

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

McKINNEY: Thank you. Good afternoon. Welcome to your Urban Affairs Committee. I am Senator Terrell McKinney, representing District 11 in the, in the State Legislature, and I serve as the committee chair. This 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 is your turn to come forward to testify, give the testifier sheet to the page or the committee clerk. If you do not wish to testify 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 official hearing record. When you come up to testify please speak clearly in the microphone, tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement followed by proponents of the bill, then opponents, and finally anyone willing to speak in a neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We'll be using a 5-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 will have 1 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 bill being heard, 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 them up and 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 room. 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 in the committee statement. I will now have committee members with us today introduce themselves, starting at my right.

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Urban Affairs Committee January 20, 2026
Rough Draft

J. CAVANAUGH: Good afternoon. John Cavanaugh, District 9, midtown Omaha.

CLOUSE: Stan Clouse, District 37, Buffalo County, Kearney, Shelton, and Gibbon.

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

QUICK: Dan Quick, District 35, Grand Island.

McKINNEY: Thank you. Also assisting the committee today to my right is legal counsel Elsa Knight and to my right committee clerk Sally Schultz. Our pages for today is Thomas, he's a junior at UNL, and Kyanne, who's also-- who's a senior at UNL and a sociology major. Thank you. And we will begin today's hearing starting with LB726. Senator Quick.

QUICK: Good afternoon, Chair McKinney and members of the Urban Affairs Committee. I am Dan Quick, D-a-n Q-u-i-c-k, and I represent District 35, and today I'm here to introduce LB726. LB726 would update our state electrical code to the 2026 National Fire Protection Association, or NFPA. The NFPA issues a new set of codes-- code regulations every 3 years to update electrical and safety standards for, for electrical work. The overarching goal of electrical code is safety. These updates are made as electrical engineering evolves and technology progresses. The state is currently operating on the 2023 edition of the NFPA electrical code. What we, what we adopt at the state level is the minimum standard the municipal electrical inspection programs must adopt in accordance with state law. The codes were last updated in 2024 with an exception to exclude some of the NFPA codes from the state electrical codes. With LB726 we are updating to the 2026 code and adding back in two of the three primary codes that were amended out of the 2023 code. This bill would have been back in search protection for service equipment and the GFCI requirements for finished basements. LB726 would not include the emergency disconnect, which is outside the structure of the single-family dwelling, and the GFCI requirements with regards to HVAC dry receptacles and range receptacles. The state electrical division has met with a number of stakeholders this past fall to discuss changes reflected in the 2026 edition of the code. We all share the same concerns about lack of affordable housing, but we also expect that our buildings and homes are built safely with life, safety, and the fire-- and fire prevention in mind. LB726 accomplishes both of these, these goals by updating our safety standards while also leaving out some of

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Urban Affairs Committee January 20, 2026
Rough Draft

the more costly articles out of the code. The Director of the Nebraska State Electrical Division will be following me to-- and can answer more detailed questions about the 2023 and the 2026 editions of the code, but I'm try to-- but I'm happy to try and answer any questions you may have at this time. Thank you.

McKINNEY: Thank you, Senator Quick. Is there any questions from the committee? No? Thank you. We'll welcome up proponents.

CRAIG THELEN: All right. Thank you, Mr. Chairman and members of the committee. My name is Craig Thelen, C-r-a-i-g T-h-e-l-e-n. On behalf of the state electrical board, which includes electricians, engineers, inspectors and utility representatives, I respectfully request advancement of LB726. Our primary concern is safety, and we strongly support adoption of the 2026 electrical code update. We adhere to the NFPA 70, which establishes the National Electrical Code and is updated every 3 years to ensure safe electrical design, installation, and inspection. The 2026 code introduces mostly clarification from the 2023 edition and reorganizes content for improved usability because the goal is to, in 2029, expand from 9 chapters of the code book to 20, over 20 chapters to make it more user-friendly. There is one change, one of the items we amended out of last cycle was the, the 230.85, which was the emergency disconnect, and based on the 2026 code, that has been relocated to Article 230.70(A). Regarding affordable housing, the impact is minimal for the 2026 adoption. We continued to exclude the 240V GFCI and the disconnect requirements due to being costly items from the 2020 code update at approximately \$500. While reinstating the 120V GFCI for basements and bringing back surge protection totally approximately \$50. We have coordinated with the home builders of Lincoln and the Metro of Omaha Builders Association to communicate these changes in the 2026 code. So I gave you a couple of handouts. The one handout breaks out the changes in the 2023 code. There was five amendments we amended out and in the 2026 the bottom five items make up the changes we're going to amend out which is the first two items are the disconnect and then the 240V requirements are the other three items. And there's also a handout that's got a price breakout to show you a comparison between the cost. So if you look at the green column, the green column shows you what those costs and based on different providers like Home Depot and American Electric shows you the cost of those items that have to be installed regardless of, of whether we do the amendments or not. And so if you look at that versus what those items in the yellow column that, that we're amending out, there's literally on the last column, there is about a \$308 difference in cost. But, again, the items we amended out total

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

approximately \$500 and we're putting back in two items that amount to roughly \$50. So in summary, the state electrical board endorses the NFPA 70 National Electrical, National Electrical Code 2026 edition. We organize-- we recognize that they're a vital role in enhancing safety for Nebraska residents. Thank you for your consideration. Questions?

McKINNEY: Thank you. Any questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Thelen. Good to see you. So I-- this-- I mean, I feel a deja vu, had this hearing many times, and I recall-- so the city of Omaha passed a city ordinance that I think put back in some of the things we had taken out in statute, is that right?

CRAIG THELEN: Correct.

J. CAVANAUGH: Can you-- well, first off, can you tell me what those were?

CRAIG THELEN: I think the city of Omaha put everything back in the code that we amended out except for the surge protection.

J. CAVANAUGH: Except for surge protection?

CRAIG THELEN: Yes.

J. CAVANAUGH: And so by, I guess, readopting this, how does that interplay with what the city of Omaha has already done?

CRAIG THELEN: So we-- the municipals have to follow what the state does at a minimum that can err towards more stringent, which they did by putting back in the 240V GFCI. So there are-- that's, that's great that they're doing that because I would like to see the 240V GFCI in as well, but I understand there is, there's a huge concern with cost. And so we're trying to-- try to work with the home builders and try to find a balance so we can still get our 2026 because there's hundreds of changes in the 2026 code, and to get hung up on three or four items, I think, is an Injustice to what we're try to do.

J. CAVANAUGH: OK. So I guess I'm just trying to find out-- so if we pass this what Omaha did still stands or would they have to adopt to another [INAUDIBLE]?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CRAIG THELEN: Eventually, they would have to meet the 2026 requirements. Yes.

J. CAVANAUGH: But as for the additional things that they already put into city code, what happens there?

CRAIG THELEN: They can stay where they're at,--

J. CAVANAUGH: They can stay. OK.

CRAIG THELEN: --if they so choose. When they do the 2026 adoption, they can either choose to amend them out or leave them in.

J. CAVANAUGH: OK, I see. So when they, when they would go to adopt the 2026 after we adopt it, they would have to then amend that adoption to continue with their edition.

CRAIG THELEN: Right, if they wanted to put those items back in and leave them in they could-- otherwise they could follow what the state does at a minimum.

J. CAVANAUGH: OK.

CRAIG THELEN: They can always go more, so they can put them back in if they choose to. That's, that's, that's a municipal decision not a state decision.

J. CAVANAUGH: OK. So just so I'm understanding, if we adopt this, would it effectively be rolling back some additional requirements that the city of Omaha did?

CRAIG THELEN: Three items--

J. CAVANAUGH: Three. OK.

CRAIG THELEN: --that were-- we amended out from the original 2023 code adoption and the one that we're taking out is the surge protection and they-- we're putting that back in the code requirements and they amended that out so they would have to put that back in.

J. CAVANAUGH: OK. And then just-- you know, you go-- we'll go through pretty quickly on these things. Can you kind of walk me through this, there's the yellow column and the green column. And so Home Depot 2026 NEC without amendments, so this would be if we just adopted, that would be-- additional cost would be?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CRAIG THELEN: These would be the costs. So those are the items that broke-- that break out. So if you look at the, the 240V, which would be the third and the fourth one down, the 40 amp and 30 amp,--

J. CAVANAUGH: OK.

CRAIG THELEN: --those are costs that you would-- plus the very top item, which is a meter and disconnect, so those three items are what we're amending out of the, of the 2026 edition.

J. CAVANAUGH: OK.

CRAIG THELEN: The other two items, we're putting back in. But if you look at it, they're different prices and you can see there's a range. And these are just random quotes we put together, but then if you look at the green column those are things you're going to have to do regardless. So you have to have a 40 amp and a 30 amp breaker.

J. CAVANAUGH: OK.

CRAIG THELEN: So there is cost for those. So you're really looking at the difference between the green and the yellow if you put them back in.

J. CAVANAUGH: OK.

CRAIG THELEN: Does that make sense?

J. CAVANAUGH: So-- again, just so I understand, if we were to pass this bill as is it would be these-- the, the yellow column and then you're saying minus the green column would be the additional cost that somebody would bear?

CRAIG THELEN: The green column-- yeah, the green column is regardless. This is what they have to do to, to make the house work. But, but that two items in the left-- in the yellow column that say surge protection and the 20 amp off that list, those come off, those, those-- so those would have to be added into that cost--

J. CAVANAUGH: OK.

CRAIG THELEN: --in the green column.

J. CAVANAUGH: I see.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CRAIG THELEN: And I'm just showing you the five items from what we amended out and what was originally in the 2023 that show you, but that's 2026 prices.

J. CAVANAUGH: OK. Thank you.

McKINNEY: All right. Thank you. Any other questions from the committee? Senator Clouse.

CLOUSE: Yes, thank you, Senator McKinney. And thank you. So on the, the surge protection that somebody that just-- couldn't that be optional for somebody that's building a new home?

CRAIG THELEN: We're putting it back in. One of the things I'm hearing from the homebuilders and the Metro of Omaha Builders Association was issues with AFCI tripping and that surge protection cleans up that leakage current that they have, so this would eliminate a lot of nuisance tripping that they're seeing on these new homes. And I've heard it several times from different builders and different homeowners with this issue and I think that's an important piece to bring back in to alleviate some of the concerns with the AFCIs tripping.

CLOUSE: Thank you.

McKINNEY: Thanks. Any other questions? Senator Andersen.

ANDERSEN: Thank you, Chairman. I apologize for being late. I was in a different committee. What, what is the, the reason-- I'm sure you've already gone over this, but why do we have to have a surge protector, the emergency disconnect, an AC disconnect? What is, what's, what's the reason for these?

CRAIG THELEN: So the emergency disconnect was originally put in place to help the firemen when they go to-- if there's a house fire so they can quickly shut the power off to the house. Because in the past, what they would do is they'd pull the meter socket and there's a risk of an arc flash, because your house is powered-- the power is on and when you pull that there could be a flash and the disconnect is a safe way for them to shut the power off at that residence to fight a fire. And then the other question was on the--

ANDERSEN: The surge protection.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CRAIG THELEN: Yeah, the surge protection, again that's-- helps prevent the leakage current, because as we get more technical with our homes and all the electronics--

ANDERSEN: Sure.

CRAIG THELEN: --and this helps with those nuisance tripping of that leakage current on those equipment. Like a, a good example we had is a homeowner was having trouble, his refrigerator kept tripping out, and he's got this brand new fancy refrigerator that talks to him and does all these things. Well, what was happening is it was tripping out because of that issue with the AFCI and the leakage current in that. So that surge protection will take away that leakage current and help alleviate those kind of problems, those nuisance tripping of an AFCI. And it also protects your electronics in your house as well so if you have a security system or a fire alarm system or something like that, it could also help protect all that as well.

ANDERSEN: Right. I have surge protectors in my house, probably like most people. Shouldn't that be an option as opposed to a mandate?

CRAIG THELEN: I think that's the controversy, I think, that everybody has about it. And that's, you know, the big discussion. It's, it's a little different than an emergency disconnect, obviously, because an emergency disconnect is our life safety for a fireman. But it is part of our state, our NFPA 70 standards. And that's what we follow is the NFPA 70 for the state.

ANDERSEN: What's, what is the 120V GFCI, which has to go in the basement, is that just generic that you need to have one down the basement?

CRAIG THELEN: No.

ANDERSEN: [INAUDIBLE]

CRAIG THELEN: If you have water in your basement, that's protecting the people that would-- anybody that would walk in there from getting electrocuted. Back in 2019, we had the floods in Iowa and Nebraska,--

ANDERSEN: Sure.

CRAIG THELEN: --and we didn't have that in place. And I had to put my inspectors at risk of going in these basements to go inspect with wet floors. And that, to me, is very important to have that to protect,

because that's where most of your water heaters and, and equipment are in the basement, too, if you would have a leak.

ANDERSEN: Yeah, they did call that a 100-year flood though, right?

CRAIG THELEN: Well, it was and-- but there's other things, you know, you have your water heaters and you have a lot of equipment and your mechanical room in your basements. So-- and then, you know, we get heavier rains and there's always a risk as well. And, and most of what's happening right now is a lot of contractors are putting dual function breakers in anyway. AFCI is already required, so the dual function breaker is, like, \$4 or \$5 more than just the standard AFCI, GFCI breaker, or AFCI breaker, I mean.

ANDERSEN: Does this, does this colored sheet cover all the costs that's listed on this page?

CRAIG THELEN: Yes, should cover the [INAUDIBLE]--

ANDERSEN: So the whole page, the, the cost is \$565.

CRAIG THELEN: Yeah, so the, so the disconnect, for the stuff we're amending out, the first two items would be the meter and service disconnect that you'll see. And then the HVAC equipment would be the, either the 30 or the 40 amp GFCI. And then your ranges and dryers are the 30 amp, 40 amp combos. So, yep, everything should be listed there.

ANDERSEN: All right. Thank you.

CRAIG THELEN: Yep.

McKINNEY: Thank you. Any other questions? Senator Clouse.

CLOUSE: Thank you, Senator McKinney. I'm not an electrician, so help me with-- to continue with the basement discussion. So what height are the, the circuits-- the outlets supposed to be in a basement? I don't know if they're, like, 3 foot, 2 foot off the floor?

CRAIG THELEN: The-- I mean, if you're framing out a wall, it could be 16 inches up the wall, that could be 12 inches off the floor. There's nothing that says what height they have to sit off the floor.

CLOUSE: OK. So if there's a flood or you could have a foot of water in there, and it still wouldn't get the GFCI to trip it?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CRAIG THELEN: Potentially, but it just depends on where the flood is or where the water is. Yeah.

CLOUSE: So you can require them and all the basement outlets are by circuit and then you still have the problem but it wouldn't resolve it, potentially?

CRAIG THELEN: Well, yeah, depending on how deep the water is but you're standing in it and if you're working on a cord plugging something and there's water on the floor and you grab a cord, I mean, you're-- you don't have to necessarily be-- the outlet doesn't have to be under water for you to get shocked because you're standing in water. So that's the other piece you have to look at it.

CLOUSE: I thought about that, and I thought, well, I'll just throw the main breaker until I figure it out. OK, thank you.

CRAIG THELEN: Yes.

McKINNEY: Thank you. Any other questions? Senator Andersen.

ANDERSEN: Thank you, Chair. One last question. In looking at the different states that actually adopted the 2026 standard, why is it that 46 have not?

CRAIG THELEN: Why hasn't--

ANDERSEN: Why is it so many states have not adopted the, the 2026 standard?

CRAIG THELEN: The 2026 just came out. So there, there's a lot of states that are in the process of doing it right now. Nebraska is part of an 18-state reciprocal agreement and 75% of those states are already in the work-- in the process of adopting the 2026. And they're kind of in the same spot we're at. They're starting their process to adopt.

ANDERSEN: Thank you.

CRAIG THELEN: Yep.

McKINNEY: Thanks. Any other questions? Senator Rountree.

ROUNTREE: Thank you so much, Chairman McKinney. Thanks, sir, for the testimony. When new standards come out, do we adopt those normally as

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

soon as they come out or is there some lag time? Like for the last update, did we adopt that as soon as it was updated and we have this update now and we're guaranteed that one?

CRAIG THELEN: So, so to answer your question that 2017 is what we were on because we did not get the 2020 adopted and then the 2023 came out so we're two code cycles behind when we adopted the last time. And it put us in a bad spot with our reciprocal agreement, because we're part of an 18-state reciprocal agreement and part of the requirements are you have to be within two code cycles. And we almost fell out of that agreement, which, which would have taken away about anywhere from 1,200 to 1,500 licensed electricians in Nebraska. So we want to stay current with the current codes so we don't get caught in, in this schedule of being off pace with what the industry is doing.

ROUNTREE: OK. Thank you.

McKINNEY: Thanks. Any other questions? I might just have one. I think probably the common theme I saw on the online comments is cost and how making these changes would kind of have a negative impact on housing costs. How do you-- what do you say to that?

CRAIG THELEN: I think what we're trying to do is we're working with the Home Builders Association, working with Metro Omaha Builders Association to try to come up with a compromise so we can start bringing, bringing things back into the code that we amended out because it's never good to amend things out of your code, but we're trying to be respectful of the cost and so we're looking at \$500 to \$600 worth of changes. We're only asking for \$50 for the changes with the two things were bringing back into the code cycle, because there is nothing significant in the 2026 that is imperative-- adds additional cost to the home builder construction-- new-- to the affordable housing construction.

McKINNEY: All right.

CRAIG THELEN: So I think it's-- you know, I think it's working with the different entities to communicate what's going on and, and try to build partnerships so we can get these safety, safety items put into the code, but yet do it, do it in a responsible and reasonable manner that's not going to have a huge burden on the home builders or the homeowners for the purchase price of a new house.

McKINNEY: All right. Thank you. Any other questions? Senator Clouse.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CLOUSE: Yes, just thought of another one. Thank you. And this might be kind of stupid, but if you have your basement that's only half finished and then, you know, a few years later you're going to finish it out. Would you be required then to put in a whole house surge protection and disconnect [INAUDIBLE] for your, your electrician to come in and approve it?

CRAIG THELEN: What goes-- the, the whole house goes on the-- the surge protection goes on your main panel. So regardless whether your upstairs is done and your basement isn't, it protects everything that's, that's on that panel board.

CLOUSE: Right. So-- but if I decided I wanted to do something different and it takes an electrician, I got to pay him to come in and do it and I don't have that, then I'm required to put that on, right?

CRAIG THELEN: It's just for new construction.

CLOUSE: Just for new.

CRAIG THELEN: If you're doing, if you're doing an addition, it's for new construction. That's where protection has to be put in there.

CLOUSE: OK. Thank you.

McKINNEY: Thanks. Any other questions? No? Thank you.

CRAIG THELEN: Yep. Thank you.

McKINNEY: Are there other proponents? All right, I thought he was getting up, but all right, are there any opponents?

NICK DOLPHENS: Good afternoon, Chairman McKinney and members of the committee. Nick Dolphens, N-i-c-k D-o-l-p-h-e-n-s, and I represent the Metro Omaha Builders Association. It's difficult to be a builder. A lot of these codes have been inundated by product manufacturers, unions, lobbies at a national level, and you really do feel like you're fighting out there for affordable housing with one arm tied behind your back. So a lot of these small-- this will only be \$400, this will only \$500, that seems pretty reasonable. It's difficult because there's statistics out there from the NAHB on every time we raise a house price \$1,000, we're leaving out 115,000 households of buying that home. And that can be researched. That's why I take this very personally. I'll leave a lot of these committee meetings that the city were here and people are like, oh, builders seem to be doing

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

pretty well, why is this a big deal? It's a big deal for me because I have a ton of family members who are teachers and friends who are firemen, and a lot of workforce housing that I'm a strong proponent for that people are being left in the dust in Nebraska on. So it's difficult. I think amendments are our right and a healthy process. So I really do appreciate quality questions coming up at these hearings. Senator-- or Aimee Melton in Omaha said it correctly. I think it's not hard to find other ways to make housing more afford-- or safer. You know, we could mandate a fire extinguisher in every bedroom. We could mandate two egress windows instead of one. And I think that's kind of where we are, especially with the electric code, where I feel like we just keep getting more and more and more and more and where does it stop? And now there's a new product and now there's this. These are coming from national level lobbies. There's states fighting back better than we are at this. Around 17 states have passed codes with significant amendments. We're to the point here where we're adding in surge protectors that's not even safety related to fix a problem that other people are amending out. They're amending our AFCIs because they've been proven not very effective. There's very little data on how safe it's keeping people. So other states are saving thousands of dollars amending old codes, but we're being forced to look at new codes that are adding a part to solve a problem other people are just getting rid of with amendments. So that's-- it's difficult for me to hear. There is very little data, I would ask you to look into that. A lot of this new criticism of the code councils is that it doesn't accompany any hard data for safety. So a lot of it's just being pushed by products. So I suggest we follow other states on those cost savings. We look at amending things versus adopting new things to fix problems that we could amend and I'll leave you with that.

McKINNEY: All right, thank you. Any questions from the committee? Hold on. Senator Andersen.

ANDERSEN: Yeah, thank you, Chairman. Thank you, sir, for being here.

NICK DOLPHENS: Yeah.

ANDERSEN: Have you seen what's on the list? It talks about the GFCI replacement or the [INAUDIBLE] in the basement, AC disconnect, GFCI appliance receptacles,--

NICK DOLPHENS: Yeah.

ANDERSEN: --surge. In your opinion, which of these are unnecessary? Let me put a little more context on that: unnecessary from the safety perspective, not from the, gee, if I was going to build the safest house in the world [INAUDIBLE].

NICK DOLPHENS: Mm-hmm.

ANDERSEN: Every outlet would be a GFCI, right? I mean--

NICK DOLPHENS: Yep.

ANDERSEN: --so trying to be realistic of what is safe, but what is necessary as opposed to what's not.

NICK DOLPHENS: Yeah, I think it's a good question. I think we've well outrun that. I mean, we are building homes so much safer than we were 75 years ago. And the costs of a new home now are keeping little kids and families in very old housing because they can't afford it. So I think, not to turn the question on you, Senator Andersen, but I think it's something we could sit back and talk about where, is, is really the problem the fact that you don't have a GFCI doodad in one certain part of your home. And we can conceptually conceive this being a problem in a very small percentage of the time. We don't have any of this data of, like, where, where are the deaths coming from? It-- it's just being pushed product wise, in my opinion, and there's a lot of good literature on that.

ANDERSEN: So let me ask you, if I can continue, do you think the air conditioner disconnect, is that necessary?

NICK DOLPHENS: I personally don't.

ANDERSEN: I mean, I know my air conditioner, I know how to disconnect, I go and I pull a breaker on it. GFCI appliance receptacles?

NICK DOLPHENS: I, I personally don't. I live in a house without any of the-- I mean, all of us are living in homes without these things.

ANDERSEN: Surge protection?

NICK DOLPHENS: Surge protection is not safety related, but--

ANDERSEN: You, you would use it for certain things. I do for electronics and things like that. But for the majority of my house, I don't need surge protection.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

NICK DOLPHENS: Yeah, and, and it's not needed as a mandate. You can sure go get one. I could-- you could hire an electrician to put one on your panel right now, but should Nebraska require that as a mandate?

ANDERSEN: Right, so I look at it from the perspective of what is safety required. Service disconnect to an outdoor structure, is that required?

NICK DOLPHENS: I, I don't see the use of it. I mean, I brought this up here. So like the, the electric code, this is not the electric code book, but it's similar. This is the last book I purchased. It's 1,000 pages.

McKINNEY: We don't-- no props, though. You got to hold it down.

NICK DOLPHENS: Oh, sorry, it's a prop. It's 1,000 pages. And for us to imply that amendments are unreasonable, it's not what is happening in other states. We have to be more aggressive, in my opinion, and we can do that without costing safety.

ANDERSEN: Yeah, I think we're at a critical juncture at this point in the housing situation and we've got to reverse the trend of the continual, exponential growth of the price of, of homes. Do you agree that this sheet that the total cost differential would be \$565? Is that reasonable to you or no?

NICK DOLPHENS: Probably not, and I'm not, I'm not saying anything bad about Senator Quick because I appreciate him, but when I was at the city of Omaha testifying they were using Home Depot numbers and it was the cost of the part. They were neglecting to add the labor I would have to pay my electric-- my union electricians to install it. So the numbers were way off what it would actually be.

ANDERSEN: Yeah, that's interesting, too, because if you add more complexity to the bill, don't you add additional licenses and additional training required in order to implement some of these, some of these things that would then feed your higher labor costs?

NICK DOLPHENS: Yeah.

ANDERSEN: Is that true or no?

NICK DOLPHENS: I think so.

ANDERSEN: Thank you. Thanks, Chair.

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Urban Affairs Committee January 20, 2026
Rough Draft

McKINNEY: Thank you. Any other questions from the committee? I guess I got one-- well, maybe two. How long should we wait after an update is put-- is, is established? So-- and we have 2026 and then we went to 2036. Is that a good or bad thing?

NICK DOLPHENS: I think-- that's a great question. There is a, there is a technique with certain states to wait and let some of this simmer, right? So you can get on the NAHB website and it will tell you where every state is and very few states immediately adopt it. There's a really new trend where it has to filter through a state's board. They'll decide what's right for the state before they pass any, any new requirement that would cost money.

McKINNEY: OK.

NICK DOLPHENS: So I don't know if that directly answered your question but, no, it's not an urgent requirement like this can be perceived at times.

McKINNEY: OK. Well-- and then my other question is, even without these updates, do you think housing costs will still rise?

NICK DOLPHENS: It will, yeah, definitely. Codes are a big factor in housing costs, but definitely not the only one.

McKINNEY: All right. Thank you.

NICK DOLPHENS: Yeah.

ANDERSEN: I just have one last question.

McKINNEY: Senator.

ANDERSEN: With regard to the-- with the 2026 standards, obviously not all states have to adopt them because they don't. They, they can choose which ones, when they want to upgrade, what their standard is going to be. Of everything it's-- the list is made generically, right? As a national standard, is that right?

NICK DOLPHENS: You mean the, the code, the way it's adopted?

ANDERSEN: Yeah, right.

NICK DOLPHENS: Explain generically. I mean--

ANDERSEN: I mean, it's not, it's not specific to Nebraska--

NICK DOLPHENS: No, no, no.

ANDERSEN: --or Omaha or the Midwest, it's--

NICK DOLPHENS: No.

ANDERSEN: --across the U.S., correct?

NICK DOLPHENS: Yeah, so it's a recommendation based on these code councils.

ANDERSEN: So it's kind of a one-size-fits-all.

NICK DOLPHENS: It is.

ANDERSEN: So could you take the list of the recommendations they make and say, hey, I'm not from Alaska so I don't need to have these 10, because it's only in extreme cold, or Hawaii for--

NICK DOLPHENS: Right.

ANDERSEN: --damp, whatever. Couldn't you do a partial? I mean, why would you adopt the all-in-one solution for it?

NICK DOLPHENS: I, I-- personally, I think there's a national agenda for these unions to adopt it in its entirety because they're working hard on a national level to keep making this bigger and bigger and bigger. And, and I'm not discounting the fact that some of this is safety related, but I think we've well outrun the logical safety components, and that's where some states are doing this better than we are in the fact that you have to justify any new cost versus me having to come up here constantly at the city level and at the state level and justify fighting off costs. They've flipped that around, which I think makes a lot of sense.

ANDERSEN: So just because it's right for New York City and Los Angeles does not mean it's right for Nebraska. Does that sound fair?

NICK DOLPHENS: That's fair. Yeah.

ANDERSEN: Thanks.

McKINNEY: Thanks. Last question. What are those states that are doing it better than us?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

NICK DOLPHENS: There is-- I have a handout for one of the next bills I'd be happy to give you.

McKINNEY: All right.

NICK DOLPHENS: Yeah.

McKINNEY: Thank you.

NICK DOLPHENS: You bet.

McKINNEY: Other opponents?

MATT KINNING: Hi there. Matt Kinning, M-a-t-t K-i-n-n-i-n-g, here on behalf of the Home Builders Association of Lincoln. You know, we've already dove pretty deep into a lot of the cost and, and those types of things. I'm going to take a little broader look, clear up some things on what this does to the existing housing stock and, and take some questions from there. Once again, every time I testify at one of these, code is a minimum standard for life safety. A surge protector, not one of those. There-- how many deaths, how many fires, how many of those things in your communities that you represent are coming from new homes that have been built with these last energy code-- or last round of codes, electrical codes over the years? How many old homes have had electrical fires and burnt down? Just think about that in the back of your head. You know, none of these amendments that we had negotiated and done over the years have, have saved a life by not having them in there. We lost a life in the state of Nebraska because we didn't have those things. No. To clear up on the remodeling side of things, yes, if we push through, the, the surge protector needs to be on there. If you open up that, that breaker panel, you need to put a surge protector on there, that's the way the code's written. Anytime you touch a part of the house that has, that has these-- doesn't have these things, it has to get brought up, puts an incredible amount of pressure on the existing housing stock. Most of it, we know, is the most affordable housing stock, so are you going to do that the right way and have good, easy-to-obtain codes to be able to make that house much safer, or do we want to make it way too hard, dang near impossible and unaffordable to bring those houses back up to a safe standard? You know, I've preached for years and years and years these books, the code books have to get written every year. That's somebody's job. Let's take a break from the new houses. We have those pretty ding dang safe. Let's go back and look at how do we make the existing housing stock. Let's take some time and look that, make those

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

houses safer. And then the last thing is, is, yeah, there really is no need to jump right away. It's-- you know, when this next book comes out, and let's see if we're talking 2026, 2029, they're going to take some things back that they put in this book. They're going to add a couple things in. There's nothing wrong with being a couple code books behind. You know, we have multiple different code books that we use to build a home, new construction, and additions. Let's just chill, let other states figure it out. Let's just let the other side to waiting, I'm sorry, the other side to waiting is it allows innovation to keep-- catch up as there needs to be this certain type of breaker, when it's the brand new one out there, it's the most expensive thing out there. As we start producing more and having more stock of it, simple supply and demand, that brings the cost down. That's really all I had on my couple bullet points to follow up on the stuff I heard today.

McKINNEY: Thank you. Any questions from the committee? I got one.

MATT KINNING: Yep.

McKINNEY: You said there's nothing wrong with being a couple of code books behind, but what if we run the risk of being out of compliance with the compact that was talked about earlier? How do we balance that?

MATT KINNING: How do we balance that out? Part of me says, you know, that's, that's to-- some of that is to allow electricians that are licensed in other states to come in and take jobs away from Nebraskans. So is that a bad thing? Should we have more of our own electricians working on the stuff that's built in our state? I think there's a debate to be had there. I don't disagree with that. But let's, let's really look at the pros and cons and would be more than happy to have those discussions. But we've never really had those on, on what those pros and cons are. A lot of it was allowing-- what I've heard over the years is allowing jobs to come in and, and maybe some just spots on that table. Nebraska might not be at that table, those types of things. Is there a benefit to it to Nebraskans?

McKINNEY: All right.

MATT KINNING: And electrical is hard. Let me back up. Electrical is hard, excuse me, because it is a-- it is truly about life safety. So you just have to have hard data. When we put that GFCI code in, how many lives were saved? Were there lives-- you know, we didn't, we didn't hear a single-- from the proponents, a single example of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

someone being hurt, of someone dying. All we heard was risk, risk, risk. There was no factual data that changes needed to be made, that a Nebraska was harmed. So the electrical code is very difficult that way. When we get into other codes like we are later, you know, the energy code, we can look at return on investment. There's different ways to decide what book we have. So I will say it is tough to decide which one on the electrical code, but really hammering home just the, the effects that this has on the existing housing stock. And when people can't afford it and they need electricity, guess what, they're the ones going to Home Depot trying to figure out how to do it to make their home have lights, have whatever, and how safe is that, that work being done on the home because we've made it too hard for those people that are already struggling to afford an electric-- or a licensed electrician to do that work.

McKINNEY: Thank you. Any questions? Senator Andersen.

ANDERSEN: Thanks. And I'm certainly not an electrician so if I could ask you a couple of questions about these things on the list. Since you have to have a service disconnect for outside structure, is that just on the master kill switch? Is that what [INAUDIBLE]?

MATT KINNING: That's basically anyone, anyone and everyone can walk up, pull that thing down, power is killed to your house, angry neighbor, you go on vacation, kills your power after you leave, you don't know the difference till you get back.

ANDERSEN: We'll hope that doesn't happen. What is a service disconnect marker?

MATT KINNING: I do not know that one. And I'm a builder, I'm not an electrician, so.

ANDERSEN: OK. [INAUDIBLE] dryer receptacle GFCI requirement. My dryer, I can't say all dryers, they go to a specific outlet, especially designed, it's not like any other outlet. So why does that have to have a GFCI?

MATT KINNING: Do not know, haven't had warranty issues, any issues with my homes.

ANDERSEN: Yeah, OK. So I'd have the same question with the major receptacle GFCI requirements?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

MATT KINNING: Same, same thing, haven't-- I mean, it's back behind there, haven't had any issues on my homes.

ANDERSEN: Thank you.

McKINNEY: Thank you.

MATT KINNING: Thank you.

McKINNEY: Any other questions? Nope. Thank you. Other opponents?

LYNNE FISHER: Good afternoon, Senator McKinney, members of the Urban Affairs Committee. My name is Lynne Fisher, spelled L-y-n-n-e F-i-s-h-e-r, and I'm here today on behalf of the Nebraska Realtors Association representing over 5,300 realtors in opposition to LB726. LB726 updates the state electrical code from 2023 to 2026, and among other things includes two provisions that we believe will drive up the cost of new construction. First, the inclusion of GFCIs in unfinished basements and whole house surge protectors. While often these changes feel small in comparison to the price of construction, I would ask you to consider a 2025 National Home Builders Association study that found for every \$1,000 increase in the cost of a home, 1,214 Nebraska households are priced out of that home. I would also like, like you to consider or I would like to encourage this committee to consider a 2022 study from the University of Nebraska Omaha that examined the cost of government regulation on the cost of construction of a new single-family home in the Omaha area. That study estimated that the regulatory cost in the Omaha area is 32.8% of the construction cost compared to the national average of 21.5%, mostly due to changes in codes and architectural standards. Since 1917, the Nebraska Realtors Association has sought to protect and advance the American dream of home ownership. We have a housing supply crisis in Nebraska and costly increases in the regulatory burden of new construction further exacerbate the problem. For those reasons, we ask you to oppose LB726. Listening to some of the other testimony, I wondered, as someone who has done some extensive remodeling projects on some of these properties that we own, wouldn't a higher demand-- if this passes, wouldn't a higher demand for specific equipment potentially cause higher prices. So the prices that are quoted for Home Depot or wherever, if this was passed and there was a huge demand for the hundreds of new homes constructed and remodeling projects in Nebraska, if that wouldn't cause an increase in price due to higher demand. Be happy to answer any questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

McKINNEY: Thank you. Any questions from the committee? Senator Andersen.

ANDERSEN: Thank you, Chairman. Just out of curiosity, what-- who would you say brought-- I didn't realize the surge protector we were talking about was for a whole house, right? So that's pretty signifi-- that's a significant thing. What would the cost of something like that be? Any idea?

LYNNE FISHER: I really don't know, that's, that's beyond my knowledge.

ANDERSEN: OK.

LYNNE FISHER: All right.

ANDERSEN: Thank you.

LYNNE FISHER: Thank you.

McKINNEY: Thank you. Other questions? Nope. Thanks. Other opponents?

GREG GEIS: My name is Greg Geis. It's G-r-e-g G-e-i-s. I represent Nebraska State Home Builders Association. And we are against LB726 for several reasons. One-- the biggest one for us is the cost. I've heard several people talk about it's only \$50. It's only this, it's only that. We believe it's closer to about \$1,500 for that when you count the labor, the installation, and buying the product. It's not a life safety issue. So it's just-- 2 years ago we talked about this and we were amended out. And I don't agree with, maybe, not moving to the next code book every 3 years. I think that that has to be done. But we can't be-- you said we're at it to 2017 now, and we're looking at going to 2026. That should have been done long ago because when the code comes out like right now we don't want to really jump in and have to go to 2026 because like others have said there's going to be things in there that they'll find that they're not working for us. So it's better to be that 3-year lag so we can figure those things out, and possibly amend out of them when it, when it comes time to renew it. Like right now, we're not, possibly not in compliance with these other things so we almost have to pass this but we should amend out other things that aren't necessary for home safety. You know, we talked about, you know, home ownership is the American dream, but with-- we're constantly pushing more and more cost to it. So homeownership is, is getting farther and farther away for people. We need to make it easier and more affordable for families to achieve that dream, not harder. According to National Association of Home Builders, the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

average age of a first-time new home buyer is 42 years old now, because anybody younger they're, they're just priced out of the market. They can't afford it. Yeah, so government regulations, programs, building codes, they add an additional 23-24% to the final price of a home. And that's, that's also according to the National Association of Home Builders. So \$50 here, \$100 here, \$1,000 here with all of it adds up. It just it prices people out of new homes. With the, the last few election cycles the buzzword has been affordable housing. We need more housing. But then when we're doing this kind of stuff, we're, we're doing the opposite. We're making it less affordable for, for homebuyers, so. And that's all I have.

McKINNEY: Thank you. Any questions from the committee? Senator Andersen.

ANDERSEN: Thank you, Chairman. And thank you for being here. I'm just kind of looking at the numbers of who's using what standard and everything else and how many states and it seems like we're kind of overachievers at this point. Of the 46 states that report whether from anything from 2008 standard all the way through 2023, 43% of the states, the greatest majority are at 2023. So if 2023 is what most are at, then why-- what would be-- how would we be well served to push to 2026 as opposed to [INAUDIBLE] to figure out if we should or not?

GREG GEIS: I would say we wouldn't be, but I think the gentleman that was up here first and talked about that we wouldn't be in compliance because we'd be too many code cycles out.

ANDERSEN: We're only one out, right?

GREG GEIS: Were we more than one out, sir? No? Then I would say then we don't.

ANDERSEN: So you think it would be ill-advised to preemptively push to 2026 when 2023 is where most people are at?

GREG GEIS: Yes, sir.

ANDERSEN: Most states. Is that comparative?

GREG GEIS: I agree with that.

ANDERSEN: OK. Thank you.

McKINNEY: Thank you. Any other questions? Senator Cavanaugh.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Geis. So I'm just curious, a few folks have brought up the cost. So Mr. Thelen gave us this handout that showed what the increased costs were in terms of materials. And a lot of folks have said it doesn't include labor costs. So, again, as everybody else has said, not an electrician. I assume you're a builder, not an electrician yourself.

GREG GEIS: Right.

J. CAVANAUGH: But I guess my question is, for things, you know, the surge protector that Senator Andersen keeps talking about, that's a surge protector on a breaker box?

GREG GEIS: Yes.

J. CAVANAUGH: So what-- is there an additional-- is that just a breaker box that has a surge protector built in or would you have to be like-- what's the extra labor in having a breaker box with a surge protector is my question?

GREG GEIS: I'm, I'm guessing 2 or 3 hours, and it, it would be attached to your main house circuit breaker. Our also issue that we worry about is maybe in the metro area, Omaha, Lincoln, even Grand Island, our power is pretty steady. You get into rural Nebraska, sometimes that power will have surges and, and so are we going to have all kinds of issues with that where their power is constantly going out to their home when it's, when it's not needed? Almost everybody-- you know, we're talking about worrying about your computer and things like that, almost everybody has an affordable small surge protector for their computer, for their electronics.

J. CAVANAUGH: Electronic strip. So-- well, that's-- I guess, my question is, are there a lot of these things, they-- some-- and, again, not an expert on this subject, but some of them sound like, you know, a GFCI breaker is-- they're not already a breaker there. I guess, is it just a new component? I'm trying to understand, is this an additional thing that somebody would have to add on top of something or is it just replacing something that already exists?

GREG GEIS: They're replacing something that's already existing. Right now, they have a-- like on an air conditioner, it's either a 30 or 40 amp disconnect outside by the unit. And there's a circuit breaker in the panel for that. This would be adding one that also has the, the ground fault circuit in it.

J. CAVANAUGH: OK.

GREG GEIS: And that's what it's supposed to protect is the ground fault portion of it.

J. CAVANAUGH: So-- and again-- and so is that-- what's the extra labor in having a different component instead?

GREG GEIS: Just taking it out and putting it in. The wiring is a little different on them.

J. CAVANAUGH: OK. So taking it out, putting it in-- I guess, this is a new build, right, is that what we're talking about?

GREG GEIS: Well, on a new build-- yeah, I guess, you're not adding as much because you're already putting that in, in place and--

J. CAVANAUGH: OK. So when we're talking about-- you said this was more like \$1,500 additional costs, was that additional cost to retrofitting something or is that additional cost to a new build?

GREG GEIS: I was being told it's a new build, because what we had done is talk to some of our larger contractor electrician or electricians and that's what they're telling us that, that it would add.

J. CAVANAUGH: OK.

GREG GEIS: Why exactly? I don't know.

J. CAVANAUGH: OK. Well, we were told repeatedly by, I think, it was Mr. Dolphens who said folks come up here and don't have any data and they just point to things and say, you know, they don't have any information from why we need to do these new codes and you're, you're telling us it's, I guess, speculative. We're hearing a lot of that we shouldn't be making decisions based on speculation and, I guess, I'm trying to drill down on what is the factual basis of the assertions that are being made here against this.

GREG GEIS: Yeah, I, I honestly can't tell you that.

J. CAVANAUGH: OK. Thanks.

McKINNEY: Thanks. Senator Clouse.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CLOUSE: Yes, thank you, Senator McKinney. Mr. Geis, are you aware of any buildings or any residences that already have surge protection, a whole house surge protection on it?

GREG GEIS: No, sir.

CLOUSE: OK. I'm going to go back a while and date myself, but 20-some years ago NPPD, we were promoting those whole house surge protections from the meter to the meter socket and it was like a caller that went in there. And so we've been talking about this for 20 years and it was something that we made available to our customers if they wanted. They could rent them from NPPD, you know, 5 bucks or 6 bucks a month or something like that. So this is not a new concept, it's been going on for a long time. And I didn't know if you had anybody that ever requested them. I didn't buy one, because I'm not spending money on that. But I didn't know if you had encountered that in, in your Home Builder Association, any of those that people requested?

GREG GEIS: No, sir, not that I'm aware of. And that's, that's how, in, in our opinion, how it should be. It shouldn't be mandated by codes or the Legislature, this should be the, the homeowner, the customer's option if he wants to buy that. Let-- you know, that, that's something-- that's for him to buy, but not, not till we push this on every, every new home.

CLOUSE: OK. Thank you.

McKINNEY: Thanks. Senator Andersen.

ANDERSEN: Yeah, thank you, Chairman. Again, thanks for being here. One of the discussions has been about the whole home surge protector, right? Can you characterize how much damage has been saved by people implementing a whole home surge protector? Is this a great safety invention? Is this something that is saving lives and saving babies and saving homes? I mean, is this--

GREG GEIS: I don't know what data there is on that. But you never have really heard about anybody passing away or houses burning down because they didn't have a surge protector. How much damage has it done to electronics? Maybe, but I don't know of any data on that.

ANDERSEN: Thanks. Let me ask you another question. On, on the same issue of the surge protector, I know with GFCIs in my house and surge protectors, every now and again they pop on their own, right, whether that's a spike in the, the voltage in the lines or, or whatever it

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

happens to be, right? So I assume if that is a potential fault for a GFCI and/or a, a, a localized surge protector, wouldn't a whole home surge protector have the same potential fault to where it could have a spike in the electrical current and then it just shuts down the whole house? Is that, is that possible?

GREG GEIS: Yes, sir. That's--

ANDERSEN: You're sitting in your house and then all of a sudden everything goes blank, and it's just because the whole home surge protector hit because of a spike in the line.

GREG GEIS: Yes, sir. That's what it's designed to do is shut everything down, and that's kind of our worry and the rural areas with, with homes. Their power is not-- there's, there's long lines of power that--

ANDERSEN: Not as stable as you would find in the city, right?

GREG GEIS: Yes. Right.

ANDERSEN: Yeah, it seems kind of dangerous to me, actually. Thank you.

McKINNEY: Senator Clouse.

CLOUSE: Yes, thank you, Senator McKinney. Along the same lines, what's your thoughts on the, the codes for grounding? Because in my experience, there's been a lot of issues on electrical, on straight voltage, all those things that do the improper grounding. Is that-- have you heard that?

GREG GEIS: Yes, grounding is very important, that cities are pretty, pretty tough on the grounding where we're grounding the panels to the water, the water lines the gas lines, they're-- so that, that's very important to know.

CLOUSE: But it's also just as important of where it's grounded instead of grounding rods and they're putting up the piping that may not be grounded.

GREG GEIS: Right, and that's, you know, can be of some of the issue with the newer homes with all the plastic piping and stuff that we're using now that--

CLOUSE: Improper grounding.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

GREG GEIS: Mm-hmm.

CLOUSE: OK. Thank you.

McKINNEY: Thank you. Any other questions? Nope. Thank you.

GREG GEIS: Thank you.

McKINNEY: Other opponents?

FRED HOPPE: My name is Fred Hoppe, F-r-e-d, H-o-p-p-e. I'm a home builder. I have a company called Hoppe Homes. We build across the state from Grand Island to Omaha, Sarpy County, different places. I oppose LB726 for the reason that it is going to cost us more money. Our niche and what we build is affordable in workforce housing. Pretty specialized niche. And it is harder than the dickens to keep the cost down. So anything that increases our costs is a problem. Now, I must have missed the memo when the, the electrical department came to, to discuss amending out some of the different provisions of 2026 code. I would just encourage you not to move this bill forward until the, quote, amendments that, that address the costs of the increase in the code are actually put into the bill. And it would only seem right if that's the claim, that they first be put in so that we can see what's coming out. A couple quick comments. Some of the cost increase is based on GFCIs, ground fault interrupters. Boy, I'll tell you, that is the biggest headache we have in the electrical systems that we install, it would seem like. We have more complaints-- we have a lot of rentals. We have more complaints by GFCI's going off and people not realizing it. And so it-- and they just aren't necessary. I did a search on Google trying to find electrocutions based on GFCIs. And I can't tell you I found a one. Hardly any electrocutions on-- from new construction, actually. Anyhow-- and a comment, Senator Andersen, you asked about surge protectors. I'm not aware of anybody who puts in whole house surge protectors, maybe on really, really expensive houses, but certainly, certainly not in our niche. It just doesn't work. Anyway, I would-- I'm opposed to this bill and I would ask you to not move it forward. It just isn't necessary and there's no data to show that it is.

McKINNEY: Thank you.

FRED HOPPE: Any questions?

McKINNEY: Any questions? Senator Clouse.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CLOUSE: Yes, thanks, Senator McKinney. I talked to one of my electricians and, and a friend who's a contractor talked to electricians in Kearney and he said that he thought implementation of this would add about \$1,000 to a Habitat home. You think that's accurate or close?

FRED HOPPE: Yeah, I think that's pretty close, yeah. The-- it would be a little bit more on a nonhabi-- Habitat, normally, they don't have a garage. So that would, you know, eliminate, just because of square footage, and because of a square footage on a-- we're thinking it'd cost us more, about half again more. I'm on the 1,500 buck increase side rather than 1,000.

CLOUSE: OK, thank you. I appreciate that.

FRED HOPPE: And we're in-- we build just a little bit bigger than a Habitat house.

CLOUSE: And just so you know, and those of you who know my wife, she's not in here, but I hide the electrical tape from my wife so that I'm safe.

FRED HOPPE: Well, yeah, that's a scary thought.

CLOUSE: Yeah.

McKINNEY: Thank you. Senator Andersen.

ANDERSEN: Yeah, just-- thanks, Chairman-- thanks for being here-- a quick commentary on the GFCI. I just recently had one of my [INAUDIBLE] houses about 11 years old that we built, and all of a sudden the charging, the electrical [INAUDIBLE] that had the charging for the phone wasn't working, then the toaster wasn't working, and different things were on different spots around the kitchen and then actually in the garage. And, and I'm thinking I have a significant electrical problem in my house, what I didn't realize until 3 weeks after this was going on [INAUDIBLE].

FRED HOPPE: They had the GFCI put, put in some place where you didn't know it.

ANDERSEN: In the pantry, in the pantry they put a GFCI and I just happened to see the red light and reset and it all came back, so--

FRED HOPPE: Yeah.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

ANDERSEN: --GFCIs are a great invention but they're not always your friend.

FRED HOPPE: That's, that's our bugaboo.

ANDERSEN: Thank you.

FRED HOPPE: Yeah, thank you.

McKINNEY: Thanks.

FRED HOPPE: Thank you.

McKINNEY: Yep. Other opponents?

JUSTIN BRADY: Senator McKinney, 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 the Metro Omaha Builders Association, the Home Builders of Lincoln, the Nebraska State Home Builders, and the Nebraska Realtors Association. I know you've in opposition-- I know you've heard from all those groups. The only reason I'm coming up here is there was a discussion about this alliance and whether or not we fall two code cycles behind. What does that mean? I quickly looked up, so there are 19 states in this alliance, 36% of them are at the 2020 code or older. So, yes, they may say we're going to get kicked out of this alliance, but when you have states like Montana, Alaska, New Mexico, Vermont, North Carolina, and Arkansas all at the 2020 code, and Wisconsin at 2017, it's tough, I think, to come in here and say, well, if we don't move to 2026, we're the one state of the 19 they're going to kick out of this alliance. So I just wanted to share that with you. Obviously, you all have a relationship with me. You know I know a lot less about the electrical code than everybody who testified in front of me, but I at least wanted to share that, so.

McKINNEY: Thank you. Any questions? No? Thank you.

JUSTIN BRADY: Thank you.

McKINNEY: Other opponents? Anyone here testifying in neutral? OK, Senator Quick.

QUICK: Well, thank you, Senator McKinney and members of the committee. You know, I think the thing here-- you know, I understand the, the issue with the cost-- increased cost of housing. I do get that. I do feel like, you know, some of the things that we want to try to do

within the code to keep within the code are safety related. I do-- I am a big believer in the GFCI issue. And I know, Senator Andersen, you asked a couple questions about some of the things that were-- actually, they weren't-- they're not included in the bill, and that was-- we took out-- for, like, some of the appliances. So those aren't included, just the basement GFCI that's included in that so the rest of them weren't in there, like for your stove or your dryer, those aren't part of the bill. So we left those out. So it's-- I think, basically, what we were adding back in was the surge protection and the GFCI for the basement only. And I am going to add a little story about-- so when my son was probably about 5 years old, he's 40 now, he decided putting-- he got the clean out for the, for the sewer drain off in the basement, and he thought it was a great idea to put croquet balls down there. And between the house and the, the-- where the sewer gets out into the, to the street, there was tree roots in there and they decided, decided to back up into my basement. And we had-- I mean, my wife was washing clothes and all of a sudden we're going, what is going on? We can smell this terrible smell in our house. We had a foot of water in that basement. I mean it was up in our furnace and everything. So, you know, you know, just for me the GFCI in a basement might be a good thing. I did not go down there and walk in that water, I can tell you that, because I was afraid that I might get electrocuted. And then I know there was some talk about, you know, pulling the meter, having that, that shut off outside or the disconnect. I think that is important. I know working at the power plant, arc flash was a big thing. I mean, we had to make sure we wore arc flash protection, and we pulled breakers, whatever we did, that was part of our safety. And I think having firefighters pull a meter is extremely dangerous without arc flash equipment, without the training to do it, so. I know that's not part of this bill. It's already in that code, but I do believe that that does save, it could save a life, it could save someone from having severe injuries from arc flash, so. If you've ever seen an arc flash injury, it's not pretty. I mean, it's an explosion. It sends particles into your body and sends an electrical shock to you, too, so. I know there's maybe some work to do on this bill, but I'd like to see it advance out of committee and we'll, we'll see what happens, so. All right, thank you.

McKINNEY: Thank you, Senator Quick. Any questions from the committee? Senator Clouse.

CLOUSE: Thank you, Senator Quick. A question on the, on the whole house disconnect. OK, if-- what-- I, I guess-- and I, I know that the, the bigger concern is to get the fire department or somebody

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Urban Affairs Committee January 20, 2026
Rough Draft

responding, and if I'm a homeowner, it goes back to Senator Andersen's comments, I'm going to have that baby locked so nobody is going to mess with it. So how do we handle the interlock process with the fire departments and things like that? I know that you mentioned the power plant. We have interlocks on the switch gear and all those type of things, but it's handled differently than firemen going all over town. How, how do you envision that working, I guess, with the disconnect and an interlock device?

QUICK: Yeah, and I think that's already part of the code, I believe. I could be wrong. I don't think that's anything we're changing. I think that's already a part of that and maybe I'm wrong on that disconnect, but I, I-- you know, I'm not sure what we do for the city of Grand Island, but I know there was a lot of discussion about that. It just was in the city itself about, about the line gang being the ones that disconnect do the-- pull the meter. So I know they do a lot of-- and maybe that's even for just working on the house, too. You know, you don't have the-- I'm not sure they had the electricians, you know, someone coming to work on your house would pull a meter. I think they had the, the linemen come out and pull the meters just because it was a safety thing. And, actually, that's part of the city property, too, I believe. So I-- that's my understanding. I could be totally wrong, but that's my understanding.

McKINNEY: All right. Senator Andersen.

ANDERSEN: Thank you, Chairman. Senator Quick, thanks for being there. In your opinion, if this bill does not advance, do you see [INAUDIBLE]-- is it your belief that the general population is at a greater risk than they are presently?

QUICK: Yeah, well, I can, I can just tell you from my time before, when I served before, I think the code was behind maybe-- I think I brought this bill back in 2018 or 2019 and we passed it. It was a request by the city of Grand Island to update the codes and I think we were out of-- we might have been two behind or one behind or something. I know we were-- it felt like we were out of compliance. So--

ANDERSEN: So you think the population is at risk if we don't, if we don't move to 2026 now with this bill, are they at risk?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

QUICK: Yeah, I don't, I don't know if they're at any more risk than they are right now. No. So-- but I don't like to see us get too far behind, you know.

ANDERSEN: Sure.

QUICK: So we're-- you know, because not only do electricians come to our state, you know, on that, on that compact, but we have electricians that work outside the state. So, you know, that's, that's worked for them, too, you know, they can travel and go outside the state, so. And we have electricians that live along the borders that, maybe, go into South Dakota or Iowa or Kansa, maybe traveling to Missouri, too, to do work. So, you know, you got Colorado and Wyoming, too. So I mean, making sure that we're in compliance to make sure that they can still work in Nebraska or outside of Nebraska, so. But, no, I don't believe it's going to make us less safe right now, so.

ANDERSEN: Seems like we're in the majority compliance wise at 2023 at this point.

QUICK: Yeah, I don't know what some of the new things are in there because there's other new things in there. We were just talking about the things that we're amending back in that were part of the amendments that have been left out of the, of the codes in the past, in the previous years, because I think even when I did it, we amended some of those things out just to be able to, you know, work with the home builders, work with the realtors, you know, work with all the developers and stuff to, to have them come in and, and at least be in agreement that maybe there's some things that we need to change. So along the way, there are technical upgrades. I mean, there are things that happen along the way that maybe we need to, to upgrade those codes. But I don't know what all the new things are within the code. So-- and maybe that's one of the points that they brought out is that, you know, we see what those, those are, but I'm sure there's some things in there that, that, that none of us know right now, but I, I do think at some point you have to update those codes to bring us in with some type of compliance.

ANDERSEN: Thank you.

McKINNEY: Thanks. Any other questions from the committee? Nope. Thank you. And that'll end our hearing on LB726. And for the record, there was zero proponent comments online, one opponent, one opponent comment, and zero neutral, and no ADA. And we'll move on to LB798.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

CLOUSE: OK, next up is LB798. It's an Urban Affairs Committee bill, so Senator McKinney.

McKINNEY: Thank you, Vice Chair Clouse. Good afternoon, members of the Urban Affairs Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11. I'm here to present LB798. LB798 changes provisions related to the composition of the planning commission and creates a consistent nomination and election process for at-large council members in cities of the second class and villages. The bill also establishes uniform framework for staggered terms based on the number of at-large seats. This bill come from-- comes to us from the League of Municipalities. As a little background, firstly, in current law, cities of the first class have the option to nominate and elect some of the members of their governing body by ward and some at-large. The city of Yutan, who approached the League, proposed to expand the state law to allow cities of the second class to also have the option of having some members nominated and elected by ward and some at large as the city found difficulties with election of city council members just by ward. Secondly, in regards to the three-member planning commissions, the League was contacted by a number of villages in Senator Hughes's district that were struggling to fill seats on both the village board and the planning commission. Currently, cities of the second class or villages can have either five, seven, or nine regular members on the planning commission. These cities are recommending that these municipalities also have the option of three-member planning commissions. This is very similar to a bill I introduced last year, LB289, which changed the law to allow the option for a three-member village board instead of the previous requirement for only a five-member village board. Overall, this is a simple bill that'll help our smaller municipalities expand options of those who are able to serve in leadership. Is it good for them and good for Nebraska. Thank you for listening, and I'll answer any questions, as you will also hear from members from the League of Municipalities behind me. Thank you.

CLOUSE: Thank you, Senator McKinney. Any questions for Senator-- OK, have any opponents?

McKINNEY: Thank you.

CLOUSE: Any proponents would like to testify?

ROBERT COSTA: Good afternoon. My name is Robert, R-o-b-e-r-t, Costa, C-o-s-t-a. And I am staff from the city of Yutan. Primarily, I am the

zoning administrator and the building official for us. I wear a couple of other hats, but those are my primary roles. For those that don't know us, the city of Yutan is a small second class community of about 1,400 people that's located just west of Omaha on the west side of the Platte River. Some of you may remember that I spoke to you last year in regards to LB289 and, specifically, regarding the zoning boards of adjustment. I'm here today, once again, to discuss the committee fatigue trend that is observable and ever increasing in Nebraska's communities. The city of Yutan supports the entirety of LB70, pardon me, LB798, as both Section 1 and Section 2 addresses the committee fatigue pattern in the same way, giving smaller municipalities options to solve the problems they're having finding qualified candidates for both the planning commission and their elected governing bodies. Last year, statute was amended to allow villages to have smaller membership numbers on their governing body. This year, the second class cities are asking you for a similar option, that is, basically, that our more populous sister cities are allowed to do, to have this combination of election to the governing body by ward and at large. This would be-- effect Section 2. While there is some concern that taking away a member or two from the city's wards could take away representation from that ward. We contend that Nebraska's smaller cities are uniquely positioned to understand the needs of their whole community. As I mentioned, the city of Yutan has a population of approximately 1,400. The distance from the farthest extent of one ward to the nearest ward boundary is half a mile and barely a minute-long drive. While our residents do have unique perspectives that are based on their specific neighborhoods, as I mentioned it's not that difficult for us to understand the dynamics of a neighborhood just a stone's throw away. If Nebraska's largest cities are capable of this understanding and having a combination of at-large and by ward council members, Yutan argues that we can understand that pretty easily, too. Now, Section 1 deals with the municipalities' planning commission. It's worth noting for your reference that I have two degrees in urban environmental planning, many, many, many years of experiencing this and only about 5 minutes. So I'm going to keep this brief and try not to bore you too much, but if you have questions about the planning commission, please feel free to do so. The planning commission is an advisory body that makes recommendations related to a city's construction and development. So new subdivisions, conditional use requests, zoning or building code changes, and then capital improvement expenditures all get reviewed by the planning commission before they go to the council or the village board for final approval. Second class cities and villages are currently allowed five, seven, nine, as Senator McKinney

mentioned. Yutan recently moved from a seven-member commission to a five member, which made sense for us and it currently functions really well. For a smaller city, maybe around 600, a three-member planning commission isn't outrageous, and I definitely think it makes sense as an option for villages. So basically in summary, Nebraska's smaller communities come before you today asking for options that make the practical administration of our cities and our villages easier to accomplish without overburdening the busy lives of its people. So thank you again for introducing the bill and thank you for your time.

CLOUSE: OK. Thank you, Mr. Costa. Any questions for Mr. Costa? OK. Thank you.

ROBERT COSTA: Thank you.

CLOUSE: Any more?

CHRISTY ABRAHAM: Senator Clouse and members of the Urban Affairs Committee, my name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities. I just want to start by thanking Senator McKinney for introducing this and also thinking Senator McKinnney could put me out of a job because he has said everything that I would like to say. But for the sake of getting paid by the League, I will repeat some of the things that he just said. As he said, this bill, both of these provisions and this bill came through the League Legislative Committee. So they were both unanimously supported by our League Board. The first one I want to talk about is allowing cities of the second class and villages to have three-member planning commissions. As he mentioned, this committee last year was instrumental in letting villages move down from five members to three members. And we are really hearing from our communities about a lot of what we're calling volunteer fatigue, that in the smaller communities, you know, the same people are sort of doing everything. So we're coming to you again saying, look, for planning commissions it would be really helpful for our smaller communities to have three-member planning commissions. As Mr. Costa said, planning commissions really do a lot of really important work. They are the first stop if there is any sort of change needed for the comp plan or capital improvements, building code, subdivision development, annexation, zoning, any of those proposals have to go before the planning commission first before they hit the city council or village board. So it's important that communities have a very vibrant and hopefully fully, fully completed planning commission. So allowing these smaller communities to have three-member planning

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

commissions are really going to be helpful. The second part of the bill, again, came from our friends at the city of Yutan about electing and nominating people, both by at large and by ward. I actually had to put a little chart together because it's, it's kind of complicated the way cities do this. So what the second class cities are asking for is the same that first class cities have. And that is you can elect everybody by district, you can elect everybody at large, or you can have a combination. And so that's what this bill is going to allow cities of the second class to do. Right now, they only have the option of electing by ward or at large. Interesting, villages only elect at large, I guess, because they're so small breaking them into wards may not be possible. So this is making first class and second class cities consistent. Lincoln also has that process, as you may know, of electing some by ward and some by district. So I'm happy to answer any questions. I know what you're thinking, yes, Senator McKinney covered all that, he did and did it so well, and we're so grateful to him and his staff, but we would ask you to advance this bill.

CLOUSE: OK. Thank you. Any questions? None. Thank you.

CHRISTY ABRAHAM: Thank you, Senators.

CLOUSE: Do we have any other proponents? OK, do we have many opponents? Seeing none, Senator McKinney.

McKINNEY: Well, they said everything I need to say in my closing. But thank, thank, thank you to both of them for coming to testify in support of LB798. And I'm hopeful that we can advance it further and see that it passes in this Legislature. So thank you.

CLOUSE: Thank you. And for the record, no online comments, either way, so thank you.

McKINNEY: Thanks.

CLOUSE: Is that yours, too?

McKINNEY: Yep.

CLOUSE: OK. OK, Senator McKinney will introduce LB800 and LB801.

McKINNEY: All right, thank you.

CLOUSE: Do I do those both together?

McKINNEY: Yes, combined. Good afternoon, members of the Urban Affairs Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11 in the Legislature. And I'm here to present both LB800 and LB801. LB800 updates the International Building Code, International Residential Code, and International Energy Conservation Code from 2018 editions to 2024 editions. All sections of this bill amend statutes to either, one, add references to the 2024 codes; or two, replace all references of 2018 to 2024. LB801 updates to International Building Code and Residential Code from 2018 edition to 2024 edition. This, as you'll note, is extremely similar to LB800, hence the joint hearing. LB800, however, does not update the energy efficiency chapters. LB800 has been introduced not only for policy reasons, but also to fulfill federal law requirements. These requirements ask each state to hold an annual hearing on the most recent IECC update, which is now the 2024 edition. I do believe that the policy here is firm. However, it is important that Nebraska standards are not allowed to be frozen for decades. If, if that were to happen, the need for an update would eventually result in a massive increase in costs rather than an incremental increase this bill would produce. For both LB800 and LB801, I look forward to hearing the pros and cons of why we should or should not move forward with this and update our building codes and our efficiency codes. I believe it'll be good for our state and good for affordable housing for us to find a solution, especially since at-- the previous hearing with Senator Quick, we talked about being in compliance and out of compliance or being behind so far. And, I mean, it's 2026 and we're just trying to move to 2024. So I would say we're, we're significantly behind. And I think if we continue to wait, that probably-- the costs that are probably going to be argued will be far worse if we continue to delay. And I think we should try to find some type of middle ground and find a solution to, you know, update the codes in the most effective way that is a win-win for everybody, especially the, the individuals of, of the state of Nebraska. So that's why I brought this bill. Thank you.

CLOUSE: OK. Thank you, Senator McKinney. Any questions for Senator McKinney? Senator Andersen.

ANDERSEN: Thank you, Vice Chairman. Thank you, Senator McKinney. I assume there's testifiers that are going to follow up on the details and all that stuff because there's a lot of details in this.

McKINNEY: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

ANDERSEN: OK. At the [INAUDIBLE] level that, I guess, I'd ask you, are you familiar with the, the AG's, the AG's letter from March 15, 2024, in which he appealed the 2024 International Energy Conservation Code?

McKINNEY: The AG?

ANDERSEN: The Attorney General.

McKINNEY: I think I might have seen it. I'm not-- I haven't read it enough to kind of give a good feedback to it, but I think I remember it.

ANDERSEN: OK.

McKINNEY: Yep.

ANDERSEN: I, I warn you, there's a lot of pages here. He's a lawyer, we know how they are, right? But it says: On behalf of the State of Nebraska-- I'll just read the first two lines-- State of Nebraska, I'd like to express serious concern about the International Code Council's 2024 International Energy Conservation Code and its potential impact in Nebraska. It goes on to list substantive concerns. So I, I guess my question, then, it's maybe unfair at this point, is what, what would-- how would you respond to the Attorney General's concerns?

McKINNEY: My--

ANDERSEN: It's not fair, don't worry about it because you haven't seen it.

McKINNEY: Yeah, yeah, no, yeah. I, I would say my response would be I would kind of be curious to see where that went, like, after he filed it because I'm not sure. Do you know?

ANDERSEN: Where what?

McKINNEY: Where his-- is it an Opinion? Did it go past an Opinion or a lawsuit?

ANDERSEN: Again, I'm not a lawyer, I'll leave it to Senator, Senator Sorrentino.

McKINNEY: Oh, OK.

ANDERSEN: [INAUDIBLE] talk to his--

McKINNEY: It's all right.

ANDERSEN: --concerns about adopting a 2024 code and what the potential impact would be on Nebraska.

McKINNEY: Yeah, no,--

ANDERSEN: I can give you a copy of it.

McKINNEY: --I guess, generically, kind of responded to it. I, I understand there are concerns with updating the codes and its impact on an already significant housing crisis that we have, an affordable housing crisis, that we have in the state. So that's not lost upon me. I think the balance that kind of was mentioned earlier is how do we balance trying to manage the cost of housing and not trying to do things in the Legislature to add more burden on home builders and potential homeowners, but also staying in compliance. So I don't know what the solution is. We have to introduce this every year as a committee just to stay in compliance federally. But I think the bigger conversation is where do we find a balance? And I don't know if we've even got to the point to, actually, getting to a table and actually figuring that out, I think it's just, we have this hearing every year and everybody says their piece and we just walk away.

ANDERSEN: Yeah, I think maybe this conversation with the AG about it. Just concluding paragraph, he says: Nebraska is concerned that the council is ignoring the importance of building costs, housing affordability, and the market realities affecting average consumers. The fact that the code caters to products that are out of reach for most consumers, including most Nebraskans, is a concerning signal that the council may be putting special interest above Nebraska consumers as its stated purpose. Standards should not reflect averages, not special interests, and not high-income earners. Minimum standards should be even more inclusive.

McKINNEY: Yeah, I--

ANDERSEN: I think the conversation with the AG about, specifically, his conclusion.

McKINNEY: I don't think I would disagree with, you know, especially changes at a federal level or, you know, a nationwide level that don't look at the, the cost as it pertains to people who might not be so well off. I think we have to consider that because that's why we're in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

this crisis. So I'm not in disagreement. I just think we've got to find some middle-- some solution.

ANDERSEN: Yeah, I think it goes back to the, the premise that what we should be stating are the minimum standards for the safety and security of people at large. And if there's people that are more well to do, then they can afford to put additional features within their house. And that's their prerogative. But it shouldn't be a, a mandate by the state, I think, is the premise.

McKINNEY: Yeah, but I think the longer we delay, the more those minimum standards might change. And I'm not an expert in this so maybe I'm wrong, but I-- I'm curious to know, maybe those who testify could kind of give us better insight of does the longer we delay change what the minimum standards are or not? I would be interested to know that.

ANDERSEN: Yeah, I, I, I think the definition of minimum standards has to be within the context of what is safety and security as opposed to what are nice to have in a house.

McKINNEY: Right.

ANDERSEN: Because my son at 23 years old is going to be married in September, he can't afford to buy a house because the costs have gone up exponentially. And that's something I think we need to pay very close attention to.

McKINNEY: Mm-hmm. Thank you.

CLOUSE: OK. Thank you. Any other questions? I have one for you, Senator Andersen, what was the, the date on that?

ANDERSEN: 2024.

CLOUSE: Oh, 2024. OK.

ANDERSEN: March 15.

CLOUSE: OK, thank you. OK, any other questions for Senator McKinney? OK. Thank you.

McKINNEY: Thanks.

CLOUSE: We will start with opponents. Any opponents? What did I say? Proponents. I'm sorry. Pro, pro, yeah, sorry.

RICHARD HAUFFE: Good afternoon, and thank you for your attention. My name is Richard Hauffe, R-i-c-h-a-r-d, Hauffe, H-a-u-f-f-e. I'm Senior Regional Manager for the International Code Council. My work area is the upper Midwest states, plus two Canadian provinces. But I, I do vaguely remember that letter, Senator Andersen, came out a couple years ago, and I think it also had some sign-off from some other attorneys general around the country, and I, I-- who is it sent to?

ANDERSEN: Dominic Sims.

RICHARD HAUFFE: OK, yeah, and he was the CEO of ICC. The International Code Council is a nonprofit made up of 64,000 members, largely people who work in municipal state government who are involved with the enforcement of the building codes. And we have what is called a governmental consensus process. Basically, we have 15 code books, OK, that's a lot of books. It's divided into two groups, Group A, Group B. We hold hearings that you can watch online. It's a very open process. Nobody's hiding anything. We have a two-step hearing process for each of the groups. Step one is usually in the spring, it's called committee comment hearing, and it involves all the different parts of the code that are split up into committees to do their hearings and then report forward where they are making amendments to the previous code. So it's-- and in those hearings, the-- I think a third of the seats on each committee are taken by people who are governmental employees. People who actually go out and work with the builders and the contractors and everybody to make sure that things are done correctly. The rest of the seats go to anybody else. I know that the Builders Association, NAHB, has got three seats on some very key committees. Everybody's input is welcome. It's-- and then they come to a vote as to what they're going to send forward to the next hearing which is held in the fall, which is called the public comment hearing. And what happens there, there-- again, meet in a large group. They-- you know, the amendments are brought forward. There's testimony taken pro and con. It is streamed so nobody could say they didn't know what was going on. And in the, in the fall hearing, that involves strictly those governmental employees. They're the ones who have the local input, they're the ones who understand the process and the problems and they're very articulate. If they got problems, they carry it forward. They do represent their hometowns. So each code basically starts at the beginning of the process, the '24s started in '21. Right now, we're finishing up the 2027s and it's the year 2026. And if you look at the 2024s, which is what you're considering, that process already dates the-- updates in products, building products, as well as techniques, safety issues, resiliency issues, you've noticed the

weather has been getting progressively more violent across the country. And so there's been a, a real effort to make sure that when we build a house that it reflects the needs of the quality and the safety of what, you know, people should be buying and that people's investments are protected. So what you're considering here is the new information that was available in '21, '20. And, like I said, we're already-- we're just finishing up the '27s. They're already starting to work on the 2030 codes right now. In fact, it's the energy code trying to gather input and trying to find a more inclusive way to conduct its hearings and its process. So I personally encourage you to go ahead with the passage of LB800 and LB801. I think Nebraska's been very well served by the building codes, Nebraskans, the people who buy these structures. I'll tell you that in the surrounding states, South Dakota is going to be soon considering legislation to update from '21 to '24. Now, they do-- they have a different process of how they-- how that state code works and as far as local jurisdictions. But here in Nebraska you've got, I think it's a 2-year grace period from date of signage that goes in effect to update the code, so nobody's going to be taken surprised by the '24 codes when they're actually being directly enforced. Iowa had been at the 2015 level. They just updated by their review committee. It's a different process in Iowa. But they just passed that September 10 and it goes into effect 6 months later. So, again, you've got that update grace period. I better hurry. Minnesota has been going through its technical advisory group process and is entering-- and they have a 6-year rule there, which means they update every 6 years. So they're, they're very close to the end of it. They will be printing out, I think, at the end of this year. North Dakota just updated and is now enforcing whether it's a 1-year grace period in North Dakota, but that was on January 1 this year. And Wyoming updated 2024s last year. They do their work through the State Fire Marshal's Office. And if you have any questions, I, I know you probably do.

CLOUSE: OK. Any questions? None, Bob?

ANDERSEN: Yes, thank you, Vice Chair.

CLOUSE: Excuse me, excuse me, Senator Andersen.

ANDERSEN: Mr. Hauffe?

RICHARD HAUFFE: Hauffe. Rhymes with coffee.

ANDERSEN: Thank you for being here.

RICHARD HAUFFE: Yeah.

ANDERSEN: OK, your title is the, the Senior Regional Manager for Code-- the Code Council.

RICHARD HAUFFE: The International Code Council, yes.

ANDERSEN: OK. When you guys do this study to come up with the code that you think needs to be updated, what is the primary principle? What is your guiding star? Because whenever you look-- you do an analysis on something, you always have to have a focus and say, well, I, I want to find the cheapest or I want to find the prettiest or I want to find whatever.

RICHARD HAUFFE: [INAUDIBLE]

ANDERSEN: So what, what is the guiding star the council uses when you make recommendations?

RICHARD HAUFFE: Yeah, our tend-- our codes tend to be performance based, not so much as prescriptive. So if you can get it done, that if this housing function functions the right way and you can do it for less, as long as it doesn't violate safety rules or anything like that,--

ANDERSEN: Sure.

RICHARD HAUFFE: --you can do that. That's one of the keys with our plumbing code. But I'm not going to start another plumbing discussion in Nebraska ever again. I retire this year. But the, the process is run every 3 years because it always has. It has since for the last 30 years, at least. ICC is a combination of three organizations. ICBO, I think, covered Nebraska. There is another group that covered, principally, the northeastern part of the United States, and there is a southern states code. Rather than have three sets of books all over the different states, they combined into one, which is why ICC was started and they printed their first edition in 2000. But you go back to the '70s, it was every 3 years. They just felt back then-- you know, there are changes that occur or, you know, issues that erupt. And most of the codes are based on disasters, by the way, going back to early 1900s. But they-- you know, they just felt that 3 years was, was the right time period. So I don't think technology is changing any slower than it did back in the '70s and '80s. And, you know, and other issues that come up so that's-- I think that's what your, your question was, Senator Andersen, why 3 years?

ANDERSEN: Yeah, kind of, and I'm a military guy, right, so typically what you get in the answer from the military role, we do it because that's the way we always did it. Recently, technology development has changed the lifecycle of doing things, right, computers advance faster than they ever have in the past. So I was hoping you were telling me that, that you guys put on these standards based on technological developments, and that when you get new technology, say OK, when we get X number of technologies, we're going to put out a new code because people need to understand this is probably, you know, may have been a way to do it.

RICHARD HAUFFE: Yeah, and, and we do it because that's the way we've always done it. But, I mean, there's been some-- and, and 3 years is, is kind of just, you know, it isn't that we just arbitrarily change codes. We look back, OK, now what needs to be changed? Where is-- you know, people make amendments, and it goes through a committee process. It starts, actually, with local and regional committees, and then goes to a national committee that gets together. But there is even thought of saying, well, let's just-- what if we had an organization that set up online codes, and everybody, you know, a lot of people are now using, you know, use their codes on their cell phones or look up information. But the--some thought has been given to, well, what if we just have a code and it's online and we change it when we think it's time to change something. And I don't think we're there. I, I just-- I know there's going to be a number of people coming up front here that probably would think that would be the worst idea, but--

ANDERSEN: Sure, I agree the continual evolution, continual change becomes exhausting, very difficult to keep up with. So I, I agree with, with that. I thought it was interesting the terminology you used when you said-- when I asked for your guiding star, and you said it's performance based. Interesting verbiage, because I would say, you know, driving, I live in Omaha, so driving Lincoln every day, you know, I sure would like to have a Maserati that can go 200 mile an hour and get here a lot quicker and get home at a decent time, but I can't afford it, right? And that's what I look at when you, when you say performance based and some of the recommendations in here are for performance, right, but if you can't afford to increase the cost of the house, then what does the performance matter? And I think a lot of it has to be kept in context of saying, you know, what's reasonable? If you look at Warren Buffett, he could build, probably, a house that has zero carbon footprint, right, because he can afford anything. He's a billionaire. I don't have that ability, and I think sometimes that's kind of the challenge that we face is looking at the advancements in

technology and recommendations from the council, but also looking at what the, the impact it has on affordable workforce housing, so.

RICHARD HAUFFE: Sure. You bet.

ANDERSEN: Thank you.

CLOUSE: Senator Sorrentino, welcome.

SORRENTINO: Well, thank you. Thank you, Vice Chair. Thank you for your testimony. I've now told you everything I know about electrical codes. Nothing. In my former life, when code changed, it was a good thing for me because of the IRS code and it was a money maker and that's what you do in business. But while I don't profess to know the cost of switching to 2018 to 2024, to earn my support, for whatever that's worth, I need to hear a cost benefit analysis that whatever the cost of changing is, and I don't know what that is, can be supported from a safety and an economic standpoint so that I know that the chief benefactor isn't the vendor, the manufacturer, the builder. All good businesses all deserve to make money, but I need to know that there's a higher use for this change, so it's all yours.

RICHARD HAUFFE: OK. I think what you want is things on sheets that say--

SORRENTINO: I like columns and numbers.

RICHARD HAUFFE: Yes.

SORRENTINO: Yeah.

RICHARD HAUFFE: I would think that the best thing for me to do is see what I can dig up and get that to you.

SORRENTINO: OK.

RICHARD HAUFFE: And I guess that you're interested in the IRC, the residential code, commercial building code, and the energy code.

SORRENTINO: Right. And just, you know, if it's a typical \$350,000 house, what's the cost differential and what safety did that new homeowner get? What economy did they get out of it long term short term?

RICHARD HAUFFE: Right. Resiliency goes into it, too.

SORRENTINO: Yeah, and if it, if it works, it works, and I support it.

RICHARD HAUFFE: OK.

SORRENTINO: If it doesn't, it doesn't.

CLOUSE: Thank you, Senator Sorrentino. I, I--

ANDERSEN: Oh, I'm sorry.

CLOUSE: Go ahead. I'll do my question next. When you look at this, it doesn't really-- it says replace the whole chapter or whatever. Is there a breakdown that kind of summarizes what that is or how do I find that? It says: International Code, IBC, Chapter 13 of the 2024 edition, and all but such chapter of the 2018 [INAUDIBLE].

RICHARD HAUFFE: Yeah.

CLOUSE: And how do you identify unless you go-- and I sit there and--

RICHARD HAUFFE: I think your legal counsel might have the answer to that question.

CLOUSE: Is there something?

RICHARD HAUFFE: You draft the legislation, don't you?

ELSA KNIGHT: With the bill.

RICHARD HAUFFE: Yep.

CLOUSE: Go ahead.

RICHARD HAUFFE: Trevor used to.

CLOUSE: Oh, OK.

RICHARD HAUFFE: OK, and yeah, that gets confusing. You can go online. I mean, it's, it's a lot of information and you can see what those chapters involve and maybe they're carving out our plumbing section because the, the state uses the UBC. I think in the previous one, which was 6 years ago, that was in, in the state code update.

CLOUSE: So to pass this, I have to go in and look at all that myself and figure it out, what's what and what, what isn't?

RICHARD HAUFFE: I don't know a shortcut.

CLOUSE: OK. Thank you. Senator Andersen, you had a question.

ANDERSEN: Thank you. Piggybacking off of what Senator Sorrentino said, you know, you look at the house in here and it talks about the furnaces, and if you have an electric furnace it would take 10 years to, to get your money back. For a gas furnace, which I know I have, every house I've had has had a gas furnace, it takes 38 years, 8 years longer than my 30-year mortgage would be just to get the money back on the investment. To me, I think our job as legislators are the safety and security of the general public and to allow them to choose what they want. When you look at the R value for the installation, previously 2018 was R-20, now it's up to R-30. When I built the current house, I put it in pink, I don't know what the R rating is for that, because I'm not a construction guy, but I paid extra money to do that because I wanted a nice house that was going to be warm in the winter and cold in the summertime. But I wouldn't-- I would never force somebody else to invest the extra \$10,000 or whatever it was that I spent on my house for them to spend on theirs, because many times it would just drive them out of the market altogether. And I think that's kind of where I get to the [INAUDIBLE]. I, I, I appreciate everybody that is really smart on building homes that can show me the efficiency, show me where the savings are, but I don't want you to mandate it for me. I want you give me a highlight and say, hey, here's where you could put a little extra cash in and you could be running it cleaner or you could have the lights that go off when you leave the room, right, but I, I don't want you tell me I have to do that and then charge me for it.

RICHARD HAUFFE: OK. So you're talking about the energy code, right?

ANDERSEN: Yeah.

RICHARD HAUFFE: OK.

ANDERSEN: We kind of got both together, right?

RICHARD HAUFFE: What's the publication that you're reading from there?

ANDERSEN: March 19, 2025.

RICHARD HAUFFE: I mean, whose, whose research is that?

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Urban Affairs Committee January 20, 2026
Rough Draft

ANDERSEN: Energy Impact Study of 2018 versus 2024, Vandemusser Design, LLC.

RICHARD HAUFFE: OK. I will find for you some information because I know Department of Energy every time there is an energy code that comes out they run it through the tests and they also, you know, provide the data that addresses the issue of payback. So, generally, I have not looked at the '24 payback period. But in the previous codes, it's been, generally, 5 to 7 years that you've got your money back because of savings on energy if the house is performing correctly.

ANDERSEN: Yeah, this gas furnace told me 38 years in this report. I'm no spring chicken, I'm not going to be around 38 years.

RICHARD HAUFFE: OK.

ANDERSEN: Thanks.

RICHARD HAUFFE: Thank you.

CLOUSE: Any other questions? Thank you.

RICHARD HAUFFE: All right.

CLOUSE: Any more proponents?

CHRIS BRESEE: Well, I'll try not to repeat myself or repeat the previous speaker too much, but good afternoon, members of the committee. My name is Chris Bresee. I am here on behalf of the National Electrical Manufacturers Association or NEMA.

CLOUSE: Spell your name.

CHRIS BRESEE: Oh, yep, absolutely. It's C-h-r-i-s, the easy part, and then B-r-e s-e-e.

CLOUSE: OK. Thank you.

CHRIS BRESEE: Awesome. NEMA or National Electrical Manufacturers Association, we strongly support adoption of the latest national model building codes. We urge the committee to support this legislation to protect Nebraskans and help mitigate energy bills. We strongly support consistent adoption of safety and energy codes. National model building codes provide the blueprint for constructing the places we live and work. They guide the minimum safety and performance standards

which allow occupants to live and operate in a safe and optimally performing environment. Model building codes also allow for the latest advancements in safety, efficiency, and resiliency in building. The codes are developed through an open stakeholder process, as you heard, regularly to reflect subject matter, expert perspectives, and incorporate advances in safety and technology in homes and buildings. They also drive innovation and improve quality of life. The national model building codes produced through an open and transparent stakeholder process and led by the ICC and the NFPA are revised every 3 years. This is to account for advances in technological innovations, building practices, and best practices in fire and life safety. Therefore, we do believe that timely adoption in accordance with the national model or revision schedule is vitally important. Energy efficiency, in particular, does reduce Nebraskans' energy bills. Modern energy codes include flexibility, as you also heard, for builders and many paths for compliance, reducing the cost of energy bills and maintenance. The difference in costs of energy-efficient construction do eventually outweigh the reduced cost to homeowners. It does vary by location based on the energy costs, as the senator did point out, but we do have some data on payback information as well that we're happy to share with the committee afterwards. We would also note that the modern energy codes also provide benefits beyond energy savings. There are-- homes built to updated codes improve passive survivability. This means they can stay-- homeowners can stay safely and comfortably in their homes during prolonged power outages. Adopting the updated energy codes could help residents during power outages from extreme weather events, something we've seen come in handy quite a number of times already. Energy demand, I would also note, in the United States will significantly increase and we're projecting a huge increase in the next few years of energy demand in the United States, so we don't see those energy costs necessarily as static numbers, but we see those energy costs potentially going up for homeowners. Energy efficiency is the lowest cost option for meeting this rising demand and ensuring energy security for the country, something that is a top priority for I think the entire country as well as Nebraska. And Nebraska can help to achieve energy security by investing in long-term energy stability through promoting energy efficiency. NEMA supports safe, efficient, and affordable home ownership. We strongly support this legislation because we believe it will significantly improve homeowner safety while also reducing operational costs. Additionally, this bill supports Nebraska manufacturers and employees and helps low-income households with those energy costs. Thank you all for your time today. Happy to talk about

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

any questions or comments you may have and address any topics that have already come up as well as needed. Thank you.

CLOUSE: OK. Thank you, and I do have a question for you.

CHRIS BRESEE: Absolutely.

CLOUSE: When you're doing your estimates on the commercial code and residential, which one has a bigger bang for the buck?

CHRIS BRESEE: That's a fair question. I don't know off the top of my head. I could get information for you on that, though. I know we have cited studies on that in the past.

CLOUSE: OK. Thank you. Any other questions? Senator Andersen.

ANDERSEN: Thank you, Vice Chair. And thank you for being here, and your handout, it has the address of Arlington, Virginia.

CHRIS BRESEE: Yep.

ANDERSEN: You live in Arlington?

CHRIS BRESEE: I, I personally am from Denver, Colorado, so just a state over, but our organization is based in Arlington. We are a national organization representing all of the electrical manufacturers across the country.

ANDERSEN: Nice. So you flew out to the great state of Nebraska for our hearing. That's interesting. Just looking at the, the website for the National Electrical Manufacturers Association, you represent all the people that would be manufacturing all the new innovative technologies, is that right?

CHRIS BRESEE: That is our membership largely, yes.

ANDERSEN: So you represent your clients to bring the new furnace online, the new electrical, the new GFCIs, all that kind of stuff?

CHRIS BRESEE: Generally speaking,--

ANDERSEN: So that's--

CHRIS BRESEE: --that would be our membership, yes. Yeah.

ANDERSEN: OK, so it's a financial thing for, for you and your association?

CHRIS BRESEE: For our association, not directly a financial thing, but our members certainly do manufacture this equipment. They also are more broadly involved in the code process as are many other organizations, as you heard, home builders, many different stakeholders. So we do participate in the technical aspects of it as well as the manufacturer representatives, our members do, as well as some members of NEMA.

ANDERSEN: OK, thank you.

CHRIS BRESEE: Yep.

CLOUSE: Any other questions? OK, seeing none, thank you.

CHRIS BRESEE: Absolutely. Thank you.

CLOUSE: Additional proponents?

JEFF McCASLIN: Good afternoon, my name is Jeff McCaslin, J-e-f-f M-c-C-a-s-l-i-n. I'm a mechanical engineer here in Nebraska. I live in Omaha. And I am here to testify in support of LB800. I serve as the Government Affairs Chair for the Nebraska Chapter of ASHRAE. ASHRAE is the American Society of Heating, Refrigeration, and Air Conditioning Engineers. We're a professional and technical society with more than 55,000 members worldwide and 415 here in the state of Nebraska. We're dedicated to energy efficiency, indoor air quality, resiliency, and sustainability in the built environment. In short, we're the engineers who design and build HVAC systems that make modern life possible. ASHRAE has an interest in energy codes because heating and cooling buildings, which is what a lot of our engineers work in, is the most energy-intensive aspect of building. ASHRAE writes building standards, which are referenced in the IECC energy code. The IECC explicitly says that the use of ASHRAE's commercial energy standards is a compliance pathway for commercial construction, meaning that designers can meet the code requirements by following ASHRAE standards. As engineers and scientists, we support updating the state's energy code, in short, because the math and science pencil out. When construction is done using a modern energy code, the cost savings on utility over time offset any increases in upfront compliance cost and simultaneously begin to put money back in the pockets of homeowners and business owners. Additionally, there are community-wide resilience benefits.

When extreme weather hits, buildings that are drawing less power help the grid stay online for everyone. If the power does go out during extreme weather, buildings constructed to modern energy standards keep their occupants safer for longer than buildings constructed to outdated codes. In terms of dollars and cents, to get a sense of cost increases versus ROI, I would direct your attention to the Department of Energy studies on energy code updates in Nebraska. I'm happy to share those studies with the committee, but the bottom line is that they show a short payback period followed by a lifetime of lower utility bills. LB800 will save Nebraskans money, improve building performance, and strengthen community resilience. We respectfully urge the committee to advance the bill. I was taking some notes during the previous testimonies, Senator Andersen, your pink insulation, depending on when you put it in, could have been anywhere from R-8 to R-60, depending on, on thickness. My guess is that since 20 is the minimum, you probably had 30 or 40 or somewhere in that range. Great job. Love, love to hear that.

CLOUSE: [INAUDIBLE]

JEFF McCASLIN: Absolutely.

ANDERSEN: [INAUDIBLE]

JEFF McCASLIN: Another thing quick to address, there was some discussion in a, in a previous session about energy codes being, or codes being a one size fits all, and that's not necessarily the case. Senator Andersen, you were absolutely correct when you say that Alaska has very different needs than we do, as does Miami, as does Arizona. One of the things that's updated with these codes is the, the climate classification map. So in these codes, there's prescribed zones, 1 through 8, which go hot to cold. Miami is 1, most of Alaska is 7, and a little bit at the very top is 8. And then we also prescribe them as, as A, B, or C, moist, dry, or marine. So the entire state of Nebraska falls into a 5A code. So that means that the, the, the standards in those codes are actually different for Nebraska as they would be for Florida or for Arizona or for Alaska or Hawaii simply because of that climate zone. So we do take action to make sure that we're not saying that the needs are the same for everyone. We understand the difference. The resources I passed out, I have a letter for you from Bill McQuade. He's our society president urging-- also urging you to support the passing of this legislation and also a document from the ICC, which addresses costs and affordability. It has a number of links to some good sources on there and specifically talks about ASHRAE's

role with our, our 90.1 standard, which is the energy-- part of the energy code that's adopted with IECC. As was previously said, Nebraska currently is using IECC 2018. We adopted that in 2020. We have a wealth of brilliant engineers in this state. I work with a lot of them. We have a number of engineering firms that do work across the country. And I know some of them have-- hold as badges of honor how many states they're certified in, you know, because the codes aren't always the same. But staying up to date with codes is a way to make sure that, that our engineering professionals do have the knowledge necessary to work on a, on a broad spectrum. So not only do we want to attract them here with good jobs, but good homes as well. I believe that's all my notes I made. So with that, I would be happy to answer any questions.

CLOUSE: OK. Any questions? None.

SORRENTINO: Just one.

ANDERSEN: Yeah, I got a question.

CLOUSE: OK. Senator Andersen.

ANDERSEN: Thank you, Vice Chair. As I've kind of stated before, I think our responsibility is to just lay down safety and, and security. Some of the things that it talks about in 2024, IBC will promote efficient energy utilization is building. Is that a safety issue?

JEFF McCASLIN: Safety as far as human occupancy, not necessarily. Safety as far as grid resiliency, I would say absolutely.

ANDERSEN: What about the building thermal envelope and maintaining that?

JEFF McCASLIN: So that ties into, as, as I and the previous speaker both said, keeping buildings safer longer during outages. You know, if it's negative 10 degrees outside and you lose power, how long are you safe and comfortable in your home? And, you know, the R value of your installation plays a huge factor in that,--

ANDERSEN: Sure.

JEFF McCASLIN: --as does testing for leakages, which I believe is part of this updated code, is finding those leaks. Because great installation is wonderful, but if you've got a quarter inch gap under a window, you're, you're blowing hot air outside.

ANDERSEN: [INAUDIBLE]

JEFF McCASLIN: And so that's-- that, that helps, helps families stay safer longer in, in emergencies.

ANDERSEN: So just continuing on a short list, HVAC selection installation, controls that dictate efficient operations, promoting efficient utilization of energy and building design, building envelopes. Are you talking about electrical elimination systems that promote effective use of the depletable energy resources? OK. So I, I would concede that I think that's admirable. I think that's something that, you know, we should keep in mind. But, again, when we talked before-- I mentioned before about the performance, you know, if I can't afford it what does it matter? And that's the thing is these, these are nice to have. And if I could afford a Maserati, I could afford all these things in my house. But I don't see them as, as safety or security issues for the general public.

JEFF McCASLIN: Sure.

ANDERSEN: Am I wrong?

JEFF McCASLIN: Obviously, that's, that's the tightrope to walk, you know, like you said, if we could specify that every home be built to-- with our 60 installation and what have you, of course, that would be-- those would be wonderful homes, but who would live in them if we couldn't-- if they couldn't afford them. That's-- that, that makes a lot of sense. However, I, I think that the, the freedom of the code dictates a lot of cases. It specifies an energy efficiency, not necessarily a technology. So when you're saying, you know, your furnace or your air conditioner or what have you, a lot of those things, it doesn't say you must use this type, but it will specify, hey, you know, if you're running something that's only 70% efficient, you're wasting all of our energy and your bills will be high. That affects you, but the higher draw on the, on the grid affects all of us. One other thing to note that happens with the updates of these codes is changes. You know, sometimes-- like you mentioned, sometimes there's new technology, and we say, hey, we built a better mousetrap, maybe this is great. Sometimes it's making sure that, that sunseting technology that's going to be obsolete isn't, isn't utilized. Case in point being with, with refrigerants. A lot of refrigerants are being-- not being made by manufacturers anymore and most quickly will be unavailable. So I would be pretty upset if I bought a new house and then a year later found out, hey, you know, you need to charge but you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

need a whole new system because we can't use that one anymore. So with that--

ANDERSEN: That's the builder's responsibility, right, is they're the ones that should advise you on that.

JEFF McCASLIN: I, I agree. I agree. And, and, honestly, it should be code writers and builders working hand in hand to make sure that we're, we're, we're looking towards the future and getting the best answers for, for our home builders and for our commercial buildings.

ANDERSEN: Thank you.

JEFF McCASLIN: Thank you.

CLOUSE: Senator Sorrentino.

SORRENTINO: Thank you. And thank you for your testimony. This is not a question about codes, more about your organization, ASHRAE. 55,000 numbers is impressive. I've gone on and just Googled it and trying to figure out who the membership is and you talk about efficiency and indoor resiliency, a lot of research [INAUDIBLE]. I don't see as members, builders, installation companies, the heating and air conditioning group down the street. Would they be members also?

JEFF McCASLIN: Yes, sir. Absolutely.

SORRENTINO: OK.

JEFF McCASLIN: So, so here in Nebraska, we have a, a tremendous chapter of ASHRAE, we're actually one of the top in the world with our 415 members and we have people who are design engineers working for the big firms. We have people who are contractors and doing the installation and project management of the stuff. We have people who are manufacturer representatives who work for the manufacturers of the equipment, all working hand in hand on these things. So, yes, there are absolutely contractors, engineers, reps, installers, all are represented within ASHRAE.

SORRENTINO: Thank you.

JEFF McCASLIN: Absolutely.

CLOUSE: OK. Any other questions? OK. Thank you.

JEFF McCASLIN: Thank you for your time.

CLOUSE: Any other proponents?

JON NEBEL: Good afternoon, my name is Jon Nebel, J-o-n N-e-b-e-l. I'm here on behalf of the Nebraska State Council of Electrical Workers. We're proponent on this legislation. This isn't more or less the life safety stuff we were talking about a couple hearings ago, but more on the preference and how can we build it better, right? Just want to address Senator Andersen's comments about it should be a choice and I'm not quite sure that, that home buyers know that there's a choice being made. And so when we talk about what we're adopting here, I wanted to get into the weeds a little bit and understand that when we adopt a code that says, hey, we're going to have a new type of light switch that turns or dims the lights when, when it gets bright enough outside, your choice now becomes, do I want to use the daylight or do I just want to shut the blinds and keep the lights where they're at or it's an occupancy sensor that's inside a storage area that you're not using all the time. So it's just going to be a light that comes on and goes off automatically. So it becomes more efficient. And to the point we're talking about with the efficiencies, I think the DOE did the study on it and it was a 6.8% efficiency that you would get on your energy savings so that would be your cost analysis of what you would save in a new type of home with these type of efficiencies. I really like the point about my house can stay warm or cool in the event of extreme weather and it doesn't get power for several days. That's happened and, and that would be a great benefit if we could have a house that maintained its temperature and regulated that. So the handout I provided was something that came out in 2024 from the Nebraska Legislative Research Office, I just snipped a couple of them to kind of highlight that what we're talking about here is, is not all that much money on the regulation side when, when we think about what's happened since 2018 because we're living in a, in a world where we're still building these houses to the 2018 specs. So none of the cost increases that we've seen in that report from 2024 would show what the costs were to adopt the new stuff here. So we've had a 70% increase in homes' purchase price since 2018 and that's, that's to go to the point that it's kind of already built in the cake that we've put affordability out of the, out of the market for most people. So I know there's going to be people that come up here and say, hey, every \$500 that you increase a home's cost is bumping people out of the market, but yet we haven't done anything in these regulations and 70% increase and none of these folks are worried about it. Part of the handout also shows their own study from 2025 of the National

Association of Home Builders report that you can see this is a, this is a country-wide study. The increase on cost was probably pretty much a nonfactor other than in the total construction costs went up a little bit under 10%. And then of course the profits of these, of these homes went up a percent as well. So not only do we increase the housing cost by 70% in Nebraska alone, but the profits went up little bit as well, so they're going to claim poverty and that they can't build you a home for this much money, but they're really-- in effect on the second page you'll see what they're doing is not building as many homes as we need and they haven't been for over a decade. We had a population increase in 2010, drastic population increase in 2010 and, and kind of ebbs and flows throughout there, but we're still 100 or-- 180,000 more homeowners want to be homeowners in, in Nebraska and only 82,000 housing units were built. So what's happening here is these folks aren't finding a way to build more homes but they definitely make the profit on it and they're, they're going to cry foul and say don't make me sell you a better home at less profit. So I just wanted to kind of address that before we get up as a proponent, and happy to answer any questions you have about efficiencies or why we're--

CLOUSE: OK. Any questions? Senator Andersen.

ANDERSEN: I do. Thank you, Vice Chairman. Thank you for being here. Thanks for your testimony. One of the comments you made was about the dimming lights, right, in leaving the room or as the sun comes up the lights dim saving energy, right?

JON NEBEL: Yes.

ANDERSEN: And that's really a better choice. And I think you made the comment of choice, and what I submit to you is that if we pass LB800 and LB801, then we've removed the choice because we've put in place a mandate of what you have to do. And you don't have a choice of a dimming switch, you have to have the dimming switch in. You have to have the R-30. We've mandated things, which is remove the choice from the people and that's my primary concern. Again, if it's about fire safety or safety at large, hey, you have me at hello. But when it comes down to removing choice over the builders and the people, it's a tough sell for me.

JON NEBEL: Yeah, I think, I think, it's, it's that these choices that are people that don't know that they're, they're making these choices. These are kind of behind the scenes code updates. Like I'll give the

example of the EV charger. A builder might say, hey, we could put in an EV charging in the garage. That's your choice. We can add that to the cost. But what they're not saying is if you say no to that, they're also going to go back to their subcontractor and say I want the cheapest electrical install possible. And that contractor is going to cut the cost by removing the expandability of the panel. So later on, you're going to have an increased cost because if you want that EV charging port later, you're also going to have to upgrade your panel. So they don't necessarily know that they're making all these choices and these are kind of just efficiencies built in that it's already have to put in a switch. So if I just put in the smart switch that knows that it is bright enough in the room, it's, it's really a choice that I'm-- that I need to make sure that all the builders are carrying on as they have homes developed, or is it something that we just understand that we can just build a better product?

ANDERSEN: Well, I think, I think the choice lies with the people. And I'm currently in the third house. My wife and I bought the first one and built the, the second two. And I'll tell you what, I've gotten smarter with every house I've built, but they were my choice. And that's what my contention is, is that we shouldn't remove the choice of the people, we should allow the people to make the choice they want and only mandate things that are based on the safety and security.

JON NEBEL: OK.

CLOUSE: OK. Any other questions? OK. Thank you.

JON NEBEL: Thank you.

CLOUSE: Do we have any more proponents? OK, how about opponents?

NICK DOLPHENS: Good afternoon, Vice Chair Clouse and members of the committee. My name is Nick Dolphens, N-i-c-k D-o-l-p-h-e-n-s. I represent welcome home eastern Nebraska development council, the Metro Omaha Builders Association. I'm sending a handout around. We all know the problems with affordable housing, but it's nice to have some data in front of you. It shows a dramatic increase in code costs and regulations since 2011. I think we're seeing in this committee hearing, there's a lot of special interests involved in this. So code councils have been influenced by national lobbies, labor unions, gas utilities, commercial, product manufacturers, and large organized entities. Some of this is fear-based that gets this stuff passed. I appreciate Justin Brady bringing up some facts. There, there is a

little fear of the unknown with federal regulations and compliance. Even Senator McKinney brought up we're being pushed federally, so. There's also an attached paper from the Cato Institute on the, the necessity of reform. I really do feel like there's a broken system involved here and they're starting to bring light to that on a national level, which I really appreciate. It's not a problem we're seeing in other first-world countries. This is a paper I chose because I think it's pretty tactful in the concern. You know, you could look and find 10 other papers, but I didn't want it to be sensationalized. So these problems come at a huge cost. I was up here 2 years ago, gave this committee my blueprints and list of costs, a house that was popular back then, we sold for \$299,000, 7 years later it is well into the 400s. We have brought up twice the \$1,000 increase, keeps so many people out of the market. And I just wanted to remind people it affects the Habitat for Humanity homes, other nonprofits, workforce housing that I feel really passionate about. We're trying to build in Fremont and Papillion currently. Page 2 of the handout goes over specific costs of the energy code. Again, for the second time in a row, the payback is completely illogical. The payback in 10.5 to 38 years, Senator Andersen brought up. That will never pay itself back, because anybody who's had to replace a furnace knows it, it restarts, right? So, like, you're, you're not going to ever catch up with the equipment you have to install. I do hope you have time to read that Cato paper. It's, it's good. And it does talk about politicians are in a tight spot, right? Most of you are not engineers or architects or chief building inspectors for your town. You're, you're sitting with a fire hose of bills coming your way in a short session. We all know safety is important. You have pressure from outside supporters and compliance issues all of us don't really know the whole picture of. It's interesting, some of these papers talk about the International Code Council. It was interesting to learn just a few minutes ago, there's 15 code books. So the one I brought up earlier has 1,000 pages in it. There's 15 of these code books, they're now working on the 2030 codes. And they sell books. That's how they make money. They sell books, so. I've had a friend, a professional friend, who is on that council for one session. It's not a system designed to say I think we're good. I think we're safe. I think our homes are good. It is just designed to keep getting bigger and bigger and bigger and we're seeing that. We're seeing the repercussions of that, so. I thought it was interesting also, the head of that makes about \$1 million a year for their nonprofit, so. Page 3 have examples that you've asked for, what other states are doing. The summary, since I don't have too much time here, they're beginning to question how much regulation is appropriate

for their state. There's going to be a bill presented by Senator Kathleen Kauth, LB1134, that goes over that with what's appropriate for our state. Some of them are even dialing back these regulations. They're asking people to justify any new cost instead of making the opponents justify it. And I think the way they're getting around a lot of these regulations is they're passing regulations as voluntary standards, as Senator Andersen has brought up countless times today. Making public aware of their options does sound very important, but those should be options. So that's what I would be advocating for. I'd discourage that these bills be passed.

CLOUSE: Your red, red light is on.

NICK DOLPHENS: OK, thanks.

CLOUSE: Any questions from anybody? Nope? Got this, thank you.

NICK DOLPHENS: Yep, good.

WAYNE MORTENSEN: Good afternoon, committee members. My name is Wayne Mortensen, W-a-y-n-e M-o-r-t-e-n-s-e-n. I'm a licensed architect in Nebraska and Ohio and the Vice President of Development for Excel Development Group. Like Fred, we at Excel are exclusively affordable housing developers and I'm hopeful that my testimony today can make some of this real for what it means for us. Excel has been around for almost 40 years. What initially began in Nebraska with assisted living facilities, has since become all types of affordable and workforce housing. And our practice has expanded to Nebraska, Kansas, and Oklahoma. So we're very conversant in working in all three states. I will tell you that Kansas and Oklahoma is working off the 2006 energy code. We are considering the 2024 energy code here today. Over those 40 years, we are proud to have made an impact in Nebraska. We've developed 41 communities, which comprises 1,043 affordable homes in 18 different counties across the state. We are in all but Senator Andersen's district. We have communities in all, but Senator-- and we can work on that, Senator Andersen, in the next few years. These homes host seniors and families across the economic spectrum from those making as little as 30% of the median income to market rate residents. So I'm not here to testify against the intentions of the bill, which I think are, are true and just and obviously and in some ways pro forma, but I'm here to talk about the potential consequences of adopting the legislation as written. As we did construction estimating for a 42nd community this winter, a community in Beatrice, we evaluated the consequences of this firsthand because in our capital stack for that

project we have tax credits, home funds, and rural workforce housing funds because the project is 62 units, 31 multifamily units that are income restricted for seniors, and additional 32 units of for sale workforce housing. That is what we believe is a sustainable community in small-town Nebraska is mixed income, mixed ownership model communities with really sound amenities. Because of the home funds in that project, I can talk to you from the future because the home funds have a federal requirement that we follow 2021 IECC. So not 2024, which we're talking about today, but, but the last version of 2021. And our findings there comply-- comport almost exactly with Dr. Amy Musser's study, which is attached to my legis-- or attached to my testimony here. Of particular relevance is page 26 for Senator Sorrentino that gives you your numbers and your columns and your paybacks. The codes that are in the 2021 version require an R-25 exterior wall assembly. We're now talking about an R-30. But relative to the R-25, we would have to build our 3-story, multifamily building with either 2 by 8 exterior walls or our more typical 2 by 6 exterior wall with 2 inches of rigid foam insulation throughout the exterior of the building. As just one comparison, a sheet of 2 by-- or a sheet of 4 foot by 8 foot insulated panel, I'm talking about zip sheets, R-9, is \$95 through vendors. A typical sheet of sheathing, that that succeeded, is \$8. So already on sheathing alone, we have a 1,200% price increase to go from 2018, which the state is using to the 2021 code, which is enforced on us through home funds. That alone, when you factor in longer nails, more expensive stone veneer anchors, and a host of other considerations, brings us to a delta for just the sheathing of more than \$100,000 for that one project. And that's well over a 160-year payback for this project. When we talk about new ceiling insulation, there's a 99-year pay back on that roof. And we talk about glazing requirements, there's actually a negative payback for the new requirements. They cost more to maintain and operate than they save the owners, renters, and, and builders. So the-- just kind of cut to the chase, instead of savings for renters, the new codes effectively increase project cost and decrease the number of units the state can assist with. On our project in Beatrice, that's \$80,000 basically of tax credits removed from the pool that could have been spent on another project in a community across Nebraska. As for our for sale workforce duplexes, we are not under that same requirement, but if we were, our builders would estimate an additional 10-15% in costs, making a \$260,000 home affordable to a Gage County family making 127% of AMI at almost \$300,000, and now we've gone all the way up to 146% of AMI for a Gage County family. So rather than adopt these codes whole cloth, we would recommend that the committee review the

enclosed study and adopt specific codes that require only those elements that are practical, cost neutral, and have a fast payback period that would include whole-house ventilation, high-efficiency lighting, insulated electrical outlet boxes, dimmer switches, and reduced AC or furniture load or furnace load, excuse me, when it's possible, but certainly should be optional. We don't believe that either the exterior envelope or the other features have any payoff whatsoever for our communities or families.

CLOUSE: OK. Thank you. Any questions? Senator Andersen.

ANDERSEN: Yeah, I'll be brief. Thank you, Vice Chairman. Thanks for being here.

WAYNE MORTENSEN: Yeah.

ANDERSEN: In your letter and in the accompanying report, there's a lot of different areas to talk about, the payback and the additional costs and all that stuff. Can you highlight which ones of these are actually safety related?

WAYNE MORTENSEN: Since we don't believe that the duration by which a-- one of our communities would be without power is a, a pressing life safety issue because it's never been more than a couple hours and our, our buildings have community centers that can be centrally warmed and people can retreat to. I don't think any of these are safety issues.

ANDERSEN: Thank you.

CLOUSE: OK. Thank you. Senator Sorrentino.

SORRENTINO: Thank you for your testimony. If you-- you are an architect, correct?

WAYNE MORTENSEN: Yes.

SORRENTINO: If you were designing a home and it was-- the budget for that was \$400,000 and you had a standard deviation either way of, you know, 5%, so you could come down theoretically to 380 or up to 420 and you have the choice of adopting the 2016 versus the '24 safety as a concern-- the economy's concern, what would you adopt?

WAYNE MORTENSEN: So going off of the 2018 code, I would most likely assemble a chart for the clients that I was working with that would say here's your budget with these options, here's your budget with

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Urban Affairs Committee January 20, 2026
Rough Draft

these options, and here's-- and I would allow them to make those choices as we went through the design process.

SORRENTINO: If you had to make a recommendation, what would you recommendation?

WAYNE MORTENSEN: I would, I would recommend a house with a flannel blanket instead of a wool one. I would recommend LED lighting because it's versatile and basically cost neutral. And I would try to get as efficient a furnace and air conditioner or a split system that we could find the heat pump, etcetera. That would create a very quality home that would be sustainable for 30, 40 years without major maintenance or, or reinvestment.

SORRENTINO: And that would be a home meeting the 2018 standards versus '24?

WAYNE MORTENSEN: Yeah, it would, it would be premised in the '18, but some of those are options that go beyond the '18.

SORRENTINO: Thank you.

WAYNE MORTENSEN: Yep.

CLOUSE: Senator Quick.

QUICK: Thank you, Chairman or Vice Chairman. My only question would be like-- I know you said maybe a home would be without power for only maybe 2 hours, but in rural Nebraska, do you think it's different? Would your opinion be different?

WAYNE MORTENSEN: No, no, no. The, the R-20 insulation that we currently build with across the state is sufficient to keep a home-- I mean, unless they've got severe leakage issues or they're-- like their windows to be open all the time, it's sufficient to keep a, a home warm for 3 to 4 hours.

QUICK: My, my only concern was-- and I know this happened several years ago when I was a kid, that's been a long time ago, but we were without power for a whole week.

WAYNE MORTENSEN: Yeah, oh, no, and this--

QUICK: All the transmission lines went down, the ice storm, and so-- I mean, it was tough. I mean, we couldn't even water our cattle.

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Urban Affairs Committee January 20, 2026
Rough Draft

WAYNE MORTENSEN: Oh, sure. And, and in terms of the 2024 code and the R-30, that wouldn't last for more than 6 to 8 hours. So you still would have to find a community warming center or, or the help of neighbors, get your propane heaters out, whatever it is to, to stay, stay viable.

QUICK: Yeah, yeah, and that was my only question.

WAYNE MORTENSEN: Yeah, for sure.

QUICK: And there are some situations where we could be without power more than just 2 hours, so.

WAYNE MORTENSEN: Yeah, for sure.

CLOUSE: OK, thank you. Any other questions? Thank you.

WAYNE MORTENSEN: Thank you, guys.

CLOUSE: Any more opponents? We got a couple.

LYNNE FISHER: I'll be quick. Thank you, Senator Clouse and members of the Urban Affairs Committee. My name is Lynne Fisher, L-y-n-n-e F-i-s-h-e-r. Again, here on behalf of the Nebraska Realtors Association, representing more than 5,300 realtors across the state, we're in opposition of LB800 and LB801. I'll jump off my, my written testimony here for a minute, because I think everybody that's been before me and coming after me is going to cover all the salient issues here. I just want to get-- bring this down to a personal level, for me as a realtor, I have clients that are looking to buy a home if they can if they can afford it. And I would much rather have them have the choice of buying a basic home that they can try to afford now and upgrade later when they have a higher income and they can afford to make the changes that would make their house more efficient or more convenient in other ways, so just trying to bring it down to that simple level. And I also want to mention that the, the, the last proponent was talking something about the houses have increased in, in cost by 70% and that somebody doesn't care that that's the case because these, these things are only going to add a smaller amount of, of cost to houses. And I got to tell you, our realtor members are very frustrated with the fact that houses have increased so, so much in the last several decades to the point where a lot of them are not able to make a living because they can't find homes to, to sell at a reasonable, affordable price for their clients. And so our membership is declining slightly for that reason, but it's frustrating for

everybody to have houses so darn expensive. And that's just, that's just the bottom line. So anything that adds to that problem, is just not worthwhile. I'm happy to answer any questions.

CLOUSE: Any questions? Thank you.

LYNNE FISHER: Thank you.

CLOUSE: Next proponent [SIC].

DAN LOECK: Good afternoon. My name is Dan Loeck, D-a-n L-o-e-c-k. I'm here today to testify on behalf of the Home Builders Association of Lincoln and the Habitat for Humanity Lincoln branch, which I'm a board member. We're opposed to LB800 and LB801. I've been a building contractor in Lincoln for 43 years. In the last 6 to 7 years, we've lived through unprecedented housing inflation with the cost of new construction housing nearly doubling. The proposed code changes in LB800 and LB801 will significantly increase the cost of new construction and make affordability and attainability even more difficult than it is now. On the surface, these two bills sound positive, add more insulation to the dwelling and save money on the monthly utility bills. When in reality, the initial cost to meet the proposed requirements is astronomical when compared to the actual savings. I've passed out two different studies. One, I think, you already gotten from some other people and then also a study from the National Association of Home Builders, that shows on a typical new construction house, the initial cost to comply with the, the new regulations would be anywhere from \$6,000 to \$10,000. But that would only save approximately \$180 a year in utility costs, \$15 a month for a \$10,000 upfront investment. It'll take the owner upwards of 37 years to recoup that investment, 37 years. Many of them won't even live that long. It's a terrible investment by anyone's metrics and how expensive do we want housing to become? The energy codes in these two bills have nothing to do with life safety. I don't even know who decides what life safety is. But the bills are purely economic. And the studies submitted to you clearly show that they are horrible economic investments, further limiting and restricting home ownership. Recently, a builder from Kansas City testified before Congress that when the new code took effect in his area in October of 2023, home building in Kansas City nearly stopped. For over 3 months, the city didn't issue one single building-- single-family building permit. Before the code changed, the average was 66 permits per month. The number of active builders in the city dropped from 98 in 2023 to just 22 builders in 2024, 78% decline. I shudder to think how many other

businesses have shut down, how many people are now unemployed, and how much tax revenue the city and the state are not receiving. If that's the result we're looking for in Nebraska, excuse me, is that the result we are looking for the state of Nebraska? Because like Kansas City, it stands to reason if Nebraska adopts this code, it will have the same detrimental effect here. Everyone screams about affordable housing and what can we do about it? Stop increasing the cost of housing by requiring senseless code changes that benefit no one. It's never been this difficult for a median income family to afford a median price new house. In fact, they can't. So we need to stop making the problem worse. Any questions?

CLOUSE: Any questions? Don't see any.

DAN LOECK: Thank you.

FRED HOPPE: Senator Clouse-- Vice Chairman and member of the committee. Again, my name's Fred Hoppe, F-r-e-d H-o-p-p-e. I'm a principle of Hoppe Development. We build affordable housing and workforce housing from Lexington to, well, we're trying to get out of Lex now, and to the metro area, Omaha, Sioux City. We oppose this legislation. We want the option to decide what we put in our houses. Our clientele would much rather pay an extra buck a month or 2 bucks a month or 3 bucks a month for energy, for electricity, or gas, than have to reach a higher burden of an additional \$10,000 or \$15,000 at the start of, of buying a house. And the, the economics are the higher the price, the higher it is to qualify for a loan for the house. So adding price at the front end makes a very significant difference to the ability to get into a house at all. And I, I want to say that our companies are not opposed to energy savings and trying to figure out ways to make things more efficient. We have a project here in Lincoln I call, 23andMe, but the point of it is, it is a neutral energy building. It's got nine residential units and it's got six, six commercial stalls on the first floor. But the cost of building that building was about half again higher than it should have been to get it energy neutral. And the, the-- it, it does not justify the cost. We had to make it work, we had to go out and get grants to fill the gap between what it should cost and what it did cost. My, my point is we'd like the choice to know what we're putting in housing. And the majority of our clientele would much rather have a, a 80% efficient house, 90% efficient house than a perfect one, because they want a house. And it, it-- it's just getting to the point where we can't add that extra 8,000 or 10,000 bucks in our, in our niche, so. I'd answer any questions [INAUDIBLE].

CLOUSE: Thank you.

FRED HOPPE: The, the data you've got elsewhere.

CLOUSE: Senator Sorrentino.

SORRENTINO: Thank you, Chair-- Vice Chair. When you have-- when you build a house, is there typically a discussion with your homeowner about this? Hey, we've got a choice 89 or 100 or you build the home and they move into it?

FRED HOPPE: Well, I'm a spec builder, so--

SORRENTINO: OK.

FRED HOPPE: --I don't, I don't really deal with customers until after the house is built.

SORRENTINO: So it's typically not [INAUDIBLE].

FRED HOPPE: And the majority of what we do, honestly, is rental and for rent. So we'd have a-- we build not as many single-family detached as we do duplexes, row homes, and, and apartments. And those are all-- we don't deal with the customer-- we don't ask a customer whether they want us to upgrade their--

SORRENTINO: Thank you.

FRED HOPPE: It's not our niche.

SORRENTINO: OK.

CLOUSE: OK. Senator Andersen.

ANDERSEN: Yeah, thank you, Vice Chair. And, sir, thank you for being here and staying here. I, I don't think it's just your client base that are looking for affordable housing. I think it's all. And in all of the, you know, from the [INAUDIBLE] builders or buyers to the more affluent, I think everybody's having the same challenge to try to find something that-- find a decent house for a decent price. I don't want to ask you to look in a crystal ball, but I'll ask you a question anyways. If what is coming in 2024, if this is implemented, if we mandate these, these revisions, is that going to force you out of the business of being affordable workforce housing and force you to either, one, go out of business or go to a different tier of homes?

FRED HOPPE: Well, what it would force us to do is figure out a way to fill the gap between what our clientele can, can pay for, can amortize, and what it costs to construct. I mean, we have a terrible problem with that right now.

ANDERSEN: But the lower-- at the, at the lower income levels, those people are going to drop off because they can't compete. They can't borrow enough money, reasonably borrow enough to be able to buy the house [INAUDIBLE].

FRED HOPPE: 10,000 bucks is-- if, if you want to quantify it, 10,000 bucks is about 3 percentile of, of median income, somewhere in there.

ANDERSEN: Yeah.

FRED HOPPE: OK, so if you add 10,000 bucks to a house, then instead of the, the-- median income Lancaster County can afford a \$275,000 house. So you add 10,000 bucks to that, then all of a sudden median income, you know-- I mean, first of all, we have a hell of a time building for 275.

ANDERSEN: Right.

FRED HOPPE: And especially if it's on a lot. So, you know, you're looking at the, the-- what it costs to get a new construction at the low end. It's really-- on a lot it's three hundred and a quarter.

ANDERSEN: So, then, basically, with you-- if you have, if you have this, this tier of clients, if we force you to do these mandates, the bottom ones are going to drop off because they can't afford it and the top is going to shrink. Is that a fair assessment?

FRED HOPPE: It's going to force us to go try and find programs--

ANDERSEN: Yeah.

FRED HOPPE: --or something.

ANDERSEN: It'll exacerbate the problems we already have.

FRED HOPPE: Yeah.

ANDERSEN: Thank you.

FRED HOPPE: No question. And the, the last thing I want to-- point I want to make is--

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Urban Affairs Committee January 20, 2026
Rough Draft

ANDERSEN: Please.

FRED HOPPE: --it's not life safety. We're talking about nobody's going to get hurt if they have a, a 90% thermal furnace rather--

ANDERSEN: [INAUDIBLE] insulation.

FRED HOPPE: --than 100.

ANDERSEN: Right. I agree with you.

FRED HOPPE: And blower test doesn't have a thing to do with life safety.

ANDERSEN: Thank you.

FRED HOPPE: Yep.

CLOUSE: OK. Thank you.

FRED HOPPE: Any questions?

CLOUSE: Any other questions? Nope. Thank you.

FRED HOPPE: Yep.

CLOUSE: Any more opponents? A couple more.

HUNTER TRAYNOR: Vice Chair Clouse, members of the Urban Affairs Committee, good afternoon. My name is Hunter Traynor. That is spelled H-u-n-t-e-r T-r-a-y-n-o-r. I'm here today on behalf of the Nebraska Chamber of Commerce and Industry as well as the Greater Omaha Chamber and the Lincoln Chamber of Commerce. I'll try to be brief and not repeat some of the opposition testimony that came before me. As lawmakers, there are, of course, difficult balancing acts that you all have to weigh, both with cost and benefit tradeoffs on specific issues against a backdrop of external factors. And I'd like to talk today about some of those external factors. I think you've heard a lot about the perceived safety that this code adoption would lead to weighed against the cost. But on the topic of external factors, when we hear from business owners and community leaders around the state and functionally every community right now, workforce and the role that housing plays as a bottleneck on workforce is tremendous. And so when we look at this issue and the imposition of additional state mandates that may drive up the cost of housing, particularly in rural

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 20, 2026
Rough Draft

communities where we know median family incomes, there is a gap between what those median incomes can safely afford compared to the entry level price point for new home construction. And so we certainly have a grave concern about adding additional state requirements that are going to add, in some instances, thousands of dollars of cost in a supply-constrained environment for housing, coupled with tremendous affordability concerns. We hear great news all the time from communities around the state that have just landed a new project in their community, they've got a business that's going to be undertaking a large expansion effort, so they maybe have recruited a new facility that is going to change the nature of the employment base in that community. And after that announcement comes, folks start looking around and going, oh no, we have some homes to build. And it is a fear for certainly the next decade in the state that any attempts at the state level, and this is certainly a local challenge as well and this committee will hear issues before it on that subject matter, that we pay special mind to how we can add supply to our housing markets and do so in the most cost-effective way possible as we attempt at the same time to grow statewide wages to close that affordability gap. So I respectfully urge you to hold this bill in committee. I think at this time and in these economic conditions, this has a lot more harm than good, particularly in light of some of the testimony this committee has heard today about some of the safety benefits this bill may or may not provide. So with that, I would be willing to answer any questions.

CLOUSE: OK. Any questions?

HUNTER TRAYNOR: Thank you, all.

CLOUSE: Next opponent.

GREG GEIS: Hello again, my name's Greg Geis, it's G-r-e-g G-e-i-s, and I represent Nebraska State Home Builders Association and I hate being last on all this because most everything that they've gone through is what I have, but just a few things I'd like to talk. It was just more like commonsense things. You know, co-councils, their job is to look at things-- to build things better, the innovation is there, but they don't look at what the cost to those things are. That needs to be the homeowner's decision. You know, you talked to Fred about, Mr. Hoppe about, does he talk to his homeowner about what, what that-- they want in their home? He does spec homes, a lot of other people do custom homes, and that, that is a, a conversation that they have. It's a long conversation with what they want for efficiencies in their walls and,

and that kind of thing for heating and air equipment. I mean, for what the cost that gentleman talked about from going from, like what, an R-25 wall to an R-30 wall, is, is that worth it? Are we saving any more money for the customer? There was another comment about, you know, we need to worry about our power grid. We have some people that are using the power grid way more than we are and it's that, that crypto currency mining. That's, that's the thing that's really taking a hold of our power grid, not, not homeownership. You talk about the HVAC system in a home. I'm very familiar with that. One of the businesses I have is an HVAC contractor. We're in climate Region 5 in Nebraska. So like for a heat pump, we have to design on 14 SEER, which is Seasonal Energy Efficiency Ratio. You step up from that to, like, a 15 or 16 SEER, that's \$2,500 more. So the payback on it takes a long time to pay it back. The national average of a heat pump system in our area is right at 20 years. But the, but the bigger problem with that is-- I'm, I'm a heating and air contractor so I, I should be pushing the highest SEER, the 20 SEER, but I don't because I don't believe in it. Is it going to save you more on your electricity? It will. But as soon as that thing breaks down, the cost to repair it, everything you've saved you give back. Before-- now everybody, the manufacturers all have to use ECM motors because of the efficiency ratio. They, they start slower, they don't draw as much power. So before, 10 years ago, we could put in what's called a PSC motor, about a \$200 replacement. With these ECM motors, it's a \$1,200 replacement. So it's just a huge difference. So we see a lot of like in 2008 when we had the housing crash. I'm from Grand Island. I could see that coming. Because a lot of the homeowners, they're house poor. They get in there, they can barely afford that home. One thing happens, they're done. So that's-- we don't want to see that happen. Because at the end of the day, right now we have a housing crisis. We had a person come up and, and I felt like he was trying-- kind of blaming the builders for not building enough. We would build more houses if people could afford them. That's, that's-- it's not the builders. And the builders are not making more money. I, I don't know any builders that are rich people, you know, they're-- we're blue-collar folks that-- so I don't, I don't believe that. If, if they could qualify for a home through the bank, we would build it for them. But that-- that's, that's the issue. So right now is not the time in, in our opinion to pass this. Let's get to our housing where we need it to be and then maybe we could look at this if the homeowner wants it, if the public believes it's a thing that we need to do, so.

CLOUSE: OK. Thank you. Any, any questions? I have one. Of the utility incentives, does that really play into too much like when you talked about the SEER rating for your HVAC, you know, they'll give you so much per SEER. Does that have any play in it?

GREG GEIS: It does a little bit. We're kind of on the edge now, the federal government, with the-- that's one of the things that we didn't like about, about the "big beautiful bill" is they dropped a lot of the energy efficiency tax credits. For geothermal, wind, solar, insulation, all that ended December 31. I'm not sure how that's going to affect OPPD and NPPD if they're going to continue with their, their rebate system or not, so. That's what-- we're soon to see that, I guess, but.

CLOUSE: OK. Thank you. Any other questions? Thank you.

GREG GEIS: Thank you very much.

CLOUSE: More opponents?

MATT KINNING: Hi there, committee. Matt Kinning, M-a-t-t K-i-n-n-i-n-g. I'm a home builder here in Lincoln, Nebraska. Just got a couple bullet points off of what I've heard, that, that-- what we've discussed here today. I'll try to be quick. First thing, yes, as a custom home builder, we do sit down and offer those options, have those discussions, learn what means most to the-- to a, a particular homeowner. Everyone has a budget. We got to give them the best house that we possibly can to, to fit in that budget and meet their, meet their wants and needs. Going on to you know, the, the profits and we've jacked the prices up and all of those things. Not true. We've been running on a 10%, 12% profit margin for a long, long time. If anything's been jacked up on us, it takes 20% cash down to build a spec house. So we're putting 20% cash down to bill the custom spec house or whatever it may be. And, and looking to get 10-12% off of that. So it is very risky for us to, to put that stuff up and do those types of things. That, that 70% in cost increase is, is the housing ecosystem and how broke it is right now. You need, no different than nature, you need a healthy housing market and we have such a divide in what the existing housing market is and being able to build new ones. That price has skyrocketed through the roof. Over, over the years based on regulations because we were just taking these codes all the time, bumping it up, bumping it up, bumping it up, you know. We need to do anything and everything we can to close that gap so that, you know, people that want a \$200,000 house aren't going and buying a

\$100,000 dilapidated house, renovating it, flipping it, and now you just took a \$100,000 house off the market and you bumped that way, way up. That doesn't allow in the ecosystem. And then really the last point I'm going to touch on here is, you know, we've, we've had the discussion of how many code books do we wait, and when is the right time to jump to the next code book. This energy code is the one code that we can put an ROI on it. We can put a cost analysis. We can do the science. If we go from 2 by 8 walls-- from 2 by 6 walls to 2 by 8 walls, what's that cost? What's that payback? We can step back and say from book to book what we are seeing on a return of investment for our people. Back, back from, I believe it was the 2012 to 2015 energy code, we saw, like, a 20% increase in efficiency. Everyone in here agrees that makes a ton of sense. I believe from the '15 to '18 we saw, like, a 5% increase. Not as good, still an increase. We have nothing. No one will tell us, it's so hard to justify what it is. It's a fraction of a percent to go from the '18 up to what we're asking now. So with that, you know, I would be glad to take questions and just please asking for your support to oppose this bill.

CLOUSE: OK. Thank you. Any questions? Oh, Senator Rountree.

ROUNTREE: Just very quick. And thanks so much, sir, for testifying. Thank you, Mr. Chair, appreciate that, Vice Chair. Some of the other earlier testifiers stated that when the new codes come out some new things go on, some things come off at each issuing of the codes. The ones that are coming out they were good when they were originally there, is it because they have expired or is it because they become obsolete and not produce what you think they would produce?

MATT KINNING: You know, it's a little bit of both. It can become obsolete, and we just move fast. It doesn't matter if it's still in the code or not. It's obsolete. We're moving, moving past it. One would be, like in the '90s, we were just discussing how, you know, we used to think that we had to seal the houses up. That was the most efficient way. Vapor barriers, absolutely everywhere. We got to seal the houses up. All we did was create mold traps and build houses with tons and tons of mold problems. So, yeah, there are times. That's a, that's a prime example of, of something that we thought was energy efficient. Completely wrong. Took us a few years to figure it out and, and, and we made those fixes. You know, at the end of the day, we can go above and beyond, you know, the different municipalities, I can speak for Lincoln, Omaha, I'm pretty sure Grand Island, Kearney area, you know they have the experts and the teams to decide what, what is the, the best way to build, build houses in there. We don't need the

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books and, and state mandates, all of those types of things to, to, to do that. We have the resources. If we are going to pass a, a bill or a code bill, we always ask for the ability for the locals to amend it. So that if we sit down with our, our building and safety groups and, and our individual cities and think that that's not the best for Lincoln, Omaha, whatever it may be, we have the ability to amend that out. And those have been offered to us in the past that these last couple code cycles and debates we've not been offered those types of things.

CLOUSE: OK. Thank you.

ROUNTREE: Thank you.

MATT KINNING: Thank you.

CLOUSE: Any other questions? Thank you. Any other opponents? Any neutral? OK. Senator McKinney, while he's coming up here, for LB800, he had 2 proponents, 5 opponents, 1 neutral, and none ADA; for LB801, 2 proponents, 19 opponents, zero neutral, and zero ADA. Senator McKinney.

McKINNEY: Thank you. Thank you for everyone who came to testify, whether for or against, both LB800 and LB801. I think it's clear that we need to find a solution. And I haven't heard that suggestion of being able to kind of amend on a municipal level. So I'm open to that, too, if we need to amend that into the bill, that's my first time hearing that suggestion and that's something I'm open to. I think what is true is whether we pass this or don't pass this, the housing costs are going to go up regardless of anything that happens today or this session and we have to find a real solution to the crisis of affordability in our state and in our country. So I'm willing to work with everybody, willing to work with the committee to find a way to make sure we stay in compliance, but we stay in compliance with Nebraskans first in mind when we do anything that we try to push through the Legislature. So if anybody has any suggestions or anything, just feel free to let me know and we'll figure it out. Thank you.

CLOUSE: OK. Any questions for closing? No? OK, that concludes our, our session for today. Thank you, everyone.