants with reduced understandings of the law. The commission's work in housing access and tenant education seeks to promote conditions in the state of Nebraska that ensure tenants and landlords are given their fair shake under the Uniform Residential Landlord and Tenant Act. We understand that the current arrangement of the law's provisioning of recourse may need some kind of alteration-- as demonstrated in some of the conversations about constitutionality-- but we find that what LB980 proposes here may in fact worsen exist-- distru-- existing distrust between la-- tenants and the landlords. Bad faith actors, though they may be few and far between, can ruin tenant experiences and trust in future tenancy agreements, causing further tensions between the folks

providing housing, landlords, and the tenants they serve. We can imagine countless scenarios where the good faith and position of the Uniform Residential Landlord and Tenant Act may be violated by predatory landlords proposing tenancy agreements with individuals who lack the funds to seek effective recourse or counsel in poorly written or downright illegal tenancy agreements. Of course, as I mentioned, those may be few and far between, but there's still situations that exist. We understand the significant, significant role that landlords have to play in providing mobility among residents of Nebraska. And while we do not wish to suggest that all or the vast majority of landlords participate in activities that do harm to the communities they serve-- that we serve, we understand that there are actors out there that may seek to weaponize changes like this to the Uniform Residential Landlord and Tenant Act in ways that will further harm existing landlord-tenant relations. I think it's also kind of interesting to note that, like, you know, when we talk about, like, open markets, there's a presumption that anyone can go anywhere to find housing. But as was just demonstrated, like, many of the landlord associations would encourage their-- the people that they're involved with them to include in their tenancy agreements the-- a waiver, which would mean that-- actually, that's a closed market, which is not really demonstrable of, like, a situation where like, oh, you know, you can just find housing elsewhere, especially if everyone that you're going to has a-- has that language inside of their clause. But also, like I said, the commission understands that there might be some, some provisioning of recourse-- or, some alterations needed to be made to, like, the current bench system. But in this case, we, we are coming out in opposition against LB980. Thank you.

DeBOER: All right. Thank you. Let's see. Senator Hallstrom.

HALLSTROM: Is it correct there, there currently is no right to a jury trial on these types of cases?

CONNOR HERBERT: I'm not a lawyer. And I'm not 100% sure, but it sounds like based on some of the ongoing discourse-- like-- the Supreme Court is likely to decide that that is a requirement. But that change was made, like, 30 years ago, from my understanding. Someone else might be able to talk more about that.

HALLSTROM: It-- it's pretty important to acknowledge when you're coming in and opposing something that's going to grant a right that doesn't exist that it doesn't currently exist. And I am a lawyer. That

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doesn't make me any special [INAUDIBLE]. I, I know that there is currently not a right to a jury trial.

CONNOR HERBERT: Right.

HALLSTROM: So we're granting a right that doesn't currently exist. Your opposition appears to be predicated upon speculating that every lease is going to have a waiver of that right to jury trial. And you, you were in the committee hearing room when some of the witnesses in support indicated, while honest, that they would include that waiver in their agreements, that they suspected that there would, for market forces, competitive factors, whatever the case might be, that they would envision that some landlords would not put that as a matter of course in their, in their rental agreements. And if that opportunity is there and those folks would have a right to jury trial that does not now exist, would you view that as, as favorable for people in those positions?

CONNOR HERBERT: Well, I would say that my oppositional statement here doesn't really-- isn't predicated exactly on the presumption that all landlords would be including a right to-- like, a, a waiver to someone's right to, to a trial-- like, a jury trial. I will say, like, I think it was the case that jury trials were, like, a requirement for landlord-tenant disagreements. It seems as though that might have been changed by a legislative bill some time ago. I think someone else might be able to speak to that.

HALLSTROM: Yeah.

CONNOR HERBERT: So.

HALLSTROM: And I-- and I'm not expa-- I'm trying-- not trying to badger you into telling me that you know the law. That's not what it's about. So thank you.

CONNOR HERBERT: Yeah.

DeBOER: Other questions? OK. Thank you for being here.

CONNOR HERBERT: Yeah. Absolutely.

DeBOER: Next opponent. Welcome.

KASEY OGLE: Hello. Thank you, Senator DeBoer and members of the Judiciary Committee. My name is Kasey Ogle, K-a-s-e-y O-g-l-e. I'm a

senior staff attorney at Nebraska Appleseed for our Economic Justice Program. Nebraska Appleseed is a nonprofit, nonpartisan organization that fights for justice and opportunity for all Nebraskans. I'm here today on behalf of Nebraska Appleseed in opposition to the current version of LB980 and in support of the constitutional right to a trial by jury for litigants in eviction court. We want to thank Senator Bosh for introducing this bill and giving us the opportunity to talk about the current discrepancy between the Uniform Residential Landlord and Tenant Act and the Nebraska Constitution. But we are opposed to the current version of this bill because of the, the waiver-- primarily because of the waiver provision in the bill. The-- we've heard from previous testifiers that this would be a routine practice. And we're afraid that the-- or, not afraid-- we're, we're, we're-- suspect that the, the exception would swallow the rule, that every lease would have a, a waiver of the jury trial provision. And as you mentioned, Senator DeBoer, then what-- what is-- what's the point of the rest of the bill? If every lease has a jury trial waiver, then the right will be nonexistent. And so they-- you know, the landlords before us talked about how it's going to put them out of business and they wouldn't lease to a tenant who wants the option to have a jury trial. So this would become routine practice in leases. And tenants, even if they're able to read their leases and consider them-- which, from previous testimony on, on other bills today, demonstrates how difficult that is-- then there has-- there's an assumption that tenants are able to go somewhere else and find some other lease with provisions that they prefer. But as we heard earlier today, some leases are as many as 87 pages long. Tenants maybe have 24 hours to review them and decide whether or not it has all sorts of provisions that they're OK with. And if they decide not to sign that lease and move on, then they might lose certain funds or they might have to go look at the next landlord who's-- or, the next apartment or unit that's just as likely to have a waiver trial-- or, a waiver of a jury trial. Someone previously said, you know, it's a knowing and, and voluntary waiver, and I think that's important. If it was a knowing and voluntary waiver, then that would be all right. But because of the uneven bargaining power between tenants and landlords, tenants are left with no other choice. And I-- lastly, I just would like to say that not allowing a waiver during the signing of the lease-- if I may finish this thought, Senator.

DeBOER: Go ahead.

KASEY OGLE: Thank you. That you could still waive it further-- further down the line. It just prevents a waiver in the, the lease. If and

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when an eviction action happens, there would still be the opportunity for a waiver of the jury trial right at that time.

DeBOER: OK. Let's see if there are some questions. Senator Hallstrom.

HALLSTROM: OK. Let's turn the tables now. If you wait until that point when there's an eviction and somebody's represented by a lawyer, how many times do you think the lawyer would suggest to the tenant that they ought to waive their right to a jury trial?

KASEY OGLE: I, I can tell you that I know in places where there are jury trials in eviction court, it's a very rare occurrence.

HALLSTROM: I'm not sure that was the answer to the question that I asked, but.

KASEY OGLE: The, the jury trials are a very rare occurrence. And so I think-- you're, you're asking how often is someone going to waive their right to a jury trial. I can tell you that I know in jurisdictions where there are jury trials in eviction courts that very few jury trials actually happen.

HALLSTROM: I understand, but if the, the waiver of the jury trial-- if part of it is Senator Bosn-- her opening suggested that it's for delay. Many times, if you don't get the rent pla-- paid into the court-- which I didn't understand from Mr. Fisher whether or not that's routinely done by the court. Time is money.

KASEY OGLE: Sure.

HALLSTROM: And the longer it takes-- we may not-- I, I wouldn't disagree with you. We may ultimately take that to jury trial, but the leverage of not waiving the jury trial, asking for a jury trial just prolongs the ultimate decision-making in that case.

KASEY OGLE: I understand your point, Senator. I think I would say also that there-- I'm sorry, I lost my train of thought. If I can have just a second to think.

HALLSTROM: Yep. Certainly.

KASEY OGLE: Sorry.

HALLSTROM: We were talking about how frequently--

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KASEY OGLE: I'm so sorry, Senator.

HALLSTROM: No, no. No problem.

DeBOER: It's late.

HALLSTROM: How frequently it would happen that they would waive it. And even if they-- when they don't waive it and they request the jury trial, it may be simply for purposes of prolonging the ultimate decision and leaving the landlord hanging out and swinging in the wind.

KASEY OGLE: Thank you, Senator. Yes. My thought there was about the rest of the bill. The rest of the bill seeks to find a, a middle ground and have this new procedure-- a sort of expedited summary judgment procedure-- so that there's-- and that-- I would say that the rest of the bill goes towards your, your point, I think, about the bargaining power and-- or, not the bargaining power but the, the sort of leverage. And the rest of the bill at-- attempts to correct for that so that there are procedures in place so that these issues can continue to move very quickly, that many of those concerns are addressed, but while maintaining the constitutional right to a trial by jury in a way that doesn't essentially eliminate it.

HALLSTROM: OK. Thank you. And do you practice-- you-- does your practice involve small town or rural Nebraska?

KASEY OGLE: I would say I, I infrequently represent--

HALLSTROM: OK.

KASEY OGLE: --people in--

HALLSTROM: My experience has been-- and particularly, I'll just use an example-- farm leases.

KASEY OGLE: Certainly.

HALLSTROM: Many farm lease-- we have a rule that says oral farm leases run-- and you have to give six months' notice as of September 1 and so forth because a lot of people do not put leases in writing.

KASEY OGLE: Sure.

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HALLSTROM: My experience is that a lot of smaller landlords-- you and I may agree or disagree as to whether or not it's a good business practice-- but many of them don't even have a lease. If you don't have a lease in writing, you can't say that every-- it's going to become routinely the practice of every landlord to include a waiver of jury trial, because many of them in small towns, as been my experience, may not even have a lease at all. And you can't have a waiver of jury trial in a lease that doesn't exist.

KASEY OGLE: I, I take your point there, Senator. I think most of the people-- we, we certainly speak with tenants who don't have written down leases or, more frequently, I think, maybe sign a month-to-month lease that goes on for a long time. And so there may be changes to provisions of those leases that have been orally agreed to or, or something else. And so it, it becomes more of that. But certainly the majority of people we talk to have written leases.

HALLSTROM: Or a written lease if not renewed because they've been there a long time, they've been there six months, they've been, been there in a year. We may have had an original lease, but if we don't put together a new lease, then it becomes an oral month-to-month lease.

KASEY OGLE: Yes.

HALLSTROM: And again, if there wasn't a waiver of jury trial in the original lease, it's certainly not going to exist at that point.

KASEY OGLE: I, I understand your point, Senator. I think all-- and I-- I take it-- the majority of tenants-- low-income tenants that we speak to are looking for places that will have a lease-- a written lease agreement and will likely have these-- almost certainly have these jury trial waiver provisions included in the lease. And that is mostly within Lincoln.

HALLSTROM: So they're looking for a lease that they're not going to like-- be likely to read.

KASEY OGLE: Tenants--

HALLSTROM: Based on the conversations that we've had.

KASEY OGLE: Certainly. And tenants are looking for places to live. There's such a shortage of affordable housing-- let alone any other type of housing-- that tenants have very little choice at all about

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what sort of unit they can, they can find that will-- that they can afford, that's livable, that has good conditions. And then also to ask to find a sort of unicorn lease that doesn't have provisions like these, it would be very difficult.

HALLSTROM: But if a lease doesn't exist, would you agree that, in those situations, to have categorically said that it's going to become routine, that every lease will have a waiver of jury provision-- maybe it's not quite so routine.

KASEY OGLE: I, I--

HALLSTROM: And maybe I haven't convinced you, but that's OK.

KASEY OGLE: No-- no. Certainly, Senator. I, I think-- I, I mean, I agree with you. If there is no written lease, there's nothing that would waive the right. But I think, from our experience, those are limited circumstances. I could not give you a percentage of how many tenants have leases or not, but the vast majority of people we work with have written leases with-- that would have-- include provisions like this.

HALLSTROM: And you've heard some conversation today. Would you feel more comfortable under the circumstances that if we had some type of provision that was in la-- larger font type or required an initialing and set off as separate and apart so that it was really truly brought home to the tenant that there is a waiver of, of jury trial provision in the lease, would that give you a little better comfort level?

KASEY OGLE: It-- cer-- certainly a, a little better comfort level, but I, I think-- ideally, it would also include something to the effect of, you can choose not to sign this provision and we will still rent to you.

HALLSTROM: OK. Thank you for your patience.

KASEY OGLE: Thank you.

DeBOER: Thank you. Let's see if there are other questions. Senator Holdcroft has one.

HOLDCROFT: Yes. I was just wondering. Are you aware whether there are, are already some [INAUDIBLE] out there that have the, the waiver language in them?

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KASEY OGLE: Yes, Senator. I am aware.

DeBOER: Thank you, Senator Holdcroft. Are there other questions? I want to ask you one before you leave-- or a couple since Senator Hallstrom asked you a couple.

KASEY OGLE: Yeah.

DeBOER: Are you aware of other circumstances within the andlord-tenant law-- I had this vague recollection, but I can't specifically point to it-- that you cannot-- you can't-- under the Landlord Tenant Act, who can't waive in the lease agreement, like, your right to not be evicted with no notice, right? Like-- so I, I couldn't write a lease that says, and I can evict you to-- with no notice and you have-- waive any rights that say I can't.

KASEY OGLE: Yes.

DeBOER: OK. And there-- you-- probably you, you couldn't say, and I can evict you without correct service of process and you have to waive the correct service of process by signing this lease agreement with me.

KASEY OGLE: Yes, Senator. I believe that would be true.

DeBOER: So there's, there's a number of rights to serve as a process, to not being evicted with no notice, that we have already said are unwaivable within landlord-tenant law.

KASEY OGLE: Yes.

DeBOER: OK. So. Earlier there was some discussion, I think with the testifier before you, about whether or not there is currently in law a right to a jury trial.

KASEY OGLE: Yes, Senator.

DeBOER: Would you call that a closed question or an open question? Do we know whether there's a right to a jury trial? I don't know the answer, so I'm asking you. I don't know how you're going to answer.

KASEY OGLE: Yeah. I-- we believe there is a constitutional right to a trial by jury under the Nebraska Constitution. The Landlord Tenant Act currently says that all eviction cases need to be tried by a judge, not by a jury. Cannot be tried by a jury. We believe that that's

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contrary to the Nebraska Constitution. So in a sort of technical way, I would say all litigants in eviction court right now have a constitutional right to a trial by jury and functionally do not because of the language in the Landlord Tenant Act.

DeBOER: So it sounds like it's kind of an open question. We're waiting for the Supreme Court. Understand you contend, but there are other people, I think, that you know of that contend that, that there is not a right. OK. So it's kind of an open question. Let's say that we decide, yes, there is a right to a jury trial. Could you waive that right? I mean, would that be something-- I know there-- the-- somebody testified that there are five other states where a court has found-- and they listed them-- that a court has found that you can waive the right. Are you aware of those states?

KASEY OGLE: I am not, Senator.

DeBOER: OK. Because the question I would want to ask is, do they have a similar constitutional provision that allows that as opposed to a statutory or other provision?

KASEY OGLE: I, I do know a bit that there are-- that many constitutions-- it-- other-- of other states have similar jury trial provisions to ours. And several of those states-- I, I want to say most, but I, I hesitate slightly. It might be closer to a 50/50 split on whether or not those constitutional provisions have been read to include a jury trial right in eviction cases. I don't know how much that answers your question, but those are--

DeBOER: It doesn't, but that's OK.

KASEY OGLE: Yeah. I'm sorry, Senator.

DeBOER: No, no, no. That's totally OK. Not having that information is totally reasonable. Like, you don't have to know everything when you come in here. OK. So what we know is that, in the Landlord Tenant Act now, there are at least some provisions that you cannot waive even if there was purported waiver within a lease.

KASEY OGLE: Yes.

DeBOER: OK. I think that--

KASEY OGLE: I'm-- I'm sorry. If I--

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DeBOER: No, go ahead.

KASEY OGLE: --could just-- and I think that's also a great point as to why the-- it doesn't make sense to waive the jury trial right here, because this is a constitutional right. Other rights within the Landlord Tenant Act are not waivable, and so I-- we think it makes sense and is aligned with existing landlord-tenant law to say that the jury trial right can't be waived in a lease.

DeBOER: And another piece that I wanted to draw everyone's attention to that we haven't been talking about is attorneys' fees. So ostensibly-- tell me if I'm wrong here-- the reason in law to grant attorneys' fees is to prevent, like, sort of gratuitously enacting a delay or something like that, like-- or, you know, sort of causing the opposing party undue harm or something like that.

KASEY OGLE: That makes sense to me, Senator, but I, I confess I've not specifically researched attorney fee issues.

DeBOER: Someone-- did they-- I can't remember if senator Hallstrom asked you-- it's a long night-- or if someone else somewhere asked someone else-- and then tell me to shut up-- but did Senator Hallstrom ask you whether or not you would advise a client to waive the right to jury trial if they had not done so in a lease?

KASEY OGLE: I think he asked a similar question, or how often do I think that would, would happen in practice.

DeBOER: OK. So he, he ma-- he asked you something similar.

KASEY OGLE: Certainly, yeah.

DeBOER: Recognize--

HALLSTROM: I didn't ask her specifically, I said would an attorney.

KASEY OGLE: Yes. Thank you, Senator.

DeBOER: So, so considering now that attorneys' fees would be awarded to the losing party, would that change your answer to the question of whether or not someone-- an attorney-- would be likely to, in cases, suggest you should waive your right to attorn-- to a jury trial in this case?

KASEY OGLE: It would certainly be a factor. I think that an attorney would take into consideration when advising a client.

DeBOER: OK. Thank you. Are there other questions? Thank you for being here.

KASEY OGLE: Thank you.

DeBOER: Let's go with our next opponent. OK. Now we'll take neutral testimony.

MEGAN MONK: Good evening. My name is Megan, M-e-g-a-n; Monk, M-o-n-k. I am the in-house attorney for Seldin LLC. I am testifying regarding a neutral position for LB980 and recommending an additional amendment. Seldin LLC is a property management company that professionally manages multifamily housing in 14 states. Seldin is in the business of housing people, and we want to support legislation that will help us to continue this mission. Seldin is in support of the language that would allow the parties to agree with-- to waive the right to a jury trial in an action for possession in the lease. However, I would like to note that, for HUD, Section 8 housing, landlords are required to [INAUDIBLE] standard HUD model lease. The standard HUD model lease does not allow for the parties to waive the right to a jury trial. The HUD occupancy handbook specifically prohibits a landlord from including a waiver of jury trial in the lease language. I have brought a copy of the pages from the HUD occupancy handbook to provide to the Legislature for your reference of this requirement. Even if states pass laws allowing for language to be added to a lease waiving the right to a jury trial, the HUD regulations preempt those state-level laws. I am recommending the Legislature to add additional language to this bill to exempt HUD properties from this bill requiring jury trials for evictions. There is concern regarding evictions for reasons other than nonpayment, particularly for violence and sanitation issues. Evictions for reason other than the nonpayment are more likely in HUD housing than in conventional housing. In 2025, across all of Seldin's HUD portfolio, 59% of the evictions were for, were for a reason other than nonpayment. In comparison in 2025, across all Seldin's conventional portfolio, only 22% of those evictions were for reason rather than nonpayment. Common nonpayment evictions are for issues like violence or sanitation issues, like extreme hoarding. These issues create risk for the other residents of the property. When a landlord is evicting a tenant for violence, there's a dangerous situation with that tenant. The other residents at the property have the right to live in a home that is safe and there's not increased

risk of violent crime at the property where they live. Sanitation-related evictions are also a concern. A primary sanitation issue is hoarding. Hoarding often leads to rodent and insect infestations, which often go into adjacent units, creating a habitability issue for the other residents. The more time that passes with someone who has an extreme hoarding issue, the more other residents are at risk of sanitation issues in their units as well. I'm open for other questions.

DeBOER: OK. Are there questions? I don't see any, but I do appreciate that-- this is a different point. So thank you for bringing that up.

MEGAN MONK: Thank you so much.

DeBOER: Next neutral testifier. Welcome.

TARA HOLTERHAUS: Good evening. My name is Tara Holterhaus, T-a-r-a H-o-l-t-e-r-h-a-u-s. I'm an attorney at Spencer Fane. I'm here for the Apartment Association and the Association of Commercial Property Owners. I have a lot to say on this. And we're here in a neutral position on LB980. My office is in court five days a week, every single week of the year, on these cases. We were on the NP Dodge v. Holcomb case. I am as intimately familiar with this issue as one could possibly be. I have spent more time thinking about jury trials on eviction cases than I ever thought I would when I went to law school. As reluctant as I am to say that we're in the neutral position, we understand that Senator Bosn's concerns with the concurring opinion in the NP Dodge case. And we think that this bill strikes a fair balance between landlord and tenant interests under the Landlord Tenant Act. So on that basis, we're here today in a neutral position. I would like to note that if the waiver provision of this bill were to be removed, we would be in adamant opposition to the bill. There has been a lot of testimony today in the opposition about waiving the constitutional right. People waive constitutional rights all the time, every day, in many situations. Anytime somebody enters a plea bargain, they are waiving their right to a trial by jury. They're waiving their right to confront their accusers, their witnesses, waiving their right to remain silent, and waiving their right to appeal their convictions. We waive rights by consenting to searches and seizures-- and I have a point on that when it-- that I want to come back to. We waive our rights under the Miranda rights when we choose to speak with law enforcement. The Seventh Amendment allows, in civil cases, parties to sign contracts or agreements that require arbitration rather than a trial by jury. We waive our right to counsel by representing

ourselves. It is very commonplace that people waive constitutional rights. And I, I want to push back on the notion that there is not an equal bargaining power between landlords and tenants. While the vast majority of my clients are large, multifamily housing complexes, I have several clients that are small, single-family homeowners that have one to ten properties. One of my clients has 12 properties. He uses a one-page lease, and it drives me crazy. I've offered to redo it for him no less than 100 times. And I promise you there's no waiver of a jury trial provision in that lease. And it-- no matter how many times I advise him to include one, he will not. So the cost of property ownership is expensive. The pro-- the cost of having no tenant in your property and-- of the vacancy cost is significant. And the right landlords who need a tenant in their property will not take the steps to add these provisions if it means that they have vacant properties. So I don't think that there is always an unequal bargaining power. I also want to urge the committee to think about-- if I can finish.

DeBOER: Please.

TARA HOLTERHAUS: I want to urge the committee to think about the opposition's sentiment that we cannot waive the constitutional right and compare it to Senator Dover's bill, where property owners are required to waive their rights to searches and seizures under the source of income protection. And I want to urge the committee to think about the dichotomy between this bill and Senator Dover's bill and some of the questions that were raised on Senator Dover's bill, where-- shouldn't we let the court system play it out? We did that, and we've been here for three years straight arguing this same bill. So the cost of letting the court system play it out, the cost of litigation, it-- it's not the proper way to do it. If we think that there's a constitutional violation happening-- which, for three years, that has been the sentiment. As much as I have disagreed and opposed that in the past, that has been the sentiment. If we think that a constitutional violation is occurring, I think that it is our job as the landlord lobby, as the committee, as the state to impose the proper legislation that corrects the constitutional issue without a Supreme Court decision on that. So if we're going to advance, which I-- I'm testifying in the neutral position. I would say I'm as close to support as I could possibly get on this. But if we're going to take that position here, I think it is only fair, it is only right, it is only the same line of reasoning and logic to take the same position with respect to the landlord constitutional rights on Senator Dover's bill.

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DeBOER: OK. I appreciate your position, but I do have to cut you off or I'm going to get in trouble--

TARA HOLTERHAUS: Please.

DeBOER: --with Senator Holdcroft over there. But Senator Holdcroft is going to ask you a question.

HOLDCROFT: I have a question. Your-- the previous testifier provided us with this HUD occupancy handbook, and one of the things it does say is the following provisions must not be included in the lease modification, and subparagraph F says waiver of jury trial.

TARA HOLTERHAUS: Yes. So there are a certain class of properties that would not be able to include a waiver by-- of jury trial provision in their lease agreement. And those-- that is a property that utilizes the HUD lease, because it's a HUD property.

HOLDCROFT: OK. But you don't have to go by the HUD-- you don't have to follow this.

TARA HOLTERHAUS: They would need to follow that. So--

HOLDCROFT: If it was a HUD property.

TARA HOLTERHAUS: Any HUD property would not be allowed under the current-- the bill as drafted, they would not be allowed to include a waiver of jury trial provision. So-- I mean, that alone opens up a very large subset of housing that would not have a waiver of jury trial provision in its lease agreement.

HOLDCROFT: How many HUD properties do we have in Nebraska? Are there a lot or just a little or-- one?

TARA HOLTERHAUS: I-- no. There's much-- many more than one. I know that-- certain of my clients have a very significant portion of their portfolio that is affordable. I know that Megan Monk was just here-- and she's left already-- but something to the tune of 40% of Seldin's entire portfolio is affordable. They do a very good job of making sure that they have affordable housing units. So yeah, there's a significant amount of properties that would include no waiver provision in their lease.

HOLDCROFT: OK. Thank you.

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DeBOER: Thank you. Senator Hallstrom.

HALLSTROM: Do you know if those leases provide that if they do contain the provision for waiver of a jury trial but there is some consequence, sanction-- is the lease considered to be null and void with regard to that particular provision, if you know?

TARA HOLTERHAUS: I don't know that there's any lease language or authority on that, but my opinion with that, it would be preempted by federal law because it is a federal program, the HUD program, that is governing the lease. And so federal law would preempt any sort of provision in that opinion.

HALLSTROM: So in your opinion, would it, would it be self-effectuating as opposed to perhaps having to have a specific exemption in state law for it?

TARA HOLTERHAUS: I think under the bill proposed by Bosn, there would be a certain class of properties that would not be able to fall under one of the exceptions. That still-- a, a, a tenant can still waive their right i-- at, at the hearing by proceeding with a bench trial. They can still choose to have the trial or enter into any sort of settlement agreement. They just would not be able to have a provision in the lease where they execute something like that.

HALLSTROM: And one last question. Are, are you familiar whether landlord trade associations provide continuing education seminars?

TARA HOLTERHAUS: I am.

HALLSTROM: And is it most likely that not every landlord in the state makes it to those seminars?

TARA HOLTERHAUS: Absolutely.

HALLSTROM: And with respect to them, while ignorance of the law is no excuse in a general term, the fact that a lot of people unfortunately aren't aware that this law, if it passes, was passed, might lead to situations where landlords, because of not being aware of the law, clearly may not put this waiver of jury trial routinely in their leases.

TARA HOLTERHAUS: Correct.

HALLSTROM: OK. Thank you.

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DeBOER: Other questions? Senator McKinney.

McKINNEY: Thank you. This is kind of going back to some questions I asked earlier about-- how would you feel about the need for-- if there is a waiver and somebody's-- one, what do you think the, the language should be of the, of the waiver?

TARA HOLTERHAUS: Many of our leases already have a waiver provision. It states that the parties agree that they knowingly, voluntarily, and intentionally waive their right to a trial by jury for any cause of action that would purs-- the-- that they could pursue under the lease agreement.

McKINNEY: Is that read out loud or it's just you need to read it?

TARA HOLTERHAUS: Well, to echo some of the other points, I mean, there's-- many times anymore, a tenant wants to sign this online with DocuSign. We are trusting-- we, the landlords, are trusting that a tenant is reading the lease agreement.

McKINNEY: I, I get that. I guess-- and I-- I don't know where he went. I think-- oh. He's back there. And he said, like, when somebody signs it, it has a alert. Do you think it would be good practice, one, to have, like, some alert that you could potentially be waiving your right to a jury trial or, two, having that or having some sort of witness present or some notary provision or something so it's clear-- like, there, there-- there's a clear understanding of it?

TARA HOLTERHAUS: I think it would be good practice to initial the specific paragraph to show that they have at least been directed to that paragraph. I don't think that's necessary. I think people need to read the contracts that they sign.

McKINNEY: All right. Thank you.

DeBOER: Thank you, Senator McKinney. Senator Hallstrom.

HALLSTROM: The way you describe that waiver, is it safe to assume that those would generally be a two-way street and that both the s-- the landlord and the tenant are waiving the right to a jury trial?

TARA HOLTERHAUS: Correct. They are written as a mutual waiver and not as only tenant waives their right.

HALLSTROM: Thank you.

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DeBOER: Any other questions? Senator Rountree.

ROUNTREE: Thank you so much, Vice Chair. And so thank you for walking us down this line. So I can assume then that, with the waiver in there, the tenant doesn't want to waive, then he's not going to sign the lease?

TARA HOLTERHAUS: Correct.

ROUNTREE: Thank you.

DeBOER: Thank you, Senator Rountree. Other questions? Senator, Senator McKinney.

McKINNEY: That's where I'm-- sorry. I guess that might be where I'm missing with everybody. So if somebody-- so in the lease, it says, do you want to waive your right to a jury trial? I say no, does that mean I can't rent the property?

TARA HOLTERHAUS: It means you would have to find a landlord that would be willing to give you a lease agreement that doesn't have the waiver provision in it.

McKINNEY: OK. Now I'm clear. Thank you.

DeBOER: Thank you, Senator McKinney. Anybody else? Last call. All right. Thank you for being here. Next neutral testifier. You might be my last testifier on my last Landlord Tenant Day in my career here at the Legislature. All right.

RYAN NORMAN: That's a lot of pressure. Let me make sure I spell my name right. I've done that before in front of the committee. Thank you all for your time here tonight. I know this has been a long day. It's been a long day for all of us. I am Ryan Norman, R-y-a-n N-o-r-m-a-n. I'm a lawyer in Lincoln, and I represent the Nebraska Association-- the Nebraska Apartment Association. I am just going to spend my time answering some questions that have already happened here and, and not-- I guess the first thing I want to say is when we debated Dungan's bill last, last term, my recollection was over and over and over I heard-- and I heard this from Senator Dungan-- was, we aren't interested in extending the eviction process. We just want to protect the right of the tenant to the jury trial. That's not what I'm hearing tonight now. Now we've got a bill that-- and again, I-- I'm testifying neutral, and I'm only doing that because I have been in here testifying against these jury trial bills. And I have a lot of clients

that are absolutely against this, and I can't with a straight face say I'm totally supporting this. But I-- I'm close. But that's-- now we have a bill that does that, which it protects the right of the tenant-- the jury trial under the constitution. And now the same people that were testifying that they weren't interested in extending, extending the eviction process are now testifying, well, OK, maybe that wasn't true. I just have a-- I, I have an issue with that. I, I guess-- I'm just going to answer some questions. Senator DeBoer, you asked people, hey, what would you tell your, your clients about signing a-- or, a-- doing a lease without a waiver in it? I would advise all of my clients to put a, a jury trial waiver in their lease, just like I would advice all my clients who do a commercial lease to do that now, or a-- or an arbitration clause the same way. We already do that in other, in other instances. Senator McKinney, I think you've, you've pointed out a, a good point that, hey, maybe there needs to be a highlighter on, on this. Like, people need to know this is in the lease. I'm gonna point everyone to a statute. It's Nebraska Re-- Revised Statute 25-2602.02. It's the arbitration statute. There's a, there's a, there's a statute that says, hey, if you're going to have binding arbitration in your contract, this has to be in bold at the bottom of the contract. It has to be in capitalized, underlined lettering at the end of the contract right above the signature line. You can do the same type of thing here. I don't think there-- that the landlord folks would have any problem with that. Yes, there is a, a waiver already in a lot of leases that my clients use. I can read it to you. I looked it up right before I came up here. To minimize legal expenses and to the extent allowed by law, you and we agree that a trial of any lawsuit based on statute, common law, and/or related to this lease contract shall be to a judge and not a jury. I would suggest that that's probably the language that I'm going to tell most of my clients to use if this passes. We will be vehemently opposed to this bill if it does not include the jury trial waiver in the lease. But otherwise, I just really appreciate Senator Bosn for bringing this bill and working with us on getting it to a point that we can at least be neutral about the bill. And I'm happy to take any questions.

DeBOER: Senator McKinney.

McKINNEY: Thank you. Why wouldn't you rent to somebody who doesn't want to waive the right?

RYAN NORMAN: So the reason that I would advise my clients not to have-- to rent to somebody that doesn't waive a jury trial is because

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I believe that the only reason somebody would, would not want to waive that is to extend the eviction process.

McKINNEY: But what if I have a rental history that's Al, never been evicted, paid on time, and I just don't want to give up my rights?

RYAN NORMAN: Then you could search for another landlord that is willing to not have that in their contract, which-- by the way, I wanna echo some things that have been said earlier. I have a ton of clients that, that don't have significantly long leases or-- so-- I've-- do cases all the time where there isn't a lease at all, probably at least to a month where I have a case that doesn't have a written lease agreement. So I don't believe-- and, by the way, all the HUD properties we were just talking about are also not gonna contain this. So I would tell them, hey, you can find a place where-- that will take you where you don't have to waive your jury trial right.

McKINNEY: I'm-- I get that. I guess even in a criminal sense, if I don't want to waive my rights, that doesn't mean I'm guilty of a offense or, or anything like that. So I, I just don't get the blanket if, I don't want to waive my right, then I can't be rented to. I-- I don't know. I-- that's-- I understand the waiver. I, I would be more so open to it now that I think about it if it wasn't, OK, if you don't say, yes, I'm waiving my right, then I'm not going to, you know, rent to you. If it was, all right, do you, do you or do you not want to waive your right? Regardless, I'll rent to you. That would, to me, would be more fair than to say, allow for this waiver. But if I don't want to sign this waiver, then I can't rent out this space. That's--

RYAN NORMAN: Well, it's-- two part--

McKINNEY: And maybe that's a personal thing for me, so--

RYAN NORMAN: Was that a question? I just want to-- I--

McKINNEY: Yeah, sure.

RYAN NORMAN: Let me respond. It-- I mean, it's two people entering-- or, two parties entering into a contract. And we do that all the time in all kinds of different ways. It's, it's two people entering into a contract where both sides get to look at the contract and decide whether or not it's a contract they would agree with. In the same way that if I was charging more rent than you wanted to pay, you could say, no, I'm not going to sign this contract. I'm going to go somewhere else and pay less rent. Same, same concept.

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McKINNEY: Paying rent and waiving rights is two different things, though.

RYAN NORMAN: In a contractual sense, it's not.

McKINNEY: I-- we can argue about that, but thank you.

RYAN NORMAN: OK.

DeBOER: All right. Are there, are there other questions? Looks like you're done.

RYAN NORMAN: Thank you. Thank you all.

DeBOER: Are there any other neutral testifiers? Senator Bosn waives-- oh. It was wishful thinking.

BOSN: Could be like some chairs and put all my bills first and then you'd be less tired on my bills. But I graciously put all of my own bills last at the end of the hearing, so bear with me.

DeBOER: Thank you, Senator Bosn.

BOSN: Respectfully, bear with me. All right. If there's a request that's reasonable to make it on a separate page that's got clear notification of what right you have and that you're waiving and what that means for you in the terms of the lease, I would be happy to consider that. I appreciate the testifier pointing out what the arbitration clause looks like in commercial leases because I think that's probably what Senator McKinney was alluding to, where it's bold and separate and you sign that particular portion separately. I will be really honest, while-- I, I think we're kind of using it as a double-edged sword. The, the lease agreements are too long so people don't read them, but shame on you for not putting it in the lease agreement. So-- I mean, it's like, where do-- what transparency do we want? Do we want to know what all the fees and all the things and the terms are or don't we? And if we do want to know what they are and that results in these leases being 87 pages, then they're 87 pages. These are landlords that are trying to make sure that, that tenants go into it fair and knowing exactly what rights they have and what the terms and conditions are so that there are no surprises. And now we're basically punishing them for doing it by saying your lease is too long. Shame on you. I can't be expected to read it. You are expected to read it. And I understand it's difficult. I will give you an example because there was part of me that thought, well, why don't we

just require that they do these in person so then there can be no-- I didn't know what the terms were. You had to sign it in front of Senator DeBoer, who's the property manager. Here's where that becomes a problem-- and I'll give you an example. My brother in medical school in Arizona wanted to do his residency here in Nebraska. He has no money to fly back to sign a lease. He does it all remotely while he's living in Arizona sight uns-- the example was sight unseen. He signed that lease. He still had no money during that time. Paid his rent and had no problems. But the point is he never saw the lease and couldn't have come back just to sign it in person. So there are circumstances where that isn't a reasonable expectation. That isn't to say that there shouldn't be a separate page for this, and I can understand that. Going through some of the ca-- I-- I'm also a little bit confused by the testimony of some of the opponents where this worsens the situation. I don't know how you can worsen a situation that you don't have right now. Right now, there are no jury trial-- trials taking place in landlord-tenant law-- i-- in landlord-tenant leases. There, there are not. If you are aware of one, I will happily admit for the third time today that I've been wrong. That I don't think is taking place. This is a situation where we are trying to comply with what I believe is a constitutional right to have a jury trial. And I think there are landlords who will say, you know what? I'm going to take my chances. I think I've got a good enough tenant that I don't want to put this in there. But I don't think they should be forced to do that. I think you can negotiate those terms. And with that, I'll point to Mrs. Holterhaus's testimony where she outlined a number of constitutional rights that we waive every day. The jury trial waiver is in Chapter 25-1126, and that's what talks about how you can consent to waive your constitutional rights in certain circumstances. I will tell all of you that I had multiple meetings over the interim working on this. I can give you the list of states that do it and how they do it. Courts have upheld it most often when they are clear and explicit, capitalized, conspic-- conspicuous, close to the signature line, and both parties have signed the waiver portion. I c-- there's, there's a whole lot of things I can provide everyone, but I also recognize that everyone's very tired. So I'm happy to do that at a later time. If you have ways to improve on this or ways we can negotiate, I am happy to do it. But I, I think we have heard this bill now three years and probably need to do something.

DeBOER: Are there questions for Senator Bosn? Let me-- briefly, just because I don't want to end my tenure in the Legislature in landlord-tenant. That is why I must continue to keep us here. No. So

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would you acknowledge that there are some rights within the landlord-tenant law that you cannot waive--

BOSN: Correct. Yes. You cannot waive your right to live in a place that's rat-infested.

DeBOER: There's a, there's a number. And in fact, the-- sort of-- and I'm going to characterize it-- you can disagree-- but my sense-- and I could be wrong for the third time today-- is that the purpose of the landlord-tenant law was because, if you just said anything goes contractually and you just have any kind of contracts for it, that there was a problem there. So Nebraska decided as a state that this is not just your standard contract law and it's gonna be a little different than standard contract law and there are gonna be some things that you can't waive and blah, blah, blah, blah, blah. So I think the disagreement that is being had about waiver is a question of, is right to jury trial more like not living in a rat-infested house or more like something you could waive, which-- right now I can't think of one, but I know there are. So that's I think the, the pushback here, and I think it's a reasonable policy discussion. Would you agree?

BOSN: Yeah. And I think to that, I would point you to the fact that other states have also found specifically with-- that are very similar to ours-- and I'm, I'm happy to provide you those states-- that this is consistent with, like, commercial properties, where we waive them all the time in Nebraska. We just haven't done it in landlord-tenant because right now you don't even have the right in the act. And so it hasn't really come up the same here. So it's, it's difficult to say, well, it's the same as commercial property, because right now it isn't, because it's not a right you have. The Landlord Tenant Act specifically says you do not have the right to a jury trial. So in other states that have similar language for commercial properties and, and residential property-- leases for landlords and tenants, our language is consistent. And so for those reasons, I do believe that it is a constitutional right valid for waiver.

DeBOER: So-- more discussion later. Senator McKinney has a question.

McKINNEY: Thank you. I just thought of this. Do you think this might present a problem in our less densely populated areas? Let's let-- let's say you're in a area that, that doesn't-- that has limited housing stock, right? And everywhere in this town says you, you can't sign a lease unless you agree to waive your rights. You-- do, do you

see where the issue might arise, where there isn't a place I could go-- although you're saying, like, just find somewhere else. But if I'm in a town and everybody in a town has the-- has a lease that has the waiver, you see what-- like, you kind of get what I'm saying?

BOSN: Well, but-- I, I would but for the fact that right now no one has it. So it's not a-- something you're giving up that you-- that currently exists, right? So right now, no one is worse off today than they will be under-- if this bill were to pass, because right now there is no right to a jury trial. No one is exercising that right. There has not been a landlord jury trial in Nebraska in a minimum of 50 years.

McKINNEY: No, I get that, but I-- I'm just thinking more forward, this passes and then it, it occurs in a situation where a town of 300 limited housing stock, all these leases are there and I'm, and I'm being asked--

BOSN: Sure, but that's-- that makes it a competitive lease. If you want to purchase a property there and grant your land-- or, your, your tenants that right, you may be the most popular landlord in town and, and you can do that. There's nothing that says you have to do it. There's nothing that says you don't-- you can't do it. In this bill, anyway. And so it makes-- you may say, well, this makes me a more competitive landlord because I allow jury trial rights. But somebody else may see it as the opposite. And so they waive it because they think, well, this keeps my rent low because I don't have a jury trial right that everybody knows is going to be very, very expensive and costly. So it keeps my rent where I want it and I give up that bargain of a jury trial in-- in, in lieu of a jury trial, I'd rather have low rent.

McKINNEY: Mm-hmm. And last thing-- and we're kind of on the same page-- I do think, if this passes-- and we could talk about it later-- that there, there should be a heightened sense of, like, notif-- I know people should read these leases and things like that, but something-- even if I'm doing it virtual, it should be a alert that pops up. Because I've, I've signed things before that says, hey, make sure you-- so something should be popping up saying, just FYI, do you consent to waive your right in some type of way?

BOSN: I would-- I'm happy to add that or make that a condition of the, of the bill.

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McKINNEY: All right. Thank you.

DeBOER: Other questions? OK. Last one. You said-- I thought-- and I want to clarify that you said-- you think there's a constitutional right to a jury trial.

BOSN: I believe if the right case gets brought before the Supreme Court, they will make that finding.

DeBOER: So you believe there's a constitutional right to a jury trial. So you are giving-- because we cannot statutorily say-- so if there's a constitutional right to something, we can't say statutorily we disagree with it. So that means there was always a constitutional right to jury trial regardless of what the Landlord and Tenant Act says. So just because it wasn't exercised didn't mean, mean people didn't have that right.

BOSN: I think we're squabbling over the same thing, because no one could exercise it. There's never been a court that's found it unconstitutional to this point.

DeBOER: I know, but you are giving something up if you had a right. OK. Well. Anyway, you and I can talk about that more later. Thank you, everyone, for being here. And that ends our hearing on LB980 and our hearings for today.