

Transcript Prepared by Clerk of the Legislature Transcribers Office

Revenue Committee February 6, 2026

Rough Draft

von GILLERN: [MALFUNCTION] District. I serve as Chair of the committee. The committee will take up bills in the order posted. This public hearing is your opportunity to be a part of the legislative process and to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it's your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included in 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'll 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'll be using a 3-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'll have 1 minute remaining and, and the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Also committee members may come and go during the hearing, this has nothing to do with the importance of the bills being heard, it's just a part of the process as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing are if you have handouts or copies of testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at 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'll now have the committee members with us today introduce themselves starting at my left.

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

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JACOBSON: Mike Jacobson, District 42.

MURMAN: Dave Murman from Glenvil, District 38. I represent eight counties, along the southern tier counties in the state.

von GILLERN: Also assisting the committee today to my right is legal counsel Sovidia Tran, to my left is legal counsel Charles Hamilton, and far left is committee clerk Linda Schmidt. I would ask the pages for today to stand and introduce yourselves, please.

ELIAS REIMAN: Elias Reiman, junior at UNL, studying psychology in the prelaw track.

JESSICA CARROLL: Jessica Carroll, a senior political science student at UNL.

von GILLERN: Thanks for helping us out today. With that, we'll begin today's hearing with LB1110, and I'll turn the chair over to Vice Chair Jacobson.

JACOBSON: Thank you, Senator von Gillern. First bill up is LB1110 and Senator von Gillern, you're welcome to begin your open.

von GILLERN: Thank you, Vice Chair Jacobson and members of the Revenue Committee. For the record, I'm Senator Brad von Gillern, B-r-a-d v-o-n G-i-l-l-e-r-n, and I represent Legislative District 4, west Omaha and Elkhorn. I'm here today to introduce LB1110. This is a bill I brought in collaboration with the Department of Revenue with the overriding objective of nearly entirely eliminating the department's General Fund dependence. LB10 [SIC] seeks to accomplish this through a number of different strategies. LB1110 implements a number of different fees for services and activities performed by the DOR, including a fee to cover the cost incurred to recover delinquent taxes and a fee for issuing notices of deficiency. These fees are set at the greater of \$25 or 10% of the tax liability. LB1110 also authorizes a \$40 filing fee for petitions of redetermination as well as a \$25 fee to apply to waive interest and penalties or to request a certificate stating no tax is due. The rationale for creating these fees is that the extra time and effort required from the department to carry out important tasks like handling deficient taxes and collecting delinquent tax balances has to be paid for by someone. The department believes that it is more fair and efficient for individuals whose circumstances require these additional services to help fund them as opposed to relying on the rest of Nebraska taxpayers to subsidize them. I agree with this

approach. That said, the bill specifically provides for these fees to be waived when they could damage a person's ability to provide for economic necessities. See Section 2, subsection (4) (b) for more comments on that. LB1110 also redirects mechanical amusement tax revenues to the Department of Revenue Enforcement Fund. Currently, these funds are deposited in the Charitable Gaming Operations Fund for DOR to utilize for maintenance of its central server and other activities to enforce a mechanical amusement device tax. Sections 4, 5, and 12 of the bill remove restrictions on the use of money from the Department of Revenue Enforcement Fund in order to make it more suitable as a primary source of funds for the department. The key sentence in Section 12 states that the money in the enforcement fund shall be used by the Department of Revenue for the administration and enforcement, have any activity or function administered by the Tax Commissioner. LB1110 also aims to enhance DOR's ability to collect unpaid and delinquent taxes in two ways: First, the department has, has to contract with a collection agency. The person owing the delinquent taxes will be required to cover the associated fees. I'm sorry, I misspoke. First, if the department had to contract the collection agency, the person owing the delinquent taxes will be required to cover associated fees equal to up to 50% of the delinquent tax balance. Second, the Tax Commissioner would be empowered to register claims for delinquent taxes with the District Court of Lancaster County to aid in the collection of delinquent taxes from individuals in other states. My best explanation of the bill is it allows DOR to become more self-funded and allows them to manage funds and various accounts in a manner that meets all of their obligations and requirements without partitioning these funds unnecessarily. I want to reiterate, LB1110 is aimed significant-- aimed at significantly reducing the Department of Revenue's General Fund dependence and making the department more efficient in its operations, thus assisting in closing our challenging budget deficit on a going forward basis. Finally, I want to draw your attention to the amendment distributed earlier, which I don't think it-- did you hand that out or did you give it to me?

_____ : I gave it to you.

von GILLERN: You gave it to me. That was, that was a poor decision on your part. Let me restate, I'd like to-- restate, I'd like to draw your attention to the amendment which is now being handed out. It simply strikes Section 11 of the bill, which would have transferred all Tobacco Products Administration Cash Funds to the Department of Revenue Enforcement Fund. The reasons that Commissioner Kamm can

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elaborate in his testimony, we've opted, opted to remove this portion from this bill. It removes approximately \$9.5 million negative General Fund impact that appeared on the original fiscal note. I kindly ask for your support for LB1110, and I'm happy to answer any questions.

JACOBSON: Any questions from the committee? All right, seeing none, thank you, Senator von Gillern. And I'm, I'm trusting you to stay to close.

von GILLERN: I'll, I'll hang around.

JACOBSON: Back to the end of the hearing.

von GILLERN: I'll hang around.

JACOBSON: Let's go that far.

von GILLERN: I'm here.

JACOBSON: All right. I'd ask for the first proponent, they can step forward.

JAMES KAMM: Good afternoon, Vice Chairman Jacobson, distinguished members of the Revenue Committee. For the record, my name is James Kamm, J-a-m-e-s K-a-m-m. I have the honor and privilege of serving as Nebraska's Tax Commissioner. I want to thank Senator von Gillern for carrying LB1110 for the Department of Revenue. Senator von Gillern highlighted most of the major changes in the bill, but I want to highlight some key points and further explain the thought process behind what's being proposed here. The main goals of LB1110 are to free up the use of the DOR Enforcement Fund and to reduce the department's General Fund impact. LB1110 removes restrictions on the, the DOR Enforcement Fund and will transfer the fund to be a primary funding source for DOR operations. These changes can be found in Sections 4, 5, 7, 8, and 12 of the bill. LB1110 is part of Governor Pillen's budget plan. This bill, combined with LB890, LB1021, and the Governor's budget recommendations in front of the Appropriations Committee, will make the DOR almost a completely funded cash-- an almost completely cash-funded agency. These changes will allow DOR funding to reflect the core activities we perform while maintaining funding for our current level of operations, reducing our reliance on General Fund appropriations moving forward. And LB1110, the major funding changes are presented, are presented in Section 2. First and foremost, DOR will be able to change-- charge a collection fee of \$25 or 10%, whichever is greater, for a delinquent tax liability, all

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assessments and notices of deficiency. There will also be a filing fee authorized for a petition of redetermination of \$40, a filing fee for a waiver of interest, or a penalty of \$25 and a filing fee of \$25 for all written requests for a certificate stating no tax is due. These changes will help cover the costs of DOR operations. LB1110 will make it so the cost of these activities are paid by the individual or entity needing these extra services, not taxpayers who are paying their taxes on time in compliance with Nebraska statutes. The other major changes being presented in LB1110 deal with collection agencies. First, it will require any fees associated with the collection agency, collecting delinquent taxes to be paid by the delinquent taxpayer. This is capped at up to 50% of the taxpayer's delinquent balance. LB1110 will allow the Tax Commissioner to register a claim for delinquent taxes with the District Court of Lancaster County. I understand some of this is a little bit of a repeat because Senator von Gillern did such a good job outlining the bill. But regarding this, this will allow DOR to more effectively collect delinquent taxes owed by individuals and entities located outside the state of Nebraska. A couple other thoughts I want to point out on LB1110. In Section 1, DOR and DHHS will be authorized to participate in data-sharing agreements. This will allow for better communication and implementation of several tax credit programs, including the childcare tax credit, school readiness tax credit, and the individuals with intellectual and developmental disabilities tax credit. All of these changes make for more streamlined, more efficient government. If you look at the original fiscal note, there was a, there was a small General Fund impact in this section, a small cost involved. DOR has worked with HHS to eliminate the additional funds needed, meaning there there will be no General Fund impact when an updated fiscal note comes out, which--

JACOBSON: Thank you.

JAMES KAMM: --I believe already has. Can I just--

JACOBSON: Oh, yeah, if you can quickly finish, that'd be great.

JAMES KAMM: Yeah, real quickly. Sections 3 and 10 will change where the cash device tax is being sent within DOR, currently goes to charitable gaming fund, operations fund. This bill moves it all to the DOR Enforcement Fund. Finally, Senator or Vice Chairman Jacobson, we want to thank Senator von Gillern for sponsoring LB1110. Be happy to answer any questions at this time.

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JACOBSON: Thank you.

JAMES KAMM: Thank you, Senator.

JACOBSON: Questions from the committee? Well, yes, Senator Kauth.

KAUTH: Thank you, Vice Chair Jacobson. Director Kamm, real quick, what you were just saying about the Section 3 and 10, it's going to move it from the [INAUDIBLE]. Can you go over that again real quick? I'm trying to find it in the bill.

JAMES KAMM: The charitable gaming fund?

KAUTH: Yes. What is that fund usually used for, the charitable gaming?

JAMES KAMM: Compliance of charitable gaming activities, stuff like keno would fall under that. The essence of this bill, Senator, is to basically eliminate multiple funds out there that perform enforcement-type activities and place them all in one fund, thereby giving the agency the flexibility to use those funds. Because if it's specifically designed for something that regulates keno, or if it's something that regulates cash devices, mechanical amusement devices, it limits our ability, creates kind of a bureaucratic--

KAUTH: So, basically, it's making a, a big enforcement [INAUDIBLE].

JAMES KAMM: Right, because the same-- yeah, the same inspectors that go out and, and inspect vapes, inspect cash devices, may do something for keno, may do something for cigarette taxes. So it's giving us the ability just to have it all in one fund, rather than having multiple funds. Where, quite honestly, funds may build up and just sit there as well. So it's more, more efficient use of state funds.

KAUTH: Thank you very much.

JACOBSON: Yes, Senator Murman.

MURMAN: Are those taxes collected from the charitable gaming tax fund or the mechanical amusement device tax fund adequate to fund what needs to be funded with that enforcement?

JAMES KAMM: In regards to we have some legislation pending right now. It's in our budget bill. It came before Appropriations yesterday that will address our funding need for the mechanical amusement devices

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moving forward, Senator. So that's all part of the-- that's all part of our budget bill that was before Appropriations yesterday.

MURMAN: So, in other words, they may not be adequate to fund what needs to be funded there for enforcement and, I guess, the central server?

JAMES KAMM: That's being covered in our Appropriations bill. We've asked for some additional funds to cover the central server. These will-- this will be part of that. It's going to take about \$1 million for the state of our money to service the central service every year moving forward to collect those taxes on those deals. We have 700 pending before Appropriations on that. Some of this-- this is mainly-- and, and we have a separate bill that's going to increase the stamp tax on those, which will bridge the gap between the \$700,000 and the \$1 million. What this is really doing, Senator Murman, is just freeing up and giving us the flexibility to spend funds if we would come up short on something like that. If it's still enforcement, then we can use it more flexibility to fund the agency.

MURMAN: OK.

JAMES KAMM: Did I answer your question?

MURMAN: Yeah, sure.

JAMES KAMM: OK.

MURMAN: Thank you.

JACOBSON: Senator Dungan.

DUNGAN: Thank you, Vice Chair Jacobson. Thank you for being here, Director. I appreciate it. I apologize for missing the opening. I was coming from a meeting so I, I--

JAMES KAMM: No problem.

DUNGAN: --I may ask some questions that have been addressed and I apologize if that's--

JAMES KAMM: Sure.

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DUNGAN: --the case. So, broadly speaking, am I correct that this is an intent to reduce the reliance from the Department of Revenue on the General Fund?

JAMES KAMM: Broadly speaking, yes.

DUNGAN: Broadly, OK. And to what percent of-- if right now the Department of Revenue has 100% General Fund, what, what ultimately of your budget is going to be made up of fees versus General Fund appropriations if this were to pass?

JAMES KAMM: The first time I crunched the numbers, I think I came up with about 90, Senator, and it might be closer to 95.

DUNGAN: Would be fee funded?

JAMES KAMM: Would-- cash funded.

DUNGAN: Cash funded, sorry. I apologize.

JAMES KAMM: Cash funded.

DUNGAN: OK.

JAMES KAMM: So roughly anywhere from 90-95%. This would, as I stated in my opening, which I appreciate you weren't here to hear, this will make us almost an entirely funded-- cash-funded agency.

DUNGAN: I'm looking online at the comments and we only have one neutral and one opponent.

JAMES KAMM: OK.

DUNGAN: So it's not one of those bills with, like, 700 letters.

JAMES KAMM: Sure.

DUNGAN: The opposition letter that I'm seeing here comes from the Nebraska Society of Certified Public Accountants.

JAMES KAMM: OK.

DUNGAN: So an organization represented by-- they represent 2,600 CPAs. They had some issues with this. One of those is the imposing of the automatic, and as they put it, substantial fees at nearly every stage of the tax enforcement and appeals process. It's a very lengthy bill

or it's a difficult bill to parse apart, but I'm trying to best understand who is paying a fee-- if this passes, who would be paying a fee that is not currently paying a fee and at which stages?

JAMES KAMM: Yeah, it would be the delinquent taxpayers. And, again, once a tax balance becomes delinquent, what this bill says is that we could implement a 10% fee or a minimum of \$25.

DUNGAN: Whichever is greater, right?

JAMES KAMM: Whichever one is greater. Yep, I'm sorry.

DUNGAN: That's OK.

JAMES KAMM: A redetermination-- I'm going to make sure I get the number right here. A petition of redetermination would cost \$40. What a petition of redetermination is, is a protest. And so if they're going to protest the balance that we say is legally due to the state of Nebraska, they're going to have to spend \$40 to protest that balance. So what we're trying to do, Senator, through this bill is tie our core suite of services, what we really do. And if you think about it, everybody in the Department of Revenue, myself included, is involved in enforcement or compliance at some step, some step along the way. If everybody voluntarily paid their taxes, we wouldn't have to be talking about this today. But we're really trying to tie this to the folks that are requiring the extra suite of services because they're not paying their taxes in conformance with state statute voluntarily.

DUNGAN: And so the increase in those fees on the delinquent taxpayers, that would be sufficient to make your department almost 95% cash funded?

JAMES KAMM: It would, based on our historical experience on the activities that we perform today.

DUNGAN: A couple-- I'm not trying to belabor the point,--

JAMES KAMM: No, that's OK.

DUNGAN: --but I have a couple more questions to make sure I understand.

JAMES KAMM: Nope.

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DUNGAN: With a delinquent-- somebody who's a delinquent taxpayer, at what stage does that officially become delinquent?

JAMES KAMM: I don't have-- I can, I can get back-- you know, I can say 60 or 90 days, we're accelerating some of those processes. I don't have the answer for you on the top of my head, but we can get back to you.

DUNGAN: And I don't know.

JAMES KAMM: And that's one of the challenges we've had on, on getting our arms around different things like collections and-- because folks file amendments and folks file protests and then folks file different things, but I, I, I want to say 60 to 90 days, but we can get back to you with the exact number at what--

DUNGAN: OK.

JAMES KAMM: --at what point that, that tax receipt becomes delinquent. And I apologize [INAUDIBLE].

DUNGAN: No, and I, I just don't know so I'm curious. And the last thing I was going to ask, one of the last issues brought up in that letter from the CPAs is a potential due process concern, that the implementation of additional fees or imposing those fees on people who are seeking a redetermination or are seeking some sort of contesting, that adding that barrier creates a due process issue for those delinquent taxpayers. Do you think there's any potential legal problems with implementing these kind of fees on folks who are seeking a redetermination?

JAMES KAMM: Well, one of the things I always disclaim, Senator, is I'm not a CPA, I'm not an attorney, but I, I, I can't speak to that. All I can speak to in my 29 months as being the Tax Commissioner is, is we are willing to work with people. We work with people every day. If people are willing to come to us on a delinquent tax balance, we'll set them up on a monthly payment plan. We'll abate penalties. If we see that that makes sense, we'll work with them. In terms of the Society, we have a great working relationship with them. What I would say is we are not going to charge taxpayers in the state of Nebraska that are voluntarily-- our goal is not to charge those that are compliant with state statutes. Our goal is to merely charge those taxpayers that aren't compliant with state statutes, aren't paying us on time, have become delinquent, have become more work for the

department. I don't think-- this is my personal opinion, because obviously I'm here in support of the bill, but I don't think each one of us that's paying our taxes on time voluntarily should be subsidizing those that aren't through General Fund allocations.

DUNGAN: Thank you. Appreciate you being here today.

JACOBSON: Mr. Kamm, I, I would tell you that I, I applaud the effort here. Just point out that the Banking Department and the Department of Insurance are 100% cash funded, but-- so it's a great goal for you to get there as well, but DHHS has a long ways to go to catch up to completely self-fund their own. But they can go to work on that.

JAMES KAMM: I appreciate that, Senator.

JACOBSON: Yeah. But I do really, really appreciate the work that you've been doing. I know you haven't been in this job for a long time, a couple years now, but I hear very good things from people who have interacted with you and appreciate the work that you're doing.

JAMES KAMM: I appreciate that very much, Senator.

JACOBSON: No other questions? Thank you for your testimony. And I'll ask for other proponents. No other proponents? All right. Anyone wishing to speak in opposition? None. Anyone wishing to speak as-- in, in a neutral capacity? Seeing none, Senator von Gillern, you're welcome to close.

von GILLERN: Thank you, Vice Chair Jacobson. I'll be real quick, make just a couple of comments. And Director Kamm stole a little bit of my thunder, I wanted to-- I did want to point out, again, that, that no one in this room who certainly we all pay our taxes on time should be subsidizing those who do not. And there's lots of reasons for those, maybe for those who do not, but we do know that some, some individuals, some corporations do that as a strategy for various reasons, not a strategy that I would embrace, but sometimes that, that occurs and certainly those folks should not be-- their efforts to that-- to, to achieving that strategic goal should not be funded by those of us who live by the rules, so. And, Senator Dungan, I did mention in my opening there is a waiver for, I use the term indigent, I don't know if that's the proper firm, but for those-- proper term, but for those who are unable to pay, there's already a waiver process that's in place. So this is not, this is not piling on to, to folks that are literally unable to, to pay. Let's see, what else did they

have here? The 95% funded is obviously just a terrific feature that we get to that point and we take this off, and I know that's a broad goal throughout a lot of budget efforts right now. Oh, I did-- Senator Ibach and I had a great conversation earlier about the, the reason for removing and I'll call it the partitioning or the allocation of funds into all these different accounts. In my home budget, if, if I-- if my electric bill comes in higher one month than I anticipate it to be, but my house payment is lower, I, I should be able to move those funds around with my, my discretion to make sure that I satisfy all my obligations. Nothing in this bill, including the gaming fund issue, nothing-- there's nothing in here that removes or reduces any obligations of the department to do the things that they're doing. So it's just a matter of where those funds sit and where they, where they reside until they're, until they're expended. So there is no reduction in the efforts of the department to, to do any enforcement that they're currently doing today. So with that, I'll end my comments and take any questions if there are any.

JACOBSON: All right, thank you. Any questions for Senator von Gillern? All right, seeing none, thank you. There was one opponent online testimony and one neutral. And with that, that concludes our hearing on LB1110 and I'll turn the chair back to Senator von Gillern.

VON GILLERN: Thank you, Vice Chair Jacobson. We'll open on LB852 and welcome up Senator Spivey.

SPIVEY: Thank you, Chair von Gillern and members of the Revenue Committee. I feel like I've seen you a lot lately, so I appreciate us spending some time together. So LB852 strengthens accountability for public funds by allowing, not mandating, cities and counties to recover financial assistance grants when those recipients fail to operate in the high-poverty areas as required by funding agreements. So I am in a district and represent an area that gets the additional funding to be reinvested because it is a distressed community. And we actually had an incident where a business was awarded a grant and before they literally signed their paperwork, they were going to close. And so I reached out to our county commissioner to say, like, hey, did you know that this business was closing before you continue with this grant? And they didn't know. And I asked that county commissioner, is there opportunity for you to recover? What does that look like? And there isn't. And so this is really just an opportunity, it doesn't mandate, but says we know that it's really important that we continue to reinvest in distressed areas. And through the Convention Center Facility Financing Assistance Act, it gives us-- and

allows us to do that. It allows us to have outsized impact by utilizing some of those turnback tax funds. And I just want to ensure that they are put to good use. And that the folks that are receiving those grants can actually stay and add to the economy as intended. And so the key components of LB582 [SIC], it allows, as I mentioned, the cities and counties to recover the funds at a prorated amount if they do not stay in operation in alignment to how they receive those funds for at least 3 years. And so a city or a political subdivision can say, hey, you only stayed 6 months and then look at a prorated amount to recover those grant funds if they so choose. It clarifies that public funds or financial assistance awarded in connection with the Convention Center related development may be conditioned on continued local operation. It authorizes the recapture, which we talked about, and I think really for me it protects the public purpose in the underlying tax turnback and local matching funds by ensuring long-term place-based benefit. And aligns with legislative intent that the Convention Center financing produce durable economic activity rather than short-term gains. And so LB582 [SIC] does not expand or alter the financing structure by any means. It just allows the permission of that political subdivision to recapture funds. And so with that, I would be happy to answer any questions that the committee may have.

von GILLERN: Very good. Thank you. Questions from the committee members? I'll ask a quick question, and if you're not comfortable answering, that's fine. Is there an exam-- this obviously has happened.

SPIVEY: Yeah, that example I mentioned just happened this year, so that's why I brought this bill. I was scrolling on social media and looking at-- the, the turnback tax for north Omaha made its decisions. So I was looking at that and literally as I finished looking at the awards, one of the companies named, they were closing the operation that they were just awarded for. And so that's when I reached out to the commissioner and said, hey, what is the process in this? Did you know this? And they had no idea. And so for me, I think it's just an opportunity to ensure, we want the funds to be put to good use and we want to make sure people don't feel like it's a little money grab, right? I can take \$10,000, close my doors, versus the money is intended to really develop those areas. And so it just allows for the county and political subdivision to recapture. If they choose not to, then, then they have that discretion.

von GILLERN: I don't see anything-- and I've done a brief read on the bill, forgive me for not diving in harder-- I don't see anything--

there's-- is there any increased means for following up to find out if, if anyone has-- you learned about it sounds like by happenstance. Is there-- will there be a proactive means of following up?

SPIVEY: So when I reached out to the commissioner about this when I brought this bill, if this language changes in statutes, then they would be able to change their contract that says that, hey, you will have to disclose if you're not here and there will be ways to check up with them within that 3-year period, because my bill says 3 years. And so that would allow them to change their contract.

von GILLERN: OK. All right. Any other questions? Seeing none, will you stay to close? Oop, I'm sorry. Senator Kauth.

KAUTH: Just real quick. So it's, it's saying maintaining-- thank you, Chair von Gillern, and hello, Senator Spivey. On page 5, it's talking about maintaining the principal place of business for the primary operations within the area. So if they would have a smaller storefront or something and-- but move their headquarters out, so it's, it's any movement out of that personal place of business and its actual physical location, it's not necessarily they are developing websites or something like that. It's a physical location.

SPIVEY: Correct, yeah, based on how the awards work. And so think about this, you're-- Senator Kauth, you're familiar with my district, right, and kind of Senator McKinney's. OK, so think like 24th and Lake area. So that is one of the areas that can receive turnback tax. And so say there is a bicycle shop that received it for economic development and they may service more than that area, but that is a hub because that's the distressed area. If they decide to close their bicycle shop and operate on 120th and Maple, then it no longer aligns to this, I want the county to be able to say, hey, we're going to recoup those funds because it's not, it's not with the intention--

KAUTH: It's not [INAUDIBLE]. OK.

SPIVEY: Correct. Yeah.

KAUTH: Thank you.

von GILLERN: Thank you. Seeing no other questions? Right? OK. You able to stay for a little bit?

SPIVEY: Yes, absolutely.

VON GILLERN: Thank you. We'll invite up our first proponent. Is there any proponents for LB852? Seeing none, is there any opposing testimony? Don't go far. Seeing none, is there anyone who would like to testify in a neutral position? Seeing none, Senator Spivey, if you'd like to come up and close, you're welcome to waive, too. There were no online, there were no online comments. It's Friday, but--

SPIVEY: This is easy, it's an easy Friday. The one thing I will just add before I get out of your hair is that we have talked to NACO about this. We talked to the lobbyists from Douglas County. They didn't have any issues. It's busy, other competing priorities, so there was no concern at this point. So I just wanted to uplift that, that we did talk to those folks.

VON GILLERN: Good, good point. Any other questions? Seeing none, thank you.

SPIVEY: All right. Thank you, Chair.

VON GILLERN: That will close our hearing on LB852, appreciate it. And we will open on LB1240. And we will welcome up Senator Murman. On a roll here. For those in the room, if you haven't been here all week, we're getting a little punchy by now, so forgive us.

MURMAN: Good afternoon, Chair von Gillern, members of the Revenue Committee. My name is Dave Murman, D-a-v-e M-u-r-m-a-n, representing Nebraska's 38th District, and today I have the opportunity to introduce LB1240. LB1240 seeks to strengthen Nebraska's ABLE, or the Achieving a Better Life Experience program, which are tax advantage savings accounts for individuals with disabilities that allow savings without jeopardizing the asset limits on Social Security and Medicaid. Before I begin, I want to thank both former Treasurer Briese and his staff and also Treasurer Spellerberg. This was a bill that I had begun to work on with Treasurer Briese and when he retired Treasurer Spellerberg was eager to jump right into picking the work back up. So I think it's great news for Nebraskans who rely on these accounts that with Senator Briese's retirement, they will continue to have a State Treasurer who's focused on strengthening these programs. LB1240 is fairly simple. It adds language that the state shall not seek recovery of any amount distributed by-- from an ABLE account upon the death of the account's beneficiary. So why is this needed? Without this provision, many families may have valid concerns about opening an ABLE account. Consider the scenario of parents with a child with a disability. With that disability, may come a fairly limited or

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shortened life expectancy. That child may seem like a prime candidate for an ABLE account. However, the parents are concerned that upon that child's death, Medicaid will claw back those funds. The National Association of State Treasurers cite fear of Medicaid clawback as one of the top current challenges to the program. This bill would address that challenge. To conclude, ABLE accounts are an important tool to encourage independence and give individuals with disabilities the tools they need to be successful. LB1240 seeks to add a simple protection to ensure those accounts are protected so Nebraskans can have the faith that their dollars invested are safe. Thank you, and I'm happy to answer any questions, but any technical questions about the ABLE program would probably be better suited for an individual behind me.

VON GILLERN: Thank you. Questions for Senator Murman? Senator Jacobson.

JACOBSON: I guess, I'd just ask, is there any limit to how many dollars can be protected from any clawbacks?

MURMAN: Well, there's a limit to how much can be contributed into county char-- behind me, I think they'll be able to answer your question.

JACOBSON: All right. Thank you.

VON GILLERN: OK. Senator Kauth.

KAUTH: I'll, I'll wait for--

VON GILLERN: OK. All right. All right, Senator Murman, thank you. We'll invite up our first proponent. Good afternoon.

SHAUNA PAOLINI: Good afternoon, Senators. My name is Shauna Paolini, S-h-a-u-n-a P-a-o-l-i-n-i, and I serve the Nebraska State Treasurer as the Enable Savings Plan Director. Presented to you today, along with a copy of my testimony, is a letter from Treasurer Spellerberg, affirming his support of LB1240. Enable is celebrating its 10-year anniversary this year. We would like to thank Senator Murman for his continued dedication and commitment to advancing Enable in Nebraska. An Enable savings plan now holds more than \$61 million in assets held inside over 5,200 accounts. Prior to the ABLE Act, benefit programs limited savings for individuals with disabilities to \$2,000. Enable account owners are now empowered to save up to \$100,000 while preserving benefit eligibility. The total account limit is \$550,000.

In 2020, Nebraska enacted legislation clarifying that Enable funds would be protected against Nebraska Medicaid recapture following the death of a disabled individual. However, individuals interested in the Enable plan remain concerned about the protection of funds distributed from Enable accounts. Allow me to share with you real-life examples of Nebraskans based on conversations I've had within the last month. These examples illustrate who LB1240 impacts and their concerns. And the first example includes a mother of two and caregiver of three. All three dependents have ABLE accounts. LB1240 would protect the in-between transfer period from one account to another following the passing of a loved one to further allow the family with the opportunity to continue to use ABLE funds for the intended purpose. In my second example, another community member has contemplated opening an Enable savings account for more than 5 years, thinking this plan is, quote unquote, too good to be true due to prior savings restrictions for essential benefits. Her question to me following our conversation about preserving benefits was, quote, could they just take my money back when I die? LB1240 provides further reassurance to individuals their savings won't be, quote, taken away by Nebraska Medicaid following their passing. And the last example I met with a Nebraska business owner who is now the caregiver for her brother following an accident that led to a traumatic brain injury. She wanted reassurance that her brother would still be able to receive essential benefits upon her passing. She also inquired if the saved funds would be, quote unquote, taken by Nebraska Medicaid upon his passing, leaving the family with financial debts instead of the ability to use funds for the purposes intended? When I shared the details of Nebraska's 2020 law and the proposal in LB1240, she said I think I'll open an account next week. In closing, I'm excited to share the opportunity of savings through Enable savings plans with thousands of Nebraskans who qualify. I'm happy to answer any questions.

von GILLERN: Thank you for your testimony. Questions from the committee members? Senator Kauth.

KAUTH: Thank you, Chair von Gillern. OK, so they're set up so that the family or is it listed within the account who gets the funds upon that individual's death?

SHAUNA PAOLINI: Correct. So there are-- how Enable is set up, the individual with a disability is considered the account owner. There are authorized individuals that would manage the account. But then they're also, you know, to the extent permitted by, by federal law upon the death of the designated beneficiary of the account, the owner

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of the count or the personal representative of the designated beneficiary they may have the balance of the account transferred to another account or the beneficiary that's designated or the estate of the designated beneficiary.

KAUTH: OK. OK, thank you.

SHAUNA PAOLINI: You're welcome.

von GILLERN: Other questions? I'll just ask real quickly. I, I, I doubt we would get such a ringing endorsement from the State Treasurer if there was a fear or risk of fraud occurring by the use of these accounts and by the, the account managers. It's a lot of money to be able to put into an account that is now protected. So, again, I, I, I think it's probably obvious, but I'll allow you to respond to that.

SHAUNA PAOLINI: Certainly, Senator. There are multiple checks in place upon initial opening of the account. So the eligibility, they need to provide a social security number. They need to have their residential address provided. That goes through federal background checks to make sure that those numbers are legitimate and they come back matching the information that was submitted. Standard protocols for, you know, traditionally opening accounts and then continue on through that process when there are change in account ownership regarding the account authorized individual. I'm trying not to use acronyms, we call it AI, authorized individual, for the account if there's changes within that level, too.

von GILLERN: OK. And one other quick question. The Treasurer's letter says that the purpose of this bill is to clarify existing protections. So it, it, it appears that there are-- there's at least a sense that there's some protections here, but maybe it's not as clear as it could be and should be. So we're not looking at-- we're not making a hard left turn to something that's always been done. This is just clarifying a, a policy or procedure that's already been, been happening. Is that the case?

SHAUNA PAOLINI: Essentially, yes, Senator.

von GILLERN: OK.

SHAUNA PAOLINI: The current language in the statute says that the funds within the Enable account are protected. Where a question lies is when those funds are transferred out of the Enable account so this language is clarifying that to say that any amount of a distribution

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from the Enable account would then also be protected from-- specifically from Nebraska Medicaid clawback.

von GILLERN: OK. All right, thank you. Senator Jacobson.

JACOBSON: I, I guess, I'll just follow up with you. What, what is the limit per year and the overall limit to go into an account?

SHAUNA PAOLINI: Great question, Senator. The total annual contribution is \$20,000. The total amount limit for the account overall is \$550,000. And just to provide a little bit of relevant clarification for this for provision of preserving eligible benefits for beneficiary programs, that's \$100,000.

JACOBSON: OK, thank you. I, I guess I'm a banker and I kind of go back to years ago when there weren't limits on annuities, for example. And so if you're contemplating bankruptcy, you could go buy an annuity and file bankruptcy the next day and protect the annuity. And that seemed, seemed wrong.

von GILLERN: OK. Any other questions? Seeing none, thank you for your testimony,--

SHAUNA PAOLINI: Thank you.

von GILLERN: --appreciate that. Any other proponents? Good evening.

STACY PFEIFER: Oh, excuse me.

von GILLERN: It does it for everybody. It's not a trick we're playing on you.

STACY PFEIFER: Good afternoon, Senator von Gillern and members of the Revenue Committee. My name is Stacy Pfeifer, S-t-a-c-y P-f-e-i-f-e-r, and I am here today to testify in support of LB1240. I served as Director of the Enable Savings Plan of Nebraska from February 2022 until November of 2025. In that time, I increased assets under management up to-- \$34 million up to \$58 million and expanded the account base from 1,800 to 4,800. More importantly, I connected with many individuals with disabilities and their caregivers and families. In 2025 alone, I gave 28 presentations, attended 39 events, and had countless one-on-one conversations. And it's through those conversations that I learned that many of the families still hesitate to invest in the Enable savings plan in a substantial way. While Medicaid was not able to take the remaining funds while they were in

the Enable account, the fact remains that they could take the money when it leaves the Enable count and goes to the estate of the individual. This bill would allow that money to go back to the family or wherever the account owner would like it to go. When you or I pass away, any estate that we have amassed would be distributed per our wishes and individuals with disabilities should be able to have that same, same ability. The ADA states that a public entity and providing any aid benefit or service may not directly or through contractual licensing or other agreements on the basis of disability provide a qualified individual with a disability with an aid, benefit, or service that is not as effective in affording equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as provided to others. So this LB1240 would align us with, with ADA regulations in that perspective and give those individuals with disabilities an equal result when it comes to the remaining funds in their Enable account. And I was also having some other conversations this morning and was informed that Medicaid already has this as sort of a, a thing that they're doing where they're not taking the money when a person passes away. And so it wouldn't really be a change, it's more codifying it into the law and making it more of a permanent thing and, again, building that up for people so they would trust in the accounts and be able to more substantially contribute.

von GILLERN: OK. Thank you.

STACY PFEIFER: Yeah.

von GILLERN: Questions from-- Senator Dungan.

DUNGAN: Thank you, Chair von Gillern. So you kind of answered what I was going to ask you, but just to make it even clearer, this isn't currently happening. This bill would just provide people the security to make sure this isn't going to happen.

STACY PFEIFER: Correct, right. So in the future if Medicaid was like, hey, maybe we do want to take that money, they wouldn't be able to do that.

DUNGAN: Because I was reading through the fiscal note, and it seemed like this would be a, a "posterous" thing to have happen if people were actually doing this. So not currently a bunch of situations where this is happening, we're just trying to give that security moving forward?

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STACY PFEIFER: Right.

DUNGAN: OK.

STACY PFEIFER: Exactly.

DUNGAN: Thank you.

STACY PFEIFER: Yep.

von GILLERN: Seeing no other questions, thanks for being here, appreciate that.

STACY PFEIFER: Thank you.

von GILLERN: Yeah. Next proponent. Good afternoon.

STACY THOENE: Good afternoon. Good afternoon, Senator von Gillern and members of the Revenue Committee. My name is Stacy Thoene, S-t-a-c-y T-h-o-e-n-e. Thank you for the opportunity to speak today to testify in support of LB1240. My husband Terry [PHONETIC] and son Oliver [PHONETIC] are with me here today. Oliver has Batten disease, a rare progressive neurological disorder. It affects nearly every function of his body except his hearing. Since the age of 3, we have had the heartbreaking experience of watching him lose skills instead of gaining them: language, coordination, independence, things most parents get to celebrate as their children grow. With Batten disease there is no cure, and the future is always uncertain. What has remained constant is the love and support of our family, friends, and community. People want to help Oliver. They want to contribute to his quality of life, whether it be adaptive equipment not covered by insurance, horse therapy, fun experiences, and moments of joy that make his day fuller and more meaningful. The Enable account has made that possible. It gives people a way to support Oliver without jeopardizing essential benefits, and it ensures that the funds are used exactly as intended for his care and quality of life. However, under current state recovery provisions, families like ours face a painful reality if our child passes away, remaining funds in their account are subject to state recovery rather than continuing to serve their initial purpose. The bill offers a compassionate and practical solution: it would allow families and guardians to determine where remaining Enable account funds go after death of the account holder, ensuring those resources can continue to support other children with disabilities like Oliver. These funds were never meant to be for the state. They were not-- they were given out of love, generosity, and

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hope with the clear intent of supporting Oliver in improving his quality of life. Allowing families to direct remaining funds honors both Oliver and supports the purpose of the program and the intent of those who gave. For families facing progressive terminal diagnosis, this change matters deeply. It brings peace of mind and encourages community support. And it ensures that even in loss, something good can continue by helping another child, another family and giving hope. So on behalf of Oliver and other families like ours, I respectfully ask for your support of this bill. Thank you for listening and thank you for standing with the disability community.

von GILLERN: Thank you for being here. Questions from the committee? I think I speak on behalf of the committee, we're glad you came.

STACY THOENE: Yeah. Thank you.

von GILLERN: Glad you brought a visual for us to, to appreciate. Oliver, we're glad you're here.

STACY THOENE: Partially complying.

von GILLERN: Yeah, yeah. Thank you for coming. If you want to-- would you want to take a photo from this side? I saw you take a picture. Would you want to take a photo from this side for, for, for the family? It's important that you're here today.

STACY THOENE: And we're really thankful for Stacey Pfeifer, because, again, like she had mentioned, this was one of our fears of opening an account, but she continued to assure us.

von GILLERN: Senator Murman is a great advocate for, for families like yours so thanks for being here. Looks like you're doing a great job.

STACY THOENE: Thank you very much.

von GILLERN: Thank you. Have a great afternoon. Any other proponents? Seeing none, are there any opponents? I dare you. Anyone who'd like to speak in a neutral position? Seeing none, Senator Murman, would you like to close?

MURMAN: Well, I'd just like to thank everyone that testified today and supporters and especially Oliver for being here. And--

von GILLERN: Thank you. Thank you. And thanks for doing this. We had one proponent online testimony, zero opponents, and zero neutral, so.

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MURMAN: It's a good bill.

von GILLERN: I know this is personal to you, thank you for, for doing it. That'll close our hearing on LB1240, and we will open on LB1191. Is Senator Hallstrom anywhere nearby? Good job. We just--

HALLSTROM: Have you announced me already?

von GILLERN: --we just had the apogee of Revenue hearings and so it's going to be a real challenge for you to maintain the-- yeah.

HALLSTROM: I'm anxious to get back to Judiciary.

_____ : Don't use us.

von GILLERN: I didn't even go to law school.

HALLSTROM: Chairman von Gillern, members of the Revenue Committee, my name is Bob Hallstrom, B-o-b H-a-l-l-s-t-r-o-m, and I am the Senator for Legislative District 1, appearing before you today to present LB1191 for your consideration. LB1191 concerns NioCorp's Elk Creek Project located in my legislative district south of the city of Tecumseh, and amends the statutes to change dates for levels of employment for approved Tier 6 projects submitted and approved under the Advantage Act after December 1, 2020. The bill also provides for the payment of a \$90,000 fee in addition to the \$10,000 application fee in recognition of the extension of the current time frame for compliance which is being requested under LB1191. The Elk Creek Project is a major critical minerals mining and processing development located near Elk Creek in southeast Nebraska and within Legislative District 1. Managed by NioCorp Developments, it aims to establish the first domestic supply chain for several high-value metals critical to U.S. national security and to reduce U.S. reliance on imports from countries like China and Brazil. After more than 12 years of work to secure the investment needed to launch construction of NioCorp's \$1.2 billion Elk Creek Critical Minerals Project in southeast Nebraska, the company is now poised to secure full project financing and begin construction in 2026. Over the 3 years of construction, a peak of more than 1,200 jobs will be created by the project, and these workers will generate substantial payroll, sales, and other tax revenue for the state, as well as deliver significant economic stimulus to Nebraska. However, these initial employees will be associated with the two contract companies that will build the mine and the surface processing facility. As such, these jobs do not count toward the job creation

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requirements of the Tier 6 Nebraska Advantage program for calendar year 2026. NioCorp expects to meet and significantly exceed the Nebraska Advantage permanent job creation requirements, but not until late 2029. Thus, a 3-year extension of the current timeline for meeting the job creation requirements of the Nebraska Advantage program is needed by NioCorp to get this project fully financed and into construction and commercial operation. NioCorp requests no expansion or change in the benefit levels or other aspects of the Nebraska Advantage program, only a 3-year extension of the job creation timeline to align with the realities of this capital-intensive, large-scale industrial project. Similar action was taken in 2024 to provide an extension of time for compliance with the Advantage Act employment and investment requirements by Sustainable Beef in North Platte. Following me in testimony today is Neal Shah, NioCorp's Chief Financial Officer, who will provide additional information and answer any questions the committee may have regarding the project. I also want to thank Doug Goracke, Economic Development Director of the city of Tecumseh and Lavon Heidemann, Pawnee County Commissioner, for being here today-- I hope, I didn't get a chance to check the room-- to provide additional perspective on the project and our request. Both gentlemen will follow Mr. Shah's testimony. In closing, I would request your consideration in moving the bill to General File. This is a real game changer, not only for southeast Nebraska and Elk Creek, which is my wife's hometown, but the state as a whole. So I would encourage your favorable consideration. Be happy to address any questions, but there will be those after me that can talk more about the, the project itself and all the great things we expect to come from it.

VON GILLERN: Very good. Thank you. Questions from the committee members? All right.

HALLSTROM: Thank you.

VON GILLERN: Are you going to hang around to close?

HALLSTROM: Yes.

VON GILLERN: OK, we'll ask the hard questions then. We'll invite up our first proponent. Good afternoon.

NEAL SHAH: Hello. Chairman von Gillern, Vice President-- Vice Chairman Jacobson, and members of the Revenue Committee, my name is Neal Shah, N-e-a-l S-h-a-h, and I'm the Chief Financial Officer of NioCorp

Developments, the parent company of the Elk Creek Project. We're grateful to Senator Hallstrom for introducing LB1191 and to this committee for careful consideration of our request. As Senator Hallstrom explained, NioCorp is before you today with a request for a 3-year extension of the job creation timeline-- sorry-- with the extension of the job creation timeline to align to the construction realities of this capital-intensive, large-scale, mega-industrial project. As many of you are aware, the Elk Creek Project will consist of a mining operation below ground and a processing and manufacturing operation on the surface. The Nebraska Advantage program does not apply to the project's mining activities, which account for approximately \$200 million of the \$1.2 billion of total capital expenditures. Rather, the incentive program applies solely to the processing and manufacturing of mined ore into commercial products. The processing and manufacturing activities represent most of the operating costs and contribute substantially to the overall revenues. Thus, Nebraska Advantage played a key role in our decision to site our above-ground facilities right here in Nebraska instead of any of the surrounding states. I have been part of this project for more than 10 years, and one thing we did not fully appreciate, particularly as it relates to the Nebraska Advantage program, is the length of time and sequencing of construction for a project of this scale. Once financing is secured this year, the Elk Creek Project will create over 1,000 construction-related jobs and require nearly 3 years of active construction. As noted by Senator Hallstrom, these construction jobs will not count against the job creation requirements of the Nebraska Advantage program. Although these construction jobs are temporary, they will bring a sizable workforce in the area for multiple years. These workers will need a place to live, food to eat, and basic goods and services, which naturally result in increased day-to-day activity for local businesses and the communities during construction. While we're cautiously optimistic about closing financing this year, the work that follows is substantial. Although certain components of the processing facility can be prefabricated offsite, the vast majority must occur here in Nebraska. The concrete work, piping, wiring, ducting, insulation, system testing, all must be completed on site before operations can begin. Consistent with industry practice, we plan to begin hiring our full-time employees during the final year of construction so they can participate in the commissioning and gain hands-on familiarity with the facility. More than the 400 full-time jobs we expect to create, qualify under the Nebraska Advantage Act, they start coming online during our final year of construction. The requested extension simply aligns the job creation timeline with the

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practical realities of safely bringing online a large, capital-intensive manufacturing operation. The fiscal note for a previous extension of the Nebraska Advantage program, which was overwhelmingly enacted by the Unicameral in 2024 as LB1088, found that the extension would result in no revenue impact and minimal cost to implement the bill. In this case, NioCorp proposes increasing the \$10,000 fee to apply to the 3-year extension for Tier 6 companies to \$90,000. We believe this change should make the 2026 bill revenue positive. Thank you again for your time and consideration of LB1191.

von GILLERN: Thank you for your testimony. Questions from the committee members? Thank you, Mr. Shah, for being here. We talked about this--

NEAL SHAH: Yes.

von GILLERN: --a number of weeks ago. If the-- if, if NioCorp had these, these construction folks on your payroll, your equipment and so on, it would easily qualify for Nebraska Advantage.

NEAL SHAH: It would.

von GILLERN: The issue here is simply that you are choosing to contract this work out for the mining and the, and the construction of the, of the, the infrastructure and facilities.

NEAL SHAH: Precisely. Yeah, we're, we're not a construction company. We-- we're going to use two firms to build out the construction and then we're going to hire full-time staff to run the operations.

von GILLERN: And this is not a whole lot different than what happens on data centers.

NEAL SHAH: To my understanding, yes, right. Somebody else builds it and then somebody comes in to run it.

von GILLERN: Got it. Great. Questions? Seeing none, thank you for being here.

NEAL SHAH: Thank you.

von GILLERN: Next proponent. Good afternoon. Welcome back.

DOUG GORACKE: Good afternoon. Thank you. Chairman von Gillern and members of the Revenue Committee, my name is Doug Goracke, D-o-u-g

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G-o-r-a-c-k-e. I am the Economic Development Director for the city of Tecumseh. I would like to thank Senator Hallstrom for introducing LB1191 and for being a champion of economic growth and prosperity for his legislative district. It goes without saying that the Elk Creek Project will bring significant investments to our region as well as the entire state. I am here today to ask you to approve the request by NioCorp for a 3-year extension of the job creation timeline of the Elk Creek Project. I believe a 3-year extension of the attainment period will allow the Elk Creek Project to responsibly ramp up permanent employment and-- as facilities near completion, rather than distorting hiring decisions to meet an arbitrary deadline. NioCorp's concern and willingness to be a partner is unmatched and truly refreshing. In the days of bottom dollars and corporate pullbacks, we have a company here that extends a how do we participate or how this will affect you all attitude. I can, without a doubt, count on that. We in the southeast corner of the state ask that you vote to advance LB1191, allowing us to continue the great work of moving this project forward. Thank you for your time and consideration.

von GILLERN: Thank you for your testimony. Any questions from the committee? Seeing none, Mr. Goracke, thank you for being here.

DOUG GORACKE: Thank you.

von GILLERN: Next proponent. Good afternoon.

LAVON HEIDEMANN: Chairman von Gillern and members of the Revenue Committee, I'm Lavon Heidemann, L-a-v-o-n, Heidemann, H-e-i-d-e-m-a-n-n. I'm Pawnee County Commissioner, which is right south of the mine site and also on the ground right next to the mine site, and I actually live about a mile and a half where the portal will go in. I appreciate this committee's effort to work with the complexities of this project over time. No one likes to make changes to prior agreements and legislation. However, in this case, the changes are necessary for the success of this project. It can be-- fortunately be accommodated without cost to the state or conflict with current law. In recapping prior comments, we believe the passage of LB1191 is needed for the purpose of these four outcomes: LB1191 aligns with the Nebraska Advantage Act with real-world development timeline for this large, complex, and industrial project. The bill preserves the Legislature's original intent by rewarding sustainable job creation without increasing incentive levels or expanding eligibility. It provides companies with certainty as they move from financing into construction and, ultimately, into operations. Finally, LB1191 allows

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employers to responsibly ramp up permanent employment as facilities are near completion. In closing, I want to thank NioCorp for ongoing investment in Nebraska, and for going above and beyond to work cooperatively with local officials and government. I've been involved with this project since 1978. This is the first time that I actually worked on the property and was helping with the drilling operations. I live close by. This company is a, is a great community. A person company, they work with the community. They're, they're concerned what the community thinks. I think this would be a great project for southeast Nebraska, Nebraska as a whole, and also this country. If there's any questions, I would try to answer them.

von GILLERN: Thank you. Thank you for your testimony. Questions from the committee members? Brief, concise, accurate. It's almost like you sat on the other side of the table.

LAVON HEIDEMANN: Have a great weekend.

von GILLERN: Thank you. You too. Thank you. Any other proponents? Seeing none, are there any opponents that would like to speak to LB1191? Seeing none, is there anyone who would like to testify in a neutral capacity? Seeing none, Senator Hallstrom, are you still here? As you come forward, we had one proponent online testimony, zero opponent, and zero neutral.

HALLSTROM: Yeah, I, I think I just reiterate the fact that we're going to have some temporary construction jobs at significant numbers that are going to add to the revenues of the state while we're gearing up for the actual operation of the mine and the, and the activities therein. And 400 permanent high-paying jobs sounds to me like a great need for additional rural workforce housing, which can be put into play by increasing the documentary stamp tax.

von GILLERN: We're sticking to LB1191 today, but thanks.

HALLSTROM: OK.

von GILLERN: Yeah.

HALLSTROM: Nice try.

von GILLERN: Yeah.

HALLSTROM: But in all seriousness, this is a game changer. We're finally on the cusp of getting NioCorp up. I had the pleasure and

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privilege along with Governor Pillen and others to go to a coming out party, if you will, a little while back, and they had a, a luncheon and a dinner, and I think they had planned on 300 people for each. And I know when I was there in the afternoon, they had close to 400 people there. So the excitement is there, it's growing, it's building and we're glad to see that this project is going to get up and running this year. And with the help of, of this very necessary legislation, I would hope that this is something that the committee would see fit if, if you have room in your committee priority package, that it would be something that you could seriously consider.

VON GILLERN: Thank you. Senator Kauth.

KAUTH: Thank you, Chair von Gillern. I just have-- I have one question and maybe we can discuss it, it later. There's a, a long-term impact to the General Fund that they're estimating is several million dollars. I'm just wondering why would that be, just because of stretching it out?

HALLSTROM: No, I, I think-- my reading of the fiscal note is that they, they are simply reiterating what the cost would be for this particular operation, but the extension has no impact on the, on the ultimate long-term cost to the state from the incentives that are provided from them complying with the requirements of the Advantage Act.

KAUTH: OK. Thank you.

VON GILLERN: Other questions? Senator Hallstrom, thanks for bringing this. This is really exciting. I mean, this is--

HALLSTROM: Thank you, I appreciate that.

VON GILLERN: --this is as big for the state as ethanol was when it came about. So--

HALLSTROM: Thank you, sir.

VON GILLERN: --very excited for it. Thank you. That'll close our hearing on LB1191 and we'll open on LB1192.

JACOBSON: You know how to clear the room.

PROKOP: Huh?

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JACOBSON: You know how to clear the room.

von GILLERN: Senator Prokop.

PROKOP: Good afternoon, Chair von Gillern and members of the Revenue Committee. Thank you for the time this afternoon to speak about LB1192. For the record, my name is Jason Prokop, spelled J-a-s-o-n P-r-o-k-o-p. I have the privilege of representing Legislative District 27, which is-- covers west Lincoln, Lancaster County. I'm here today to discuss LB1192. It's really a pretty straightforward bill. The bill would modify a provision within the Convention Center Facility Financing (Assistance) Act. More directly, this goal would remove the statutory cap of 16,000 seats at Pinnacle Bank Arena. The Haymarket District and Pinnacle Bank Arena are both in my legislative district, district, and this bill would allow the team at PBA to begin conversations on whether an expansion is even possible. So under current law-- with current law currently in place, those discussions really haven't even begun in earnest. I will admit to this committee that I would have brought this bill even if the Nebraska basketball team wasn't having a, a phenomenal season going 22 currently and selling out every game and, and having tickets in high demand. And I know the red is worn for a different reason today, but I appreciate it. And I think there might be a Creighton fan over there too, but I'm not going to, you know, going to say anything about that. So just the legislative history on this, just when, when the act was first expanded to allow for Lincoln to apply for turnback tax back in 2008 through LB912, it was a Senator Bill Avery priority bill that year. The seating cap amendment was added-- well, it was added by a committee amendment as part of the debate. And that was really to strike an agreement between Lincoln and Omaha just as concerns if there might be competition. So we are 13 years into PBA being open. And from my view, we've had two really successful arenas and both have been able to stand on their own and have lots of successful shows, drawing impressive acts, and bringing lots of visitors and, and dollars spent to our area. I have some fantastic testifiers coming up behind me that can talk to the-- about the operations and what, what this would mean, but I appreciate your, your consideration of this bill and I'm happy to answer any questions.

von GILLERN: Thank you for your testimony. Any questions from the committee? Seeing none, can you stay to close?

PROKOP: I will.

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von GILLERN: All right, thank you. We'll invite up our first proponent. Good afternoon.

TIM SAVONA: Good afternoon, Mr. Chairman and members of the Revenue Committee. My name is Tim Savona, T-i-m S-a-v-o-n-a, and I am the General Manager at Pinnacle Bank Arena. Thank you for the opportunity to speak today. Pinnacle Bank Arena and its many stakeholders have flourished to be a valuable asset, not just for the city of Lincoln, but for all Nebraskans, whether it be a Husker athletic event, a state tournament, your favorite concert or comedian, a graduation, many enjoy creating lasting memories at this gathering place for all. It's an honor to serve the guests and clients in our community each day. The purpose of our presence here today is to kindly ask your support in lifting the cap relating to our 16,000 capacity limit. Over the life of PBA, we've been extremely conscious of abiding by this existing restriction to not exceed, wanting to be sure that we honor the direction provided by the Legislature through safeguarding compliance and cooperation. This has been a top-of-mind item since the day we opened. As somebody who's been here for 3 years, I can tell you this was a day-one discussion to not surpass. As we have grown and evolved, we've identified possibilities in today's environment where we could theoretically exceed that limit, thus lifting the cap could bear some positive and somewhat immediate impacts. Examples revolve around in the round shows and certain sporting events. There exist opportunities where we could add temporary seating and/or some standing room only areas. That would or could push us, you know, a few hundred past that cap should the demand be there. We've, of course, not actualized any of this to date so as to safeguard the restriction. While these scenarios are not common, they are indeed possible. Lifting the restriction on the cap would allow us to open that door a little bit to try to maximize opportunities in the present day and potentially create new ones to which all could benefit from. Additionally, as the senator mentioned, while we do not have any current dialogues or strategies regarding expansion, the lifting of this cap would allow those dialogues to perhaps take place, should they be of interest to the parties. Out of respect for all involved, people's time, potentially people's money through studies and things of that sort, we wouldn't want to dedicate too much effort to this-- these large-scale discussions, if you will, should that door not be open. So it feels appropriate that before we even ponder what could be, we should first seek a remedy to what is. It's not that uncommon for venues to renovate, expand, or modernize after however many years. It's something pretty common in our industry. If nothing else, it

would be nice to remove this restriction so that we don't have to be fearful for a potential breach from something that would ultimately stem from great success, meaning high-patron attendance. In summary, this request comes from a place of opportunity, maximizing current opportunities and pursuing modern ideas for improvements and enhancements in both the short term and the long term. Maybe we need it, maybe we don't, maybe there'll be interest to expand in the future and maybe there won't. However, under the current rule, we're sort of stuck in both scenarios. So we kindly ask your support in lifting the capacity restriction. Thank you again for the opportunity to testify and thank you for your service to the people of Nebraska. This concludes my testimony, I'd be happy to answer any questions.

von GILLERN: Thank you. Any questions from the committee members?
Senator Dungan.

DUNGAN: Thank you, Chair von Gillern. Thank you for being here. We had a chance to chat earlier a little bit about the way that PBA is set up. We talked about, I know, how easy or not easy it would be to install new seating. With the current cap restriction, does that change the way that you're able to set up seating on the floor during concerts?

TIM SAVONA: Potentially, yes.

DUNGAN: Because I know, I know I've been to some shows at larger arenas where there's the seating in the bowl, and then you have sort of fold-out chairs on the floor, but then there's like a general admission standing section closer to the stage. I've not seen that as much at shows in PBA. Is that because of the capacity limit?

TIM SAVONA: No, I don't think that's fair to say. The shows usually dictate the style of setup,--

DUNGAN: OK.

TIM SAVONA: --whether it be standing or seated. And then there's also the, the fire code elements that come into play in that, as far as how many people you can fit in a, a defined area, what your aiseways need to be maintained at for ingress and egress and things of that sort. So, so, no, that wouldn't be a, a hindrance on that topic, per se.

DUNGAN: OK. I just prefer standing, general admission, so I was just curious. Thank you very much for being here. I appreciate it

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von GILLERN: Senator Murman.

MURMAN: Yeah, do you have any thoughts or ideas on the possibility for more Husker volleyball games to be played in Pinnacle?

TIM SAVONA: Well, I would say that's, that's a bit out of my, my purview, but as the venue operator, you know, we like to be a gathering place for all as many things as we can whether that'd be athletics shows, large community gatherings, what have you. I will say we have somebody from athletics here today that perhaps could speak to that. But we maintain a very close relationship and I think what, what we would enjoy is any dialogue to be involved in. We've seen a lot of athletic events throughout the country going into unique capacities, right? We saw that here in Lincoln with the football stadium event. We've seen wrestling matches and basketball matches take place in different settings as well, such as football stadiums. So, yeah, those, those are always things we strive for and hope for, and we collaboratively work together towards, so. Hopefully that day will come soon. We'll see.

MURMAN: Yeah, I'm not sure if we have all of the volleyball attendance records yet, but it'd be nice to get a few more.

von GILLERN: Seeing no other questions, thank you for your testimony, appreciate it.

TIM SAVONA: Thank you.

von GILLERN: Yep. Next proponent. Good afternoon.

JEFF MAUL: Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Jeff Maul, J-e-f-f M-a-u-l. I'm Executive Director of Visit Lincoln, also a Vice President of the Lincoln Chamber of Commerce. I'm appearing today on behalf of the Lincoln Chamber of Commerce in support of language changes to LB1192. A note of connection to the Chamber, Visit Lincoln is a contract the Chamber holds with Lincoln and-- or excuse me, Lancaster County to carry out convention and tourism activities. The Lincoln Chamber and Visit Lincoln have been major players and major supporters of the West Haymarket, Pinnacle Bank Arena, and other sports venues as we continue to enhance our tourism skyline, through facility development and corresponding storytelling of our community as a destination, as well as our state. As an organization that is tasked with recruiting events to Lincoln, we view all levels of sports as a primary tourism market

with the largest potential for growth based on growing interest nationwide in our community as a destination on the move. I'm a storyteller, I'm in tourism, so that's kind of where I go with these things. Arena expansions are critical to local economies by acting as catalysts for economic development, generating construction jobs, increasing tourism and boosting spending and surrounding businesses. Modernized larger facilities attract high-demand events and concerts more diverse, trade events that broaden the tax base locally as well as statewide through sales and lodging taxes. Visitor spending is key to hotel, restaurant, and retail success as we continue to, yes, rebuild from 2020. In closing, we strongly support repealing current language that prevents seating capacity growth based 100% on the rising tide of excitement in Lincoln as a destination and the continued collaboration that our organization has with the University of Nebraska Athletic Program as well as the staff at Pinnacle Bank Arena. Painfully, there are no quick victories in our tourism industry and the ability to build a calendar of bid opportunities through RFP development well into the future is key to our economic growth. This will help Lincoln remain relevant for years as we capitalize on a very exciting time for not only youth sports all the way through collegiate and professional events. That concludes my brief testimony, I would be happy to answer any questions.

von GILLERN: Thank you. Questions from the committee? Seeing none, thanks for being here.

JEFF MAUL: Thank you.

von GILLERN: Next proponent. Good afternoon.

MATT DAVIDSON: Good afternoon, Chairman, committee members. My name is Matt Davidson, M-a-t-t D-a-v-i-d-s-o-n. I'm the Senior Associate Athletic Director for the University of Nebraska Athletic Department. I've been associated with our Athletic Department since 2009, so prior to the Arena being built. Thank you for the opportunity to provide testimony today in support of legislation that would lift current seating capacity restrictions at Pinnacle Bank Arena. I am here to express our strong support for this measure and to outline the significant benefits it would bring to Lincoln, the University of Nebraska, and the state as a whole. Pinnacle Bank Arena has established itself as one of the premier event venues in the region. Since its opening, it has played a vital role to hosting major Nebraska athletic events, including Husker men's and women's basketball, the 2022 Big Ten Wrestling Championships, the 2025-- so

recently, the AVCA First Serve that draws visitors from across Nebraska and beyond. Removing seating capacity limitations could allow the Arena to study capacity opportunities and fully realize its potential as a competitive national relevant venue. First, lifting seating capacity restrictions could meaningfully strengthen our ability to pursue and secure NCAA and Big Ten Conference postseason competitions through a bidding process that we have to do. Seating capacity is a key consideration in site selection, particularly late-round postseason events that require flexibility to accommodate higher attendance demand. Pinnacle Bank Arena already meets many of the NCAA's preferred standards in terms of infrastructure, amenities, and operational excellence. By allowing full-seating utilization, the Arena would become even more competitive as a host site, creating new opportunities to bring higher profile postseason events to Lincoln. These events generate substantial economic impact through hotel stays, dining, transportation, and tourism-related spending, benefiting local businesses and the broader regional economy. Second, the legislation would create additional flexibility for Nebraska volleyball to play an occasional match at Pinnacle Bank Arena. Husker volleyball consistently ranks among the national leaders in attendance and fan engagement and demand for marquee matches, frequently-- which frequently exceeds the capacity of traditional volleyball venues, you know, one being the Bob Devaney Sports Center. Pinnacle Bank Arena offers a unique opportunity to accommodate the demand while also enabling Nebraska volleyball to compete in arenas, much like that of the NCAA Final Four and National Championship matches as they prepare for postseason runs. Finally, and maybe most importantly, I want to emphasize the strong partnership between Nebraska Athletics and Pinnacle Bank Arena. Together, we have demonstrated a shared commitment to collaboration, operational excellence and driving economic impact for the region. This partnership has been instrumental in attracting major events, coordinating logistics and ensuring the Lincoln-- that Lincoln presents itself as a welcoming and capable host city. Lifting seating capacity restrictions aligns with that shared mission that allows both organizations to plan more strategically, compete more effectively for national events, and maximize the return on public and private investment in the facility. Thank you for your time and consideration. I respectfully urge your support of the bill and would happily answer any questions.

von GILLERN: Thank you for your testimony. Questions from the committee? Senator Jacobson.

JACOBSON: Are you sure your name is Matt Davidson?

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MATT DAVIDSON: You know, Senator, I, I, I do get that a lot. I did not play football for Nebraska.

JACOBSON: All right.

von GILLERN: You made me look twice, too.

JACOBSON: I just wanted to confirm that. A follow-up--

von GILLERN: You have another question.

JACOBSON: I, I actually have another question, probably not as important, but how would, how would that seating capacity be expanded? Would that be removal of seats and coming back in a different configuration or would it be trying to add seating to what's already there?

MATT DAVIDSON: So with us not really being the representation of the ownership of the venue, that's, that's-- that question is probably more appropriate for Mr. Savona. We would probably have some weigh in on that, but that's, that's going to be steered by Mr. Savona and the Pinnacle Bank Arena team.

JACOBSON: I'll talk to him afterwards. Thank you.

von GILLERN: Senator Murrman, did you have a question?

MURMAN: I don't think so anymore.

von GILLERN: Senator Sorrentino.

SORRENTINO: Thank you, Chairman von Gillern. Thanks for your testimony. I, I appreciate you bringing this bill, because I think we all know that the only reason my Creighton Bluejays were actually destroyed this year by the Huskers is because we lack seating capacity for Bluejays fans, give us a couple thousand more seats and we'll be good. Thank you.

IBACH: That was a good game.

SORRENTINO: No question.

von GILLERN: I didn't hear a question.

SORRENTINO: No, I didn't have one.

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von GILLERN: All right. Anything else?

SORRENTINO: But I feel better.

von GILLERN: Anything else? We're finishing strong. Thank you, Mr. Davidson, for being here, appreciate it.

MATT DAVIDSON: Thank you.

von GILLERN: Thanks for your testimony. Any other proponents? Are there any opponents to LB1192? Anyone who'd like to speak in a neutral capacity? Senator Prokop, would you like to bring us home?
[INAUDIBLE].

PROKOP: All right, it's Friday, I'm the last in line here so I'll try and keep this brief and just, first, thank you to the committee for, for your time this afternoon. You know, the, the cap was put in by the Legislature almost 20 years ago, I think. By my view, it's, it's-- I think we're, we're at right time to, to make some adjustments and both, both arenas have thrived. So I think that's been really clear because, ultimately, it comes down to there's enough entertainment dollar and entertainment eyeballs to go around to, to make both arenas thrive. Last thing I've, I've got to say, because you didn't ask this question and I, I really thought, thought you would, is that, you know, if we, if we pass this bill and we get an E clause on it, and I've, I've talked to, to PBA about maybe we could get some extra seats in there for, for Iowa before the end of the season, but, you know, because that'll be a big, big basketball game. But--

von GILLERN: Wow, wow, we were finishing on a high note [INAUDIBLE].

PROKOP: --but just, Senator Jacobson, your question about what it would actually look like. The most honest answer is we don't know. Because until the cap is-- and, and Mr. Savona can give you a much more detailed explanation on it, but we don't know because until the cap, they just have not engaged in those discussions with this cap.

JACOBSON: The one who's lifting the roof.

PROKOP: In lifting the-- I, I don't know about that. I'm not an engineer, so that's-- please ask him. But thank you very much for your time, I'm happy to answer any--

von GILLERN: Senator Ibach has a question.

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IBACH: I just have one comment that the--

PROKOP: Yeah.

IBACH: --I think if I'm reading the fiscal note right--

PROKOP: Yeah.

IBACH: --it says \$18.430 million in the turnback tax.

PROKOP: Yeah, so that was odd when I, when I saw it, too. So I think the way that-- I think there was a misunderstanding on the note is if we were going to build a whole new arena because right now the turnback tax is used to finance when PBA was built originally so they still have access to that and I think would support the financing mechanism to support any type of increased seating. So, yeah, that was, that was odd, but I think that's why they put that, but that's not what, that's not what it would be. There's already financing in place.

IBACH: [INAUDIBLE], yes, will increase that--

PROKOP: Yeah.

IBACH: --increase capacity.

PROKOP: Yeah, well, yeah.

von GILLERN: OK.

IBACH: Thank you.

von GILLERN: Have any other questions? Seeing none, thank you for being here.

PROKOP: Thank you.

von GILLERN: Thank you for your work. That'll close the hearing on LB1192, and it'll close our Revenue hearings for the day. Thanks, everybody, for being here.