

BOSTAR: The committee will take up bills in the order they are posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table in the back of the room. Be sure to print clearly and fill it out completely. When it is 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 a bill, there are also yellow sign-in sheets back on 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 by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a 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 thoughts 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 is just a part of the process as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring 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 written position comments on a bill to be included in the record must be submitted by 8 a.m. the day before 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 on the committee statement. I will now have the committee members with us today introduce themselves, starting on my far left.

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

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KAUTH: Kathleen Lauth, LD 31, Millard.

DUNGAN: George Dungan, LD 26, northeast Lincoln.

BOSTAR: Also assisting the committee today to my right is our legal counsel, Sovida Tran, and to my far left, our committee clerk, Linda Schmidt. Our pages for the committee today will stand and introduce themselves.

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

JESSICA VIHSTADT: Hi, my name is Jessica, I'm from Omaha, Nebraska, I'm a sophomore at the University of Nebraska-Lincoln, and I'm studying political science and criminal justice.

BOSTAR: Thank you. With that, we will begin today's hearing with LB649. Mr. Chairman.

von GILLERN: Thank you, Senator Bostar, and good afternoon, and thank you for the time today to the members of the Revenue Committee. I'm Senator Brad von Gillern, B-r-a-d v-o-n G-i-l-l-e-r-n. I represent Legislative District 4 in west Omaha and Elkhorn. I'm here to introduce LB649 and make a quick handoff to Senator Sanders, whose LB632 [SIC] will be heard in this joint hearing. LB649 as a shell bill that was-- that is, is prioritized and will upon an affirmative committee vote carry the language of Senator Stander-- Sanders' AM632. I'm excited to help this important legislation to advance as an economic stimulator for Nebraska, as I believe it will draw significant employers and high paid jobs from Washington to our great state. Since the bulk of the details are in AM632 and in the interest of time, I will wrap up my comments, be very brief, and allow you to move on to Senator Sanders' opening, but I am available to answer any questions you may have.

BOSTAR: Thank you, Senator von Gillern. Questions from the committee? Seeing none. Will you stay to close?

von GILLERN: I will stay to close, thank you.

BOSTAR: Thank you. Senator Sanders, welcome.

SANDERS: Are you a Vice Vice Chair? Is that--

von GILLERN: I-- something like that.

SANDERS: Good afternoon, Vice Chair Bostar and members of the Revenue Committee. I am Rita Sanders, R-i-t-a S-a-n-d-e-r-s, representing District 45, which encompasses much of the Bellevue and the Offutt community, which I am honored to have right in the middle of my district. AM632 contains the Defense Efforts Workforce Act, which would provide tax incentive to eligible employees supporting military defense efforts. To qualify for these incentives, companies would be required to meet several requirements. They must employ at least ten full time employees in Nebraska during the base year, which those employees dedicate exclusively to the Offutt Air Force Base mission. The company also must maintain a workforce size that is at least 100% of the prior year's level, excluding the base year, and ensure that wages are at least 150% of the performance year's level any subsequent year. Finally, the company must electronically conform-- confirm that all its employees are work eligible across the entire performance period. The wage credit would be calculate at 5% of the total compensation paid to the Nebraska employees earning at least 100% of the Nebraska statewide average hourly wage. Companies could receive up to \$4 million in credit per year, with a total cap of \$40 million over ten years. The program currently does not have a sunset date, yet credits would only be used to offset withholding tax liabilities. If the credits exceed the withholding tax owed, the remaining balance could be carried forward to offset future withholdings. On Monday, I visited the Pentagon to meet with key decision makers from the Air Force and the White House. During the meeting, we discussed an 8% proposed cut to the defense budget from the White House. We explored ways we can contribute to target by achieving an 8% cost savings, including areas such as housing, offsetting the cost of living, and utilities. As the military increasingly relies on states' civilian workforce to execute critical missions, attracting and retaining skilled talent is essential for maintaining and expanding these operations. Offutt Air Force Base is one of the-- Nebraska's largest employers, hosting over 50 missions, many of which require a growing civilian workforce. Beyond Offutt Air Force Base, Nebraska, Nebraska's home to several other critical military installations that play a significant role in nation's defense infrastructure. For example, the state is the host to numerous intercontinental ballistic missiles, they call them ICBM, including missiles located in Kimball County, Nebraska, which are part of the U.S. Air Force Global Strike Plan. These sites are scattered across the western part of the state are integral to the country's nuclear deterrence. Additionally, the

Nebraska National Guard operates multiple facilities throughout the state, offering a vital support for both domestic and international military operations. The state also houses several reserve centers, training facilities, and log-- logistics hubs that contribute to the readiness of the U.S. military. Collectively, these installations form a key part of Nebraska's strategic deterrence landscape. Ensuring the state's continued importance is a national security op-- operation. With the leadership of Congressmen Don Bacon, Mike Flood, Senator Fischer and Pete Ricketts, including other Nebraska stakeholders, there are opportunities to expand military defense efforts at Offutt Air Force base, particular in cyber security, electromagnetic spectrum operation. These are used to detect and deter actions or communications in order to protect against enemy activities and safeguard and friendly foes. The state's ability to support these missions on-- investing in base maintenance and attracting the necessary civilian workforce for both current and future missions. With incentives like the Defense Efforts Workforce Act, which encourages companies to establish their workforce in Nebraska, the state is posi-- positioned to become a global leader in the defense technologies and a key player in advancing both national and international security. Following me are experts on this matter who can further answer any questions that you may have. Thank you, Senator, Bostar and the Revenue Committee.

BOSTAR: Thank you, Senator Sanders. Questions from the committee? Senator Kauth.

KAUTH: Thank you, Vice Vice Chair Bostar. Senator Sanders, in section 10, it defines qualified employer as a taxpayer who employs at least ten qualified employees who've been electronically verified as having eligible work status. Are you using E-Verify for that or is there anything specified for--

SANDERS: Ye-- yes, that's the standard when you put together a package of qualified employees.

KAUTH: OK. Thank you.

BOSTAR: Thank you. Additional questions from the committee? I just have one. You mentioned that the credits can be carried forward to offset potential future tax liability. How long can they be carried forward?

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SANDERS: Oh, well, someone behind me probably has that answer. Thank you.

BOSTAR: Thank you. Thank you, Senator Sanders.

SANDERS: Thank you.

BOSTAR: First proponent. Welcome.

RUSTY HIKE: Good afternoon, Vice Chair Bostar and members of the Revenue Committee. I'm Ru-- Mayor Rusty Hike, R-u-s-t-y H-i-k-e, of Bellevue. I come in support of LB649, AM632, The Defense Efforts Workforce Act. It is an exciting time to be in Bellevue, Nebraska. Our city has long been a proud partner in supporting the mission of Offutt Air Force base and its vital role in ensuring the safety and security of our nation. Today, we're here to discuss an opportunity that will not only enhance the defense capabilities of our country, but will also bring substantial benefits to Bellevue and the entire state of Nebraska. The Defense Efforts Workforce Act, also known as AM632, is a critical piece of legislation designed to encourage the growth of skilled, dedicated civilian workforce that will support the missions at Offutt Air Force Base and beyond. The legislation offers tax incentives to companies that contribute directly to the operations at Offutt Air Force Base. These companies will be eligible for tax credits if they meet certain workforce requirements, including employing a minimum of ten full time employees dedicated to Offutt Air Force Base missions, maintaining workforce levels from the previous year, and offering competitive wages that exceed the statewide average. For companies that meet these criteria, the potential to receive up to \$4 million in credits annually with a total cap of \$40 million over ten years, is an incredible incentive. This will not only help retain and attract the best talent for military operations, but also stimulate economic growth in Bellevue and surrounding areas. Bellevue is home to Offutt Air Force Base, one of the largest, most important defense installations in the state and the nation. With over 50 ongoing missions at Offutt Air Force Base, the civilian workforce here is essential for carrying out critical tasks from cyber security to electromagnetic spectrum operations and everything in between. As the military increasingly relies on skilled civilians to execute complex and high tech missions, it's imperative that we wor-- have a workforce that can meet the needs of this expanding mission set, and Bellevue is poised to lead that way. We're not just talking about the missions at Offutt Air Force Base, Nebraska as a whole is the home to several other key defense installations,

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including missile silos in Kimball County, which are part of the US Air Force Global Strike Command and the Nebraska National Guard's numerous facilities spread across the state. Together, these assets ensure that Nebraska plays an integral role in national and global defense. By attracting and retaining companies that support Offutt Air Force Base and the crucial military operations, we are strengthening our state's position as a leader in defense technologies. Bellevue already is-- already proud home of Offutt Air Force Base will be at the heart of these efforts, benefiting from increased investment, job creation, and economic activity. Under the leadership of Congressman Don Bacon, Senator Deb Fischer, and other Nebraska federal delegates, there are additional opportunities on the horizon to expand and enhance the missions at Offutt Air Force Base. The potential for growth in areas like cybersecurity and EMSL is especially exciting, and these efforts depend on the expertise and dedication of our civilian workforce. The Defense Efforts Workforce Act will provide the necessary tools to grow the workforce and ensure that Offutt Air Force Base in Bellevue remain at the forefront of these critical operations. As we invest in the workforce of tomorrow, we are investing in our community's prosperity and our state's strategic defense capabilities. Thank you.

BOSTAR: Thank you, Mayor. Questions from the committee. Seeing none. Thank you.

RUSTY HIKE: Thank you.

BOSTAR: Next proponent. Welcome

DANA BRADFORD: Good afternoon. Vice Chair and members of the committee, thank you for the opportunity to speak today in strong support of LB649 and its benefits to the missions at Offutt Air Force Base. My name is Dana Bradford, D-a-n-a B-r-a-d-f-o-r-d. I am the chairman of the Strategic Command Consultation Committee, which is an organization committed to supporting the missions, the mission of USSTRATCOM and other missions located at O-- at Offutt Air Force Base. Let me start with some general information about Offutt Air Force Base. I provided you with a handout, a two page summary that speaks to some of the relevant economic factors. As mentioned previously, there's over 50 missions located on the base. The mission emp-- the, the-- totally, the missions employ about 11,000 people, 7,000 military, 4,000 civilian. When adding the family members and retirees who call Nebraska home, there are approximately 50,000 people living in Nebraska with some present or past connection to the missions at

Offutt Air Force Base. The missions employing the most people are the 55th Wing and USSTRATCOM. The 55th Wing is the second largest command in the Air Force. USSTRATCOM manages all nuclear capabilities across land, sea, and air globally. The USSTRATCOM headquarters in Nebraska would be a-- is among the most strategically significant military facility on the planet. At the core of the 55th Wing, USSTRATCOM and other missions, at Offutt Air Force Base, they are dedicated to achieving peace through superior capabilities. Strategic deterrence through exceptional capabilities and readiness is often cited in the context of the missions at Offutt Air Force Base. Why am I here today in support of LB649? To best explain why LB649 is so important, I will turn your attention to the other hand out, testimony from the current commander of USSTRATCOM, General Anthony Cotton, and this was testimony to the U.S. Senate Committee on Armed Services. This speaks to the challenge. Today, the United States, its allies and partners, continue to be confronted by two major nuclear powers as strategic competitors and potential adversaries, the People's Republic of China and the Russian Federation. We are also faced with the growing nuclear threat posed by the Democratic People Republic of Korea, and the Islamic Republic of Iran and, and their continued expansion of its nuclear program. What's more, our potential adversaries are increasing their level of coordination and cooperation with one another. This threat environment raises the possibility of near simultaneous conflicts with multiple nuclear armed, opportunistic adversaries. This is today. This is what's facing the missions at Offutt Air Force Base. The resource that's been flagged that's key to fu-- to fulfill our strategic deterrence mission, USTRATCOM relies on a team of military and civilian members who are steadfast in their dedication. People are the cornerstone of our organization, and I take pride in working alongside each of the talented and dedicated group of professionals. I am committed to ensuring they have the support and resources needed to succeed, and I firmly believe that investing in our people is essential to our success, success, As you heard earlier today, there's a number of initiatives. And really at the, at the core, at the core of the objective is to address these threats, the United States is undertaking multi-- multi-generational, decades long modernization of our entire nuclear deterrent, including all three legs of the triad, which is air, land and sea, as, as well as our command, control, and communications capability. The comprehensive modernization programs we are currently undertaking have not occurred on this scale since the 1990s, which means the government is going to start spending a lot of money. It would-- General Cotton closed by saying is, I urge Congress to continue to support these critical national security capabilities

and associated infrastructure. So I'll close by offering up what his solution was that he provided to, to the Senate committee. We cannot accomplish our mission without industry, infrastructure, and security that supports the triad and our core functions. A healthy defense industrial base that can provide advanced technology capability and capacity is fundamental to our ability to compete strategically. The strength of our defense capabilities is directly linked to the talents of the American workforce. That's civilian, not military is what he's referring to here. And the robustness and innovation of our industrial base, meaning he's turning to the private sector to solve these problems. Building a strong and resilient workforce and supporting infrastructure to execute the work on time, while modernizing and sustaining current prices is one of the most important issues we face today. So LB649 supports this call to action in helping missions obtain the civilian workforce needed to achieve all of the missions objectives that are at the base. Thank you for your time and your support of LB649, and I'm happy to answer any questions.

BOSTAR: Thank you sir. Questions from the committee. Senator Kauth.

KAUTH: Thank you, Vice Chair Bostar. So what type of businesses do you see coming and, and using this tax credit? What do they look like?

DANA BRADFORD: You know, it's a great question. It--the, the spectrum is, is pretty wide. So for example, on the base, all of the weather that supports the military operations globally is done in Omaha. And so they bring in, you know, some of the best meteorologists within the military, but they also contract outside. And those, those contracts could be done remotely or in Nebraska. We want those kind of jobs here. And all 50 of the missions would have examples of that. So when you get into as, as a Mayor Hike referenced, electromagnetic spectrum operations is kind of a what I would call a new frontier. And as they advance that, they're going to call upon the skilled workforce that that has the talent in that particular field. These are highly technical people, and we want those jobs here. We don't want that work doing remote or we do not want another base having the ability to, to to deliver on that-- those capabilities because that mission will move, if, if--

KAUTH: So, and-- I have-- it's a three part question. So are there other states with bases that are doing this sort of tax incentive?

DANA BRADFORD: I don't know of-- the-- of-- there are other states that are doing these forms of tax incentives, but I think there's a

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broader application. I know-- I do not know of states that have focused specifically on this kind of support for the military, which really is really an exceptional message for our state to send to our, our-- the Department of Defense, frankly.

KAUTH: OK. So this would be a unique program. So and how-- from an employer's perspective, how exactly do you see it working? What's the process?

DANA BRADFORD: Well, it can come in two ways. You-- you could look at it as a benefit to the employer. Or these employers could also pass it through to the employees and, and give that credit to them, lessening their state income tax. So it's going to be based on a variety of circumstances. Some employers are going to have to step up and really commit to being here in Nebraska, and with those costs, they can get some of that back through this credit. And in some cases where they're trying to attract a lot of this new talent, having this credit could lessen the, the tax burden of the employee and persuade them to, to decide to come to Nebraska.

KAUTH: OK. Thank you very much.

DANA BRADFORD: Thank you.

BOSTAR: Thank you. Additional questions. Senator Murman.

MURMAN: Yes. Thank you. And thanks for testifying. I think my question was pretty well covered with Senator Kauth's questions, but I, I totally support the mission of keeping our country safe and everything. But are these incentives needed by the state of Nebraska to keep the prospective facilities or parts of the mission from being built here? Do we need these incentives?

DANA BRADFORD: Yeah, these, these jobs will be filled by the military. The question is, where will they go? You want them in Nebraska. One, because we'd want the benefit of having these, these families in Nebraska, but two, by having these people here committed to the, the missions, they ensure that these missions stay here and grow. So it has dramatic economic benefits for the state.

MURMAN: So we are definitely in competition with some other states--

DANA BRADFORD: No question. No question.

MURMAN: --to keep those things here?

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DANA BRADFORD: Yeah.

MURMAN: Thank you.

DANA BRADFORD: Thank you.

BOSTAR: Thank you. Additional questions from the committee? Seeing none. Thank you, sir.

DANA BRADFORD: Thank you very much.

BOSTAR: Next proponent. Welcome.

HEATH MELLO: Good afternoon, Vice Chairman, Bostar and members of the Revenue Committee. My name is Heath Mello, H-e-a-t-h M-e-l-l-o, and I serve as president and CEO of the Greater Omaha Chamber of Commerce. On behalf of our nearly 3000 members, including a growing number of companies that make up our Defense Industry Business Council, as well as our friends at the Lincoln Chamber of Commerce, we'd like to thank Senator Sanders for introducing AM632, which will create a new incentive designed to strengthen Nebraska's defense industry sector and further support the missions of Offutt Air Force Base. By creating a targeted economic development incentive for defense contractors who expand their operations and workforce in our state, we're not only strengthening our regional economies, we are reinforcing their role in national defense and creating a stronger foundation for long-term economic growth. Over the past 20 years, our chamber's worked closely with the philanthropic, local, state, and federal partners to build a strong public-private partnership network around Offutt. These collaborations have supported military families, enhanced infra-- base infrastructure, and help align private sector capacity with military mission needs. AM632 builds on that momentum. It creates an innovative incentive for defense focused companies, whether large primes or smaller, innovative subcontractors, to choose Nebraska as a place to grow. With AM632, we can attract national defense missions, bring more high paying, high skilled jobs to our communities, and ensure that Offutt remains competitive in a 21st century defense landscape. Nebraska faces competition from states that already have developed specialized tax incentives to attract defense contractors and their workforce. States like Texas, Virginia, and Colorado are actively recruiting these companies right now with various tools that encourage investment in infrastructure, workforce development, and research. AM632 sends a clear message that Nebraska is open for business in the defense sector, and that we understand what it takes to be a

committed, innovative partner in support of our nation, nation's defense. Moreover, the workforce recruitment component of this incentive is key. The future of defense operations, especially within the NC3 domain, relies on the access to highly trained cybersecurity professionals, engineers, system analysts, and mission support personnel. By incentivizing companies to recruit and retain top tier talent here in Nebraska, we're future proofing our economy and ensuring a stable talent pipeline to support national security. Last year, national economist Bruce Katz highlighted at our annual meeting that the remilitarization efforts and the global new economic order would make early winners of military metros. With one of the strongest military assets in the entire country in our own backyard, we need to effectively leverage its strengths and capabilities to further grow Nebraska's economy and workforce. AM632 helps us do exactly that. So on behalf of the Greater Omaha and Lincoln Chambers, we want to thank Senator Sanders and Senator von Gillern for their leadership on this important issue and encourage the Committee to support AM632 to LB649 and help Nebraska seize this important opportunity. Thank you again for your time and effort, and I'd be happy to answer any questions you may have.

BOSTAR: Thank you, Senator. Questions from the committee. Senator Murman.

MURMAN: Yes. Thank you for testifying. You, you testified States like Texas, Virginia and Colorado are actively recruiting these companies with tools that encourage investment in infrastructure. So are they, those states attracting, trying to attract these facilities or, or operations with a similar bill like AM632, similar legislation?

HEATH MELLO: Great question, Senator. So as you heard from Mr. Bradford, these missions that are, that are available essentially that come out of DoD are very competitive. And our research shows that these three states, particularly that have a significant number of military installations, their states have existing economic development programs, similar to a lot of programs we have in our Department of Economic Development, that are very tailored to Department of Defense missions. So we are actually behind these states right now in terms of programs like site and building fund funding, workforce development program funding, research funding at their universities that are specifically targeted exclusively for defense related activities at their military bases. So as you heard from Mr. Bradford, this is a pretty unique opportunity for us to be able to put a, a tax incentive of this nature that's targeted not just to the

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defense contractor themselves, but also allows the incentive be also passed on to the employee, which kind of makes us a little bit more innovative than what typically you see in most other states.

MURMAN: Thank you.

BOSTAR: Thank you. Additional questions. Seeing none. Thank you. Next proponent. Welcome.

MIKE CASSLING: Thank you. Good afternoon, Vice Chairman Bostar and members of the Revenue Committee. My name is Mike Cassling, M-i-k-e C-a-s-s-l-i-n-g. I'm chairman of the Aksarben Foundation, but really here as a business leader who cares about the state and how we grow the state in full time jobs. Thank you for the opportunity to speak in favor of LB649. Let's start with the facts. While Nebraska's population has grown, as you've heard in the articles recently Omaha recently surpassed 1 million residents, and the state, surpassed 2 million residents. That growth primarily came from births and immigration. With no growth in the state's educational-- educated workforce, we are, in fact, losing that workforce to other states. What you hear a lot called the brain-- the brain drain. If Omaha and Lincoln had simply grown at the same rate of Des Moines, Iowa, which I consider a low, low bar, not a benchmark, our state, counties and cities would see an additional \$700 million in revenue. That's money we could be using to invest in infrastructure, education, innovation and yes, meaningful tax relief. The brain drain is a result of Nebraska losing the workforce battle with other states, which has been brought up before. The competition is fierce, and we're struggling to retain our existing workforce and unable to attract new workforce. LB649 provides an incentive that makes Nebraska more competitive and better able to support the missions in their needs of an educated civilian workforce. So why is it important? The competition for tech workers is fierce and has been for many years, and it's only intensifying. Our focus must shift from-- to attracting and retaining talent in this state who is the power of our business. We need to overcome the brain drain and really get to a brain gain. LB649 does just that. This bill strengthens one of Nebraska's most valuable assets in office air-- Offutt Air Force Base and USSTRATCOM. It supports one of our greatest areas untapped economic potential in the defense and aerospace industry. With the strength of our federal delegation, which is probably the best it's ever been, and the support of this bill, you all in the Senate, Senators and the state have a huge opportunity to grow-- a historic opportunity to grow in this, in this defense sector. It will not only support our national security,

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but be a major engine, economic engine for our state. Supporting LB649 is not just about jobs and revenue, it's about our future. This bill will help us attract and retain talent, support high growth industries, unlock the funding we need to reduce income and property tax for years ahead. Now is the time to act. With your support and the support of our partnerships at the federal level. This is our opportunity to not only grow the state in population, but in thriving prosperity, innovation, and national significance. Thank you for your time and support of this bill.

BOSTAR: Thank you, Mr. Cassling. Questions from the Committee. Senator Dungan.

DUNGAN: Thank you, Acting Chair Bostar. One of the questions I think has come up before that people have asked is if there's any other legislation this is based off of in other states. Do you have any idea? Is this framed off as any other legislation that's been [INAUDIBLE]?

MIKE CASSLING: This, this is actually framed off legislation that's in place in this state. There was legislation put in place by Governor Ricketts for Fiserv. I'm not sure if you're familiar with Fiserv in Omaha. But this was exactly similar tax incentive paid after they brought employer-- employees here. Currently, Fiserv is the fastest growing company in the state. I think they brought in over 2,000 new employees. So, so just right here in the state, this works.

DUNGAN: My next question was going to be, is there any demonstrative evidence of it working, and I think you've answered that--

MIKE CASSLING: Yes.

DUNGAN: --so awesome.

MIKE CASSLING: It, it really, it really does work. And I think we have a huge opportunity with what's going on to take that, that , that we know that works on the, on the, the private sector to, to take advantage of what we could do-- be doing in the defense sector.

DUNGAN: Thank you. Appreciate it.

MIKE CASSLING: Thank you.

BOSTAR: Thank you. Additional questions. Senator Sorrentino.

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SORRENTINO: Thank you, Acting Chair Bostar. Just one question. I know you to be a business owner and an entrepreneur in our, in our state, in Omaha, where I'm from. Could you comment on the, the importance of creating jobs, which was discussed earlier, but physically getting those people to the state of Nebraska, which is a whole lot different than having a phone bank in California and Colorado. It's a big deal to me.

MIKE CASSLING: We-- absolutely. You know, we talk a lot about de-- decreasing property tax, decreasing state ta-- income tax and so forth. You can't cut your way to doing that. The only way we're going to be able to do that is to grow the population of the state and grow the business sector of the state. This is one way to do it. I'd also say because you talked about entrepreneurial, the entrepreneurial ecosystem, all net new, new jobs in America are created by companies five years and less. So we, we have to take advantage of this. We need to figure out ways like we've done with Fiserv, like we're doing here-- like hopefully you've pushed forward here with this bill to poll workers here. And that will make a significant difference in this state. We have to grow. We have not grown, as I said, as a state, as Omaha, as Lincoln, and, and we've let the state down because we haven't grown. We need to grow as a state in people and in businesses.

SORRENTINO: Thank you.

BOSTAR: Thank you. Additional questions? Seeing none, thank you for being here.

MIKE CASSLING: Thank you.

BOSTAR: Next proponent. Welcome.

BRYAN SLONE: Thank you. I'll refer to you as Chair Bostar, just for the records.

BOSTAR: We've heard everything else.

BRYAN SLONE: And members of the committee. My name is Bryan Slone, B-r-y-a-n S-l-o-n-e. I'm president of the Nebraska Chamber of Commerce and Industry. And on behalf of the chamber. I'm testifying in support of LB649, as amended by AM632. We've already discussed what AM632 provides. I'm going to tie this into prior testimony that I've given before this committee many times this year. The two most important things for this state, from an economic standpoint, is to grow our population and workforce, one, and two, to take meaningful steps to

embrace an advanced technology and innovation in our core industries in governor-- government sectors. Those two things will, will determine the economic future of the state in, in many respects. In this case, there's very few, if I can even think of one instance, where a single location is about 2% of our economy. This is unique in Nebraska. When we look at the, the current scenario, not only is it important for Offutt to, to be able to compete and win on future missions, but there's a unique opportunity currently. Currently in Washington, it's no secret the federal government is, is reducing headcount pretty significantly. It's unknown at this point how far that will go in terms of this particular area, but the, the Pentagon has already announced that 5,000 civilian employees will be let go at the outset. It's likely to be significantly more. These are highly talented, highly capable people. To the issue of, Senator, how do we recruit them to Nebraska, which is the common issue, for, for, for me, when I look at this workforce issue, there's, there's two basic issues. One, are we taking big enough swings in areas where we could make a difference by thousands of people? And there just aren't that many opportunities. The current environment is one of those, and, and it's something not to be missed, and other states, trust me, you're not going to miss it. And two, we have a great reputation in the military community as a state and as a place to live. So these are warm leads, these are not cold leads that we're dealing with. This proposal is the right kind of proposal at the right time, in the right circumstances, to make a significant big swing for Nebraska that would make a difference and move the needle. And so recognizing that that this is a tough budget year, this would still be one of the things that we absolutely should consider in terms of developing the growth that's necessary to create the fiscal sustainability that we're going to need over the coming years. I'd be happy to answer any questions.

BOSTAR: Thank you, Mr. Slone. Questions from the committee? Seeing none. Thank you for being here.

BRYAN SLONE: Thank you.

BOSTAR: Additional proponents. Seeing none, any opponents? Seeing none, anyone wishing to testify in the neutral capacity? Seeing none. Senator Sanders, would you like to close on your amendment? Thank you.

SANDERS: Thank you to all the testifiers here today, and thank you to the governor for working with our team and his team, and Senator Chair von Gillern, thank you very much for taking the time for AM632. Nebraska is establishing itself as a frontrunner in supporting

America's defense and global security efforts. The state's substantial financial contribution, combined with the University of Nebraska's strategic and operational support for the missions at Austin Air Force Base, USSTRATCOM, and the Department of Defense play a critical role in advancing national security. Attract the civilian workforce necessary for USSTRATCOM and other Air Force base mission futures solidifies Nebraska's leadership. Let's roll out the red carpet, and together, these efforts not only support the military, but also foster the growth of highly skilled civilian workforce needed to enhance global defense, communications, and technologies, ensuring the protection of America's freedom, and that's-- and that of its allied nations. Thank you again for your time and attention. AM632 is my personal priority. Please vote AM632 out of committee. Thank you.

BOSTAR: Thank you, Senator Sanders. Questions from the committee? Senator Kauth.

KAUTH: Thank you, Vice Chair Bostar. Senator Sanders, so Mr. Bradford had talked about the types of jobs with, within the weather community, like that kind. Do you have ideas of other types of jobs that this will bring, or other types of companies that we're hoping to attract? And is there a plan to go out and spread the word if we get this passed?

SANDERS: Yeah. So a personal mission that is out at Offutt Air Force Base when I served as mayor for the city of Bellevue, this was a mission that was in the state of Hawaii. And it is called the DPAA, the Defense POW, MIA Forensics Lab. Some of you have visited and had a tour, and have also been able to welcome soldiers from World War Two back home that are going to be identified to return back to their family. With that said, when my bill came out, one of the first things that the executive director said was, we like it in Nebraska. We have this tax exemption on military retirement. So a lot of them come to, come to Nebraska or stay in Nebraska because we have the military exemption on retirement. And so that is a big plus. In Hawaii, they can't afford to live there. So we were able to move that lab here to OFFUTT Air Force Base. And now what they're talking about, when they take samples of bone and tissue, that lab they use is in another state. And so they're saying, let's move it here. It's cheaper here with partnerships that we have for UNMC it makes complete sense. And if UNMC already has these type of capabilities in their labs, they'll use UNMC. But they, they have a particular niche in that market. And so they are looking at bringing a lab from another state here. So that's just the start of it. In the defense community, contractors and

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subcontractors to support NC3. So that's big, nuclear command and control, and the REACH program. And the word is out. The city of Bellevue and the state of Nebraska has invested in those two programs and so much more, in roads and infrastructure that support that. And that's a big deal as they're looking at reducing spending for the military. One of the things that was loud and clear at the Pentagon was this thing we hear about called BRAC, Base Realignment and Closure is going to be real. And to not ever be on that list for BRAC, we've done a couple things. One is a program called the Joint Land Use Study. It is visited at least once every five years, and that talks about our capabilities as a community that we don't encroach on Offutt Air Force Base, but we're supportive of Offutt Air Force Base, the infrastructure, it's a long list of things that we can check off the box. And the first thing those that make decisions look at is, is Offutt Air Force Base BRAC? Where they are-- are they going to get on the list? And we don't get on the list because we have the study. Everyone involved understands it and supports and, and with this even being in position to grow it is even a bigger deal.

KAUTH: Thank you very much.

BOSTAR: Thank you. Additional questions from the committee? Seeing none. Thank you, Senator Sanders.

SANDERS: Thank you very much.

BOSTAR: Chair von Gillern, would you like to close with the underlying bill?

von GILLERN: I can't top that.

BOSTAR: Before we close the hearing, there was one proponent letter, one opponent letter, and zero neutral letters on LB649. This will close the hearing on LB649, and I will turn things back over to Chairman von Gillern.

von GILLERN: Thank you, Senator Bostar. We'll open our hearing on LB643, and invite up Senator Prokop. Good afternoon.

PROKOP: Good afternoon. Thank you, chairman von Gillern and members of the Revenue Committee for the time today. This is my first and only appearance before the Revenue Committee this legislative session, so I want to make the most of it. For the record, my name is Jason Prokop, spelled J-a-s-o-n P-r-o-k-o-p and I represent Legislative District 27, which includes West Lincoln and Lancaster County. I'm here today to

open on LB643, which is a bill that attempts to incentivize individuals with greater than 30 investor owned houses to turn some of them into owner occupied housing. Excuse me. As I look at just my district to start, there are areas that are predominantly investor owned houses, and I believe changing some of that-- those to owner occupied will have a positive change on the neighborhoods. I also know there are areas all over the state similar to my district. I believe you will hear about some of that and just how exactly this would work from some of the testifiers behind me. Under our current federal and state tax laws, investor owned housing is given an advantage over owner occupied housing. Investor owned housing is allowed to deduct all tak-- all the taxes, insurance, any repairs, closing expenses, etc., where owner occupied housing either cannot deduct these items or is capped at what they can deduct. This means that an investor can spend 10 to 15% more for the home, and recoup their money in the next 4 to 5 years of owning that home, compared to a potential owner occupied resident. And now I, I would admit that I fully understand why we need investor owned housing, and I support programs like the Low Income Housing Tax Credit to support investor owned housing. I just think an owner occupied resident of Nebraska should be treated equally to an investor owned. When I started talking to folks about this issue, who brought or who brought this to me, my first thought was, let's just give owner occupied housing the same tax advantage that we give to investor owned. It also was discussed about limiting this to first time homebuyers or individuals under a certain income threshold. We then had to look at the fact, quite frankly, that the state is in a \$430-- was in a \$432 million hole to start the session, and I didn't think it was a responsible effort on my part to bring a bill that would cost the state more money, given our current financial situation at the time. Therefore, we shifted gears as to what we were looking at to say that could be done by trying to level the playing field without costing the state money. What this bill does is it says if you have more than 30 investor owned, single family residential properties, so not, not apartments, will not apply here, you would not be able to claim or state income tax benefit unless you either sell 10% of your properties to owner occupied individuals or sell-- so-- or we're sold at least 5% to first time homebuyers. The bill also lists exemptions from the law for other incentive programs, both offered in the state and then the federal level, on projects under the Affordable Housing Trust Fund, Community Land Trust, Land banks, among others, as I don't think we can incentivize developers to building-- to build housing under one program, and take away advantage for doing what we incentivize them to do. The bill also recognizes that there are

legitimate cases when investor owned housing may not sell. That's why in section 4 on page 3 of the bill, I allow people to appeal to the Department of Revenue that if they make a good faith effort to try and sell, they, they are able to-- and have it on the market for at least 90 days at fair market value, they are able to come back then and claim the credits. Just in close, I, I believe we need to look into what we can do to not only level the playing field for owner occupied housing, but actually incentivize owner occupied housing. I, I know just from talking to folks about this issue that there is some concern. So my plan is to work with, with stakeholders, both proponents or opponents, as well as this committee, if possible, during the interim to see what we can do to, to, to try and resolve some of those challenges and concerns. I'm also aware that there are projects in other areas of the state's, or new projects that are set up to be rent to own to help people who can't afford the down payment today. And I'm not interested in hurting this type of growth of it truly set up to be owner occupied. Again, I'm not against investors making money on housing. Nor am I against developers building and owning affordable investor owned housing. I just think there's room for all of us to be successful, and, and, and addressing one of the major areas of concerns in the state, which is just housing, and the availability of housing for our fellow Nebraskans. So with that, I close and, and welcome any questions that the committee may have.

von GILLERN: Thank you. Questions from committee members? Seeing none, can you stany to close?

PROKOP: Yes.

von GILLERN: OK. Thank you. Our first proponent? Jump in.

JUSTIN BRADY: Good afternoon, Chairman von Gillern and members of the committee. My name is Justin Brady, J-u-s-t-i-n B-r-a-d-y. I appear before you today as the registered lobbyist for Habitat Omaha in support of of LB643. I'm just-- to follow up on-- first, we want to thank Senator Prokop for introducing the bill and looking at this idea. Where this concept came out of was there was a meeting in the fall among-- there were some members of this committee. It was actually a meeting called by Mike McCarthy at Bridges Trust to say what-- you know, governor, was there, not the governor, but governor's staff was there, mayor had some staff there, and they started having discussion of what can be done to try to encourage owner occupied over investor owned. And I think one of the things that really tipped it for Habitat is in the Papillion area, there was a report that now 51%

of the homes in the Papillion area are investor owned, not owner occupied. And there are, as you heard from Senator Prokop, I think there's very good reasons for some of those. But when Mr. McCarthy started laying out the tax advantage, and I fully admit, most of this is at the federal level. But being able to-- for investors to be able to deduct more items or larger items than owner occupied, it also puts them in a disadvantage. I had a handout that went out. There was a quick summary that was presented at that meeting that day And it just quickly shows that in the first year you can see the investor owned individual's going to be about \$9,000 ahead, and that's if the homeowner owner occupied can do itemized deductions on their taxes. The number would be larger if they don't. So if you look at that, what's happening there, what we see in the market as a home that would be \$150,000. An owner occupied individual comes in, says, I can scrounge enough money together to buy it at \$150,000. An investor can come in and say, I'll buy it for \$180,000, because in three years, four years, I've made that \$30,000 back based on the tax incentives that-- both federal and state. And so we started looking at how do we, as Senator Prokop said, rise-- ideally, we'd like to lift up the owner occupied, but knew it wasn't responsible to come to this committee and say, hey, we'd like you to go spend another \$4 million or \$6 million or more on owner occupied. So this was at least a concept that we'd like to continue to work with this committee on us and Senator Prokop to see if there is some solution that's out there. With that, I'll try to answer any questions.

von GILLERN: Thank you for your testimony. Senator Dungan.

DUNGAN: Thank you, Chair von Gillern. Thank you for being here. Sounds like there's a little bit of work that's going to continue to happen on this. And so I'm I'm kind of talking big picture here, but what kind of effect does a bill like this you think have on the future development of more affordable housing, affordable income housing?

von GILLERN: Well, I think it's twofold, Senator, I think one, if you're looking at-- because I always separate there, there's a need and a, and a desire for low income housing that's rental. And so that would be apartments or that's low income housing tax credits that are single family homes or duplexes. But truly people who say, I don't want to own a home, but I want to-- I need an affordable place to live. That's different than individuals who say, I would like to own a home, and I'm saving. I'm going to save up my \$30,000 to make my down payment on this \$150,000 home, and then have somebody say, you're the owner occupied or have somebody like me come in and go, well, I'm

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going to buy it for \$180,000. We just added \$30,000 to the price of a home, and without ever putting someone who was ever owner occupied in it. And that's the concept anyway. So I think it's raising it, raising it more on the owner occupied when you're still going to have the low income on the apartments and rental side.

DUNGAN: Thank you.

von GILLERN: Thank you. Other que--

SORRENTINO: Senator Sorrentino. Thank you, Chairman von Gillern. Help me get through this. This looks to me like reverse affordable housing bill. How does this taking the way the tax deductions for those who own more than 30 houses help me, as someone who can't afford a house to be more affor-- more affordable. How does it-- who does this benefit? I see who it penalizes, but a law should benefit somebody.

JUSTIN BRADY: Well, it would benefit-- I think our idea was to benefit, to put more homes on the market that, that can be owner occupied. That there is like--

SORRENTINO: It sounds like forced sale of private property.

JUSTIN BRADY: It is. And I think, Senator, where I think the concept came from is in the meeting that happened in the fall was, I think ideally we'd have liked to have lifted up the owner occupied to say, let's give them the same tax advantage. Out of that meeting that said, but you don't bring me a bill that's going to cost money, is what people told--

SORRENTINO: But it's going to cost me property rights instead.

JUSTIN BRADY: Right. I mean it's, you're going to have to give up-- to try to level the playing field, someone's going to have to give up something. And it was recognized. And we aren't going to ask the state to give up money at this point. OK. Thank you.

von GILLERN: Any other questions? Seeing none. Thank you for your testimony.

JUSTIN BRADY: Thank you.

von GILLERN: Next proponent? Seeing none, are there any opponents regarding LB643? Seeing none, is there anyone who'd like to testify in a neutral capacity? Seeing none, Senator Prokop, would you like to

close? And as you come forward, we had eight proponent testimonies online, zero opponent, and zero neutral testifiers.

PROKOP: Thank you, Mr. Chairman. I'll keep this very brief. Housing obviously is a huge issue facing our state. Thinking about just the conversation that, that happened on the, on the prior bill. It's-- this is trying to think outside the box-- box and be creative in how we open up more houses for owner occupied housing. So, and Senator Sorrentino your, your points well made. It's one of those sticking points that, that we look forward to trying to work through with, with all the stakeholders at the table here. So with that, happy to answer any final questions.

von GILLERN: Senator Dungan.

DUNGAN: Thank you, Chair von Gillern. Thank you, Senator Prokop. I appreciate your efforts on this, I know it's-- it sounds it's been a lot of conversations that have happened. Big picture again, because I think it's just important to kind of situate the conversation. In your opinion, what is the virtue of us as a state encouraging more owner occupied housing over more rental housing? Like what is the benefit we get as a state in that context?

PROKOP: Well, I mean, I could pontificate about the American dream and, and, and owning your own home, but I think it's one of those things where it's an opportunity for someone, particularly a first time home buyer, to start building that, that independent wealth for themselves and, and their families. So that's, that's, that's a big part of it. So making sure-- and, and just opening up the market for those types of homes in the market so that we have, have more available as far as what people are available to buy.

DUNGAN: And that makes sense. And I know when we talk about affordable housing, there's always a conversation of how if you're trying to increase the availability of affordable housing, you oftentimes have to increase just housing in general to make sure there's a wide array. Do you think that the concept of this bill seeks to accomplish that goal by opening up more housing in general across the spectrum?

PROKOP: I think it's a step in the right direction.

DUNGAN: Thank you for your work on this. I know we'll continue to have the conversation. Appreciate it.

von GILLERN: Senator Jacobson.

JACOBSON: Well, I'm sorry I'm-- I was late getting here, but-- and I just-- kind of the gist of what the bill is. I'm-- yeah, I'm troubled with it from the standpoint that I'm just looking at where we're at today in North Platte, where we just did the ribbon cutting for Sustainable Beef. They're going to create 850 jobs. They had 1,500 applicants for the 850 jobs. So we've been building housing stock. I think we built-- in the last two years, we permitted 800 doors. And so that would include a lot of apartment complexes. So those are not going to be owner occupied.

PROKOP: Right.

JACOBSON: And so if we didn't have the investors to come in and build these units, they wouldn't be there today, even with incentives. So I'm just trying to figure out how this bill would disincentivize people to come in and build desperately needed housing to actually build economic development within the market. And I think there'll be so many unintended consequences of low income housing. Who's going to build that? It's going to be people that are large investors that are going to utilize federal incentives, tax, tax deals and so on, and then build scale. And this seems to penalize building for scale, and I think that's, that's, that's going the wrong direction. But am I missing something here?

PROKOP: Sure. Yeah. And on the low income, there are some carve outs, carve outs that we attempt to do with some of the definitions as to things that are not, that this does not apply to. And the same with apartments. This would not apply to apartments. So-- and I think I mean, to your point, we don't want to disincentivize those, those investors to come in because we need that type of investment in housing. And it's something that we're, we're going to be willing to work with folks on because we don't want to, we don't, we don't want to do the opposite of what we're trying to, to achieve here.

JACOBSON: Thank you.

PROKOP: So.

JACOBSON: All right. Thank you.

von GILLERN: Thank you. Any other questions? Seeing none, thank you for your presentation.

PROKOP: Thank you very much.

von GILLERN: And that will close our hearing on LB643. I'll hand the chair over to Senator Jacobson, Vice Chair.

JACOBSON: All right. We will open public hearing on LB558. Senator von Gillern. You're welcome to open.

von GILLERN: Thank you, Vice Chair Jacobson. Good afternoon, members of the Revenue Committee. For the record, my name is Senator Brad von Gillern, B-r-a-d v-o-n G-i-l-l-e-r-n. I represent Legislative District 4 in west Omaha and Elkhorn. I'm here today to introduce LB558, the bill to establish the Infrastructure Review Task Force. The task force will work across Nebraska's legislative and executive branches with the goal of reviewing and analyzing Nebraska's transportation infrastructure network, anticipate future needs, examine relevant research, investigate current and possible sources of funding, and engage with experts and stakeholders. The primary effort of the task force would be to consider development needs for transportation infrastructure, primarily from the perspectives of safety and economic development. This past December, the Nebraska Department of Transportation presented their needs assessment at a joint hearing before the Transportation and Telecommunications Committee and the Appropriations Committee, in which the department presented its annual report on Nebraska's projected transportation system needs over the next 20 years. Having spent my career in the construction industry, I consider Nebraska's transportation infrastructure, that is, our roads, highways and bridges, to be one of our state's greatest assets. It's an engine for economic development in our state. Nebraska is known for its agriculture, manufacturing, and industry. We're a production economy and a leader in transportation and logistics. To remain successful and competitive and continue punching above our weight as a low population state. We have to be able to move goods and people efficiently. Because of this, we have a serious responsibility to maintain and improve our transportation infrastructure. This body conducts interim studies with varying outcomes. We sometimes hear the annual reports, but the Nebraska Legislature has not held a comprehensive conversation in over a decade, well, before any of us were serving. LB558 offers a framework for such a conversation to take place. Subject matter experts behind me will be able to share with you more detail on our infrastructure needs and provide insight into how other states have approached these issues. You'll also hear about some of the instability and stagnation in revenue for infrastructure at the state and federal level, something that concerns the committee in particular. Finally, you will hear about the economic impact of Nebraska's roads and highways and their importance for our business

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community. Now is the time to start this conversation. Now is the time to assemble a plan. Nebraska's tru-- Nebraskans trust us to take charge of difficult matters and pursue them to a positive outcome. If we do this well, it will improve the safety and efficiency of our roads systems and promote economic vitality in communities, both rural and urban, all across the state. With that, I kindly urge you to advance LB558, but more importantly, I ask you to listen to the testimony behind me. I want to draw-- before I close my comments, I want to draw you in the bill to page 2, line 16. If you don't have it in front of you, it's, it's very easy. It, it basically talks about the economic impact that the number one focus of the bill. Page 2, line 16, item (e), "Consider transportation through the lens of its economic impact on Nebraska." And I just want to anticipate a question that's going to-- I'm certain is going to come, and that is why is the Revenue Committee talking about this and not Transportation Committee. And it's exactly that reason, because I believe that we need to look at our road system as an economic driver in the state, and we need to consider whether we are-- whether the, the road system as it stands today and as it is projected to stand in the future, is adequately serving our communities and growing our communities to the best of our abilities. We heard a bill earlier today, Senator Sanders' bill, that talked a lot about economic development, and Mr. Cassling mentioned something that I have had a conversation with several people about already today. And that is Nebraska certainly has a tax problem. But we-- but even more than that, we have a population problem. And our population problem can help resolve the tax problem. And part of resolving the population problem is drawing industry and people to the state of Nebraska. And our roads are certainly a big part of that conversation. So with that, I'd be happy to take any questions.

JACOBSON: Questions? Senator Kauth.

KAUTH: Thank you. I actually have two. Do you think that the chair of Appropriations should also be on this committee?

von GILLERN: Whoever wants to sit on this committee is welcome to sit on the committee.

KAUTH: And then, so it talks about you'll-- the committee or the task force will put together drafts of legislation necessary. Will one of the committee members be the one bringing those bills? Or is that something you shop out to anybody who wants to take it on?

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VON GILLERN: I was, I was, I was describing to somebody earlier today, this is like Jello that's this wide. And, and I think we just we need to start the conversation somewhere, and, and get a group together and begin to have the conversations. I, I, I, I don't have super idealistic views that by December of next year that we're going to have a bill prepared to present, to, to drop early, you know, in the next session. But what I do anticipate is that we will have better quantified what the issues are, what the problems are, and at least have an understanding of what some of the remedies might be or might include.

KAUTH: Thank you very much.

JACOBSON: Senator Sorrentino.

SORRENTINO: Thank you, Vice Chair Jacobson, just one quick question of clarification. Roads. Does that include bridges, interstates, county, it's it's the whole shooting match?

VON GILLERN: The whole, the whole however you get from here to there in the state of Nebraska.

SORRENTINO: Thank you.

VON GILLERN: Yep. Did you want to be on the committee? I'm sorry. I'm not supposed to ask questions.

JACOBSON: Senator Ibach.

IBACH: Thank you very much. Are there any committees or or taskforce already in place, like under the Department of Transportation, that, that would have any of the-- these moving parts yet or any way you could--

VON GILLERN: Yes. Certainly not a committee that is this broad and would involve all three branches and the, and the, and the DOT. And the director of the DOT is going to speak behind me and offer some commentary about what this might look like. But I know there have been interim studies that have been filed before, but I've not seen any substantive results from those. So this was, this was a conversation that some folks began with me early, early in the session and kind of like a lot of things, you try to run from the bur-- burning building, but you can't help but running towards it. So it's an issue in the state of Nebraska, and, and I think we need to, to get involved and dig in and see what we can do.

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IBACH: I think it's a great concept.

von GILLERN: Thank you.

JACOBSON: Senator Dungan.

DUNGAN: Thank you, Vice Chair Jacobson. Thank you, Chair von Gillern for this. I, I would agree, I think it's a really good idea. I know some of the specific paragraphs talking about what it's going to be talking about are focused on the highways and roads, and that's kind of what we've talked about. But some of them also just talk about transportation infrastructure in general. Do you envision this committee would also touch other forms of infrastructure like rail and things that have been discussed I know in the past Legislatures?

von GILLERN: Yeah, absolutely. I don't know that that would be the primary focus, because I don't know if that currently falls under some of the-- the director of DOT can answer that question. I'm not exactly sure what falls under their purview. If we needed to add an additional part of the, the conversation, that would be, that would certainly be significant, because again, we're talking about, talking about how do you get people and things from here to there. And, and rail certainly is a big part of that conversation, so.

DUNGAN: Yeah, I just know it's been and ongoing--

von GILLERN: It would be very appropriate, yeah.

DUNGAN: Yeah, ongoing conversation about passenger rail travel, and I think-- I, I brought a couple bills about that, and I think there have been conversations I've had with the department about the current state of our statewide rail plan, essentially, as it pertains to passenger rail in particular. So I'd be interested to know if the committee would also touch on that. So thank you.

von GILLERN: I remember conversations about passenger rail between Omaha and Lincoln before you were born.

DUNGAN: It's been talked about for a while, yes, I--

von GILLERN: It's been talked about for a while.

DUNGAN: The current steward of an ongoing conversation.

von GILLERN: Yes. Yeah. Thank you.

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JACOBSON: Other questions from the committee? All right, seeing none, thank you for your open.

von GILLERN: Thank you.

JACOBSON: I'm assuming you'll stay for close--

von GILLERN: I will.

JACOBSON: --so I'll ask for the first proponent for LB558. So, Senator Moser, welcome.

MOSER: Greetings, Committee members. Thank you for accommodating my input today on this bill. I'm here because I support the concept in theory. I would serve on this committee as chair of Transportation. The problems government tries to solve usually involve forming a committee and trying to fix the problem. And quite often, forming the committee doesn't do anything. So, you know, without torpedoing the effort, I, I encourage the effort to look at what's out there. But the potential revenue sources, you know, there's mileage tax, gas taxes, toll roads, increasing electrical vehicle taxes, sales tax, registration fees, all of those raising tax possibilities are toxic. You know nobody's going to vote to raise taxes. Not if they ever want to get reelected. I had one bill that I brought before your committee that would increase the percentage of the sales tax currently charged and credited toward the Build Nebraska Act, which currently raises about \$100 million a year, and increasing that to a half a percent of the five and a half from the quarter of a percent of the five and a half, would increase revenue to the Department of Transportation by \$100 million. And that would go a long way toward plugging this gap of, last time I heard, around \$150 million a year. And I was told when I offered this testimony a few weeks ago here that, you know, there are so many other things in the budget that come before this and that we couldn't afford \$100 million. Well, I don't think we have the political will to raise taxes. And we've got a \$5 billion budget. We've got \$1.5 billion plus we're going to have in there for property tax relief. If you spent \$100 million increasing the BNA contribution, you could still give \$1.4 billion in property tax relief plus whatever else you can scrape out of the budget. So I support the project. I appreciate Chairman von Gillern chasing the, the invisible rainbow, so to speak. But, you know, he's got the ambition to try it and, and I'll give him the benefit of that thought. So, anyway, I just wanted to bring those things up that it's kind of like when you hear there's a really good book, you're going to read this book. We're-- I'm reading

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you the final report of that committee right here, and something for you to think about. So thank you very much. If you have any questions, I would be glad to try and respond.

JACOBSON: Questions from the committee? All right. Seeing none. Thank you.

MOSER: Thank you. I appreciate you humoring me.

JACOBSON: Well, you're welcome. Director Kramer, how are you?

VICKI KRAMER: Good afternoon, Vice Chairman Jacobson and members of the revenue committee. My name is Vicki Kramer, V-i-c-k-i K-r-a-m-e-r, and I'm the director of the Nebraska Department of Transportation. I'm here to testify in support of LB558. This bill would create a task force to analyze Nebraska's transportation infrastructure and its needs based on the department's annual needs study, along with other information. The bill, the bill sets membership requirements for the task force and tasks them with submitting a report to the Legislature. The Department welcomes the opportunity to work with the Legislature to explore diversification of transportation revenue in Nebraska. Currently, the department is funded primarily through a mix of highway user fees, including various portions of motor fuel tax, sales tax on motor vehicles, and vehicle registration. However, there is and has been a sustainability issues relying on gas tax, given that vehicles are becoming more and more fuel efficient. And recognizing this problem, in 2009, the Legislature conducted an interim study, LR152, to address challenges regarding transportation funding. This led to the 2011 passage of the Build Nebraska Act to diversify the state's transportation revenue, dedicating revenue from one fourth of 1% of general sales tax to the reconstruction expansion of the highest transportation priorities, such as the expressway system and national high priority corridors. This revenue, split between NDOT, cities, and counties, brings in about \$100 million annually for NDOT. For context, \$100 million buys about 11 miles of new expressway. Since revenue was made available in 2013, inflation, along with increases in consumer price index for construction, has reduced NDOT's buying power. As such, we believe the task force would be helpful in validating needs and ways to diversify transportation revenue. In December, we reported to the TNT and Appropriations Committee that there is currently a \$17 billion estimated need to maintain our state's transportation system and deliver projects programmed over the next 20 years. This equates to an approximately \$150 million annual delta between our current revenue and the cost of preserving our current system and adding

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capacity of highways like highway 92, 75, 77, 81 and 275. In order to address this gap, it may be necessary to turn to other revenue generation strategies as implemented by other states facing the same problem of stagnating motor vehicle tax receipts and increased costs due to high inflation. Over the last two years, NDOT has been working to understand and communicate the impact of inflation, address agency efficiency, and improve business practices, and partner with the Legislature to explore revenue options. We've researched funding packages from other states, observing how they have diversified transportation revenue, and compiled a list of concepts for further exploration by the task force. With no two states' transportation funding exactly the same way, we do feel it's necessary to evaluate options. Neighboring and peer states such as Missouri, Kansas, and Tennessee have made multi-billion dollar investments in their transportation system to drive economic growth. Included in your packet is a matrix of sample revenue sources and strategies to utilize-- utilized by some of the surrounding comparable peer states. I do also want to touch on federal funding, given that federal aid funds annually reimburse about 70% of NDOT's contracted construction program, and are used in about 90% of our construction projects. Unfortunately, the Federal Highway Trust Fund faces the same issues of stagnating revenue, and the federal gas tax has not been raised since '93.

JACOBSON: If you could wrap up your comments and there may be some questions, let you--

VICKI KRAMER: Happy to answer any questions, Senator.

JACOBSON: Thank you. Questions from the committee?

SORRENTINO: Senator Jacobson.

JACOBSON: Senator Sorrentino.

SORRENTINO: If you would just please wrap up your testimony here [INAUDIBLE] just for a moment. Or were you completed?

VICKI KRAMER: I, I, I can go to questions.

SORRENTINO: Thank you.

JACOBSON: Senator Dungan.

DUNGAN: Thank you, Vice Chair. Thank you for being here. I won't take all your time talking about trains as much as I'd like to. This is a lot of really helpful information, and I appreciate sort of the approach that's being taken here with the idea of getting a bunch of different people together to talk about these issues. I guess my question would be what, if any, issues do you think will be discussed in this working group that are not currently being discussed amongst various stakeholders? Because it sounds like a lot of what we're talking about here with regards to gas tax, electric vehicles, I mean, those are things I've heard about for the last three years in the Revenue Committee at least being discussed. And so what do you think the benefit of having this group is in terms of coming up with new ideas or consensus among how to proceed on some of those items that doesn't currently exist with the Legislature?

VICKI KRAMER: Sure. Nebraska does have a fairly diversified revenue source. You do have sales tax, you do have motor vehicle registrations, you've done what the trends have been in terms of an EV vehicle registration. We're still not getting to the point where we have enough to both maintain our current existing system, as well as build out the projects that the Legislature continues to ask us to build. And so my concern is, is though we have Transportation and Appropriations currently in the conversation, additional revenue is going to come through this committee because you're looking at new revenue sources. So I think having a majority of the body as well as the Governor's Office, included in conversations that validate the needs of additional projects as well as the need to preserve the existing system, it is helpful in understanding where the department should go. And so we-- if you look at what led to Build Nebraska Act and the diversification of added sales tax, there was a 2007 to 2009 look at this. And 2009 established a task force that built off of some internal documents from the department. And in 2009, the Legislature set out to understand the problem. And I think that built up the political support to go after and to allocate the sales tax, which has allowed us to build 16 of the 17 high priority corridors. So I think this is built out of-- when we released to the Legislature last year in our needs assessment that Highway 81 wouldn't be started until 2032, there was some outcry and there were some questions as to why. And it comes down to cash flow. It's not that we don't have the projects ready, it comes down to cash flow. And so if there one-- if there needs to be a change and those projects need to move up, additional revenue sources have to come forward. And that would come through this committee.

DUNGAN: And, and that makes a lot of sense to kind of make sure there's that consensus, or at least the diversity of opinions going into that. I guess the last thing I'll ask is, do you think there should be any inclusion, and maybe this is a question for Senator von Gillern, so I apologize. Do you think it would be important to have any kind of inclusion amongst the members of the Legislature that would be a part of this, to have it be geographically diverse, so we don't end up with a bunch of people from Lincoln and Omaha making determinations about revenue sources that might have a disproportionate impact on greater Nebraska? Do you think that's beneficial in the kind of state we are?

VICKI KRAMER: I think it's always beneficial to have the demographics that represent the state represented within the conversation. I will say that, you know, our prioritization data and our equity pieces that we have within the department really allow us to make sure that we're valuing the projects in the way they should be valued. But I do think any time you have a diversification of interests on the board, you're going to have a better outcome.

DUNGAN: Thank you.

VICKI KRAMER: Thank you, Senator.

JACOBSON: Other questions? Seeing none, thank you, Director. Next proponent for LB558.

KATIE WILSON: Good afternoon, Vice Chair Jacobson and members of the Revenue Committee. My name is Katie Wilson, K-a-t-i-e W-i-l-s-o-n, and I'm the executive director of the Associated General Contractors, Nebraska chapter, also known as the highway chapter. I'm testifying in support of LB558. What LB558 is about is studying how the Nebraska Highway Transportation System is funded, and educating policymakers on the best ways to fund one of the largest assets Nebraska has, the highway transportation system. I'm pleased that my testimony is following Director Kramer's. She provided the details on the needs that our system has. We've made great strides since, since the expressway system was planned. But there's plenty more to do, and that's what today's bill is about. How are we going to meet the needs in the next 5 to 10 years from now? The DOT and my members do a terrific job of using the resources provided by the Legislature to preserve our infrastructure and make critical new investments in it. But the job of figuring out the level of resources and where they come from is the job of this committee and the full Legislature. With term

limits, every opportunity needs to be taken a dig in to what the highway transportation needs of the state are, research what other states have done, and to make sure the Legislature is aware of every option available. Right now, the majority of the funds for roads come from user fees. Director Kramer handed out the financing flowchart, which kind of shows a-- I shouldn't say simple way, but kind of a simple way of showing where the money comes and where it's, it's allocated. This conversation is too important to put on the back burner for a future year. Investment in our state's highway system will provide a return of one and a half to sometimes four times the investment. It results in increased productivity, improved safety, increased economic activity, and reduced transportation costs. We thank Senator von Gillern for introducing this important bill, and we look forward to working with all of you, because we, we need to be thinking beyond the end of this session and even the end of this biennium. We need to be proactive and plan for the future, 2030, 2040. Thank you, and I'd be happy to answer any questions you might have.

JACOBSON: Thank you. Questions? All right, seeing none, thank you for your testimony.

KATIE WILSON: You bet.

JACOBSON: Next proponent? Mello, how are you?

HEATH MELLO: Good afternoon, Vice Chairman Jacobson and members of the Revenue Committee. My name is Heath Mello, it's Heath Mello, and I serve as president and CEO of the Greater Omaha Chamber of Commerce, and I'm here this afternoon, also representing the Lincoln Chamber of Commerce and the Nebraska Chamber of Commerce in support of LB558. We want to thank Senator von Gillern for bringing this important economic development planning proposal forward. As you know, Nebraska's transportation infrastructure is crucial to our broader economic success, and an efficient transportation system can reduce costs for businesses and increase productivity. By having a legislative task force to review the state's transportation needs in concert with the executive branch and department leadership, we can identify key areas for investment, both in cases where the state can be more-- most strategic about the allocation of its funding in, in areas where we're eligible for federal funds. When thinking about infrastructure in Nebraska, we benefit from being at the intersection major north and south and west and east and west interstates, giving us key access to distribution hubs and when combined with our low cost of living, makes us a logical place for manufacturing. Areas served by multiple

interstate highways or with an abundant industrial sites along highways have significant advantages for location and growth of manufacturing and warehousing activity. However, as the cost of construction and number of potential transportation priorities increase. We must remain smart and forward thinking about where we invest our transportation dollars, and consider what kinds of investments will best link communities while increasing productivity all across our state. By identifying federal opportunities, the Infrastructure Review Task Force created by LB558 can place Nebraska in the best possible position to capture federal transportation grants and be first in line for federal funding when they arise. Beyond being a place where it is relatively easy to get goods to market, investments in transportation infrastructure also makes us more competitive when businesses are looking to move and relocate their innovation and human capital intensive jobs. When companies are looking to move to Omaha, Lincoln, Grand Island, Lexington or North Platte, our communities get scored and compared with our peers on a variety of different transportation and infrastructure metrics, and regional areas, which serve as a hub for transportation activity, have important additional advantages for growth. As such, maintaining our growing transportation infrastructure in both our metropolitan and growing regional cities is crucial to Nebraska's long-term economic development capabilities. Bless you. By establishing the Infrastructure Review Task Force through LB558, we are taking a proactive approach to identifying and addressing our state's transportation needs, ensuring that we both capitalize on existing opportunities and remain competitive in a rapidly changing economy. We want to thank Senator von Gillern again for his leadership on this important issue, and we would respectfully encourage the committee to continue Nebraska's history of investment in our transportation needs and advance LB558. Thank you, Mr. Vice Chairman, and I'd be happy to answer any questions you may have.

JACOBSON: Thank you. Questions? Senator Sorrentino.

SORRENTINO: Thank you, Vice Chair. What, what do you see as a successful final product of this infrastructure committee?

HEATH MELLO: Well, that's a terrific question, Senator Sorrentino. I think you heard from Director Kramer, which is a process like this took place back almost nearly 20 years ago. And part of that is bringing together senators, and that was in an era of term limits as well. It was partially after the first wave of term limits, which brought senators together to educate a number of senators about what

were the existing state transportation priorities, and really kicked off a process in terms of exploring how those priorities were currently being funded and what would be the needs or what would be potential financing opportunities to continue to fund the long-term infrastructure needs of the state. I, I would say, since that was nearly 20 years ago, I think in terms of where we're at right now, with term limits going kind of in full effect of almost five terms now later, a similar kind of product, I did hear Senator Moser explain and give some of the results from that last report. I'm always a believer, to some extent, that going through a similar process like that, it would be a fairly good outcome of a process like this, realizing that things such as electric vehicles in 2007 were really kind of an anomaly back then. And now to some extent, those are very commonplace. There are other technologies in transportation items out there today, such as electric scooters, that are on our on our transportation infrastructures in various cities, whether they're in North Platte or in Omaha, that currently, right now may not be paying taxes, so to speak, that utilize our roads and infrastructures that were not around in 2007. And I think you have things of that nature that could be considerations that you heard the director say that gives a perspective of potential financing options, that this is the committee where it would come through too, it's not-- would not always go through the Transportation and Telecommunications Committee, would not exclusively go through the Appropriations Committee. A lot of those items do come through the Revenue Committee first, and then kind of spread out to those other two committees. And I think a report that brings together various senators across the Legislature with the governor and NDOT I think generally can bring together some consensus around some, some hopefully some bold ideas to fund our infrastructure moving forward.

SORRENTINO: Thank you.

JACOBSON: Other questions? I could have asked Director Kramer this. I'm assuming if we found, found \$2 billion for her, she'd have a place to put it. But-- and she's nodding yes, I might add. I-- you know this-- it's got to be a challenging job because we're not just talking about new highways, but we're talking about maintaining the ones we have and also weighing the cost of waiting too long for maintenance. And then you start looking at the costs that are come to every taxpayer who's driving down a highway and running into problems with repairs to cars out of alignment, trucks that are hauling loads that are damaging their vehicles because they're driving down roads that aren't well-maintained. And so it's a complicated problem, it's an

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important problem we've really got to solve. So I appreciate your testimony today, and, and unless there's any other questions, we'll thank you for the testimony and--

HEATH MELLO: Thank you.

JACOBSON: I'll ask the next proponent.

JEANNE McCLURE: Good afternoon. I'm Jeannie McClure. I'm with ACEC Nebraska, the American Council of Engineering Companies. That's J-e-a-n-n-e M-c-C-l-u-r-e. ACEC Nebraska recognizes the importance and the need for good policy to advance the state's infrastructure, and appreciates and thanks Senator von Gillern, for introducing this bill and the important discussion that it creates now and hopefully creates when the bill is passed. Nebraska does need to take a critical look at its infrastructure needs and funding, and this bill outlines important and relevant lenses to consider that, especially in section 1, lines 3 through 20, everything from safety to economic development. Engineers solve problems, and there is nothing that would make my members happier than to help solve the conundrum that is infrastructure funding in the state of Nebraska. We are willing to provide whatever resources necessary to help drive that next big initiative. So be that resources to the committee, being that designee that comes to the committee and helps them decide. My only concern about the committee is that there's-- While I think the big outcome from this committee would be that bold move that, that Mr. Mello mentioned and Senator Dungan asked about earlier is what, what is it? Right? What is it? I think the committee coming together and discussing and being able to go forward and for lack of a better term, hold hands and sing kum ba yah to the rest of the Legislature and the governor and the state about whatever that bold move is. Is it doubling the Build Nebraska Act funding? Is it raising the gas tax? You have to do it together, you have to hold strong, because that's the only thing that's going to make this work. So we would really love to see this committee go forward and be successful because it's important to our state.

JACOBSON: Thank you. Questions? All right, seeing none, thank you very much for your testimony. Any other proponents? Other proponents? All right, seeing none, how many opponents, any opponents for LB558? All right, seeing none, any neutral testifiers? Great. Seeing none. Senator von Gillern, as you make your way up, we have-- we received letters, two proponent letters, no opponent letters, and there were no ADA comments. So with that, you're welcome to close.

von GILLERN: Thank you, Vice Chair Jacobson and committee members. I don't know what the finished product's going to look like. But I do know we'll be more informed by coming together and talking about it, and I can tell you, this, this chart that that was handed out. If at the end of a year we all understand that chart, we're a lot further along than we are today. Because how we fund our roads is incredibly complicated, and I, I don't have any preconceived notions. When, when this-- I was first approached with this, I'm like, I'm not touching that with a ten foot pole. Because I know where the conversation's going to go and it's go-- going to go regarding revenue. But the way that I'm, the way that I'm viewing it is we can either-- we can dig in and learn about it now and be prepared, or we can have it forced upon us in another year or two or three or five. So we can, we can figure out how to be a part of the solution, we can figure out what the problems are, we can discuss options on how to resolve those issues and those problems, and again, with, with an eye towards economic development across the state. Or we can have somebody else force it upon us or we can be in an emergency situation. And Director Kramer can answer this question better than I can, but my understanding is that the majority of money we're spending on roads today is for maintenance, not for new roads. And, and obviously we got to maintain, as Senator Jacobson mentioned, we've got to maintain our roads in order to, to, to keep them in a condition where we're not, you know, beating up our equipment. But we're not active-- taking an active approach towards economic development by expanding roads where they need to go. I used to travel up 275 to, to go to up to, to the lake, north of Norfolk and 275 is a miserable stretch of highway. Now it's been expanded, but that's been a 20 plus year project that still isn't done, to Norfolk, between Omaha and Norfolk, and the amount of traffic that that gets, industrial traffic, is incredible. The highway, is it 92, that goes out to Columbus, the expansion of that-- and Columbus has always been an industrial, you know, strong industrial city. But my understanding is with the, with the expansion of the highway in and out of Columbus, and that industry is expanding even more there. So again, I don't want to belabor, belabor the point that I, I think digging in and whether, whether that's perceived as a defensive move or an offensive move, it doesn't matter if we're better informed at the end of the year than we were when we started, and we'll be better prepared to come up with a solution. So happy to take any questions.

JACOBSON: Questions? Senator Murman.

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MURMAN: Yeah, I should have asked Director Kramer this, but some of those highways that were mentioned, like 275, 77, 81, isn't there any potential for toll roads on any of those?

von GILLERN: I think that's a very legitimate conversation. Toll roads are public-private partnerships, and, and I can't-- I don't have eyes in the back of my head, I don't know if anybody's rolling their eyes or shaking their head no, I, I don't know. But I think we got to throw everything on the table. Other states, and not that-- I always hesitate to bring up California because it's usually the worst example, but, but there are highly populated states that have embraced public-private partnerships where the highways, are not-- the highways, are owned by a private party, and the state leases them, or they're, they're a toll road, or there's-- there are innovative solutions. This committee heard the, the expansion of the ability to bond roads here last year or the year before. And that was, that was a proposed solution that, that moved forward. So I think, Senator Murman, we've got to throw everything on the table and, and consider it.

MURMAN: Thank you.

von GILLERN: I, I'm sorry, I'll add one more thing.

MURMAN: Yeah sure.

von GILLERN: There are-- if anybody drives in and out of Denver, I was never happier to pay a toll road than when they put that loop, and I don't remember what that highway number is when you drive into Denver from the east side and loops you around. It's like, take my money, please, so I don't have to drive into, into the city. So.

MURMAN: I never was too excited about toll roads until now that they can do electronically, you don't have to--

von GILLERN: Right.

MURMAN: -- stop and so forth so it can be done pretty easily.

von GILLERN: Very good.

JACOBSON: Other questions? I would just comment, several years ago I had the opportunity to drive a vehicle to Washington DC. For-- Mary was going to the George Washington Law. And I was amazed driving down Interstate 80. Once you got over past Iowa, it was toll roads the

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entire way, it seemed like. And it seemed like every time I was just getting comfortable again, it was time to pay the toll again. So I'm curious what the restrictions are there. But you have a lot of people running down the interstate, and we've got to be spending a lot of money maintaining it. So it is intriguing as to what are the-- I'm still big at the idea of how do we get people from outside the state of Nebraska to pay our taxes for us?

von GILLERN: That would be one way to do it.

JACOBSON: Yes.

von GILLERN: Now, now obviously, being a federal highway, there's-- there are restrictions there, but.

JACOBSON: Right.

von GILLERN: You know, the public private partnership is intriguing because it's a way, it's, it's a way basically to long-term finance the highways without impact to, to the taxpayers. So I mean, it's a, it's an incremental impact because the taxpayers are paying to use it, obviously, but it's not an upfront expense. So it's, it's intriguing. And for somebody who understands the time value of money and investments and return on investment, I don't have to explain that to you.

JACOBSON: Any other questions? All right. Seeing none. Thank you. That will conclude our hearing on LB558. We're done. Or where are we at?

SOVIDA TRAN: We have two more, but they're both shell bills.

JACOBSON: Oh, shell bills. All right. LB647. What is it?

von GILLERN: We're going to dra this out.

JACOBSON: LB647. All right.

von GILLERN: I had LB401, I had LB401 in the lob-- [INAUDIBLE].

JACOBSON: Our next hearing will be LB647, and Senator von Gillern, you're welcome to open.

von GILLERN: Thank you. This will be easy. LB647 is a shell bill. So good afternoon, Vice Chair Jacobson and members of the Revenue Committee. I'm Brad von Gillern, B-r-a-d v-o-n G-i-l-l-e-r-n. I

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represent Legislative District 4 in west Omaha and Elkhorn. I'm here to present LB647 to the committee for consideration. LB647 was drafted as a shell bill to be used as a vehicle for a committee priority bill. It has priority designation, and I will work with the committee in the coming weeks to determine what underlying bills will be amended into LB647 for advancement to the floor. I don't have much more to offer to that, but I would be happy to take any difficult questions you may have.

JACOBSON: Great open. Any questions? All right, seeing none, we'll go to proponents for LB647, is there any proponents? All right, seeing none, are there any opponents? Seeing none, anyone wishing to speak in a neutral capacity? Seeing none, Senator von Gillern, you're welcome to close. Waives close. That clo-- and there were-- And what do we got for comments here? We had-- there were no online comments, imagine that. And that will move to our final hearing of the day, which would be LB648. And Senator von Gillern, you're welcome to open.

von GILLERN: If you liked that one, you're gonna love this one. Good afternoon, Vice Chair Jacobson and members of the Revenue Committee. I'm Brad von Gillern, B-r-a-d v-o-n G-i-l-l-e-r-n. I represent Legislative District 4 in west Omaha and Elkhorn. I'm here to present LB648 to the committee for consideration. LB648 was drafted as a shell bill to be used as a vehicle for a committee priority bill. This one does not have a priority designation, but I will work with the committee in case we need to use this bill for other purposes. I don't have anything more to offer on that bill, but I would be happy to take any questions.

JACOBSON: Any questions? All right, seeing none, any proponents? Seeing none, any opponents? Seeing none, anyone wishing to speak in a neutral capacity? Seeing none. There were no online comments and no ADA comments. So, Senator von Gillern, you will need to close.

von GILLERN: Waive close.

JACOBSON: And he's waiving closing.

BOSTAR: George won the pool.

IBACH: I knew it.

JACOBSON: All right, that, that concludes our hearings for today.

von GILLERN: For the year.