

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

von GILLERN: [MALFUNCTION] to the Revenue Committee. I'm Senator Brad von Gillern from Elkhorn, representing the 4th Legislative District, and I serve as the chair of this committee. The committee will take up bills in the order posted. This public hearing is your opportunity to be a part of the legislative process and to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it's your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on the bill, there are also yellow sign-in sheets back at the table for each bill; these sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer, if they wish to give one. We'll be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute remaining, and the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard; it's just a part of the process, as senators may have bills to introduce in other committees. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room; such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that the written position-- that written position statements 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 nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included in the committee statements. I will now have the committee members with us today introduce themselves, starting on my left.

SORRENTINO: Tony Sorrentino, Legislative District 39; Elkhorn and Waterloo.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

KAUTH: Kathleen Kauth, LD31; Millard.

JACOBSON: Senator Mike Jacobson, District 42; Lincoln, McPherson, Hooker, Thomas, Logan, and quite a bit of Perkins County.

IBACH: Teresa Ibach, District 44, which is eight counties in southwest Nebraska.

von GILLERN: Also assisting the committee today, to my right is our legal counsel, Sovida Tran, and left is legal counsel Charles Hamilton; to my far left is committee clerk Linda Schmidt. I'll ask the pages for the committee today to please stand and introduce themselves.

KYMBERLI DYKSTRA: Hi, I'm Kym. I'm from Blair. I'm a sophomore at UNL studying political science.

LAUREN NITTLER: Hi, I'm Lauren. I'm from Aurora, Colorado. I'm in my second year at the University of Nebraska-Lincoln, and I'm studying agricultural economics.

von GILLERN: Thanks for being here today to help us out. With that, we'll begin today's hearing with LB484, and we'll welcome Senator Quick.

QUICK: Good afternoon, Chairman von Gillern, and members of the Revenue Committee. My name is Dan Quick, D-a-n Q-u-i-c-k, and I represent District 35. And I'm here today to introduce LB484. LB484 addresses a critical conflict in our property tax assessment laws for agricultural and horticultural land used for commercial purposes. LB484 would, would repeal an exemption from agricultural land valuation imposed on land used for commercial purposes. This bill is necessary to restore the clarity and consistency in our land valuation system. For some background, in 1984, Nebraska adopted an amendment to our state constitution which provided that agricultural land and horticultural land should be a separate and distinct class of property for tax purposes, and authorized the Legislature to adopt a different approach to the valuation of agriculture and horticultural land. This was in response to the farm crisis that hit Nebraska and other Midwestern states in the 1980s, which depressed agricultural land values and reduced the share of property taxes that came from ag land. After this amendment was passed in 1985, and then several succeeding years, the Legislature made several different changes to the way agriculture and horticultural land was assessed for property tax purposes. In 1997, the assessment was streamlined and set at 80% of

taxable value, and in 2006 it was further reduced to 75%, 75%, which it is-- where is where is it's at today. In 2010, the nameplate tax capacity tax was specifically created to replace property taxation on renewable energy generation facilities while preserving the agricultural classification, classification of the underlying land. For the last decade and a half, this tax structure has worked well by providing uniformity and transparency for developers and county assessors alike, until legislation adopted last year created conflict and confusion. Specifically, LB1317 added a provision which states agricultural land and horticultural land does not include land used for commercial purposes that is-- that are not agriculture or "herticulture"-- or horticultural purposes, such as land used for solar or a wind farm. The Department of Revenue issued Directive 24-3 in September of last year that addressed this conflict specifically. It reads: the land associated with a renewable energy facility is not agricultural land as defined in Nebraska Revenue's [SIC] Statute 77-1359, and should be valued at 100% of market value. However, Nebraska Revenue [SIC] Statute 77-6203 indicates that the presence of one or more renewable generation facilities or supporting infrastructure shall not be a factor in the assessment determination of the-- of actual value, or classification under Nebraska Revenue [SIC] Statute 77-201 of the real property underlying or adjacent to, to such facilities or infrastructure. The directive goes on to encourage assessors to conduct an analyst of the land as a-- as if it were vacant or undeveloped, but to categorize it as a type of commercial property. Further adding to the confusion, LB1317 failed to define what constitutes a solar farm or wind farm, leaving county assessors without clear guidance. This ambiguity creates several problems. Number one, county assessors could in-- interpret that a single, single turbine or panel on agricultural land constit-- constitutes a farm that disqualifies the entire parcel. Two, assessors may determine only parcels with multiple renewable energy installations lose the agriculture assessment rate, or assessors may even decide that any "anchorculture"-- agriculture parcel within the boundary of a renewable energy project would lose its 75, 75% valuation protection. To conclude, LB484 would restore the clear direction that previously existed, maintaining our long, longstanding practice of classifying land primarily used for agriculture-- agricultural or hork-- hortil-- horticultural purposes as such, regardless of whether commercial facilities exist on portions of the land. I urge the committee to advance LB484 to resolve this statutory conflict and provide clarity to landowners and county assessors. I'm happy to, happy to answer any questions that you may have.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

VON GILLERN: Thank you. Questions from the committee members? Senator Murman.

MURMAN: Yes. Thanks for coming in. I assume you're going to have some testifiers behind you, because I've got a lot of questions.

QUICK: OK. Yeah. They-- and some of those will probably be-- honestly answer your questions better than I, but--

MURMAN: Sounds good. But just up-front, solar or wind facility, a farm is kind of a misnomer. Would you agree?

QUICK: That, I--

MURMAN: You don't have to answer. Thank you.

QUICK: Oh-- I thought you-- I-- OK, I see what you were saying.

VON GILLERN: Thank you. Any other questions from the committee? Yeah, I too have some questions, but I'm going to wait and listen to the testifiers, and then we'll follow up.

QUICK: OK.

VON GILLERN: I understand you're going to stay to close, correct?

QUICK: Yep, I will.

VON GILLERN: Great. Thank you. All right. We'll invite up our first proponent. Good afternoon.

DAVID BRACHT: Good afternoon, Chairman von Gillern, members of the Revenue Committee. Thank you for giving me this opportunity. My name is David Bracht, spelled D-a-v-i-d; last name spelled B-r-a-c-h-t. I'm a registered lobbyist in the-- with Catalyst Public Affairs and an attorney with the firm Kutak Rock. I'm testifying today in support of LB484 on behalf of Invenergy L.L.C. and NextEra Energy Resources, both of which have had active renewable energy developments in Nebraska for more than ten years. As Senator Quick explained, LB484 is needed to resolve a conflict that was placed in state statute with the passage last year of LB1317 and provisions that have been in state statute for more than 15 years related to the development of, of wind and-- mostly wind, but other renewable energy projects. Resolving this conflict is especially important to restore clarity and consistency in our land valuation systems, both for our county assessors and for the state's farmers and ranchers, and those that are developing our renewable

resources. As Senator Quick noted, LB7-- LB1317 added this provision to the, to the state statute that applied to assessment of ag land, saying ag land and horticulture land does not include land used for commercial purposes that are not agricultural or horticultural purposes, such as land used for a solar or wind farm. In 2010, the Legislature passed a law that was-- that's codified at 77-6203(4) that the presence of one or more renewable energy facilities and supporting infrastructure shall not be a factor in assessment or determination of actual value or classification of the real property underlying such facilities. Recognizing that conflict, the Revenue Department issued a directive in September, as Senator Quick noted, and it advised assessors to-- that the land associated with a renewal [SIC] energy facility should not be assessed as ag land, but should be disregarded. The concern that this raises is that contradiction that was listed there, that a county assessor could-- is it the entire parcel that that is in? So one has to understand, in a typical wind farm, most of our 3.5 gigawatts has been in wind farms. That farm offers up all 160 acres, because we don't know where the turbines are going to be or if they'll get a turbine, but the turbine itself will usually only be a half-- often under a half, at most one acre with everything developed. So, is the entire parcel now disqualified? Or are just parcels with multiple turbines disqualified? Now, of course, the assessor could choose to just go out and basically separate out that parcel, that half acre, and go through that effort, but there, we would say on the farm-- or anywhere, maybe-- is the juice worth the squeeze, then? Because that half acre, yes, would lose its 75-- or, the, the deduction--

von GILLERN: Sir--

DAVID BRACHT: --in gain.

von GILLERN: --I'm going to have to draw attention to your time.

DAVID BRACHT: So, with that, I'd answer any questions.

von GILLERN: I think you might get a question, so. I have one, if no one else does.

DAVID BRACHT: Sure.

von GILLERN: Senator Murman.

MURMAN: Yes. So, if we're talking about commercial property such as a farmstead or a chicken barn or dairy, or whatever it is, that can be a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

very small parcel. Also, it can be separated out, and the assessors do figure out how to do that. So, how would that be any different?

DAVID BRACHT: So, I think there's-- I'd have two questions to that, Senator-- or, answers to that, Senator Murman. First of all, I agree with you with that, that. Let's say if, you know, up in Cuming County where I'm from, it wouldn't be unusual for a farmer to put in his-- in, in the corner of that-- of his pivot, a couple of, of hog barns. But in those cases, all of that hog barn is going to be assessed as a, as a real estate property. And that'll be worth, you know, tens of thousands, probably hundreds of thousands of dollars at today's thing. What I'm saying is, is that half-acre that that farmer's farming around that the Revenue Department is saying you should treat as, as undeveloped commercial land then faces the assessor, even if they went through that process. What is the value of undeveloped commercial land in the middle of Cuming County that's five miles away from, from West Point and Oakland? How is that value going to be assessed? And ultimately, I would assume that part of the objective of the bill last year was to not apply that-- the 25% adjustment that we offer to ag land. So, let's say you do that on that half-acre, and it's still typical farmland, taxes around us is 75, so let's say that's 100. So, for all of that work on all of those turbines, the county's going to get an extra \$25. And the law itself, as it's written today, still has this ambiguity. Should an assessor say just that half an acre, or the full parcel, or everything that's in the boundary of the wind farm? Did that answer your question?

MURMAN: Would it not-- when a solar facility or wind turbine is built on farmland, the amount of farmland that is leased by the owner of the facility--

DAVID BRACHT: Mm-hmm.

MURMAN: --it would be that amount of farmland, correct? That would go commercial.

DAVID BRACHT: So again, that's where the-- and, and understanding how a wind farm is developed when it is started-- and development of a wind farm or a solar farm is-- anymore, it'll take five, seven, maybe as much as ten years. That beginning stage, the company goes out and identifies those farmers and ranchers that are interested in having their land participate. And so, a typical quarter-section, the full 160 acres is what's subject to the lease in easement, but ultimately it's only one-half of an acre that's there. And so, that's really where part of that ambiguity is. Could an assessor say, OK, this

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

entire farm-- which is now has 159.5 acres that's being farmed just as the farmer farmed it before-- is now commercial property because it has that one turbine on it? Is that what the intent of our-- of the statute is? The statute doesn't indicate that. But if it did, now we've really had a very significant impact, I think, on the overall project. One of the things that's advantaged Nebraska, when I-- some of you may know, I was state energy director from 2015 to 2018, and at that time when I started about ten years ago, we only had about 700 megawatts of wind energy capacity under operation in Nebraska. Now, we have 3.5 megawatts [SIC]-- and just to put the nameplate capacity tax that goes with that, and that's the principal tax benefit to the counties-- counties today on our 3.5 gigawatts get over \$12 million a year just in the nameplate capacity tax, and that doesn't count the additional revenue going to the landowners and some of the other real property tax.

VON GILLERN: OK, let's, let's--

DAVID BRACHT: So-- but the point being is, is--

VON GILLERN: Was your question answered?

MURMAN: Yes.

DAVID BRACHT: --getting in that inconsistency makes it very difficult for developers to understand what they're going to be doing.

MURMAN: After the turbines are built, how much of the farmland is leased?

DAVID BRACHT: Half an-- well, it's-- the lease and the easement still applies to the entire farm.

MURMAN: OK.

DAVID BRACHT: So, all 160 acres.

MURMAN: OK.

VON GILLERN: Thank you. Was there another question?

JACOBSON: No. I'm going to pass.

VON GILLERN: I had-- the-- a, a broader question, maybe. It sounds like there's-- you've-- you use the word ambi-- ambiguity;--

DAVID BRACHT: Conflict?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

von GILLERN: --there's additional clarity needed. But the bill just undoes what was done last year. It doesn't add any clarity.

DAVID BRACHT: Well, it removes the conflict. Today, there is a conflict in state statute.

von GILLERN: But-- OK. OK. OK. All right. Thank you. Any other questions? Seeing none. Thank you for being here.

DAVID BRACHT: Thank you.

von GILLERN: Next proponent. Good afternoon.

ERIC GERRARD: Afternoon. Chairman von Gillern, members of the Revenue Committee. My name is Eric Gerrard; that is E-r-i-c, last name is G-e-r-r-a-r-d. I'm a registered lobbyist for a group called the Advanced Power Alliance. We are a regional trade association of developers, financiers, builders, and operators of wind and so-- solar and battery technologies. Our footprint is across the Great Plains. I'm glad Mr. Bracht went first. I mainly wanted to thank Senator Quick for introducing this bill, bringing the issue in front of the committee. I don't know if this makes it better or worse, I did-- Senator Murman and I were able to, to speak earlier this week, so I just wanted to acknowledge that, that conversation relevant to the, the bill that passed last year. And then, the-- I guess the final point I wanted to make is that I have heard from members-- our member companies that our industry, especially in Nebraska, would be in a much different situation and perhaps not in Nebraska if it was not for the partnership with ag land and the agriculture sector. And so, I just wanted to, to make that point to the committee. And with that, I would close my comments and thank you again.

von GILLERN: Thank you. Questions from the committee? Seeing none. Thank you for your testimony.

ERIC GERRARD: Thanks.

von GILLERN: Next proponent. Any other proponents? Seeing none. Any opponents regarding LB484? Seeing none. Anyone who'd like to testify in a neutral position? Good afternoon.

JON CANNON: Good afternoon. Chairman von Gillern, distinguished members of the Revenue Committee, my name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of the Nebraska Association of County Officials, also known as NACO, here to testify today in a neutral capacity on LB484. Appreciate Senator Quick bringing the bill.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

It, it does get to the heart of, of some confusion that, that exists out there. Just a, a brief history of, of how we have classified agricultural land in the past. We, we had-- there's another statute that hasn't been referenced, it's Nebraska Revised Statute Section 77-1359; that talks about the definition of agricultural land, and what that says is an agri-- agricultural land is defined as land that is primarily used for agricultural or horticultural purposes. From the county level, when the assessors are looking at land, they're looking at, at the parcel as a whole. And so, what they have to do is they have to say, well, what is the primary use of this parcel as a whole? And then it's going to be given the, the agricultural preference if it's primarily being used for agricultural or horticultural purposes. What LB1317 did last year has been explicated a lot better than I can, but essentially what it is-- it said if you've got that, that patch of ground that the wind farm is sit-- or the wind turbine is sitting on, then you have to classify it as commercial, and that, that created a certain amount of ambiguity. Also, there's the, the portion of 77-6203 subsection (4), which says that the presence of a renewable energy generation facility shall not affect the classification of property, and so you, you do have two statutes on one side that say "keep it as ag;" you've got one statute on the other hand that says "no, no, no, but it probably should be commercial." And so, clearing up, up that ambiguity is probably a good thing. But how the, the, the committee decides to clear it up, you know, certainly is a matter of policy that's, that's appropriate for the committee to advance. You know, back when we were debating wind energy back in 2010, the original bill, LB1048-- the bill as introduced was silent on the issue of what you do with that land that the turbine sits on. It was only through an, an amendment that was offered before it got to Final Reading that-- there was that portion that was put in there to say "here's how we're going to treat the classification of land," because that came up as a, as an issue that was brought up by the Department of Revenue. The deal that was struck was, you know, whatever it was going in is what it should be while-- classified while it's in, and then, when it's taken out, you know, the-- then the assessor would classify it appropriately. The bill last year somewhat upended that deal, and so, like Senator Quick had mentioned, and the testifiers before me, there's a certain amount of ambiguity and confusion. I know that I have heard from a couple of assessors that, that have said, well, you know, what should we do? And, and our advice at NACO is to say you should defer to the Department of Revenue. And the, the department responded with their directive last September. You know, it was, it was helpful, but there are still some assessors that said I'm not quite sure what that means. And so anyway, to the extent that there's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

clarity, we appreciate that; we're not recommending that it go one way or the other. And I'm happy to take any questions that you may have.

VON GILLERN: Thank you. Senator Jacobson.

JACOBSON: Wanted to, I guess try to summarize what we have here, is that we have the nameplate capacity tax, which I understood was intended to capture kind of in lieu of property taxes for the value of that wind turbine on that farm.

JON CANNON: Yes, sir.

JACOBSON: So, if this bill were to move forward, which would leave it-- take it back to where agricultural and horticultural land will continue to be agricultural and horticultural land, even with the turbine there, and you're going to get the additional tax revenue from the nameplate capacity tax.

JON CANNON: That-- that's correct, sir. And, and again, from the, the county's perspective, we're assessing that, that parcel as a whole as agricultural or horticultural land. Then, there's that extra excise tax that's coming in through the nameplate capacity tax. You know, if, if it's, if it's not classified as agricultural or horticultural land, the question becomes, well, wait a moment, am I taking this entire quarter and am I calling it commercial land now, or is it just the little portion that the turbine sits on? And so, that-- it's that ambiguity that would be-- that we would appreciate having clarified.

JACOBSON: So, so this bill, in your mind, would, would keep it classified as agriculture and horticultural land with or without turbines on it; add a turbine on it, it's still agricultural land, but you would be getting the additional revenue from the nameplate capacity tax.

JON CANNON: Yes, sir.

JACOBSON: All right. Thank you.

JON CANNON: Yes, sir. Thank you.

VON GILLERN: Thank you. Senator Dungan.

DUNGAN: Thank you, Chair. Just to go back to one of the things you said, to make sure I understand. So, when you're talking about determining whether it's agricultural or commercial land, you look at the entire parcel. Is that what you said?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

JON CANNON: Yes, sir. You would, you would consider the parcel as a whole.

DUNGAN: And then you said that to make that determination, you look towards what the primary purpose is of that land, whether the primary purpose is agricultural or commercial. Is that--

JON CANNON: The, the primary use of the property, sir.

DUNGAN: Primary use. I apologize.

JON CANNON: Yes, sir.

DUNGAN: Not to misquote you. Is the determination of primary use one of geography, in terms of how much of the land is taken up by a certain thing? Or is the primary use determined by a monetary analysis of how much money-- how do you determine what primary use is?

JON CANNON: That is a great question, Senator, and it's one that the Supreme Court has wrestled with a few times. And after reading the, the three or four times that it, it marched its way up to the Supreme Court in the 2007 to 2011 time frame, I-- I'm still not quite sure, sure exactly how they landed on the issue. Essentially, what you're supposed to do is you're supposed to look at the, at the parcel, and you're supposed to say, what is the pri-- what, what are they using this parcel for? Now there's a, there's a, a small sliver that we do take out. I mean, it is possible to, to cross something out and say it's being-- this-- you know, where the, the farmstead sits is being used as, as residential property, and so you would tax that at 100% of its, of its market value. But, but for that, what the courts have told us is look at the parcel as a whole; what is it-- what is the person intending to use it for, and that would be its primary use. And so I-- I'm not a particularly good lawyer, and so I had more questions after reading those opinions when they came out than, than I had going in.

DUNGAN: OK. So, maybe the-- far be it for me to suggest we get more involved in this, but does the definition of primary use maybe need to be clarified as well?

JON CANNON: We tried that several times. We started off with just what's the use of the property, then we had a, a statute which said what's the predominant use of the property? Then we said, what is it prominent-- predominantly used for? And then, we, we got settled on primary use. I-- I'm, I'm not sure that, that, that further clarification would actually add clarity.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

DUNGAN: Got it. Well, thank you. I appreciate that. It's clear as mud. Thank you.

JON CANNON: Yes, sir. Thank you.

von GILLERN: Any other ques-- Senator Murman.

MURMAN: Yes. And, and now, on these federal subsidies, they're actually for commercial wind and solar production. Correct?

JON CANNON: Yes, sir.

MURMAN: And so, you could define these facilities, whether it be a windmill or solar facility as primarily-- they're not agricultural.

JON CANNON: You could, and, and again, the, the issue at hand is last year when we defined-- it's the bill, LB1317 said that anything-- any parcel that, that a wind turbine sits on is used for commercial purposes. And, and so the question then becomes, well, are you talking about the parcel as a whole? Because we've got two other statutes that say look at the primary use of the parcel as the whole and classify it as ag. And so, the-- some assessors were-- have the very legitimate concern of does this mean that we have to now classify that entire quarter as commercial property and, and value it accordingly? I think Mr. Bracht had, had mentioned you could have a, a, a parcel that's sitting out in the middle of, of Cuming County five miles away from town, and, and an assessor has to say, OK, what is the commercial value that's not connected to roads, you know, is, is far from your, your centers of commerce-- what's the commercial value going to be for that? And so, it, it created some-- and, and I'll characterize it as unnecessary confusion. But I mean, if you wanted to clarify it the other way to say we're going to take this, you know, the square footage that that pad sits on, yeah, you, you could certainly do that, and we've done it with residential property; you know, the farmstead that sits on an agricultural piece of land. And again, our, our thought is the, the cleanest way-- well, we're neutral, but it does seem that the cleanest way would be to just kind of revert us back to the status quo ante, the-- how we had been before.

MURMAN: And typically the windmills are connected by roads, so it would be more than a half-acre, typically.

JON CANNON: Yeah, a little bit more, but not, not that much.

MURMAN: Yeah. Correct.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

JON CANNON: Yes, sir.

MURMAN: And then of course, there would be a difference between a solar farm and a windmill. A solar farm could take up sections of land.

JON CANNON: A solar farm could take up sections of ground, that's, that's, that's true.

MURMAN: And that would be-- definitely be primarily for power generation. Yeah, I realize you could graze under them, but still a lot more value there for power generation than for agricultural production.

JON CANNON: Sure. But-- and again, I would, I would go back to what Senator Jacobson had pointed out, which is we've, we've exempted the personal property for the solar-- the, the solar panels and the, and the wind turbines; we've exempted those from personal property, and we said we're going to impose an excise tax on it. And so, we're still receiving the value-- the, the counties are still receiving the value for the underlying ground, and it-- and then it's an excise tax which a being-- is being imposed on the, on the personal property that it's-- that sets on it.

MURMAN: Thank you.

JON CANNON: Yes, sir. Thank you.

von GILLERN: Any other questions? Seeing none. Thank you, Mr. Cannon.

JON CANNON: Thank you very much.

von GILLERN: Any other neutral testimony? Seeing none. Senator Quick, we'll invite you up to close. As you come, we received 18 proponent letters, 8 opponent letters, and zero neutral online comments.

QUICK: All right. Thank you, Chairman von Gillern, and members of the committee. And I think what LB484-- what we're just trying to do is, is correct, you know, something that happened last year with LB3-- LB1317, which has made it really confusing. And, and it-- and there is conflict within what is-- what it has proposed to do. And so, I think with that, I would ask the committee to please advance LB484. And then, I'll answer any questions you might have.

von GILLERN: Thank you. I'll, I'll start off. I got-- and then, even in your closing, you said you want to clear up some confusion. But

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

again, LB484 basically just-- it, it un-- undoes what was done last year.

QUICK: Yeah. Undoes. Yes. Excuse me.

von GILLERN: Which I had my crack legal team look up. The bill came out of committee 8-0; went to the floor 8-0, and the Final Read-- final vote on Final Reading was 49 to 0.

QUICK: Yeah.

von GILLERN: So, I would say probably wildly popular, maybe not with a complete understanding of some of the confusion that could have been created.

QUICK: Yeah.

von GILLERN: I might ask you to consider working on some clarifying language--

QUICK: Yeah.

von GILLERN: --rather than, rather than just a complete elimination. But that's-- that would just be my personal encouragement, so.

QUICK: All right.

von GILLERN: Senator Murman.

MURMAN: Yeah, just-- sorry I missed part of your opening; maybe you covered it. But the-- these leases and easements-- and, and maybe I should have asked somebody else this question, too. But they're typically for 20 to 30 years, correct?

QUICK: That I couldn't tell you. I-- yeah, I--

MURMAN: And then I, I think I'm correct in saying they're automatically renewed unless the solar or wind-- or solar or wind generator backs out; the farmer can't back out. So--

QUICK: Yeah.

MURMAN: --so it stays, from my view, commercial for a hundred years.

QUICK: Yeah, and it-- I-- you know, I'm, I'm sorry I couldn't-- probably would have been a better, better question for one of the--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

MURMAN: Yeah. Sorry I didn't think of it sooner.

QUICK: Yeah.

MURMAN: Thank you.

von GILLERN: Any other questions? Seeing none. Thank you, Senator Quick.

QUICK: All right. Thank you.

von GILLERN: Appreciate it. That'll close our hearing on LB484, and we will open on LB330 and invite up Senator Juarez. Good afternoon.

JUAREZ: Good afternoon. Chair von Gillern and members of the Revenue Committee, my name is Margo Juarez, M-a-r-g-o J-u-a-r-e-z, and I represent District 5 in south Omaha. Today, I'm excited-- really excited-- to introduce my last bill of the year, LB330, which would increase the sales tax on all alcohol products to 15.5%, with the revenues going to fund addiction treatment, enforcing existing liquor laws, and support public education. This bill was brought to me by youth leaders from Project Extra Mile, who I actually-- I got to go to dinner with them and meet many of the youth, and so it was really a pleasure. You'll hear from them today about their personal experiences with alcohol. The research is clear: taxes on alcohol reduce consumption. The CDC has done extensive research in multiple states, and found evidence that doubling a given alcohol tax could reduce alcohol-related mortality by 35%. Moreover, a review of 112 studies found that a 10% increase in alcohol prices resulted in an approximate 5% decrease in consumption. On a state-by-state basis, Maryland enacted a 3% increase in its alcohol sales tax and saw alcohol-related driving injuries among people ages 15 to 34 fall by 12% in subsequent years. LB330 is an effort to follow the science by raising the sales tax on alcohol to 15.5%, and using the revenues to fight excessive alcohol consumption and bolster public education. Under the new amendment I handed out, 50% of revenue would be allocated to the Education Future Fund, 45% would go to the Excessive Alcohol Consumption and Treatment Fund, and the remaining 5% would go to the Nebraska State, State Patrol Liquor Control Enforcement Fund. Both the Excessive Alcohol Consumption and Treatment Fund and the Nebraska State Patrol Liquor Control Enforcement Fund would be created by this bill. I trust the existing research on this issue, and I believe LB330 is the best way to fight excessive alcohol consumption on both ends. This sales tax increase would reduce alcohol-related mortalities and injuries while generating more revenue the state can use to further

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

mitigate alcohol abuse. With that, I appreciate the committee's time, and I'm happy to answer any questions you may have. There are also testifiers with Project Extra Mile behind me that can answer questions as well. Thank you.

von GILLERN: Well, thank you, Senator Juarez. I'll start off with a couple of quick questions, and I'm looking over the amendment quickly that we just received; it was not filed online, so this is our first look at it. The-- you-- clarify this for me. I'm not-- if I'm not reading this correctly. The state sales tax, you would reduce the state sales tax from 5.5% to 5% on this bill?

JUAREZ: It's going to increase the sales tax--

KAUTH: Says reduce. [INAUDIBLE]

JUAREZ: --on alcohol products.

von GILLERN: Not the way I read it.

SOVIDA TRAN: Page 2, line 14.

von GILLERN: Page 2, line 14.

JACOBSON: [INAUDIBLE] 15.

von GILLERN: In page 2, line 15, it says the state sales tax after October 1, 2025 would be 5%. And of course, it's 5.5% now. And then page 3, line 24 talks about a one-half of 1%. And forgive me, we're just reading this now, so.

JUAREZ: Yeah, and I don't have it in front of me either, so.

von GILLERN: The bill as I read it-- and then glancing at the fiscal note, being quite substantial, indicates a reduction in sales tax rate. But maybe-- I'll keep looking and see if anybody else has any other questions or can affirm or deny what I'm-- what I think I'm reading here. Any other questions from the committee members?

KAUTH: I--

von GILLERN: Senator Kauth.

KAUTH: Thank you, Chair von Gillern. Can you tell me, in section 5, why are-- I guess I'm wondering what the good life information is about the-- so you're, you're saying that this tax will apply within the good lives, so is that why good life is included in this?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

JUAREZ: OK. So, it looks like to me here that it's going to be 2.75% within a good life district. So, it looks like it's different than other areas where a sales tax may be levied is how I'm interpreting that.

KAUTH: Do you know why, why it's different in the good life district?

JUAREZ: No, but maybe someone behind me could address that question.

KAUTH: OK. And then-- if, if I may. I have one more question. So, you're creating two new funds: the Nebraska State Patrol Liquor Control Enforcement Fund and an Excessive Alcohol Consumption and Treatment Fund. So, you're adding substantially to the administrative burden. So, I'm just wondering why you need-- why both funds were created.

JUAREZ: Well, I would say that it's going to be bringing in a great amount of revenue, so that's why the-- you know, we would have a place for these funds to go to because of the amount of revenue that's going to be generated, which-- Project Extra Mile will be able to comment on that, because they have the statistics on it.

KAUTH: So-- and is, is the-- I'm trying to interpret the fiscal note. It looks like the-- are you thinking that it will bring in \$174 million?

JUAREZ: I believe that that is correct, whatever is shown on that fiscal note. And again, they're going to be commenting in regards to that.

KAUTH: And so, all of that money is going to the, the State Patrol Liquor Enforcement, which I would assume would be what actually enforces this law, but then also-- so, you want to put almost \$90 million into the Excessive Alcohol Consumption and Treatment Fund?

JUAREZ: However the percentages are. 50% to future-- Education Future Fund, 45% to the Excessive Alcohol, and the 5% would go to the Nebraska State Patrol fund.

von GILLERN: OK. Any other quest-- Senator Dungan.

DUNGAN: Thank you, Chair von Gillern. Thank you for being here today, Senator Juarez. I want to zoom out a little bit here and talk kind of about the purpose of the bill. So, obviously, it sounds like from the, the conversation we've had here and from your opening that the goal of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

this bill is to try to curb some harmful activity that's happening. Is that fair to say?

JUAREZ: Yes.

DUNGAN: OK.

JUAREZ: Correct.

DUNGAN: And so, it-- the-- it sounds like the overall intention here is to try to simultaneously reduce the amount of harmful activity that's being taken by people, and also then take that money and sort of funnel that into cash funds that serve a purpose of trying to help people who are dealing with addiction and things like that. Is that fair to say?

JUAREZ: Yes. That's where part of it will go, yes.

DUNGAN: OK. And I-- you said this a little bit in your opening, but can you speak maybe just a little bit more big picture as to kind of what the, the goal would be for the Excessive Alcohol Consumption and Treatment Fund? What kind of things would they, would they be trying to do that you anticipate would help people in the state of Nebraska?

JUAREZ: Well, I would rather Project Extra Mile to speak on that. But, you know, obviously how I see this is that the goal would be for the consumption to be reduced, right? And therefore, for people who do have issues with it from an addiction perspective, that they're going to be assisted. And really, I want to share with you that initially when this was proposed to me, it was proposed to me by the youth; they were the ones who asked that I bring this forward because their lives are affected by excessive alcohol imbue-- abuse. So, it's truly coming from people who sincerely experienced this, and who want to make a change and do something about it.

DUNGAN: Yeah, and we have some really amazing online comments from some young folks who I think were talking about the effects of alcohol, both big-picture and on their lives, so I look forward to hearing some of the testimony here today. Thank you for bringing the bill.

JUAREZ: Thank you.

von GILLERN: Thank you. Any other questions? Seeing none, I want to echo Senator Dungan's comments, and your comments also. I've had an opportunity to visit with them, the youth, and I look forward to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

hearing from them today. They're outstanding leaders in their, in their schools and so on, so. Thank you for your opening. Will you stay to close?

JUAREZ: Yes. Thank you.

von GILLERN: Thank you. We'll invite up our first proponent testimony. Jump on up, don't be shy. How was your lunch?

CALEB VAUGHAN: Huh?

von GILLERN: How was your lunch?

CALEB VAUGHAN: It's pretty good, actually. I had this--

von GILLERN: Did you have the meatloaf?

CALEB VAUGHAN: Can't because I'm gluten free.

von GILLERN: Oh.

CALEB VAUGHAN: The corn was pretty good.

von GILLERN: All right.

CALEB VAUGHAN: So, I'm glad to be talking to you all today. It's nice to see you again, Senator von Gillern,--

von GILLERN: Thank you.

CALEB VAUGHAN: --and I'm glad we all made it through the blizzard.

von GILLERN: Yeah.

CALEB VAUGHAN: My name is Caleb Vaughan, spelled C-a-l-e-b V-a-u-g-h-a-n. And I'm 17; I'm at-- I'm a junior at Millard West High School, and I'm here in support of LB330. I'm part of a group of high school students working to prevent alcohol-related harms in our schools and neighborhoods. We looked at the proven strategies that worked, split into groups, made our cases, and voted as a group to focus on increasing the price of alcohol to reduce excessive drinking. Alcohol has personally impacted my life in a negative way, and-- as I believe is likely the case for most people in this room and in our communities. My dad was an excess drinker for many years, and it consumed all aspects of his life. I never felt comfortable talking to him since he was always drunk, and his drinking and driving put my family and those around us in danger. Being only ten years old, it

scared me to see him in that state. But he got better through rehabilitation, and has been sober for six years last Wednesday. My dad's chronic struggle with alcohol changed how I view alcohol consumption and binge drinking, and it changed how I approach and prevent the issue in my community. Passing LB330 would create positive change in our community. Alcohol is a big problem in Nebraska, considering that Nebraskans reported regular binge drinking at a rate worse than 45 other states. We know the risk of violence, disease, and cognitive issues that excessive alcohol consumption brings, and its prevalence in our communities makes LB330 all the more important in combating these harms. Preventing the harms of alcohol through sales taxes has been suggested by prominent institutions like the World Health Organization and the American Public Health Association. This approach we decided on has shown positive results, too, in the past. A 3% alcohol sales tax increase in Maryland decreased adult binge drinking by 17%, high school youth consumption by 26%, and youth being-- youth binge drinking overall by 28%. The approximate \$120 million in revenue that this sales tax will further-- will create will further improve the community and loosen alcohol's hold on individuals in their communities by funding alcohol treatment programs as well as the Education Future Funds, which will provide funding for schools to help prevent students from drinking alcohol, and show them that ultimately, there are other ways to get through hardships. I want to thank Senator Juarez for introducing this bill and listening to the Youth Leadership Network's concerns for public safety. I also want to thank all members of the "committittee" for taking the time to consider supporting LB330 and advancing it to General File. Thank you for your time and consideration.

VON GILLERN: Thank you for your testimony. Any questions from the committee members? Senator Dungan.

DUNGAN: Thank you, Chair von Gillern. Thank you for being here today. Did a fantastic job testifying, better than a lot of adults that I see, so. Thank you for being here. You know, first I want to say also, thank you for sharing your personal story. I think that hearing about some of the, the real-life examples of what this impacts is really meaningful for us, because a lot of times we get caught up in the numbers and we get caught up on the fiscal note, but understanding the real-life impacts, I think, is huge, so that's really appreciated. The question I was going to ask you: it seems to me-- and maybe this is somewhat anecdotal, maybe some of it's based on data-- it seems to me like the youth aren't drinking as much as they used to, but that adults still are. Do-- have, have you seen, I guess, a reduction in alcohol use of younger generations, maybe compared to, like, your

dad's generation? And if so, what do you think that's about? Why do you think maybe that youth have been drinking less, if that's true?

CALEB VAUGHAN: I don't know the statistics exactly, but-- I mean, I know I've seen youths drinking before. I know there is-- a personal story. One kid who-- you know how Snapchat has stories, and you can post things on there? One kid was selling alcohol on there. And so, like, anyone who had, like, friends of him-- like, mutual friends with him could see it, or in the community. So, I know it's really prevalent in that way, and it's not very difficult to get an access to.

DUNGAN: Yeah. Well, I, I appreciate your unique perspective. I'm not as young as I used to be, so having a perspective from, I think, a youth analysis is really helpful. So, thank you for being here today to share some of that for us. Thanks.

von GILLERN: Thank you. Any other questions? Senator Kauth.

KAUTH: Thank you, Chair von Gillern. First, you did a great job testifying. Thank you. I'm trying to read through some of the details of the bill and the online summary. Please congratulate your father. That's fantastic.

CALEB VAUGHAN: Thank you.

von GILLERN: Took the words out of my mouth. Seeing no other questions, thanks for being here. We appreciate your testimony.

CALEB VAUGHAN: Thank you.

von GILLERN: Next proponent. Come on. Don't be shy. We're not scary.

ANNA MEIER: Good afternoon. I'm Anna Meier, A-n-n-a M-e-i-e-r. I'm a junior attending Gering High School in Gering, Nebraska. Thank you for allowing me to speak today in support of LB330, in honor of my dad. In September of 2023, my dad lost his life in a tragic crash while driving under the influence. Throughout my childhood, he struggled with alcohol addiction and sought treatment. Some of my best memories with him are from the times when he received treatment and remained sober. This new bill is important to me because the revenue generated will be dedicated to addressing alcohol addiction and funding treatment programs and education. Although my dad ultimately lost his life due to alcohol, I am genuinely thankful for the treatment he received which helped him during his struggles. This bill will provide additional funds for education and programs aimed at ending impaired

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

driving. In addition to this personal connection to this important bill, I am Miss Scotts Bluff County's Teen 2025. My platform, which is now called the Community Service Initiative, is "Allow Life to Thrive; Don't Drink and Drive." Over the past year, I have focused on educating the community about alcohol awareness, the dangers of underage drinking, and prevention strategies. I have partnered with MADD-- Mothers Against Drunk Driving-- and the Monument Prevention Coalition. While education is essential, supporting legislative changes that improve the lives of Nebraska citizens is also crucial for the growth of addiction support programs. For those reasons, I support LB330, and ask the committee to advance this bill.

VON GILLERN: Thank you. Questions for committee members? Senator Dungan.

DUNGAN: Thank you, Chair von Gillern. So, did you come all this way from Gering for this?

ANNA MEIER: Yes, we did.

DUNGAN: That's a long drive.

ANNA MEIER: Yes.

DUNGAN: Well, thank you. I-- I'll echo the same thing I said to the last testifier; I think your, your personal stories and examples are huge because they help us understand the impact here, and I'm very sorry for your loss.

ANNA MEIER: Thank you.

DUNGAN: In terms of the kind of treatment you're talking about, do you think that youth, like in schools, would benefit from sort of upfront education about some of the dangers of alcohol? And if so, what kind of interventions would you like to see at a younger age in school?

ANNA MEIER: I think just more of, like-- honestly, just, like, upfront PowerPoints that drinking is so, like-- almost, like, glamorized in high school. Throughout, like, TV shows and movies, you see, like, the, like, party-- not even, like, aesthetic but perspective of high school, and it's really not that; more-- like, the dangers. Like, you can get addicted very easily, especially if you start drinking at a younger age.

DUNGAN: Yeah, I mean, that's one of the things on this handout that we got from Project Extra Mile that stands out to me, is the-- six times

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

more likely to become alcohol-dependent if you're drinking before age 15.

ANNA MEIER: Yes.

DUNGAN: So, it seems like a really large impact.

ANNA MEIER: Yes.

DUNGAN: What kind of upfront, I guess, education opportunities are available right now in school? Are you, are you receiving a lot of conversation about this?

ANNA MEIER: In my school, no, but I know in schools around me, they have, like, committees and groups that work towards spreading awareness about, like, how easy it is to become addicted. Partnering with MADD, I plan to go to some schools in my area and do presentations like Power of You-- Power of You(th) and, like, more of, like, peer pressure type things, that you don't always have to give in, and you have to have your own opinion to say no.

DUNGAN: Oh, that's, that's huge. And I really appreciate that work. So, thank you for being here today, and for doing what you do.

ANNA MEIER: Thank you.

von GILLERN: Thank you. Any other questions? Seeing none. Again, I'm-- as Senator Dungan said, thank you for being here. Thank you for taking a personal tragedy and making it into something very productive. We appreciate you being here.

ANNA MEIER: Yes. Thank you.

von GILLERN: Yes. Next proponent.

CHRIS WAGNER: Good afternoon.

von GILLERN: Good afternoon.

CHRIS WAGNER: My name is Chris Wagner, C-h-r-i-s W-a-g-n-e-r, and I'm here representing Project Extra Mile, a statewide coalition working to prevent and reduce alcohol-related harms in our state, here in support of LB330. Our state has not increased alcohol taxes since 2003, a time when a stamp cost \$0.37, the average price of a dozen eggs was \$1.56, and a gallon of gas was going for \$1.59. So, why are we still taxing alcohol like it's 2003? Of course, the current sales tax applies to

alcohol, but we have always taxed alcohol differently because it's not an ordinary commodity. When consumed excessively, it causes death, disease, crime, violence, and quality-of-life issues in our state. Excessive alcohol consumption is a tax on Nebraska businesses, and all Nebraskans-- whether they drink or not-- to the tune of \$1.2 billion a year. We've seen an exponential rise in the harms from alcohol because, when accounting for inflation, alcohol is the cheapest it's ever been. And so, when you hear that alcohol-specific death rates have increased nationwide by 55% between 2000 and 2016, and emergency room visits involving alcohol grew by 62% between 2006 and 2014, it makes perfect sense. In 2009, there were an estimated 582 alcohol-related deaths in Nebraska; that number is now 1,001. Research has found that doubling alcohol taxes would reduce alcohol-related mortality by an average of 35%, traffic crash deaths by 11%, STDs by 6%, violence by 2%, and crime by 1.4%. A 10% sales tax would equal between \$0.10 to \$0.20 per drink, which would amount to excessive drinkers paying about \$36 more per year, while non-excessive drinkers would pay an extra \$6.50. And of course, this is a tax that one chooses to pay. Alcohol is a luxury item, and over 40% of Nebraska adults would not be affected because they don't drink. The bill would also be expected to create approximately 1,500 jobs because the revenue is going to be used to fund education, enforcement, prevention, and treatment. Simply put, Senators, LB330 presents this body with a unique opportunity to save lives, make businesses more productive, reduce chronic diseases and cancers in our state, and ensure that 20-- the 26% of Nebraskans that drink excessively start making a down payment on the costs they're causing the rest of us. And it really is a down payment; the state only raised \$34 million in excise taxes last year. If we pass this bill without changes this session, that'd add another \$122 million, but it's just a drop in the bucket when you consider the nearly \$1.2 billion in annual economic costs. We're still deep in the hole, but it's a start that will make our state a better place to live and raise a family. Thank you for your consideration. I'm eager to answer your questions.

von GILLERN: Thank you for your testimony. Questions from the committee? I just had a quick-- you and I had a quick conversation earlier. Did you want to make a, a very quick comment regarding the fiscal note?

CHRIS WAGNER: Yeah, absolutely. So, I noticed that the Department of Revenue wasn't able to estimate what the revenue impacts of the 10% sales tax would be. So, I just wanted to share that Nebraska had \$1.3 billion in alcohol sales in 2022, and the price elasticity for alcohol is 0.77, which means for every 10% increase in price, you can expect

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

to see a 7.7% decrease in excessive consumption. You subtract that percentage from total sales, you get roughly \$1.2 billion in, in sales, and you take 10% of that and you get \$122 million. So, that's what the state could expect to see if it were to pass this bill without amendment.

von GILLERN: OK. Very good. That's helpful. All right. Seeing no other questions, thank you for being here.

CHRIS WAGNER: All right. Thank you.

von GILLERN: Appreciate it. Next proponent. Good afternoon.

LANETTE RICHARDS: Good afternoon. My name is Lannette Richards, L-a-n-e-t-t-e R-i-c-h-a-r-d-s, and I live in Scottsbluff. I have traveled from the western part of the state and have taken vacation time and have traveled at my own expense to be here. I feel this bill is very needed. I am here before you in support of LB330. I'm a resident of Scotts Bluff County; I am also the executive director of Monument Prevention in Scottsbluff. I have over 20-plus years' experience in working in prevention of underage drinking and excessive alcohol years. Research by American Medical Association, American Public Health Association, American National Academies Assoc-- of Science, as well as other organizations in public health and prevention are recommending increasing alcohol taxes, which then reduces excessive alcohol consumption. Maryland was also mentioned before, someone else that-- as one state that did this in-- back in two-- 2011, and experienced decreases in adult binge drinking, high school youth alcohol consumption, and reduction in youth binge drinking. The proposed tax increase mentioned in the bill would be a great boost to treatment, prevention, and mental health services in addition to reduction in the visible harms caused by excessive alcohol use. Along with others that have shared here today their personal history on how alcohol has impacted their lives, I am one of those also who have experienced the harm firsthand. My mother-in-law died in an alcohol-related crash 24 years ago, where her vehicle was hit by another vehicle that was driven by a young person that was driving under the influence of alcohol. Now, I kind of get personal. I am 73 years old and I should be retired, but I see the harm of excessive alcohol use has caused, and it is something I feel so passionate about that I will continue to do this work for as long as I can, to help protect others from experiencing harms caused by excessive alcohol use. I am in support of LB330, and ask the committee to advance this bill for the full Legislature's debate. Thank you for giving me this opportunity to speak with you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

VON GILLERN: Thank you. Questions from the committee members? Seeing none. Thanks for making the drive. Thanks for doing what you're doing, and-- age is just a number. You keep doing what you're called to do. All right?

LANETTE RICHARDS: Thank you.

VON GILLERN: Thank you. Next proponent.

ZACH KLEIN: Hello. My name is Zach Klein. I'm-- I submitted some comments online, but I'd just like to bring up some personal notes for the committee real quick. What this-- what LB30-- LB330 is-- what I could see happening in my community-- so I use-- I would-- I used to be-- go to, like-- so, when, when youth are-- the consideration for youth is that I, I see a lot with my friends and just people I know in general who go around and just hang out, and all they do is just drink. And it's-- what I, what I-- and I have a-- I even have a coworker who I'm not-- I will not list, but he, he tells me about all these-- about all these parties and stuff he goes to where he, he also sees all these kinds of young drinkers who just don't know what they're getting into. And I'd just like to add that my-- that I, I-- with this law and that-- with the, the less amount of alcohol that can get out, and that upping the price will make people more think about spending the money instead-- for the-- instead, instead of just, like, keeping the money just so that they can-- just-- oh, sorry. Make sure that they stay safe and, and I just-- another thing I'd like to add is this would definitely affect my dad. I, I know he, he is a-- he is a sergeant for the Omaha police, and he is an-- he's a sergeant for the traffic unit. He, he tells me sometimes of the stories of kids or-- and even adults who drink too much, have DUIs, and that just ruins their family. And I, I, I think this will help a lot with all those sorts of things. Thank you for letting me come up. Any questions?

VON GILLERN: Great. Zach, could I get you to spell your name for the record, please?

ZACH KLEIN: Oh, sorry. My bad.

VON GILLERN: You're good.

ZACH KLEIN: Z-a-c-h K-l-e-i-n.

VON GILLERN: Very good. Where do you go to high school? Where do you [INAUDIBLE]

ZACH KLEIN: I go to Concordia--

VON GILLERN: OK.

ZACH KLEIN: --Lutheran School. It's a-- they got a elementary school, a high school and a middle school, so they're K through-- K-12. And--

VON GILLERN: Good deal. You keeping your grades up? [INAUDIBLE]

ZACH KLEIN: Yes. I-- my GPA last year was 3.8, and this year it's about a 3.6.

VON GILLERN: Good for you. Fantastic. Smarter than most of the people on this side of the table. Senator Kauth.

KAUTH: Thank you, Chair von Gillern. Hi, Zach. Can you tell me, do you think that having alcohol cost more money will impact your, your fellow students?

ZACH KLEIN: Yes, because upping the price for them means getting it out will obviously cost more. Because, like, when people-- usually, people who get it are all usually adults, and then they'll sell it to the kids, and upping the price will then up the price for the kids. So, they may want to rethink about what they're buying.

KAUTH: And how-- do, do most of the kids your age work? Do they have jobs? How are they getting their money?

ZACH KLEIN: So, some kids I know, can't just-- their parents don't really care and just give them their credit card. Or some kids have their own money and buy it themselves, so.

KAUTH: Thank you very much for being here.

ZACH KLEIN: Yeah.

VON GILLERN: OK. Senator Jacobson.

JACOBSON: As you talk to other kids, what are you hearing about vaping and, and use of those kinds of items as well?

ZACH KLEIN: So, I, I know-- I have a-- there's a girl at my school who vapes. There's people all around that I know that vape and drink, and all these other sorts of drugs that I just-- and for-- from coming from a Lutheran school, I-- like, I'm trying to make my school better than-- because all-- from what I hear about a bunch of Catholic schools and other-- they always get talked down because of how, how

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

much they drink, use drugs and all that. And I'm just trying to make my-- hopefully make my school a better place, if that makes sense.

JACOBSON: It does. Lutherans are a little better than Catholics [INAUDIBLE]. I didn't say that out loud.

SORRENTINO: A question for Senator Jacobson.

von GILLERN: Scratch the record.

JACOBSON: But thank you for being here, and appreciate your testimony.

von GILLERN: Thank you. All right, I'm going to pull the plug now. Zach, thanks for being here. We're proud of you.

ZACH KLEIN: Yep.

von GILLERN: You bet. Next proponent. Are there any other proponents? Seeing none. Are there any opponents that would like to speak regarding LB330? Good luck.

JOE KOHOUT: Good afternoon, Chairman von Gillern, and members of the Revenue Committee. My name is Joe Kohout, J-o-e K-o-h-o-u-t, of the Kissel, Kohout, ES Associates lobbying firm, and I'm the registered lobbyist for the Associated Beverage Distributors of Nebraska, or ABDN. The 17 member companies of ABDN are locally-owned and/or operated independent family businesses, and they serve 4,000 retailers in Nebraska who are licensed to sell alcoholic beverages throughout the state. I appear before you today in opposition to LB330 on their behalf, as well as that of the Nebraska Liquor Wholesalers, Nebraska Grocery Industry Association, the Nebraska Petroleum Marketers and Convenience Store Association, Sazerac, and the Wine Institute, all of whom have authorized me to register their opposition to this bill as well. While we recognize the bill's intent to address alcohol addiction, prevention, and treatment as commendable, we have serious concerns [INAUDIBLE] the regarding the-- its approach, particularly the significant sales tax increase on alcoholic products. Let me divert from my prepared testimony and just say I have not seen the amendment, so my comments today are all drawn towards the, the green copy of the bill. LB330 places a disproportionate tax burden on consumers and small businesses; it proposes raising the sales tax on alcoholic liquor to 15.5% from the current 5.5%. This is a drastic increases that places an undue financial burden on most Nebraska restaurants, bars, breweries and liquor stores. These businesses, many of which are small, local establishments, rely on alcohol sales for a significant portion of their revenue. A steep increase in alcohol

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

taxes will likely lead to reduced sales, forcing businesses to cut jobs, or even close. Additionally, the actual tax revenue impact of this bill would be uncertain because the sales tax often change the behavior of consumers; we've heard that in testimony in the-- in proponents as well. A sharp decline in alcohol sales because of a 10% tax increase would result in lower-than-expected tax revenues to the state. Thus, LB330's excessive tax increase will negatively impact consumers and small businesses without guaranteeing a stable funding for treatment programs. I respectfully urge the committee to reject the advancement of the bill to General File, and I thank you for your time and consideration, and I'm happy to try to answer any questions.

VON GILLERN: Thank you. Questions? Senator Jacobson.

JACOBSON: I've got to redeem myself for my earlier comments, so I just--

JOE KOHOUT: Was, was just on the record for anybody to, to the pull at any time.

JACOBSON: So, as far as-- if this were to go into place, how would that compare to particularly Iowa, when you start thinking about border bleed? How would their taxes compare?

JOE KOHOUT: So, I-- and this is where you're going to catch me-- if we talk about it from a, from a wholesale tax perspective, that's where I think you have a different number. I-- I'd have to know exactly how, how Iowa-- and I, I don't know off the top of my head, Senator. I'm sorry. About how they--

JACOBSON: Well, my understanding is, is that Iowa obviously has a different taxing system than we do. We don't-- they don't have the three-tier system, and--

JOE KOHOUT: Correct. And, and I think the diff-- the distinction here is, is if we're talking about the excise tax, that's a different tax than, than the sales tax. As we propose it-- as, as it's proposed in, in LB330, as I understand it is, this is a tax that's going to be put onto the consumer at the end of the-- at the end of the transaction.

JACOBSON: And that's what we're really looking at, is it-- to compare apples to apples, it's really retail out the door how that would compare. And I guess the question becomes, with the population-- particularly with Omaha being so close to Iowa-- we get too far out of whack, there's border bleed, clearly, that, that occurs when you're looking at these kinds of products, I would assume.

JOE KOHOUT: Right. And I think that you even look at a situation like downtown-- I'll just use an example from Omaha. You look at it, downtown Omaha, and you see the work that's being done to develop downtown Omaha as an entertainment destination, yet if you're going to start imposing a high sales tax on these products, the question is, do folks start to say, yeah, but when we plan this event where we know that there's going to be some folks who enjoy a beverage or two, we're going to put that over across the river in Iowa because of the rate, the rate being differential, so.

JACOBSON: Thank, thank you.

von GILLERN: Question-- other questions? Seeing none. Thank you for being here.

JOE KOHOUT: Thank you very much.

von GILLERN: Other opponent testimony? Seeing none. Is there anyone who'd like to testify in a neutral position? Seeing none. Senator Juarez, would you like to close? As you come up, we had online comments; 23 proponents, 1 opponent, and zero neutral testimonies.

JUAREZ: Thank you for that information. OK, first of all, I do want to apologize about the late notice of the amendment, and I did want to say that there should be a correction also that I want to point out. OK. So, on page 2, if you'll notice that in Section 5 it says five and one-half percent, and in Section 6 it's five and one-half percent, so that's how it should be flowing through. So, in Section 7 it shouldn't be 5%; it should be, again, five and a half percent-- one half percent, like in the other two sections. So, you know, by having that correction, then that brings the Highway Trust Fund language in line with the new sales tax language, and I just wanted to highlight that error that's made in the, in the description there. Again, I apologize.

von GILLERN: Thank you.

JUAREZ: That was overlooked. And even in the fiscal note, the same error again happened, because it should be 5.5%. Thank you everyone that came and testified today. I hope the data and personal experiences shared with you all today sheds light on how big of an issue excessive alcohol consumption is, and how LB330 would fix that issue. And I'm happy to address any other additional questions.

von GILLERN: Thank you. Questions from the committee? Seeing none. Thank you for being here today. Appreciate that.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

JUAREZ: Thank you.

von GILLERN: That'll close our hearing on LB330, and is Senator Conrad-- walking through the door. Open on LB234.

JACOBSON: I feel like having a chicken salad sandwich.

CONRAD: Kym, can I give you this to pass out? Thanks.

KYMBERLI DYKSTRA: Thank you.

CONRAD: It's warm in here.

von GILLERN: Yeah, they're trying to figure-- they're trying to fix it, yeah.

CONRAD: I like it. I'm a true Leo. I'll take it.

von GILLERN: Yeah, the-- apparently, the unit's not working properly, but--

CONRAD: Nice and toasty. All right, well, I'll be brief then. If you're ready, Mr. Chair.

von GILLERN: Yeah, we're ready. We're ready.

CONRAD: OK. Chair von Gillern, 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 here today representing north Lincoln's 46th Legislative District, and to introduce LB234. LB234 is a modest expansion of the Urban Redevelopment Act. The Urban Redevelopment Act was passed by our good friend Senator Justin Wayne in 2021. The Urban Redevelopment Act was designed to help grow small businesses and generate investments in Nebraska's urban cores. I passed around a one-pager from the Nebraska Department of Economic Development; it has a nice overview of how qualifying businesses can trigger benefits in the Urban Redevelopment Act through employment and investment, or through investment only. So, what this measure would do is that-- currently, qualifying projects have to be in a designated census tract; this would allow for an expansion to adjacent census tracts on the previous definitions, so it would provide certain benefits in eastern Omaha and also qualified census tracts in Lincoln, including in my areas in my legislative district in north Lincoln. This is a continuation of prior economic development policy. Really, the small business tier that existed under prior business incentive acts, and it's meant to provide at least a sense of targeted investment, business development, incentive programs

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

that really focus on urban redevelopment, and small businesses in particular in contrast, or to complement our larger economic development and incentive, incentive programs that help larger businesses with favorable tax treatment due to investment or employment projects, so I brought this measure forward. The representatives of the Omaha Chamber of Commerce put it on my radar screen and asked if I would be open-minded to carrying it on my legislative agenda this year, since it also directly impacted my district. I agreed to do so, and I know that representatives of the Omaha Chamber will be here to testify. Happy to answer any questions.

von GILLERN: Thank you. Questions from the committee?

CONRAD: OK.

von GILLERN: Seeing none. Will you stay to close?

CONRAD: Yes.

von GILLERN: OK. Thank you. We'll invite up our first proponent. Good afternoon.

STEPHEN OSBERG: Chair von Gillern and members of the Revenue Committee, my name is Stephen Osberg, S-t-e-p-h-e-n O-s-b-e-r-g. I'm vice president of project development at Paul G. Smith Associates, and a member of the American Institute of Certified Planners. I'm testifying in support of LB234 on behalf of the Greater Omaha Chamber of Commerce and the Lincoln Chamber of Commerce. When thinking about the urgency of changing the Urban Redevelopment Act, it's important to remember that cities never stand still; they're either expanding or contracting, and they're in competition with other cities nationally. Both Omaha and Lincoln have seen times of expansion and flight out of their urban cores, but neither trend is ever a given to continue, as evidenced by the fortunes of the urban centers and many cities around the country. While Omaha and Lincoln have been somewhat successful in attracting investment into their urban cores recently, there are still lingering concerns. In Omaha, since 1963, the urban core has lost about 21,000 jobs, rather than the 12,000 additional jobs that the city's downtown plan projected at the time. This loss of jobs in the core doesn't just affect those living directly in the area; it has a meaningful and negative impact on the surrounding areas as well. As you know, the foundation of building cities that grow and thrive is a mixture of jobs and housing. With targeted investment, the urban core can capture new jobs and population to serve as the engine of growth for the entire region. Furthermore, according to the Kauffman

Foundation, entrepreneurship accounts for the majority of net new jobs, and offers an unmatched path to generational wealth for founders. The Urban Redevelopment Act is a great support for new business generation. Moreover, this type of urban core redevelopment will be an increasingly integral part of regional growth in the future. While this is less of a problem in Lancaster County, in Omaha, for the first time, our ability to expand outward is beginning to diminish. When combined with strong tools for managing and controlling growth, Omaha has been able to stay financially strong and avoid the problems of many older American cities to date which have had their expansion impeded. However, according to the city of Omaha's estimates, by as early as the 2040s, Omaha could essentially become landlocked by the borders of Douglas County and undevelopable floodplains, meaning the city will no longer be able to count on the increased property values of new development at the edges of the city. This situation creates an imperative for them to double-down on its urban core now so it can maintain a robust tax base well into the future, and this is where LB234 is beneficial. By making a minor tweak that expands the scope of the Urban Redevelopment Act to census tracts adjacent to those with 150% of the state's unemployment, we capture the goals of the act through the spillover of jobs and economic activity while also making the credit more accessible. LB234 offers a small adjustment to the Urban Redevelopment Act that will go a long way to ensuring that Omaha and Lincoln continue to grow and prosper. It will not solve every challenge of urban growth in the two cities, but it is a very useful tweak that strengthens a tool for growth. By broadening the scope to adjacent census tracts, the bill enhances opportunities for small businesses and startups, promotes job creation, and helps reverse the cycle of disinvestment. I respectfully ask the committee to support LB234, and I'm happy to answer any questions.

VON GILLERN: Thank you. Questions from the committee members? Senator Kauth.

KAUTH: Thank you, Chair von Gillern. So, did you say that the Urban Redevelopment Act is not seeing the growth that they had anticipated? So, people aren't really using it as much as they thought?

STEPHEN OSBERG: I'm going to say I'm not personally an expert on the history of the use of the act, so I can't-- I can follow up with additional information on that. But moreover-- I'm more of an expert, or focused on urban growth more broadly. I used to work at the Greater Omaha Chamber of Commerce when we developed the Urban Core Strategic Plan, and I work on development and investment now.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

KAUTH: And so, what would make it-- I mean, so broadening out the development area, basically, is what you want to do.

STEPHEN OSBERG: Yeah.

KAUTH: Why would that make it more likely? I mean, because the goal of this was to help people in a very specific defined area develop businesses. So, if they're not doing it, how far do you keep going out?

STEPHEN OSBERG: Yeah, that's a great question. I think one thing, when we looked at the urban core broadly, and really focusing on investment in the urban core-- I'll start here and kind of get back to your--

KAUTH: Thank you.

STEPHEN OSBERG: --[INAUDIBLE] question. The idea was, you know, downtown, midtown Omaha, right? And you could say, are these areas of high-- the highest unemployment? Yeah, there's relatively high unemployment, but not the highest. But part of the idea was that job growth-- there is some pressure for job growth there, right? Much more so than we see in north Omaha and south Omaha. And so, those little tweaks around the edges really can incentivize job growth in that area, which is easier to access from north and south Omaha via public transit, driving, or walking or whatever than areas kind of on the periphery of the city. And so, while we're looking at job growth maybe not exactly in the neighborhoods of the highest areas of unemployment, if it's right next door-- it might be an area that has a little bit more development pressure already is more likely to see job growth. This little tweak could-- this little-- the tax credit could be the thing that pushes it over the edge, and those are areas that are relatively easy to access. It could be one neighborhood over. I'm talking about one census tract over.

KAUTH: OK. So, so rather than an expansion, would it make more sense to say, OK, it didn't work here, we should go somewhere else and try it there, and not expand the boundaries?

STEPHEN OSBERG: I mean, in my perspective, I think that-- yes, of course, we want to see job growth in the areas where there is unemployment, right? That is still probably the best outcome, where people are living with high unemployment, high poverty. But if it's just right next door to it, that's also a great benefit. I don't know what the incremental impact is on, on the, you know, the fiscal note

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

or anything like that. But I think that-- to me, this is probably the most appropriate approach.

KAUTH: Thank you very much.

STEPHEN OSBERG: Thank you, Senator.

von GILLERN: Senator Jacobson.

JACOBSON: So, let me be clear. The census tracts, are these all located in Lincoln and Omaha?

STEPHEN OSBERG: I believe so.

JACOBSON: OK. So, what should I be telling my constituents when we pass bills with fiscal notes that only benefit Lincoln and Omaha when it comes to trying to increase job opportunities when, at the same time, we're hearing that we are short of workers and the unemployment rate's the lowest in the nation? Why are we spending \$200,000 a year in a program like this that only one part of the state benefits from?

STEPHEN OSBERG: That's a great question, Senator. I think, broadly speaking, you know, there's a challenge when you look at the state for economic growth, right? I mean, we have a diversity of industries and uses here, different types of places for people to live, and we need to support all of it. I-- you know, at, at a smaller scale than what we've been the whole state-- when we talk about the metro area, let's say Omaha, part of the conversation has always been, OK, we know some people want to live in the suburbs, some people want to live in a historic neighborhood, some might want to live downtown-- we have to find ways to support all of those. And so, we looked at where we were seeing growth, and, and we were seeing it on the fringes of the metro area, and we're seeing in some of the historic neighborhoods. And where we were seeing less of that was in the urban core, where we [INAUDIBLE]--

JACOBSON: I'm, I'm speaking specifically to the rest of the state. Don't we have the same problem in Scottsbluff and North Platte? In Kearney and Grand Island?

STEPHEN OSBERG: Sure.

JACOBSON: Why are they eliminated from these programs?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

STEPHEN OSBERG: I guess I would just point back to, I guess, the original author of this act, where-- I don't, I-- I'm unsure. I don't have a good argument right there on that front. I would say--

JACOBSON: Well, I appreciate, I appreciate that. Thank you.

STEPHEN OSBERG: I would say though, I think that-- real quickly. The-- I think that when we look at the-- what's going on in urban Nebraska, Omaha and Lincoln are primarily those areas. Those are major economic engines for the entire state, and the, the investments we put in there does help the whole state, just like investments we put into, you know, really any community overall does really impact the whole state.

von GILLERN: Thank you.

JACOBSON: Thank you.

STEPHEN OSBERG: Thanks, Senator.

von GILLERN: As I read-- as I read the act, the economic redevelopment area is any area where the unemployment is at least 150% of the average rate of unemployment in the state, and the average poverty rate in there is 20% or more of the federal census tract in the area. So, that does not limit it to Omaha and Lincoln, does it?

STEPHEN OSBERG: I would defer, I guess, on the details of the--

von GILLERN: OK. All right. Well, maybe somebody--

JACOBSON: I, I think it--

von GILLERN: Senator Conrad, as she comes up, maybe she can clarify that, so. All right. Thank you for your testimony.

STEPHEN OSBERG: Thank you, Senator.

von GILLERN: OK. Any other proponents? Seeing none. Are there opponents? Seeing none. Anyone who'd like to testify in a neutral position? Seeing none. Senator Conrad, would you like to close? And as you come forward, we had online comments: zero proponents, 4 opponents, and 4 neutral testimonies online.

CONRAD: Thank you, Chair. Thank you, members of the committee. Just so that you know, too, and I should perhaps mention this, but they did such a nice job of laying it out in your fiscal note. So currently, under the program as it exists and as initiated by Senator Wayne's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

legislation, this measure just took effect in 2022, so it's a relatively new program. So, we can definitely follow up with the committee and let you know where utilization is in terms of qualifying businesses and what credits they've drawn down and applied for. I don't know that off the top of my head, but I know that there is a cap on what's available through this program, and I can tell you about utilization after the hearing because I, I just don't have that available. So, the current definition has eligibility for 74 different census tracts in Nebraska, and again, those are defined by unemployment and, and poverty under the existing act. This would extend those to adjacent census tracts, so we would have-- currently, we have 74 census tracts that are eligible under the definition; if LB234 passed, we would have 94 census tracts available. The current ERAs in place have a medium [SIC] income of \$46,000, and under the new definition, the ERAs would increase to a medium [SIC] income of \$56,000. So, when you compare that to the median income for the rest of Nebraska, which is roughly about \$75,000, you can see that these are areas of extreme poverty and higher unemployment that we see in other areas of the state. But by definition, it is not regulated to just urban cores, but those are the areas that meet the eligibility requirements presently.

von GILLERN: Thank you.

CONRAD: Yeah.

von GILLERN: Great. Thanks for the-- that clarity. Any other questions? Seeing none.

CONRAD: OK. Thank you.

von GILLERN: Thank you, Senator Conrad. That'll close our--

CONRAD: Could I ask just one more briefly? I just wanted to thank the chair publicly, and my colleague Senator Dungan, since I was unable to be here yesterday for the child tax credit hearing-- which is always one of my favorite bills each session-- due to some family obligations. I, I just wanted to thank the chair and Senator Dungan for opening on that. I really appreciate it.

von GILLERN: No worries. Worked out well for all of us. It's a rough day yesterday.

CONRAD: And you didn't have to hear from me, so everybody wins.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

von GILLERN: It was a rough day yesterday for a lot of people, so. Thank you. All right. That'll close LB234, and we'll open on LB683. Welcome up Senator Raybould.

RAYBOULD: Good afternoon, Chair von Gillern, and members of the Revenue Committee. My name is Jane Raybould, spelled J-a-n-e R-a-y-b-o-u-l-d, and I represent legis-- Legislative District 28 in Lincoln. I am here to introduce LB683, LB683, which was brought to me by the Nebraska Association of County Officials, better known as NACO. The Legislature passed LB644 in 2021, the Property Tax Request Act, which has come to be known as the "Pink Postcard Bill." I certainly applaud the intent behind the bill, as we all should be invested in transparency. However, transparency does not do the citizenry or our elected officials any good if it comes after most of their decisions have been made. The crucial flaw in the postcard bill is the timing. While NACO will follow me and provide a more comprehensive review of the statutory obligations a number of different stakeholders have in the property assessment and taxation process, we all know that most counties, cities, and schools start their budgeting process in May and June timeframe, well before September, which is when the pink postcard goes out. Far better, it seems, would be to point our citizens in the right direction and at the right time. We already have a notice of valuation change, which is delivered to the property owner on or before June 1st of each year. It would seem that that information from this notice dovetails nicely with the information we are trying to get in front of our citizens. Crucially, we need to make sure the citizens' voices are heard in the right place. You all know that the values are merely a function and not the driver of the property tax bill; that the real driver is the overall property tax request made by our political subdivisions. Valuations, however, are a key function. We should provide the citizen with more notice of what their valuations were and are, the amount of tax they paid last year, and the time and place of the budget hearing where the property tax request will be decided for this year. We should tell them that if they have a legitimate beef with their valuation, they are welcome and encouraged to file a protest with the county clerk. If, on the other hand, they are concerned about the overall property tax levy, they really need to go to the budget hearings where the amount of tax being raised is decided. This bill would have the notices produced by the state. We so frequently talk about how we would never want to put an unfunded mandate on our partners in local government, and yet we still like to stack more responsibility on them. Not one drop believes it is the cause of the flood. By having the state produce the postcards, not only will we know the true cost of the obligation we have put on the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

counties since they produced the postcard, but the delivery of the notices will also be under the state's control. I know that for some, there is a true devotion to having pink as the color for the notice we have the counties send in Dec-- in September. Since this would be produced by the state, that can almost certainly be accommodated through the regulatory process. However, if we think it is necessary to write that into the bill, I would be happy to work with the committee. I want to say thank you very much for your time, and I am happy to take any questions you may have.

VON GILLERN: Thank you, Senator Raybould. Just for the record, they're blue in Douglas County. And I don't know why that is, but I always look for the pink postcards, and they show up and they're blue, which throws me off. Anyway.

RAYBOULD: I know the answer to that.

VON GILLERN: All right. We-- we'll, we'll talk about that over a beer later. Any questions from the committee members? Seeing none. Can you stay to close?

RAYBOULD: Yes, I can. Thank you.

VON GILLERN: Thank you. We'll invite up our first proponent. Kind of had a feeling you were going to be the first proponent.

JON CANNON: Yeah. Thank you. Chair von Gillern, distinguished members of the Revenue Committee, my name is Jon Cannon, J-o-n C-a-n-n-o-n. I am the executive director of the Nebraska Association of County Officials, also known as NACO, here to testify today in support of LB683. I want to extend my, my deep appreciation to Senator Raybould for having brought this bill. It's something that we've been talking about at the county level for quite some time. I, I also-- I nearly forgot. I'm al-- I'm also checking in for the Nebraska Association of School Boards. They were stuck in Chicago, I think, today, and so I, I got a call yesterday that said if you could please register our, our support as well. As Senator Raybould had mentioned, you know, we certainly appreciate transparency. That's something that, that we've really been trying to accomplish a lot in the work of this committee, but also at the county level. One of the things that is, is vital-- and it's right over the north doors of the, of the Capitol, "suvation" of the-- "the salvation of the state is watchfulness in the citizen." When it comes to the amount of property taxes being raised, those decisions are being made at the local level in the budget hearing process. Your property tax is-- it's, it's comprised of, of two

particular factors. The first one is your valuation; your valuation is what portion of the whole you are responsible for. But then, the driver of the whole thing is what your levy is, what the levy rate is going to be, and I--- there's a difference between the levy rate and the levy. The levy is the amount that's being raised total; those were the total tax ask. The levy rate is the rate that's applied to individual properties in order to raise that, that total levy. If someone is-- has a concern about their valuation, by all means, they should file a protest, and they should go in front of the county board and say, "here are the reasons why that my valuation is an error." If a person is concerned about the amount of taxes that they're going to pay, by all means, they have to go to the, to the budget hearings. Unfortunately, all too often, you don't have a lot-- a great deal of attendance at budget hearings for counties. I, I don't want to speak for the cities or the schools, but my suspicion is that is also the case for them, since that's what they've told me. But we're always trying to get people to go to the budget hearings, and those are probably the-- some of the least attended meetings that we have, and that's where the levy is made. I have in front of you the-- all the due dates, so that's the first handout that I've got. All the dates that go into the property tax process from January 1, when levies are det-- the date that levies are determined as of to when taxes are, are considered delinquent; you know, first half in May and September in the-- 90 counties, and then April and August in the three largest counties. I, I, I think that what that does is it very succinctly lays out all the duties, all the different things that, that go into creating the, the property tax valuations and the levies, and then finally, the tax statements that go out to our citizens. If you have any specific questions on that, I'm happy to answer them. And then the other, the other handout I have is, is a sample of what this could look like under the provisions of the, of the bill. It's in pink. I apologize for the ragged edge on the bottom; our, our paper cutter wasn't working so hot yesterday. But-- and I'm happy to go through what each of these is. I happened to select a tax district in Sarpy County. I'm out of time. I'm happy to take any questions you may have.

von GILLERN: Thank you. Senator Jacobson.

JACOBSON: I just have a quick question. I would have thought that you would have done less than like a 10% increase in valuations because it would have been nice to [INAUDIBLE] 2% increase in valuations. I didn't know whether you picked that or not [INAUDIBLE].

JON CANNON: I was-- I think that was going off of the average increase in valuation in Sarpy County from last year.

JACOBSON: Gotcha.

JON CANNON: Yes, sir.

JACOBSON: All right. That was-- that, that-- that's one reason for the pink postcard, is the valuation increases.

JON CANNON: Yes, sir. But, but to that point, though, one of the things that was-- I, I think was successfully accomplished through the passage of LB34 last year is we were able to successfully sever the notion that just because valuations have gone up X percent that the property tax has to go up the same percentage. By focusing on the property tax ask and putting a cap on it, I, I, I think that that probably is going to have an incredible effect on that. Of course, we'll, we'll see when LB34 actually takes effect.

JACOBSON: In all seriousness, you're right. And that is, that is what-- we needed to dissect the two so people understand that piece, that valuation increases do not mean tax increases. At least we hope they don't. OK?

JON CANNON: Fingers crossed.

JACOBSON: And we get into the-- I-- by breaking it down this way, you're getting down to who is collecting the most tax and how much are they taking of the total tax bill, which lets you decide which tax hearing I need to go to.

JON CANNON: Yes, sir.

JACOBSON: Thank you.

JON CANNON: Yes, sir. Thank you.

von GILLERN: Senator Sorrentino.

SORRENTINO: Thank you, Chairman von Gillern. Just one quick question on the revised pink card, you've got things on the back. And then the calendar, you said-- when, when would be the optimal time for a taxpayer to receive this, in your opinion?

JON CANNON: Yes, sir. And so, under the language of the bill, what this does is it, it-- there's a, there's a notice of valuation change that goes out every year on or before June 1. And so, if your valuation goes up or down--

SORRENTINO: It should always go one or the other.

JON CANNON: I'm sorry?

SORRENTINO: And it goes one way or the other every year.

JON CANNON: Right. You would receive a notice of valuation change, and right now, those probably go out to about 40% to 50% of, of all the given taxpayers in, in a given year. That is supposed to go out on or before June 1. Coincidentally, that's about the same time that we start having our, our budget hearings for the, the large majority of, of counties, cities, and school districts. And so, it-- it'd seem like if we're trying to get people to go to the right place at the right time, what we could do is we could collapse the pink postcard into, into the notice of valuation change, except instead of saying it-- sending it only to those people whose valuations have changed, we would send it to everybody, everyone who owns a parcel of property. And you would do that on or before June 1; it would have all this information that-- that's on the, the postcard, along with a description of their rights on the flip side.

SORRENTINO: On or before June 1?

JON CANNON: Yes, sir.

SORRENTINO: Thank you.

von GILLERN: Other questions? Seeing none. Thank you, Mr. Cannon. We've talked about this a lot, and appreciate the homework you've put into this, and sure we'll continue to talk about it more.

JON CANNON: Yes, sir. Thank you very much. Have a great day.

von GILLERN: Next proponent. Good afternoon.

TERRY KEEBLER: Good afternoon, Chair von Gillern, members of the committee. My name is Terry Keebler, T-e-r-r-y K-e-e-b-l-e-r. I'm here as a member of NACO Board of Directors. I'm also the legislative representative for the Nebraska Association of County Assessors, and I am the Johnson County Assessor. Here to testify in support of LB683. It may not make me terribly all-the-time popular with the rest of the assessors; there is a split whether this is a good or a bad thing, and I will explain that in a minute. The assessors are charged with using mass appraisal to set fair and equitable valuations. And we use the sales file; things that have sold in the last two to three years set those. Just because I have the statistics, Senator von-- Sorrentino

commented that they always go one way or the other. My abstract was due to the state yesterday, so I know what our values are. I ran the statistics this morning. We would do right at 3,300 change of value notices, and our total parcel count is 4,450, so roughly 75%. And that's probably a little high for most years, actually, and that kind of depends on what sales have done in the last two or three years. Currently, it seems like almost all of them are changing, but-- so, the reason that assessors have a little bit of question on this bill is our part of the equation, as Jon explained, is to set the valuation. Historically, we haven't liked our valuations to be tied in directly with the taxes; they are separate issues. I also served 12 years as a county board member where we helped set taxes. And it really didn't matter to us what the valuations did; we were trying to raise the tax levy that needed to operate our functions, so. So-- but after the pink postcard bill went in, we were already tied in with tax bills because our valuations are on the pink postcard, as well as what the taxes are going to do. So, that's kind of already part of it. So again, as, as a former board member, as a current assessor, tying these together and doing it earlier-- I know as my experience in 12 years, we had very few people ever at a budget hearing. It is amazing how many protests we get every year of valuation, that their first statement when they come in and sit down for the county board is "I can't afford my taxes. What is this going to do to my taxes?" And so, they're already kind of tied together, and the flip side of that is the hearing, a joint public hearing, a lot of them come in, want to complain about their valuation. So, having them tied--

von GILLERN: Thank you, Mr. Keebler. I'll, I'll just ask a quick question. Mr. Cannon said on or before June 1; I presume that that-- you, you feel also that's a good time.

TERRY KEEBLER: Yes. I mean, that's what we already are doing with our change of valuation notices.

von GILLERN: Right, right.

TERRY KEEBLER: So--

von GILLERN: And then--

TERRY KEEBLER: If we send them out then, that gives people time to see what their valuations are,--

von GILLERN: OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

TERRY KEEBLER: --they have 30 days then to file a protest of their valuation. So, that's why that deadline is there.

von GILLERN: OK. And then, in the fiscal note, there was the-- Lancaster County and Douglas County both sent in information on the fiscal note. For some reason, Douglas County's numbers didn't pull up into the upper categories, but it looks like it-- there will be an, an expense associated with this change, or, or no?

TERRY KEEBLER: I guess I did not look at the fiscal notes beforehand.

von GILLERN: OK. Lancaster County indicates a small-- well, \$139,000 one year-- one biennium, and then \$124,000 the next. And then, Douglas County talks about some additional costs, but for some reason, they didn't pull them up into their-- into the summary, so.

TERRY KEEBLER: I guess it's--

von GILLERN: OK, but you don't, you don't anticipate an additional cost.

TERRY KEEBLER: Well--

von GILLERN: You're already mailing them out anyway, right?

TERRY KEEBLER: We're, we're mailing out 75%, so. The other half to 20-- 25% to 50%-- it depends on the year. Some years, we mail almost everyone; other years, I think probably my low has been 10% of them go out.

von GILLERN: OK. Thank you. Any other questions from the committee members? Seeing none. Thanks for being here today.

TERRY KEEBLER: Thank you.

von GILLERN: Told you we'd get you out on time.

TERRY KEEBLER: Thank you.

von GILLERN: Any other proponents? Seeing none. Are there-- oh, there we go. They didn't-- you're back in town. Welcome back.

LYNN REX: Yes, I am. Senator von Gillern, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. First, I would like to thank Senator Raybould for introducing LB683. We think this bill really is a common sense sort of proposal so that taxpayers fully understand, and it's transparent what

exactly is happening. And having watched several of these pink postcard hearings, folks show up thinking that they're going to protest their valuations, and that's not what it is; it's simply an opportunity for the local governing body to present to the taxpayer what they're doing as prescribed in statute. This would basically put in place a different process, and so I'd just like to walk you through a few of the highlights of this. Jon's already outlined several of them. But for example, if you look on page 2, starting on line 10, this is an amendment to 77-1315, "on or before for June 1." And then, right now, instead of only if you have a change in valuation, this is no matter whether you have a change or not, you're going to get a notice. And it's also going to outline for you, if you look on lines 24 to 25, the time and place when each political subdivision levying a tax against the parcel is convening the public-- or, the budget hearing of each political subdivision, because that's really where it makes a difference in encouraging folks that if you want to make a difference in what your taxes are, go to those budget hearings. And this outlines well in advance what that is; on or before June 1. And you'll note that on page 3, line 29, on before May 15, every political subdivision shall advise to the county when they're going to have their budget hearing. In other words, this would be something new that political subdivisions will have to-- it-- well in advance indicate when will we have our budget hearing. And the schools, the counties, and others said, "We can do that. We can let everybody know when we're going to have the budget hearing." And that's important because that's when people can really make a difference, as opposed to showing up sometime in September when the decisions, fundamentally, have been made. And so, in any event, we think this is a way that it is transparent, it prescribes all the information that has to be on the notice, it prescribes exactly what the rights are. Also, in the event that there's an error in the calculation, this bill has a-- provisions relating to that. So, I'm happy to answer any questions that you might have, but we do think this is a common-sense approach in that folks won't be frustrated. I mean, I just can't tell you the number of folks that are frustrated, including-- I will speak for my neighbors, who basically are astounded that they, they take-- took the time and effort to go to a pink postcard hearing, in their words, for nothing. So, this is how they can really make a difference, and it also would let DAS then print it and send it out, and we appreciate your consideration of this proposal.

von GILLERN: Thank you. Questions from the committee? Seeing none.

LYNN REX: Thank you very much.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

von GILLERN: Thank you for being here. Appreciate that. Any other proponents? Seeing none. Are there any opponents?

NICOLE FOX: Chairman von Gillern, members of the Revenue Committee. Nicole Fox, N-i-c-o-l-e F-o-x, representing the Platte Institute, and we are in strong opposition to LB683. In 2021, we worked diligently with Senator Hansen to pass LB644, the Property Tax Request Act, also known as the "pink postcard bill." This effort was motivated by the success of Utah's truth-in-taxation law and polling that we conducted pertaining to property tax reform. In that poll, 77% of Nebraskans favored requiring local governments to inform them by mail about their opportunity to participate in a public hearing before property taxes could be increased due to rising valuations. LB644 redefined what constitutes a property tax increase; that is, revenue generated instead of levy rates. It established a postcard notification and joint public hearing process when certain political subdivisions plan to capture additional property tax revenues resulting from increased property valuations. This process is triggered when planned spending levels exceed the prior year's revenue plus real growth, plus 2%. Political subdivisions must mail postcards showing the increased tax dollars to be collected compared to the previous tax year. Elected boards are no longer silently entitled to a windfall because of quickly-rising assessments. No longer can elected officials say they aren't raising a levy rate and claim they aren't increasing taxes. While the law does not directly cap property taxes, it does increase transparency and accountability. It creates awareness of who levies local property taxes. In fact, there have been reports that tax askings have been kept below the trigger threshold to avoid participating in joint public hearings and facing citizens. While the process is not perfect, changes have been made as problems have been identified. This session, even more changes have been proposed that we support. One problem that continues to exist is the timing of the postcard and joint public hearing process, and we agree it would be better to have the process occur earlier, possibly before annual budget hearings, as proposed in Senator Hallstrom's LB575. But LB683 is a change we can't support. It proposes to eliminate both the direct postcard notification and joint public hearing processes established in the Property Tax Request Act, which is 77-1633. While attendance at annual budget hearings is desirable, we do agree they are often held during the daytime, and they're "officially"-- often just specific to one taxing entity, so "taxmayers" must go to multiple hearings. Currently, most Nebraskans are not aware as to when these budget hearings take place, either. If anything, Platte would support direct notification to taxpayers of annual budget hearings in addition to the

continued process of the direct postcard notification and joint public hearings because we feel it's important that taxpayers have opportunities to interact with their local levying authorities, learn how their tax dollars are being spent, and why taxes are being increased. So, with that, I conclude my testimony, and I'm happy to take any further questions.

VON GILLERN: Thank you. Senator Jacobson.

JACOBSON: I'm just curious, so there is a fiscal note for the counties to, to do this particular notice. And obviously, it would go up significantly if we were going to do all these other notices. I guess we often talk about is, is the, the juice really worth the squeeze, in terms of are we going to get that many more people showing up at budget hearings by doing these extra notifications given the cost that would be involved? And, and, and I-- the last thing I'd like to see is hiring more people to be able to make sure we can get this piece done. I-- I'm just-- I'm not-- I'm, I'm just trying to figure out whether we're really taking one step forward, another step back with that kind of thought process.

NICOLE FOX: Senator, I appreciate that question. I, I can't answer that question, unfortunately. I, I don't know if this would increase attendance at budget hearings or not, like I said in my testimony. One of the things-- and that's why we did the joint public hearing process-- is that under the joint public hearing process, the hearings must occur in the evening, and right now-- I mean, I know for me, if I were to attend the budget hearings of all of my taxing political subdivisions subject to truth-in-taxation, I-- I'd have to, you know, be gone for both the county board budget meeting and the city council, because they're both held during the daytime while I work. And, I mean, the school one is at night. So, I don't know. I mean, I don't know if people would be willing to take time off of work to go to a budget hearing that's held during the daytime. It may, it may increase attendance slightly, but I don't know if it would do so significantly, if that answers your question. I mean, I agree; it's a lot of money--

JACOBSON: Well, well, I guess it does. I just-- I'm just trying to figure out what's wrong with the approach being proposed in this bill.

NICOLE FOX: What's wrong with getting--

JACOBSON: Yeah. How is that-- I mean, it seems to me this is providing more information to the taxpayer than they have today, and a convenient way to, to get there. I, I-- I'm just-- again, I think now

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenues Committee March 20, 2025

everyone's going to be notified with all this information whether your tax valuation went up or not, so it seems to be providing additional information at a minimal cost to the counties and political subdivisions to send this information out. So, I'm just, I'm just trying to figure out how far we can go short of sending someone to everyone's house and personally telling them when the meeting is and dragging them there.

NICOLE FOX: Yeah, yeah. And that's why we've-- I know through-- I mean, we've talked about maybe, you know, increasing or moving up when the truth-in-tax-- taxation process kicks in so that it does occur before the budget hearing, and maybe adding something on that postcard similar to what is being proposed here, saying when the budget hearing is so that they could go, potentially, to both. But I think you-- conversations we've had, general consensus has been that a lot of times, taxing entities have a sense in Aug-- you know, in July and August if, if they're going to be having an increased tax asking, so I think that might be doable.

JACOBSON: All right. Thank you.

von GILLERN: Thank you. Any other questions? Seeing none. Thank you for being here. Any other opponent testimony? Seeing none. Is there any-- no-one who'd like to testify in a neutral-- is this opponent or neutral?

CARTER THIELE: Neutral.

von GILLERN: OK. Neutral. You're welcome to come up.

CARTER THIELE: All right. Thank you very much, Chairman von Gillern, Vice Chairman Jacobson, members of the Revenue Committee. My name is Carter Thiele, that's C-a-r-t-e-r T-h-i-e-l-e, and I'm here today to speak on behalf of the Lincoln Independent Business Association. Government transparency is a standing priority for us; it's a, it's a legislative priority every single year, and so we support the portions of LB630-- or, LB683 that provide more transparency on those preliminary property valuation statements. It makes it easier and more accessible for property owners to exercise their rights and participate in the local budgeting process. However, it would be nice to see these improved measures of transparency supplant [sic] rather than replace the property tax request pink postcard law. While we can agree that the true-- the Property Tax, Tax Request Act needs modification, there has been nothing ever effective at getting taxpayers to attend a meeting about property taxes like it.

Preliminary valuations alone don't show property owners what they'll be paying in taxes, and the pink postcard does. Last year, when certified valuations came back lower than anticipated, Lincoln Public Schools had to raise their levy an additional couple of cents to satisfy their proposed budget. If this bill were to be passed unamended, it could lead taxpayers to misunderstand or underestimate their actual tax bills if they don't follow through on attending those six to eight meetings that they have to go to. It's understandable to sympathize with the concerns of local property taxing entities who must adhere to the Property Tax Request Act's requirements when the law's design needs to be fixed. But what it comes down to is that the people of Nebraska live in one of the highest property tax environments in the country. They want the Legislature to provide them with as much possible convenient accessibility to participate in property tax decisions, and to exercise their rights as property owners. They want the pink postcard law specifically because it provides an expressed invitation for local entities who are increasing property taxes more than others to clearly communicate why, and directly face taxpayer scrutiny. Thus, we would call for this committee to retain the portions of LB683 that enhance transparency and improve preliminary property valuation notices while removing the section that repeals the pink postcard hearing. Thank you very much, and I would be happy to answer any questions.

VON GILLERN: Thank you. Any questions from the committee? Thanks for being here. Appreciate it.

CARTER THIELE: Thank you.

VON GILLERN: Any other neutral testimony? Seeing none. Senator Raybould, you're welcome to close. As you come up, we had 1 proponent letter, 1 opponent, and zero neutral online comments.

RAYBOULD: I want to make a correction for the record, if I may. Both of the online comments were actually proponents of it. If you read, read the actual comment, I think they clicked the wrong box on the opponent one.

VON GILLERN: Noted.

RAYBOULD: So, what I want to say is I really commended Senator Hansen on initiating the pink postcard legislation and really raising awareness, so that is to be commended. However, when all those individuals showed up at the hearings, they expressed tremendous frustration if, in many cases, their property tax rate was going up,

their valuations were skyrocketing, and of course, their property tax bill rose in accordance. And so, they got frustrated, as they respectfully should have, and as many of us may have gotten frustrated, too. Their frustration was compounded-- which is so sad to see-- when their elected officials did nothing about it. Because why? Because the budgets had already been set, established by statute that both the counties and any other political subdivision must have done by the end of August and submitted to the state of Nebraska for authorization and verification. So, that is what we hope to change with the revised pink postcard proposal before you today. And I think Ms. Fox addressed it, that this could actually improve it by not only listing the essential information and reminding people that once they do get their property tax bill, that they have the appropriate time frame to file an appeal at that time. The next element that they have an opportunity to do is actually to attend some of the budget hearings. And, as both having served as a Lancaster County Commissioner and on the Lincoln City Council, I can tell you exactly how their processes-- those budget hearings are set in May, or-- beginning of May or at the end of April. We know exactly when all those budget hearings are. My experience on the Lancaster County Board, they typically in the afternoon. But I can tell you that the county board can change that. I know that when they do their One and Six road analysis and capital investments for One and Six on road improvements, those meetings are in the evening. The Lincoln City Council budget hearings have always been in the evening, and sometimes we go past midnight, depending upon the crowds of people. I love this idea because it's giving people the information they want at the appropriate time so that they know they can attend, provide their input, their concern, their comments, their feedbacks at the appropriate time. Which, believe it or not, having served in both those positions, we actually listen to them. I can tell you, in my last four years serving on the Lincoln City Council where we saw valuations increase substantially, we saw people's frustrations increase in the same corresponding manner because they saw their property taxes go up. We had to account for them, we had to listen to their concerns. The valuations went, went up and exceeded what our budget required. Like, as a county commissioner, we kept the property tax rate the same, or we actually lowered it so that it would sufficiently fund our budget. And in many cases, on the Lincoln City Council side, we actually took care of some of deferred maintenance, deferred capital expenditures, fire trucks, other equipment, roads and more roads and more road improvements-- that is always on the deferred maintenance. But we listened to the folks, and we gave them that opportunity to speak and give their frustration at the appropriate

time where we can actually respond to them in a timely manner. I was a big advocate of reducing our property tax rate and giving the money back so that they would see it in the following tax year, a reduction in their property tax bill. And so, I think it's important to keep this in mind. It is not insurmountable of having meetings in the evenings, and I think they all should be in the evening to make sure that the greater number of folks in their communities can participate and give their input and feedback. I just want to jump to another thing. When we were having our special session last year, I know that Senator Machaela Cavanaugh initiated a number of public hearings, both in Omaha and Lincoln, and they were great because people showed up. But instead of telling them, like, we're going to do this, we're going to do that, we listened; we said, we're here, we want to hear what you think, we want to hear your stories, we want to hear your concerns, we want to hear your, your comments and your solutions, and your suggestions that we can take back to the Legislature and see it-- when we try to craft public policy, we've incorporated all your feedback-- the good, the bad, and the ugly-- to make sure we were listening to everything you were telling us. This pink, pink postcard revised, or Pink Postcard 2 will actually give them more transparency what they need. Not only in the, the-- if the taxes go up or down, but when they can actually redirect their comments in the most appropriate way to actually effect a change. And so, I just want to say that it's important to know that the counties can adjust their schedule; they'd be-- would be happy to that-- to do that. And I also want to say that, you know, we have kept the counties significantly on any use of any additional valuation above their economic growth. And so I think we need to be mindful of, of that, but I think we need to be willing to listen to them and make adjustments. That's when they feel that we've achieved true transparency and that we've empowered them so that their voices are actually heard and acted upon. So, I'm a big fan of this. I think the pink postcard generated a lot of enthusiasm, as Senator Hansen and Ms. Fox indicated, but it was also a lot of frustration that, that was unnecessary. As an elected official, I'm committed to serving the people that I represent, and I do it better when I get their input and feedback timely, and actually act upon it, so. I hope you can exec this out, and we can get it on General File, because it's really an improvement in what Senator Hansen had launched upon. So, thank you. I'll take any more questions.

VON GILLERN: Thank you, Senator Raybould. Any questions from the committee members? Seeing none. Thanks for being here. Appreciate it.

RAYBOULD: OK. Thanks for your consideration.

von GILLERN: That'll close our hearing on LB683, and it'll close our Revenue hearing for the day.