

**Transcript Prepared by Clerk of the Legislature Transcribers Office
General Affairs Committee January 27, 2020**

BRIESE: Good afternoon, everyone, and welcome to the General Affairs Committee. My name is Tom Briese. I'm the Senator for District 41. I'm the Chairman of this committee and will be conducting today's hearing. We're here today for the purpose of conducting three bill hearings and three appointment hearings. We'll be proceeding in the order of the agenda that is posted outside of the room. If you wish to testify on any of the matters before us, we ask that you fill out one of the green sheets of paper. These sheets are located on either side of the room as you enter. If you're here and you do not wish to testify, but you do wish to state your support or opposition for any of the matters before us, we ask that you fill in one of the sign-in sheets. If you do testify, we ask you to begin your testimony by stating and spelling your name for the record, which is very important for our Transcribers Office. The order of proceedings is that the introducers will be given an opportunity to open on their bills, then we will hear the proponents, opponents, and neutral testimony. Following the testimony, the introducer will be given an opportunity to close. We ask that you listen very carefully to try not to be repetitive. We do use the light system in the General Affairs Committee. Each testifier is afforded five minutes to testify. When the yellow light comes on, you have one minute remaining. And we ask that you begin concluding your remarks. When the red light comes on, your time has expired, and we will open up the committee to any questions that they may have of you. At this time, I'd like to encourage everyone to turn off or silence their cell phones or any electronic devices, anything that makes noise. The General Affairs Committee is a committee that is equipped for electronics. So you may see members referencing their iPads, iPhones, or other electronic devices. And I can assure you, they're just researching the matters before us if they're doing that. If you have a prepared statement, an exhibit, or anything you would like distributed to the committee members, we ask that you provide 12 copies to our committee clerk. If you don't have 12 copies, don't worry, provide what you have to the committee clerk and we'll take care of it. I'd like to introduce a few folks now. To my right is legal counsel, Loguen Blazek; to my far left on the end is committee clerk, Alex DeGarmo. There are pages with us here today, are Angenita. Go ahead and stand up, if you would. Angenita, I believe, attends Union College. Correct?

ANGENITA PIERRE-LOUIS: I do.

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BRIESE: And we have Taylor, who I believe attends Doane College. Would that be right?

TAYLOR GOLD: Um-hum.

BRIESE: Very good. Thank you. And with that, we'll go to committee introductions, starting with Senator Blood on the end here.

BLOOD: Good afternoon, my name is Senator Carol Blood, and I represent western Bellevue and southeastern Papillion, Nebraska.

ARCH: John Arch, Legislative District 14 in Sarpy County, Papillion, La Vista.

HUNT: I'm Megan Hunt and I represent District 8 in Dundy, Benson, Keystone, midtown Omaha.

LOWE: John Lowe, District 37, southeast half of Buffalo County.

MOSER: Mike Moser, I represent District 22, which includes Columbus, Stanton County, all of Platte County, a little bit of Colfax County.

BRANDT: Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster County.

BRIESE: And Senator Justin Wayne is not here yet. I believe he'll be joining us later. First item is the appointment of Mr. Cameron Arch, to the Nebraska Commission on Problem Gambling. Would you join us, Mr. Arch?

CAMERON ARCH: Good afternoon, Chairman Briese.

BRIESE: Welcome. Welcome.

CAMERON ARCH: Thank you very much.

BRIESE: Please, please state your name for the record and then go ahead and tell us about yourself.

CAMERON ARCH: Sure. My name is Cameron Arch, spelled C-a-m-e-r-o-n A-r-c-h, and I'm here today seeking confirmation for reappointment to the Nebraska Commission on Problem Gambling. Just by way of background, I am a Nebraska native, born in Papillion and currently living in Sarpy County with my wife, my three-year-old daughter and my son who actually turns one-year-old today. I serve as legal counsel at Blue Cross and Blue Shield of Nebraska, where I have worked for about

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nine years now. The reason I'm seeking reappointment to the Commission on Problem Gambling is really to continue playing a role in the successful work being done by the Gamblers Assistance Program in the areas of treatment and prevention of problem gambling. I have the privilege of working with eight other commissioners, a staff, and dozens of highly qualified counselors located throughout the state of Nebraska who are all dedicated to helping Nebraskans reverse the impact-- or the negative impacts of gambling on their lives. I believe this is an important program for Nebraskans. For instance, when compared to other state sponsored programs that are designed to treat problem, problem gambling addiction, the Nebraska Gamblers Assistance Program treats more adults per 100,000 of the population, those who are age 18 or older, than much larger states like California and New York. So I believe these numbers like these can be attributed to the program's messaging efforts, such as the BetCareful.com campaign, the continued support of many of you in the Nebraska Legislature and the work of our, our-- again, our highly qualified counselors who are there not only to treat patients, but also do a great job of marketing the availability of our free counseling services in their communities. There is still much work to be done and I would like to continue to help on the commission. And so I would, therefore, appreciate the opportunity to continue serving on the Nebraska Commission on Problem Gambling, and would appreciate your support.

BRIESE: Thank you, Mr. Arch. Do we have any questions for Mr. Arch? Senator Blood.

BLOOD: Thank you, Chairperson Briese. I forgot your name for a minute. How are you today?

CAMERON ARCH: Doing well. Thank you.

BLOOD: I have a couple of questions for you.

CAMERON ARCH: Sure.

BLOOD: So you currently serve on this board. So this would be a reappointment. Is that correct?

CAMERON ARCH: Correct.

BLOOD: So I have two questions. The first one would be, can you tell me what you believe the federal government has defined as the

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difference between a game of skill and a game of chance? And what is your opinion on that? And that's question one of two.

CAMERON ARCH: Sure. On the first question, I can't speak to what the federal government defines and how they delineate between games of skill and, and games of-- you said, chance. But be happy to get you a definition if, if you like.

BLOOD: I actually have a definition that's why I was--

CAMERON ARCH: Oh, sure.

BLOOD: --interested. What I'm finding when I speak with members of this board frequently is that there doesn't seem to be a clear understanding of the difference between the two, and we find ourselves looking at everything as gambling. But yet there seems to be a hypocrisy where we look the other way with bingo, which is defined as gambling--

CAMERON ARCH: Sure.

BLOOD: --and we look the other way with pickles and state lottery. And then when we try and generate revenue with things that are, according to the federal government, considered games of skill such as fantasy sports, not sports betting,--

CAMERON ARCH: Um-hum.

BLOOD: --there seems to be a very clear misunderstanding and I would like to see more understanding on the committee on that issue, in my personal opinion.

CAMERON ARCH: Yeah.

BLOOD: And so that is one of my concerns. And then the other concern I have is that I know that, as a committee member, you've seen the breakdown of how the money is spent to help assist people with their, their gambling issues. A large portion, millions of dollars go to Nebraskans who've crossed the river into Iowa and participated in gaming at the casinos. Is that correct?

CAMERON ARCH: I don't know the numbers--

BLOOD: A substantial amount?

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CAMERON ARCH: --but sure, a number of Nebraskans who travel across the river for the casinos.

BLOOD: And so knowing that people will keep going to Iowa and then they send back the problem for us to pay for. How do you feel about that?

CAMERON ARCH: Well, I can only-- can speak for what the statutory charge is for the commission, which is really to-- first of all, treat those who are addicted to gambling and whether they're gambling in Iowa or Nebraska, we don't, we don't actually discriminate against those who are traveling across the state, but we're there to, to treat as well as to educate and hopefully prevent folks from going too far in their, in their gambling. But we would-- not really-- I don't think we would actually look into whether they're gambling across the river or, or here, just sticking to our narrow focus of treating and prevention.

BLOOD: I, I think would be beneficial for senators to see the actual number that we treat that actually participate in the gambling in other states that taxpayers pay for through the lottery to help these people,--

CAMERON ARCH: Sure.

BLOOD: --especially as we're always, always looking for ways to pay for things here in Nebraska because of our low populace.

CAMERON ARCH: Yeah.

BLOOD: And so do you also know-- and I, I, I lied, I have a third question. And this is my last question, I promise. Are you aware of what changes have been made? My freshman year-- and I don't if there's anybody even on there but me, we had concerns because there were cases where insurance should have been helping pay for some of this treatment. And those questions weren't being asked at the onset of helping these people who were just kind of diving in and paying for their treatment. Do you know if there's been any progress made in that area?

CAMERON ARCH: Well, first of all, I'm here in my personal capacity so not as a representative of Blue Cross and Blue Shield of Nebraska. But what I can tell you--

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BLOOD: Right, and I understand that,--

CAMERON ARCH: Sure.

BLOOD: --I'm here about the committee.

CAMERON ARCH: Oh, I don't know about the research that has been done. From what I can tell you, is that Blue Cross does pay for these services. We would treat it as any other counseling service, regardless of the diagnosis. So just as like with therapy session like anything else. But I can't speak for other payers or-- at last check, I think there were some payers who were viewing it more as a-- like a self-help type of designation and maybe not paying those claims, but I can't speak definitively on that issue.

BLOOD: So again, the concern with me was that we had put this in from the committee, not the insurance companies, to make sure that we weren't automatically paying for services that could possibly be covered by insurance. And so I was curious if you knew what progress they had made on that as the, the committee that oversees the people who are responsible for this. So that was really--

CAMERON ARCH: Sure.

BLOOD: --where I was going on that.

CAMERON ARCH: OK, well, we can get your numbers on that. I know David Geier does have some, some research when he last spoke to the, to the committee and hopefully have those updated numbers.

BLOOD: And I have gotten the most recent reports but I didn't really see much of that in there, so that's specifically what I'm looking for.

CAMERON ARCH: OK.

BLOOD: And you were the first up, so I apologize.

CAMERON ARCH: That's all right, we'll take that back and get you that information.

BLOOD: I appreciate you answering my questions and being in that awkward position.

CAMERON ARCH: That's fine.

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BRIESE: Thank you, Senator Blood. Any other questions for Mr. Arch? Seeing none, thank you for joining us here today. And now you can recuse yourself from the seat. I'll open it up to any opposition or support testimony.

CAMERON ARCH: Thank you.

BRIESE: Thank you. Any testimony in support of Mr. Arch's nomination? Seeing none, any testimony in opposition to the nomination? Seeing none, any in the neutral? Seeing none, that closes our hearing on the appointment of Cameron Arch to the Problem Gaming Commission [SIC]. Next up, we have the appointment of Claudia Barthold to the Nebraska Commission on Problem Gambling. And that, I understand, is going to be a call in.

CLAUDIA BARTHOLD: Hello.

BRIESE: Yes. Is this Claudia?

CLAUDIA BARTHOLD: This is Claudia.

BRIESE: Claudia, this is Tom Briese here with the General Affairs Committee. How are you today?

CLAUDIA BARTHOLD: I'm very well. How are you?

BRIESE: Good. Good. Thank you. Here with my fellow committee members, and we'd like to hear from you on your appointment to the Nebraska Commission on Problem Gambling. What, what would you like to share with us in regard to that?

CLAUDIA BARTHOLD: I guess that my interest came-- one of my work colleagues, Bob Muelleman, had been on the commission for quite some time. Over the years, I had heard what he had done on the-- the work with the commission, but he was interested in stepping back. He asked me if I was interested and put my name in the hat. I am an emergency physician and have been for about 20 years. I am also, in the next year, going to be working more with the field of addiction. I'm going to go actually back to school, back to fellowship in the field of addiction medicine. While that treats more of the chemical addiction, such as alcohol or heroin, certainly the underlying issues of someone with an addiction can be somewhat similar to someone who has a history of problem gambling. And so I felt it was something that I certainly

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had interest in and feel I could add something to the committee and hopefully serve as a resource.

BRIESE: OK, very good. Thank you for sharing your thoughts with us. Do we have any questions of Miss Barthold from the commission? Excuse me, from the committee? Senator Blood.

BLOOD: Thank you, Chairman Briese. I-- I'm only asking these questions because it's only fair that I ask everybody the same questions, so I apologize in advance. Can you please tell me what you feel is the difference between games of chance and games of skill, based on the federal guidelines given?

CLAUDIA BARTHOLD: I will fully acknowledge that my understanding of this is somewhat cursory just because my area of expertise is more in the medical portions of it. But my beginning understanding is that games of skill are not traditionally considered gambling as they require a skill as opposed to games of chance, which underlying do not have an aspect of mastery associated with them. So I guess that would be my understanding of the difference between the two.

BLOOD: I, I would say you were spot on. Well done. The next question I would have is in reference to the most recent report that I received from your, your organization where they showed us how they divvy out the funds for the different people that they help, and I should have brought the report with me so I could be more accurate, but it seemed to me that the large percentage of people we are helping are people that gamble across the river or gamble across the borders. And I'm curious, and this is just your personal opinion, do you have concerns that, that taxpayers through the lottery have to spend millions of dollars to help people with gambling issues that they, they derive from other states?

CLAUDIA BARTHOLD: I guess having just begun getting some of the information, I'm not fully aware of the report you are discussing. But in general term, I guess I would view it very similarly as if I had a Nebraska resident who was obtaining either a-- let's say, a drug or alcohol from a non-Nebraskan source, in that I view it very much from the medical standpoint, which is that if my patient or the person that I'm rendering care or giving advice to is in front of me, i.e., is a Nebraskan, but at that point in time where, or how they secured, you know, a substance or developed a behavior or had problems with it, quite frankly, in my opinion becomes immaterial because I have someone who I'm charged with taking care of in front of me, and so whether or

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not the person in Nebraska primarily gambles out of state or gambles in state or through whatever mechanism they do, in my mind, if it is someone that I am charged with taking care of-- so for this commission, someone who is in Nebraska, [INAUDIBLE] Nebraskan, then that is my primary care is that the patient has an issue, not as much where or how they secure the, the thing that they have an issue with, if that makes any sense.

BLOOD: Fair enough, it does. You're very well-spoken. So that leaves me to my third question. In the past, there have been concerns that we had asked be addressed in reference to potentially taking on clients that, that needed assistance without really clarifying whether their insurance covered it first. I feel like we miss opportunities to have somebody's personal insurance pay for some of these efforts as opposed to being so open to paying for it with Nebraskan, Nebraska money. How do you feel about that?

CLAUDIA BARTHOLD: I feel-- again, I will fully acknowledge that my expertise personally involved in the commission is minimal to the state. But in general I think that whatever you're treating, the funding for it should be a balance between ease and availability. And so I think that there probably will always be a role for some amount of care regardless of insurance status. However, I would tend to think if there is an availability for cost sharing, that seems to make the most sense. If someone has that resource, then being able to leverage that seems like an appropriate thing to do.

BLOOD: Thank you very much. You did a great job answering my questions.

CLAUDIA BARTHOLD: Thank you.

BRIESE: Thank you. Senator Blood. Anyone else have any questions for Miss Barthold? Seeing no other questions, feel free to remain on the line here a bit if you care to.

CLAUDIA BARTHOLD: Sure.

BRIESE: Any testimony in support of Miss Barthold's appointment? Seeing none, any testimony in opposition? Seeing none, any testimony in the neutral capacity? Seeing none, that will-- Miss Barthold, we will be con-- in contact with you here at some point in the near future. Thank you for calling in today. Great to hear from you.

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CLAUDIA BARTHOLD: Absolutely. Thank you so much for having me.

BRIESE: You bet. And that will close the hearing on the appointment of Miss Barthold to the commission. Next appointment is Mark Canada to the Nebraska Commission on Problem Gambling. And he is also a call in. Correct? Mr. Canada?

MARK CANADA: Yes, I am here.

BRIESE: Yes. Thank you for joining us via phone today for the appointment hearing on your-- or for the hearing on your appointment to the Nebraska Commission on Problem Gambling.

MARK CANADA: Yes, sir. Thanks for allowing me to call in, I really appreciate that.

BRIESE: You bet. You bet. Please feel free to share with the committee here anything you'd like us to hear about yourself or about why you'd like to be appointed or reappointed to this commission?

MARK CANADA: Sure, and I'll make it brief. I don't want to waste anybody's time. This is the, the third time, I guess, I've been appointed to the same commission, so I think I've been part of it for over six years now. And initially I set out to just get more involved, whether it was local level, county level, state level. This just happened to be something I saw that was available and I, I thought might be interested and I'd like to think maybe I've helped to do some good along the way also. It's been an eye opener for me personally to see not only how things work at the state level in the Legislature and the Appropriations Committee, all that kind of stuff, but, but also the, the need for: (a) people to volunteer for positions like this and that; (b) the need for the services that our specific commission can provide to the people of the state of Nebraska. So I've enjoyed it, and like I said, I think we've done a lot of good things. But having said that, I still think there's some more things we can accomplish, and I just wasn't ready to walk away yet.

BRIESE: OK. Very good, Mr. Canada. And I, I apologize, I didn't introduce myself. I'm Senator Tom Briese, Chairman of the commission and, of course-- committee, and of course, joined by members of the General Affairs Committee. And so at this time, I'd like to open it up to any questions from the General Affairs Committee of Mr. Canada, and I see Senator Blood has a question for you.

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BLOOD: Thank you, Chairman Briese.

MARK CANADA: Yes.

BLOOD: How are you, Mr. Canada?

MARK CANADA: I'm very good. Thank you.

BLOOD: Hey, first, I want to thank you for coming back from California and resettling in Nebraska, especially Hastings. So thank you for that. Hastings is awesome.

MARK CANADA: Well, I did-- yeah, I spent a summer out in California many years ago. It was more of a job internship, but I've always been a central Nebraska kid. I was born and raised here. So that was an easy decision, I guess. I'm not really the California type, but I'll let you ask your question.

BLOOD: I saw that. So it's just nice to know that people still stick around. So I'm going to ask you the same three questions that I asked the previous two people.

MARK CANADA: OK.

BLOOD: So-- and, and really I'm looking for your personal opinion and there's no right or wrong answer. So can you tell me what you believe the difference is between games of skill and games of chance, and if you believe that games of skill are actually gambling or are not gambling?

MARK CANADA: You know, I, I honestly don't have a strong opinion on that. I'm a, I'm a banker, I'm a finance guy, and I think that's the strength that I bring to this commission. I look at things more from a budgetary standpoint, and our commission is very lucky that we have some people that have some mental health background and some medical background and can speak a lot more educated specifically to that question. I don't-- really I'm not personally in favor or opposed to gambling. I just enjoy that we're able to, to help treat people that have an addiction to it. And I don't know if that really answers your question. But like I said, I don't want to just make something up just to try to sound smart on the topic.

BLOOD: And I appreciate that. Do you, do you think there is a difference?

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MARK CANADA: I think there probably is, yes. And you know, anything, whether it's regulated at the state level or federal level, if it's something that has potential to harm the public then I think there probably needs to be some, some kind of safeguards in place to help people that might fall victim to that harm. And that's exactly what our commission does. We don't support it. We don't-- certainly don't try to combat it, we're just here to help people that need it.

BLOOD: Yeah, I would agree. I think that there, there is an area where we can regulate that we choose not to regulate because people don't understand the difference between games of chance-- of skill and games that are games of chance. So actually that was a very astute answer. So that leads me to the, the next question, knowing that we spend millions of dollars to help people with their gambling addiction and that--

MARK CANADA: Um-hum.

BLOOD: --a large portion of that report noted that those are people who, who gamble outside of Nebraska, but yet live in Nebraska.

MARK CANADA: Sure.

BLOOD: So what is your feeling on that, knowing that we use these tax dollars, these-- this lottery money to help these people?

MARK CANADA: Well, I guess to me, it's not important where they're necessarily gambling at, the, the state of Nebraska maybe is a little bit more conservative or restrictive on the type of gambling we allow compared to some of our neighboring states. So certainly we have one of our-- obviously our largest city in Nebraska borders a state that is a lot more relaxed on gambling than we are. So that's just a natural byproduct, I guess, of, of geography. But you know, statistics don't necessarily show all the underground stuff that goes on. I know just in my local community there's a-- you wouldn't have to look very hard to find a local bookie to bet on a football game or a basketball game. And that's not legal either. So the state of Nebraska spends money through the Nebraska Lottery to promote a form of gambling. And I think we need to also spend the money to help people that become addicted to it, no matter what form that is.

BLOOD: Yeah, I would agree, Hastings has had a lot of sports betting for as-- I grew up in that area, for as long as I can remember. So--

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MARK CANADA: Um-hum.

BLOOD: --it's nothing new. So that leaves me to my final question. So my first year on this committee, one of the issues that we had discussed with the committee was that we saw a possible concern where people were being treated when they may very well have their own insurance that they could utilize for some of the services, and we had asked them to do better on that. Do you have any opinion on that or any knowledge of how we could better serve that?

MARK CANADA: You know, that's a very interesting question, and we have talked about that in our program and at the commission level. And, and we luckily have one individual, individual that is very immersed in the insurance world, and, and he brings a lot of expertise in that area. And I think you already chatted with him today. I, I guess I don't know enough detail to know why some forms of addiction are covered by insurances and some are not. But from my understanding, for the most part, these health insurance companies are not covering a gambling addiction. And as that-- as a commission, as a program, we don't want to encourage any of our counselors to commit any type of insurance fraud. I mean, it'd be easy to say, oh, just code it as something else that is covered by insurance. Obviously, that's not the direction we can or want to go. And I think our counselors do a pretty good job of identifying people that might have some type of insurance coverage to help pay and then don't charge us as a byproduct of that. I don't know what other steps we can take at this point. That's kind of out of our hands as far as the insurance coverage is, is concerned.

BLOOD: So you do feel that they've had more emphasis put, though, on that, because I know that part of the discussion three years ago was also in reference to secondary causes. So they may very well have depression. And because the depression--

MARK CANADA: Sure.

BLOOD: --was-- what came along with that depression were sometimes behaviors that had to do with drinking, gambling, drugs [INAUDIBLE]--

MARK CANADA: Absolutely. Yeah, and I think many of our counselors would tell you a lot of time addiction isn't just present in one form; it's, it's present in multiple layers at the same time. And that's-- I guess you have to trust the trained professionals to make the ultimate judgment of, of which type of addiction is the primary one or the prominent one. I don't know what exact terminology you would use in

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the insurance world. But our executive director, Mr. Geier, does audit that type of thing and does the best job that he can to make sure we aren't getting taken advantage of, meaning that a counselor is billing insurance for the same hours that they're billing us where I certainly think we do a good job of making sure that doesn't happen.

BLOOD: And so you-- if I hear you correctly, you'd feel confident that they seek the primary mental health diagnosis first to make sure that there is the potential that insurance can cover it?

MARK CANADA: Yes, I do. Because I, I think a lot of times those insurance reimbursements are at a higher level than, than what our commission would reimburse them for. So I think they have a vested interest to do that.

BLOOD: All right. Very good. Thank you so much.

MARK CANADA: Thank you very much.

BRIESE: Thank you. Senator Blood. Any other questions of Mr. Canada from the committee? Seeing no other questions, Mr. Canada, thank you for your thoughts and your input on some of those issues. You can remain on the line here briefly while we finish up your confirmation hearing. Do we see any-- do we have any testimony in support of the confirmation of Mr. Canada? Seeing none, any testimony in opposition? Seeing none, any neutral testimony regarding Mr. Canada's nomination appointment? Seeing none, Mr. Canada, thank you for joining us today. And we will be in contact with you soon. And that will-- that'll--

MARK CANADA: Very good.

BRIESE: You bet. Thank you. And that'll close the--

MARK CANADA: Thank you all. Have a good day, bye-bye.

BRIESE: Thank you. That'll close the hearing on the appointment of Mark Canada to the Commission on Problem Gambling. Next up, we have the hearing on LB798. Welcome, Senator Brandt.

BRANDT: What an honor to be the first one up.

BRIESE: You bet, honored to have you.

BRANDT: Are you ready?

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BRIESE: Yes, go ahead.

BRANDT: Good afternoon, Chairman Briese and the General Affairs Committee. I am Senator Tom Brandt, representing District 32, which would be Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. Today, I am introducing LB798. LB798 is a bill to provide for the anonymity of state lottery winners who win over \$300,000. Currently, there are seven states that allow winners to claim their prize anonymously without a threshold. These states are Delaware, Kansas, Maryland, North Dakota, Ohio, South Carolina, and Texas. There are also three more states that allow winners to remain anonymous if they win over a certain amount: Arizona, \$100,000; Georgia, \$250,000; and Virginia, \$10 million. The reason I chose \$300,000 is our highest earning scratch ticket prize is \$200,000, and I wanted to stay over that with some wiggle room for future prize growth. Advertising scratch ticket winners is important to most lottery commissions. I really wanted to work with that number with the Lottery Commission, but my staff was told by the Department of Revenue that they do not discuss bills until after they are dropped. My staff then reached out to neighboring states and was advised to stay above the scratch ticket top prize amount. The reason I was compelled to bring this bill is all the stories and articles about lottery winners struggling financially and mentally a few years after winning big. According to the National Endowment for Financial Education, 70 percent of lottery winners end up, winners end up bankrupt within a few years. Beyond the financial hardships, there are countless stories of winners attempting or committing suicide. A major factor in these stories is the amount of harassment winners receive from immediate family and friends to newfound fourth cousins and local charities or organizations. The harassment pressure to give becomes so large that many move out of state to get away from it. I don't think this bill will solve all of these issues, but I do believe the ability to remain anonymous to the public will allow winners to hold on to a sense of normalcy and not leave the good life. I have handed out an amendment brought to me by DHHS. Their concern was that it would be hard to collect on things like owed back child support and other situations of that nature. This amendment clarifies that government agencies authorized by law to collect are not prohibited in this change. This concludes my open on LB298. At this time, I would welcome any questions from the committee. Thank you.

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BRIESE: Thank you, Senator Brandt. Any questions from the committee?
Senator Blood.

BLOOD: Thank you, Senator Brandt. Senator Briese, sorry. Senator Brandt, you mentioned suicide. Did you have a constituent that committed suicide or--

BRANDT: No, no. This is, this is just [INAUDIBLE] evidence from the research that our staff did nationally.

BLOOD: So is there a-- you're saying that there's a high level of depression with people like this because they're feeling--

BRANDT: These are just-- are you-- OK. These are just some things that are experienced by some of the winners.

BLOOD: OK.

BRANDT: Yeah.

BLOOD: Fair enough. Thank you.

BRANDT: OK.

BRIESE: Thank you, Senator Blood. Any other questions from the committee? Senator Brandt, do you know how many, how many winners in excess of \$300,000 we have in, in Nebraska annually?

BRANDT: I do not have that. I do not have that number. It's not a lot.

BRIESE: OK.

BRANDT: You know, and that's, that's not a good answer. Our staff did reach out to the Department of Revenue and they were not going to participate in this until after the bill was dropped. We did not hear anything from the Department of Revenue, so we assume they're all right with the bill.

BRIESE: OK.

BRANDT: So it makes it a little tough to do research.

BRIESE: Very, very good. And seeing no other questions, thank you for your opening. Any testifiers in support of LB798? Any test-- seeing none, any testifiers in opposition?

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WALTER RADCLIFFE: Good afternoon, Senator Brandt, and members of the committee. My name is Walter Radcliffe, W-a-l-t-e-r R-a-d-c-l-i-f-f-e. I'm appearing today as a registered lobbyist in, in opposition to LB798, representing Media of Nebraska. Media of Nebraska is a nonprofit corporation comprised of the Press Association, Broadcasters, Lincoln Journal Star, Omaha World-Herald, outstate dailies. And primarily their objection-- this has nothing to do with the subject matter, but really just with, with public records. They have been very, very staunch defenders of keeping the public's business public and they, they have consistently opposed various bills that seek to-- in essence, close down existing public records, which LB798 does. There's one other thing in addition to just the public record's argument, which you've all heard, that I'd like to make. There is something to be said for the public knowing who wins other than just voyeurism. And that is that specifically individuals who work for a lottery vendor or who have an association with them are prohibited from winning. Very honestly, sometimes unless the name of that winner becomes public, nobody's going to ever step up and, and point out issues like that, that may arise with regards to the validity of a winner. I-- you know, I'd love to have to deal with that publicity of hitting about a \$10 million jackpot. Somehow I'd struggle through and I'd even buy the billboards. I, I don't-- I mean, I don't get it. I don't know why when we're-- when, when, when so many things that government does is made public, why in this instance, we'd say, sorry, nope, we're not going to do it. I mean, yes, I don't dispute the things that Senator Brandt says as far as the misfortune that befalls people who, who play various games, but they don't have to do it and they certainly don't have to accept the money. If it's too much of a burden, they can give it back. But I think that people, for the integrity of the game and for the sake of public records, it's a very legitimate thing to allow the winners' names to continue to be made public. With that, I'd be happy to answer any questions.

BRIESE: Thank you, Mr. Radcliffe. Any questions for Mr. Radcliffe? So Media does recognize the appropriateness of exceptions to the Public Records Act in certain circumstances?

WALTER RADCLIFFE: Oh, certainly, and they recognize speci-- a very, very specific example would be in the areas of juvenile courts. In fact, there's a-- you know, the Nebraska Constitution says, all courts shall be public. However, there's been exceptions made for juvenile courts. And juvenile records are not a public record. But by and large, the press feels that there is no virtue in a cloistered mind.

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People should know what's going on, especially when it's their government that's doing it and their dollars that are paying for it.

BRIESE: We, we heard a litany of concerns about disclosure of this information from Senator Brandt. Is it Media's position that we should ignore those potential problems and concerns?

WALTER RADCLIFFE: Yes.

BRIESE: OK.

WALTER RADCLIFFE: I mean, hey, there-- there's a lot of things that, that occasions people's behavior that is harmful to themselves and others. But at the same time, government doesn't step in, in a preemptory way very often.

BRIESE: OK.

WALTER RADCLIFFE: And we can start with gun control, if you want to start there.

BRIESE: OK.

WALTER RADCLIFFE: Forget about public records.

BRIESE: OK. Any other questions? Thank you for your testimony--

WALTER RADCLIFFE: Thank you.

BRIESE: --today. Any other opposition testimony? Seeing none, any other testimony in the neutral capacity? Seeing none, Senator Brandt, you're welcome to close.

BRANDT: I guess I'd like to respond to Mr. Radcliffe's concern on disclosure. The Lottery Commission will know even anonymously who won this prize. So if they have an employee that is gaming the system and somehow wins a big prize, that the lottery will still know who, who won that prize. It's just you're anonymous so that-- and maybe you've seen these from other states where they hit the Powerball, like in Indiana or something like that, they just hold up a stick figure and say it's been claimed anonymously or Missouri does that. And that's, that's sort of what the intent-- it's really pretty simple-- of this bill is. And it's, it's nice to hear some constitutional arguments

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about this, but that's, that's really all I've got. If anybody's got any questions.

BRIESE: Thank you, Senator Brandt. Any questions? I think Mr. Moser has one.

BRANDT: Sure.

BRIESE: Go ahead, Senator Moser.

MOSER: Mr.'s fine. How did you come up with this bill, was it suggested to you by someone else or it's something you thought of or--

BRANDT: That-- I'll take full responsibility for this one. This, this one--

MOSER: Did you win \$10 million? [LAUGHTER]

BRANDT: Maybe.

MOSER: You refuse to answer that on the grounds that--

BRANDT: I, I can still be anonymous at this point. So--

MOSER: But don't you think, though, that if you did win a really big lottery, that your family's going to find out about it probably anyway? I mean, if you start buying Cadillacs and bigger houses and--

BRANDT: And, and that's the appeal of the lottery, is you dream big, you're going to buy a Cadillac for all your friends and family and everything like that. I am familiar with a, with a situation that is, is somewhat close to where I live. About 20 years ago, there was an individual in a small town in Nebraska that hit the Kansas Lottery. And as you can imagine, they had a lot of relatives crawling out of the woodwork. And what, what seemed so typical is they moved to Colorado and bought a ranch in Colorado just to get away from it. And a little bit of this is if-- you know, everybody knows everybody in Nebraska. If, if, if you could remain anonymous and still continue to live in your hometown and do whatever you want to do without any other people knowing about it, I just think it's an opportunity to keep those individuals in Nebraska. Do I have any hard evidence of this? No, I don't. But I think it just gives people more freedom.

MOSER: OK. Thank you.

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BRIESE: Thank you, Senator Moser. Anyone else have questions? Seeing no other questions, thank you for your bringing this bill to us today and your testimony. That closes the hearing on-- no letters for the record on this one. That closes the hearing on LB798. And with that, we will open up the hearing on LB980 and wel-- welcome again, Mr.-- Senator Brandt.

BRANDT: Good afternoon, Chairman Briese and the General Affairs Committee. I'm Senator Tom Brandt, T-o-m B-r-a-n-d-t. I represent Legislative District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. Today, I'm introducing LB980. I introduce LB980 to update and streamline the Nebraska Lottery and Raffle Act, which governs lotteries and raffles that are conducted by nonprofit organizations or volunteer fire companies or volunteer first-aid, rescue, ambulance, or emergency squads. Under the Nebraska Lottery and Raffle Act, these nonprofit groups must obtain a license to conduct any fundraising, fundraising raffles or lotteries that have gross proceeds larger than \$1,000 for a lottery or \$5,000 for raffles. My bill is intended to help these nonprofit groups as they raise private dollars by easing government red tape. There, there are three ways this bill gets that done. First, the bill would allow the special permit that these organizations can apply for to last for one year rather than the current time period that lasts for three calendar months. The bill makes no other changes to the special permit section. It simply extends the time that an organization has to hold an event under the special permit once it has been granted. Second, the bill addresses the requirements for paying taxes on the proceeds of the fundraising events. Even though these, these events are put on by nonprofit organizations, we do require them to pay, as a tax, 2 percent of the proceeds of the lotteries and raffles back to the Department of Revenue. The bill will not change that. What it does change is how often they must fill out the paperwork to remit these taxes. Right now they are doing it quarterly, even if no events were held that quarter. LB980 instead requires these taxes to be remitted once a year, cutting down on time that nonprofit volunteers spend filling out paperwork. It will also cut down on required paperwork on the state side and Department of Revenue staff time. Third, this bill gets us into the 21st century. Department of Revenue regulations prevent the use of credit cards. In fact, the regulations specifically say that, quote, all chances to participate in a lottery or raffle must be paid for in advance by either cash or a check, unquote. But that's not the way people are making purchases anymore. And it certainly isn't conducive to any-- conducive to any organizations

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that may want to sell raffle tickets or their lottery tickets on-line. To address this outdated regulation, LB980 specifically states that tickets or stubs may be sold on-line by the licensed organization on its website and may be purchased using a credit card or debit card on-line or at events. There are individuals following behind me who have experience with licensed lotteries and raffles, under the Nebraska Lottery and Raffle Act, who will be able to give you more information on why these changes are needed. Thank you for your time and I'm happy to answer any questions.

BRIESE: Thank you, Senator Brandt. Any questions from the committee? Senator Blood.

BLOOD: Thank you, Chairperson Briese. Thank you, Senator Brandt. So knowing that there seems to be a stronger than usual message that even things that aren't expanded gambling are expanding gambling right now in Nebraska. Knowing that, do you think that it might be necessary to move the parts of the bill that pertain to the Internet in order to get this bill moved forward?

BRANDT: I, I guess-- I'm willing to listen to the other testifiers to see if this is really an obstacle. I think part of the intent of the bill was to move us, like I'd stated, into the 21st century. So much of our, our stuff happens on the Internet now.

BLOOD: Preaching to the choir.

BRANDT: Yeah. And we'll use as an example, maybe an organization like Ducks Unlimited. You know, most of our counties, they have about 80 chapters. And Jefferson County might have one event a year, and their typical fundraiser at an organization like that would be to have a gun raffle. They may have five new shotguns or something like that, and they might sell raffle tickets for 25 or 50 bucks. And that's their one event for the year. And depending on the-- you know, there's bigger ones and smaller ones and, you know, you've got fire departments and rescue squads and Pheasants Forever and the Turkey Federation and, and all sorts of organizations out there. And a lot of us here have volunteered our time for organizations, and if you're stuck being the treasurer and you have to submit quarterly reports when nothing's happening, and quite often the, the treasurer isn't really an accountant by, by any stretch of the imagination. And it, it gets to be very tedious having to take time to call up the Department of Revenue, figure out what you're doing. And if you only

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have to do it once a year, it's about-- you know, one-fourth of the, of the aggravation to do that job. That's, that's--

BLOOD: I agree with the reporting, that's-- I agree. That's a--

BRANDT: Right.

BLOOD: --no, no brainer. I, I just see you having hurdles in reference to the technology part of it. We can't even regulate technology games of chance in Nebraska because people put up the gambling flag, so we miss an opportunity to generate income that doesn't have to do with taxes to help other Nebraskans.

BRANDT: Um-hum.

BLOOD: I'm curious--

BRANDT: Well, well--

BLOOD: --how you're going to overcome that.

BRANDT: This, this is specific to lotteries and raffles from nonprofit organizations.

BLOOD: Which are considered gambling. I'm not, I'm not trying to be difficult.

BRANDT: Sure. Yeah.

BLOOD: I'm really looking for a solution. I want to know how you're going to overcome that hurdle, because I think that you're going to be rolling this ball up the hill with that part of the bill. I, I support your bill.

BRANDT: OK.

BLOOD: But I'm guessing we have at least one person here that tells you that it's expanded gambling and it shouldn't go to the Internet. So I'll be real curious to hear what people have to say today.

BRANDT: All right. Thank you.

BRIESE: Thank you, Senator Blood. Senator Arch.

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ARCH: Thank you. I-- I've got just a question, the on-line versus in person.

BRANDT: Um-hum.

ARCH: So if you go to, if you go to an event--

BRANDT: Um-hum.

ARCH: --are you able to purchase a raffle ticket with a credit card in person? I don't know, I don't know the answer to that.

BRANDT: I don't believe so.

ARCH: OK.

BRANDT: And, and I'm just going on my own experience on this. At a lot of these organizations, they, they actually print these raffle tickets up. And the individuals, it could be the Legion or it could be Ducks Unlimited or any number of organizations. Usually, they'll be selling these ahead of time and that individual will be collecting the money. And quite often it's cash or check.

ARCH: OK.

BRANDT: But I--

ARCH: Because you could use--

BRANDT: I, I have-- I've never witnessed a, a credit card.

ARCH: OK. Because you can use credit cards to purchase items in auc-- at auction at these fundraisers if there's something that you bid on or, or whatever. But, but it's the purchasing of the raffle ticket itself is, is the question of this bill. Correct?

BRANDT: And on-line. Yep.

ARCH: Right.

BRANDT: Right.

ARCH: Right, it's the raffle tickets.

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BRANDT: And to what Senator Blood said, I think the on-line portion is probably the one that gives the most heartburn.

ARCH: Yeah. Right. Thank you.

BRIESE: Thank you, Senator Arch. Any other questions from the committee? Seeing none, thank you, Senator Brandt.

BRANDT: You bet.

BRIESE: Testimony in support of LB980? Good afternoon and welcome.

STEVE WILSON: Good afternoon. Good afternoon, Chairman Briese and members of the General Affairs Committee. My name is Steve Wilson, S-t-e-v-e W-i-l-s-o-n. I'm the senior regional director for Ducks Unlimited here in Nebraska. And I'm here to give Ducks Unlimited support for Senator Brandt's LB980. Ducks Unlimited conserves, restores, and manages wetlands and associated habitats for North America's waterfowl. I've worked with our volunteers across the state for the last 14 years. We cover about 80 chapters, as the senator said, under the Nebraska's Lottery and Raffle Act. Like most, most Nebraska charities, Ducks Unlimited relies heavily on volunteers to raise money for its mission. Ninety-eight percent of our fundraising efforts in Nebraska are conducted by local volunteer-based chapters. We have 1,800 volunteers in the state of Nebraska that work under these laws currently. Last year, we raised \$1.4 million in the state of Nebraska for wetlands and waterfowl conservation. And a majority of my prepared testimony was covered by Senator Brandt in, in, in his introduction of the bill. Right now, compliance is difficult. And hearing the questions from Senator Blood and Senator Arch, I'm, I'm very prepared to answer some of those questions as, as I work with it daily. The burdens are difficult for a volunteer. First of all, you're, you're filling out a tax form, again, three times a year that say zero, zero, zero. If you forget to mail it in, you've got a \$25 or \$50 fine or potentially an audit, which, which really scares a volunteer when they're volunteering their time, and all of a sudden you're-- you, you get a letter in the mail from, from the Department of Revenue saying we may audit you, which, which has happened in the past. On, on the on-line portion of the bill, and I want to cover that specifically and we'll, we'll set, set this stuff aside. Right now, we currently have a \$20 million conversion within our organization on a, on a new computer system, which I am unable to use in the state of Nebraska. It has nothing to do with electronic games of chance. We do raffles face-to-face. We have a checkout program to where there would

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be tablets based at each raffle station that would be I want to buy five raffle tickets at, at-- you know, \$20 apiece. I want to spend \$100 on that. A committee member would punch that into the tablet, it would go to the clerking station along with the auction, the silent auction of the raffles running that on a tab. I can't use the system because that is Internet, Internet-based system to do our tracking. So I have to do it on a spreadsheet, wait for people to checkout at the end of the evening, staple it all together. And the bottom line is folks don't carry cash anymore. I mean, that's just-- it's not happening. Every state around us allows some form of on-line raffle ticket purchases. All of our organizations have large statewide raffles that every chapter participates in. And again, they're going around to sell that to their neighbors, friends, business associates. And I have an application now to where they would be able to take a debit card or a credit card, hand them the raffle ticket face-to-face. Again, more of a checkout procedure than, than any game of chance. We don't do any electronic games of chance. And even on our statewide raffles, we print out all of the tickets electronically, put them in a hopper, spin the wheel like, like we've done forever. But the bottom line is these laws that were put in place where majority were 1975, '76 and '77. That wasn't even a question. So we are absolutely in, in support of the bill and, and actually been working on this for about five years to, to finally move things into the future. So with that, I'll, I'll take any questions from, from the members.

BRIESE: Thank you, Mr. Wilson. Any questions of the committee? Senator Arch.

ARCH: Thank you. That, that was helpful. I just have one follow-up question. So when this bill in its language references sold on-line, you're, you're using that in person, right, versus me going to a website and purchasing raffle tickets to an event that I'm not even attending?

STEVE WILSON: It would allow both.

ARCH: OK.

STEVE WILSON: It would, it would allow both. And, and the reason for that being is we have several events to where-- and, and right now we have a large firearm event in the Ashland area to where a firearm is with your entry ticket. So you can either choose to show up-- but we, but we can't differentiate. It's very difficult on our volunteers when we're selling tickets in advance, we don't know who's going to show

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up, who's not going to show up. Something comes up with their family. So we, we still put them in the drawing because they've spent the money and, and-- so it's-- it, again, that, that is a tracking thing that comes almost next to impossible to track whether that person's physically in attendance at the event or not. And, and every state around us does allow on-line raffling: South Dakota and Nebraska, Colorado, Nebraska does not, Kansas does, and, and I was unclear on Iowa. I haven't gotten an answer on that.

ARCH: OK. Thank you.

STEVE WILSON: Yes, sir.

BRIESE: Thank you, Senator Arch. Any other questions from the committee? You indicated earlier that a-- didn't you say Ducks Unlimited has raised roughly \$1.4 million in the past year--

STEVE WILSON: Yes, sir.

BRIESE: --\$1.4 million annually through these types?

STEVE WILSON: That's a combination of, of raffles and beer auctions and, and other endeavors, golf tournaments, all sorts of different things, but that's a comprehensive number. Yes, sir.

BRIESE: OK. Relative to raffles, do you-- have you tried to quantify what a measure like this could mean to Ducks Unlimited in additional revenue, in additional dollars by allowing--

STEVE WILSON: About a, about--

BRIESE: --the use of credit card sales or allowing use of on-line sales of these [INAUDIBLE]?

STEVE WILSON: Just looking at the other states surrounding us, about a 20 percent increase in, in revenue.

BRIESE: You project a 20 percent and that would be 20 percent of what number? The 1.4 or the--

STEVE WILSON: No, what that-- that's including auctions and things like that. And I, I thought you might ask that, and I did not get that broken down. But I would imagine that it's around \$500,000 for our organization. It's, it's a substantial number.

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BRIESE: OK. OK. Very good. Seeing no other questions, thank you for your testimony.

STEVE WILSON: Yes. Thank you, Senator.

BRIESE: Good afternoon and welcome.

JERRY McDONALD: Good afternoon. My name is Jerry McDonald, J-e-r-r-y M-c-D-o-n-a-l-d. I'm the regional representative of Pheasants Forever, Quail Forever-Nebraska. I've been doing this-- this April will be ten years and I am the go to person for my chapters on Nebraska raffle law. So they asked me to come in here today and talk to you. For you that don't know about Pheasants Forever, we-- our mission is the conservation of pheasants, quail, and other wildlife for habitat improvement, public awareness, education, land management, policies, and programs. We have 62 Pheasants Forever and Quail Forever chapters in the state of Nebraska. We have close to about 10,000 members of Pheasants Forever and Quail Forever. So we have 62 annual fundraisers per year, and we are here to propose the proposed changes. I think they're long overdue and we're pretty excited that this might help out our volunteer base. If any of you have ever worked with volunteers, it's hard to get them to volunteer, you know. And then once you do get them to volunteer, we have our treasurers that take care of the books. The treasurer falls on the reporting of the raffle proceeds. Our treasurers are not CPAs. They're, they're-- some are business people, some are ranchers, some are farmers. But their job, their main job is really not banking, but we ask them to do that. So you have three provisions in here, and one is your annual reporting Form 51, is your annual reporting. That's due four quarters per year. And how appropriate today it's due to Nebraska raffle for Form 51 reporting. It's due from September through November, that quarter. We have 62 chapters. We had 8 banquets. Eight chapters are reporting money on the raffle. What would that be? Fifty-four are reporting zero dollars and mailing it in to the state of Nebraska. If we could do that annually, we would really appreciate that; it would make it easier on our volunteers. So 8 chapters are reporting money, 54 chapters are reporting zero dollars. So we would really appreciate it if we could get that to one annual time per year. It's going to make no difference on your revenue, it's just going to help our volunteers out tremendously. The special permit-- you know, there's a three-month period that you can get a special permit for use that maybe-- I'm sure you know this, but the special permit allows you to do gross proceeds of over 65 percent on the payout, 10 percent expense limitation, and

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18 years of age and younger can participate. Now on the education component of our mission, youth conservation education is very, very important to Pheasants Forever. We have kids there. We're a family event. Mom, dad, kids come. The kids play games. They play youth games. The youth games are a loss leader with Pheasants Forever. But we get the kids active and involved, and it's a family event. So we want the kids to play. So every chapter must get a special permit with Pheasants Forever. It's \$10 a year to do that. You get it for a two-year period on your annual license review. So instead of a three-month period where they have a banquet in March of one year, they know when that 90-day period is going to be at that year. But for the next year, they might change their banquet to February or November or April. How are they supposed to know when they fill out their license what 90-day period they need to get that special permit for them? If we could do it on an annual basis, we're doing one fundraiser per year, get two special permits, it's 20 bucks, it's done, it's simple, it's very, very nice. We'd really appreciate it if that could happen. Credit card-- you have some numbers there, Senator Briese, on raffle sales that we have, our largest sale is Gun-a-Week raffle. We sell 30,000 tickets in the state of Nebraska for \$50 apiece. It's \$150,000 gross proceeds. We have to-- we sell this to about 10 or 12 different states. So if people want to buy tickets in different states, we have that person mail us a check. We receive the check, we fill out the ticket, we mail that person the ticket. We feel we could do 20 or 30 percent more revenue on that Gun-a-Week sale if we could do it with credit cards over-- you know, the Internet. So that's just one aspect of it. And let's face it, the credit card generation is here. The kids don't like spending money. There is no cash. I got two daughters, 29 and 27. They don't even know what a dollar bill looks like. Everything's a debit card or credit card. And I'm sure you could agree with me on that. So it's just a matter of, of just doing it for the convenience factor. Every year-- every, every three months, I have to remind 62 chapter treasurers to turn in their 50-- Form 51. Every year I, I ask 62 treasurers to form-- to turn in their Form 35B annual report. I'll continue to do it. But this bill makes a lot of sense and just makes it a lot easier. You're not losing any revenue, and I'd further to bet that you would gain revenue by passing this into law. Thank you very much. And that's all I have on this today.

BRIESE: Thank you for your testimony, Mr. McDonald.

JERRY McDONALD: Thank you.

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BRIESE: Any questions of the committee? Senator Moser.

JERRY McDONALD: Yes, sir.

MOSER: Well, not so much a question, but keep in mind, along with that convenience, there's about a 3 percent discount that the bank will keep when you try to collect that money. So--

JERRY McDONALD: You're exactly right, sir.

MOSER: --so out of your \$1.4 million, that's \$42,000 that has to come out of somewhere.

JERRY McDONALD: The \$1.4 million was from Ducks Unlimited's statement. Ours was--

MOSER: Oh, the wrong one.

JERRY McDONALD: Yes, that was, that was his \$1.4 million. We raised--

MOSER: We're spending his money then?

JERRY McDONALD: [INAUDIBLE] I'm not sure what it would be with him. But I like Steve a lot, he's a good friend of mine.

MOSER: Thank you.

JERRY McDONALD: Thank you very much.

BRIESE: Thank you, Senator Moser.

JERRY McDONALD: Thank you, Senators.

BRIESE: Thank you. Good afternoon and welcome.

SCOTT SMATHERS: Good afternoon, Chairman Briese. My name is Scott Smathers, S-c-o-t-t S-m-a-t-h-e-r-s. I'm the executive director of the Nebraska Sportsmen's Foundation, a 501(c)(3) organization that works to on behalf of our conservation and environmental and sportsmen's groups around the state as an educational distribution unit to provide them information regarding legislation, Game and Parks, DNR, NRDs. I am also here speaking on behalf of several other groups, the Nebraska Wildlife Turkey Federation, Big Game Conservation Association, which is a Nebraska-founded, -based organization, Nebraska Firearm Owners Association, the Nebraska Fur Harvesters Association, the Nebraska Muzzleloaders Association, Nebraska Bowhunters Association. They all

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wanted me to make sure that I named them individually so they were officially on the record as a support of LB980. You've heard a lot of the reasons why we, the conservation organizations in the [INAUDIBLE]-- our [INAUDIBLE] supports LB980 and we supported it back in 2018 when Senator Quick brought LB984, which is a larger bill than this one; this one's been pared down. In addition to my role as executive director of the Nebraska Sportsmen's Foundation, I'm also a member of five other boards, chapters, PF, DU, NWTF, and I attend regular board meetings. I've held various positions within the executive chamber of those organizations, including-- unfortunately, when I was late to a meeting once was elected treasurer. That is the case that happens most times with these chapter organizations with a group of volunteers. It's the individual that misses the meeting. It's the individual who leaves the room at the wrong time, because nobody wants to do the job. Not that the state has made it burdensome. It is difficult to teach volunteers who are juggling 15 other things that want to simply be involved within the organization because they support the mission of enhancing ducks, pheasants, big game, environmental issues, CEDARS Home, whatever the nonprofit organization may be. So the realities of what we see in this bill are aimed to do two things. It's to ease the burden on those volunteers, because those volunteers do roll out on a two- to three-year cycle. We figure in the conservation role in the volunteer community, you have about an eight-year shelf life total from start to finish within that organization. Because if you're asked to be a part of the board, you're using a lot of your spare time. So a two-year window or three-year window for a treasurer is about normal. So you've heard all the reporting issues that Jerry's brought up. And by the way, Senator Moser, I appreciate starting a turf war between DU and PF, we'll have to put back together later. But we have to be able to make it simplistic for them to be able to do it. In addition, the state gains. When we started work on this bill with Steve Wilson and Ducks Unlimited-- like you said five years ago, you all recall Senator Fulton in his role now. Senator Fulton was a very good supporter of our organization, Nebraska Sportsmen's Foundation. In fact, he was our chair, 2009 through 2012. And I went and visited with him, and I was astonished at the lack of compliance by nonprofit organizations who in the-- in our community alone. And simply because of the fact they don't know what they're doing. So, you know, the old adage, if you don't know what you're doing, if you don't turn it in, there's no chance of getting yelled at. Right? Well, gaming officials have a lack of compliance officers to follow and track down these issues. We had made a relationship. So I'd call-- who's not complying? I'd chase

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those down for the state. If we do this, we enhance our opportunities to induce increased revenues because compliance and reporting are going to be larger. And of course, the credit card issue. Our core group of supporters support us. They're there for a specific reason. They're there for a specific cause. They're either a PF guy, a DU guy, or across the board an environmental guide, or conservation person. They're going to spend their money in a reasonable manner. They have the disposable income. For me and my organization, [INAUDIBLE] will take credit cards. We're a one-man organization that covers the entire state with 13,000 members. I rely heavily on volunteers. I rely heavily on volunteers throughout the state, that when we have a raffle, they can sell that to other folks at the other parts of the state on a credit card. We attend trade shows where we have a table, where we have people walk in. If we're selling a raffle, we want them to be able to purchase that raffle because it benefits our mission. It adds to our budgetary dollars, which improves our overall performance. We're not expanding gambling. We're asking our core membership to participate financially in a, in a raffle. When it says the on-line, if you notice 90 percent of us would utilize that information, as Steve said in his organizations and also my organizations but also on our website. If I know I have a raffle coming up, I'm going to promote it on my website. If I can take tickets through my third party at Firespring, sell tickets via credit card, I've increased my mission. That's simply what we're looking for. With that, I'll conclude my testimony and answer any question. I appreciate your time. Thank you.

BRIESE: Thank you, Mr. Smathers for your testimony. Any, any questions of the committee? Senator Moser.

SCOTT SMATHERS: Yes, sir.

MOSER: Well, my comment about the discount wasn't so much that it has anything to do with whether I support the bill or not. It's just that I hate paying those commissions myself. And that's--

SCOTT SMATHERS: I do too, Senator.

MOSER: --why I was just bringing it up.

SCOTT SMATHERS: I do too, Senator. But at the same token, I'd rather pay commission and pay on something than have nothing.

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MOSER: Yeah. Yeah, I'm always counting on those deposits to pay some-- pay for some merchandise, and then I have to take off \$1,000 for the bank or whatever. It always kind of--

SCOTT SMATHERS: We simply raise it \$5.

MOSER: --irks me a little bit, yeah. Thank you, though.

SCOTT SMATHERS: Thank you.

BRIESE: Anyone else? Clearly a policy choice has been made at one point to prohibit the use of credit cards and on-line purchase of these items. And some of the folks that will oppose this will suggest that by doing this we're facilitating behavior that can become addictive. You know, what's our answer to those folks?

SCOTT SMATHERS: You have to put in context of what we're doing at nonprofit organizations that are fundraisers. You are there by choice. You were there to support a cause-- insert any cause you would like. We're not soliciting them with ads on the radio, the TV, or cell phone. We're not asking you to come win a chance. We're asking you to come support our mission, which is what they believe in. Whatever that mission may be, insert the organization. So those individuals are well-versed with that. Even if there's new individuals, I would say that our studies show that every individual that attends one of our fundraisers has a predetermined dollar amount in their head that they're going to spend. They will very rarely go above that dollar amount. The issue is, is that modern times, two things. Those laws were written at a time when credit cards and debit cards-- I don't even think debit cards even existed in the banking industry at that point, did they? I'd have to double check. But credit cards were for a more wealthier crowd at that point in time. Everybody carries a debit card now. You open an account, you have a debit card. As Jerry said, my two children, they ask me for cash all the time because they don't have any, they have a debit card. With that said, you have people that come to these events, they don't carry \$300 in cash in their pocket. But they have \$300 worth of spending they'll do on their debit card or their credit card, and it's predetermined. So I don't think we're going to really impose-- we're not seeking out folks that are not accustomed to our missions, in particular that come to our events.

BRIESE: OK. Very good. Any other questions? Seeing none, thank you for your testimony.

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SCOTT SMATHERS: Thank you very much, Senators.

BRIESE: Any other testimony in support of LB980? Any testi-- seeing none, any testimony in opposition to LB980? Seeing none, any testimony in the neutral capacity? Seeing none, letters for the record, we have two opposition letters, one from Nebraska Family Alliance, one from Gambling With The Good Life. And Senator Brandt, you're welcome to close on LB980.

BRANDT: I believe those gentlemen did a really nice job of clarifying what we're trying to do here, and they talk primarily of the federations on wildlife and such. But this bill also covers our volunteer fire departments, and those of us from small communities know fundraisers are sort of a continuous thing. I mean, just in, in my hometown on February 5, if you'd like to come to the, the supper, they will have some kind of a raffle there because they always do. And they get pretty inventive on that. And I-- you know, this is what we've got to do for fundraisers. You, you sort of look at that, that we've got to have a fundraiser to get a Jaws of Life in a small community or an oxygen pack for, for the fire department. And anything we can do to make that easier-- you know, we need to do that. Yes, you could probably morph this into possibly some, some form of gambling, but that's not what this bill is about. I mean, it's-- it really is about helping these organizations that have their causes out there to make them better. And if, if we can generate more cash, the state of Nebraska gets 2 percent of the net. And that's sort of, sort of their credit card handling fee for what they do over there at the Department of Revenue. So with that, I would answer any questions.

BRIESE: Any questions? Senator Hunt.

HUNT: Thank you, Chairman Briese. Thank you, Senator Brandt, for introducing this bill. I want to ask you a question just for some clarity. Obviously, this is a bill supported by Ducks Unlimited and by hunting and conservation organizations. But can you, can you speak a little bit about support from other nonprofits and other types of sectors?

BRANDT: And I guess we didn't specifically go chase those organizations down, and that's sort of on us. I'm sure if we would have, we could have had a bunch of people here today. But no, we didn't, we didn't--

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HUNT: But there's no reason that, like, you know, museums and arts organizations, and other types of nonprofits can't benefit from doing these raffles in the same way.

BRANDT: That-- that's right, the 501 organization would benefit from this.

HUNT: OK. Thank you.

BRANDT: Yeah.

BRIESE: Thank you, Senator Hunt. Senator Moser.

MOSER: Senator Hunt's question kind of made me think a little bit about other types of gambling. So if we allow credit cards to be used for, you know, raffles and that sort of thing, would this bill also apply to nonprofits like Legion Clubs or VFWs where they have keno and they have other forms of gambling, they have, you know, these new machines that aren't really gambling, but they are, you know, that-- are we going to allow people to use their credit cards to pay for those?

BRANDT: I would say no, because keno has its own section of the law. And this, this very specifically addresses lotteries and raffles by nonprofits, whereas your, your keno is an established form of gambling that's already regulated by the state. But I can get back to you on that.

MOSER: Well, I would-- you know, that may be the source of some opposition because they're worried about it being the camel's nose under the tent. And once you allow credit cards for one form of gambling, then you'll have to allow it for, you know, other forms.

BRANDT: But-- and, and I think, as the gentleman pointed out, it's just a different form of payment is, is-- it's an easier form of payment in this day and age. But there was a day when nobody wanted a credit card or debit card because they didn't have the readers. Now you go into places and they don't want cash. I mean, the world's-- it's, it's just sort of flipped on its nose. So this is just sort of an effort to get us caught up into the 21st century.

MOSER: Yeah. I don't have any aversion to taking credit cards. I mean, we accept credit cards when I sell things. That's not the problem. And

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I'm speaking for somebody who's not here to testify against it. So maybe I should just leave that to them and see what they say.

BRANDT: OK.

MOSER: Thank you, though. Appreciate it.

BRIESE: Thank you, Senator Moser. Any other questions? Seeing none, thank you for joining us here today, Senator Brandt,--

BRANDT: You bet.

BRIESE: --and bringing those bills. That closes the hearing on LB980. And from there, we'll go to the hearing on LB943. Good afternoon and welcome, Senator Hunt. Go ahead when you're--

HUNT: I got a couple of handouts here.

BRIESE: Go ahead when you're ready.

HUNT: Thank you, Chairman Briese and members of the committee. My name is Megan Hunt, M-e-g-a-n H-u-n-t, and I represent Omaha's 8th District. And I'm here today to present LB943, which grants the Nebraska Arts Council the authority to recommend a plan to the Legislature for the certification and establishment of creative districts in the state. This bill will also permit the council to outline criteria for a competitive grant program to provide certified creative districts with grant funding. This bill has no fiscal note, but I've introduced LB943 as a package of two bills along with LB942, which creates a "Support the Arts" license plate that will help fund this grant program. So of course that bill won't be heard in this committee, but these are two bills that are kind of intended to go together to start this program in Nebraska. This bill and the other bill were born out of an interim study, LR126, which was conducted last fall. The study focused on urban development, and we found that creative districts can have a significant economic and community impact. Thanks to the work of folks like the Nebraska Arts Council, Nebraskans for the Arts, the Willa Cather Foundation, and others in Nebraska, we were able to identify a couple of approaches to begin harnessing Nebraska's creative communities for people-focused, site-specific development, and economic development. A creative district is defined, it's an urban area, an area in a city intended to create a critical mass of places of cultural consumption, including art galleries, theaters, music venues, and public squares for

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community events and performances. These currently, of course, exist all over Nebraska, but we don't have a way in statute right now to specifically define or support them. Creative districts embrace a community's characteristics, helping to revitalize neighborhoods and increase the quality of life of residents by preserving cultural or ethnic heritage, fostering creative spaces, and encouraging community collaboration. Each of these districts is unique to the character, community, and resources that are available locally. So the arts districts you see in the Benson neighborhood of my district might be different than the ones developing in Grand Island or Red Cloud or Norfolk, but all of them are very important to the development and identity and value of their neighborhoods. We know that arts districts can have a significant impact on cities. They attract businesses, they attract tourists, and they encourage local residents to become a part of the city. They increase the buy-in. They help attract and retain young people. And I brought this bill because I wanted to explore how we can encourage or incentivize the development of these districts through policy at no cost to the state. Creative districts can help revitalize neighborhoods. And I was really shocked to learn in my research for this that there are over 300 creative districts across the country in the United States. But Nebraska is one of the few states that does not recognize any creative districts. In the research that I did, I found that it was Nebraska, New-- North Dakota and-- Nebraska, North Dakota, and Montana that don't have any creative districts at all. And that's of 2014, so it's possible that it's changed since then. And I really think that Nebraska is missing out on an opportunity for economic development by not formally recognizing these districts. In 2015, the nationwide nonprofit arts and culture industry generated over \$165 billion of economic activity, supporting 4.6 million jobs and generating \$27.5 billion in revenue for local, state, and the federal government. I know that a lot of that money is coming to my district through the initiatives that we have where I live, and I know that that's happening for every person on this committee as well, because I've looked into what's going on artistically in all of your districts. Simply put, these spaces make Nebraska a more fun place to live. They make them a place where people are excited to put down roots, start a family, go to school, and where they have personal buy-in into their own communities. And every year that we wait to enact this commonsense approach to community development, economic development, we are missing an opportunity to grow Nebraska by supporting local organizations that are already in place doing this work. LB943 is an important start to embracing the talent within our state, the unique community talents and pockets of

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our state, and to show the nation what Nebraska has to offer. So I hope that you can understand this policy approach. I hope that we can pass this along with my cool license plate bill that you're all going to really love. And with that, I'd be happy to answer any questions.

BRIESE: Thank you, Senator Hunt. Any questions? Senator Arch.

ARCH: Thank you, Senator Briese. Senator Hunt, so help me understand, how is the cash fund funded now? Where do those dollars, where do those dollars come from? I read in the-- I read in previous language that it, it was, it was-- the fund shall consist of all funds credited from the Nebraska Cultural Preservation Endowment Fund. And I guess I'm just not, I'm just not up to speed with, with how that cash fund was created, because what I see happening is that there's, there's a new program of grants, right, that's what your intention is, a new program of grants would, would occur different than how right now the money is disbursed?

HUNT: In my vision for this bill, the new program for grants would be funded by the sales of these license plates, and it would be the directive of the Nebraska Arts Council to create that program and administer it. And that wouldn't be the work of the Legislature to do. The reason I introduced the license plate bill, as well, to fund this-- this bill doesn't have a fiscal note as it is. It's simply directing the Arts Council to say, what's a creative district? Can we define what that is? Because right now in statute, the Nebraska Arts Council doesn't have the authority to do that from the Legislature. So this is us giving them the authority, and then it's also directing them to make a recommendation about a grants program. So it's not a mandate. It's not saying they have to do it. It's permissive and it doesn't have anything to do-- it doesn't take anything away or add to the funds that they already have at the Nebraska Arts Council.

ARCH: Thank you.

HUNT: Um-hum.

BRIESE: Thank you, Senator Arch. Senator Moser, do you still have a question?

MOSER: Yes. Well, it's along a little bit of what Senator Arch asked. But currently, the Arts Council will sponsor events and, typically, it's to pay for the Omaha Symphony to play somewhere or-- you know,

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whatever event they may be sponsoring. And your legislation is not going to redirect those funds, this is a separate--

HUNT: That's correct. I don't want to dilute the already strained funds of the Nebraska Arts Council by telling them,--

MOSER: That was one, one point that I would say--

HUNT: --hey, now you have to have arts districts, now you have to define these districts and fund them. I think that that would be too much of a burden on this organization. So that's why I'm trying to find them some new money.

MOSER: So the arts district wouldn't necessarily be one particular event, it wouldn't be one particular artist, it may be a geographic area?

HUNT: That's correct. It would be a continue, a contiguous geographic area in a city.

MOSER: And would this money be used to pay for an executive director or somebody to run this district?

HUNT: That would be up to the Nebraska Arts Council. This bill doesn't have anything to do with funding or money or adding money or taking away money to the fund that they already have. It's just giving them the, the permission and the directive to define what an arts council would be and recommend--

MOSER: Arts district.

HUNT: --what to do for a grants program to-- yes, an arts district. Thank you.

MOSER: OK. Thank you.

HUNT: Thank you.

BRIESE: Thank you. Senator Moser. Senator Brandt.

BRANDT: Thank you, Chairman Briese. And thank you, Senator Hunt, for bringing this bill. So what would you envision a creative district in Omaha? Would it be the Old Market or would it be the whole city of Omaha?

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HUNT: No, I-- it wouldn't be the whole city of Omaha, that wouldn't be appropriate. It would be-- you know, in my district, the neighborhood of Benson, we have-- there's some people behind me who are going to testify about some specific districts in Nebraska. But the creative culture that we have in my district came from a completely grassroots level. It was artists, entertainers, performers, creators who moved to this district and they kind of self-organized. They opened galleries, they opened performance spaces. They're revitalizing an old theater right now in my district that's been closed for decades. And it's because the people in that community want this. It's not because of the government telling them you need to have an arts district. This is really-- this is the government-- what I'm proposing is the government kind of following what people are already doing and saying, OK, you guys in Norfolk-- and Grand Island has a wonderful arts community. Scottsbluff, North Platte are very developing and very great. And this is the government saying, since you guys are already organizing these things, let's find a way to give you some support. And if not financial support, just some official recognition of what you're doing in the space that you've created. In Omaha, I can picture Vinton Street on, on South 24th Street in the more Latino neighborhood would be a great arts district. We have so many galleries and theaters there. In north Omaha on 24th Street with the Union for Contemporary Art, there's-- loves jazz. So that's what I can speak about for Omaha. But it wouldn't be a whole city. It would be a small, contiguous area.

BRANDT: Yeah. Thank you.

BRIESE: Thank you, Senator Brandt. Anyone else? Senator Lowe.

LOWE: Thank you, Chairman. And thank you for bringing this bill. You listed off three states: Nebraska, North Dakota, and Montana. Does that mean the 47 other states have creative districts?

HUNT: Correct. And I think, I think that Montana does now, too. But I've had trouble doing research on that.

LOWE: OK. And--

HUNT: Someone behind me may speak to that.

LOWE: OK. Would-- and you listed urban places. Could it also be rural--

HUNT: Yes. I think--

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LOWE: --and countryside--

HUNT: Yeah. Yeah. It would be up to the Nebraska Arts Council to, to define what that is. But there's no reason that it couldn't include a rural space.

LOWE: Thank you.

HUNT: Um-hum.

BRIESE: Thank you, Senator Lowe. Any--

HUNT: By urban, I just meant in a city. I didn't mean, like Omaha.

BRIESE: Yeah, OK. Any other questions? Seeing none. Thank you for your opening.

HUNT: Thank you.

BRIESE: And then we'll take testimony in support of LB943. Feel free to move up to the front here, anyone wanting to testify. Good afternoon and welcome.

SUZANNE WISE: Good afternoon, Senator Briese and members of the General Affairs Committee. I'm Suzanne Wise, S-u-z-a-n-n-e W-i-s-e, and I'm the executive director of the Nebraska Arts Council. And I was listening carefully to some of your questions of Senator Hunt. And perhaps maybe I can elucidate a little bit on those. Senator Arch, to your question about the Cultural Preservation Endowment Fund, it's my understanding that the license plate bill, there's another cash fund that's going to be created to funnel the revenues from the arts license plates, because the Cultural Preservation Endowment Fund now, which we share with Humanities Nebraska, has a very specific-- it's so complicated that I'm sure you almost fell asleep trying to get your way through it. But essentially, for every dollar that is put into the state treasury, we raise a dollar privately through the Nebraska Cultural Endowment. We, as the Nebraska Arts Council, can draw down the earnings if we can prove we've got that dollar-for-dollar match from the private sector. And then that's divided between the Arts Council and the Humanities Nebraska. When the legislation was created, the Legislature asked us to do three things with that money. One was to support arts infrastructure, so basically Omaha Performing Arts, Joslyn Art Museum, Columbus Area Arts Council-- I could go on. There's about 60 organizations that receive these earnings in addition to the grant funds from the General Fund. Then it's to support arts

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education, arts education of statewide significance. And then finally, money that goes to supporting the arts and economic development. So this actually will be nice if this all works, as Senator Hunt has thought of it, because this money could then be matched, also, with the money from the Cultural Endowment that we use for economic development purposes. So yes, I'd like to confirm that Senator Hunt is correct, Montana has passed a cultural district bill. And Montana is very much like Nebraska in that you have some sizable communities but then small communities. And what they have found in Montana and other states-- which is why Montana was interested in this, as we would be-- is because often tourists, particularly now that we're ramping up our, our tourism efforts, when they come to a small community that they're not familiar with, having the guideposts of a cultural district helps them think about, oh, there's going to be maybe a not for profit, like an arts center, but there certainly could be good food there. There could be things like craft shops and other things. So that was one reason why that has been popular, both in the Heartland as it is on the coasts. These have been going on for about 20 years and the Arts Council has amassed a lot of research. And interestingly enough, just a month ago, Forbes magazine kind of issued a, an article basically saying you should all do cultural districts because it really contributes to the economic development wherever you happen to be. So the guidelines, I think, I hope are helpful to you. As you can see, I defined what a cultural district is. And by the way, I've stolen a lot of this from my colleague at the Texas Arts Commission. Texas put together their cultural districts probably seven years ago, and they learned lessons from previous cultural districts. And so I was very pointed in my questions to my colleague. What's really worked well? What hasn't worked well in terms of your guidelines? And they've updated them. And what you see in front of you is really best practices that I think will work for us. And you'll notice that there is-- what defines a cultural district is essentially a district that is bordered so that it's in within walking distance. So the question about like Omaha, for example, Benson is clearly defined as a district just like Bellevue Olde Towne is clearly a district that you can walk around. I'm thinking in terms of places like Columbus, the area downtown, particularly with some of the architecture, is something you would want in a cultural district. Kearney certainly would be the same. So if you flip the page, you can see at the bottom it says what types of activity take place in a cultural district, and those are all listed out. And that's just a suggested list, but that's essentially what does take place in a cultural district, so things like farmers markets. And it, this doesn't necessarily exclude historic, like

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historical societies and that sort of thing. Those to us are all culture, so that's what we're doing.

BRIESE: Very good. Thank you for your testimony.

SUZANNE WISE: Hey, did I make it right on time?

BRIESE: Pretty darn close.

SUZANNE WISE: Good.

BRIESE: Close enough.

SUZANNE WISE: Yes.

BRIESE: Senator Blood.

BLOOD: Thank you, Chairperson Briese. Sorry, I have to wait for him to tell me. So I'm familiar with the ones in Texas. Isn't King William one of those cultural districts?

SUZANNE WISE: Um-hum.

BLOOD: And that's been very successful--

SUZANNE WISE: Um-hum.

BLOOD: --for, for San Antonio. So OK, thank you.

BRIESE: Thank you, Senator Blood. Senator Moser.

MOSER: Would the cultural district be separate from the city or the county or whoever the person or wherever the local public supervision of this would be provided by?

SUZANNE WISE: No. If you, if you read in the guidelines, one, one of the criteria that you have to check off to be a cultural district is you have to have a collaboration in some manner with your city or county or village government so that all parties are kind of part of that. What we often see is a neighborhood group gets together and they-- and sometimes kind of self-professed work cultural district. Let's say they want to do special lighting or they want to do signage, well, that's always a government purview. So you really want the government buy-in, and it's something that you want all parties to be

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very aware of just exactly what the decision-making is made. Now in terms of the decisions--

MOSER: Well, I, I-- before you get to far down--

SUZANNE WISE: Oh, I'm sorry.

MOSER: --the field here, what I was-- I read that part that they needed--

SUZANNE WISE: Oh, sorry.

MOSER: --to cooperate with the local government, but would you anticipate this funding be used-- it-- that it could be used for sidewalks?

SUZANNE WISE: Yes. Well,--

MOSER: Lighting?

SUZANNE WISE: It could be, yes.

MOSER: A new library?

SUZANNE WISE: The funds probably will not be that large from--

MOSER: No, but I mean, they-- you know--

SUZANNE WISE: I think-- yes.

MOSER: So it doesn't necessarily have to go to a nonprofit.

SUZANNE WISE: No.

MOSER: What about transportation within the district? Bus stops or, or--

SUZANNE WISE: I think what--

MOSER: --area transit?

SUZANNE WISE: I think it would be whatever a cultural district-- and we're going now to the funding piece of this. They would write up a proposal and we would give them the money, and it could be, say, part of a bigger package. So say, for example, bus stops, they decided, yes, we would like to have better signage or bus covers, you know, so.

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And they would think, hey, we could have artists design benches. Well, potentially, the money that comes from the Arts Council, ideally that would be a good purpose for that. But because the funds are limited, it may be that the city is putting in some funds. It may be that there's funds from other sources.

MOSER: OK. Thank you. Appreciate that.

SUZANNE WISE: Yeah.

BRIESE: Thank you, Senator Moser. Anyone else? Senator Lowe.

LOWE: Thank you, Chairman. And thank you for coming today. This being a short session and the way our bills kind of work, if this bill makes it through on the floor but the license plate bill does not make it through because sometimes it's hard to get two bills through, the funding mechanism then for this will not be in place.

SUZANNE WISE: Right.

LOWE: What do you see in that case then?

SUZANNE WISE: I would say we would be status quo where we're at. The testifiers behind me who are from Benson, we have accessibility money and we were just talking to them about providing them a grant so they can build in hearing loops into the revitalization of the Benson Theatre. So we have some existing pots of money that we use for community development, but obviously they're competitive. We fund about 40 cents on the dollar, so they would be in a competitive pool, not the accessibility, but other types of things. So there wouldn't be that special designated fund specifically for these cultural districts.

LOWE: OK. Thank you.

BRIESE: Thank you, Senator Lowe. Senator Moser.

MOSER: So you're thinking that there would be a local match on the funds that you would make available?

SUZANNE WISE: I'm thinking that's just a potential. I think, particularly in a small community, often all they want to do besides upping their game with signage is they like town murals. It's possible it can all be done with a grant from our agency, but we don't care whether, as I put in here, and these, again, are draft, but normally

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all of our grants are matching grants. You have to have funds from another source, one-to-one match. But in this case, I would say if something could be done in this cultural district with using just the funds for the cultural district grants, fine with us.

MOSER: OK. Thank you.

BRIESE: Thank you, Senator Moser. Anyone else? Any idea of the dollars amount or dollar amounts we're talking about here of what we're distributing at this point versus what the plate program, combined with what we currently have, will allow us to distribute overall?

SUZANNE WISE: That's a really good question, Senator, and we're, we're thinking-- we've done some research on our art license plates since they will be clearly the, the most attractive plates in the entire panoply of Nebraska specialty plates. We are hoping and we're making sure that they're going to be color-wise compatible with every color car and pickup truck in the state of Nebraska. So they will automatically want those over, say, the ones that I think are the biggest sales besides Husker plates are the mountain lion plates. And I've heard people say they like them just because they like a mountain lion and they like the colors. So we're taking that under advisement.

BRIESE: OK. What do we currently distribute through this mechanism via the Nebraska Arts Council? Do we have any ballpark on that from this fund? What--

SUZANNE WISE: There-- this is a-- would be a brand new fund.

BRIESE: OK. Going back to the Nebraska Arts Council-- excuse me, disbursements from the Nebraska Arts and Humanities Cash Fund, how much of that is designated or flows through the Nebraska Arts Council?

SUZANNE WISE: That, that particular one that is outlined in this bill-- and we will have some conversations with Senator Hunt and her staff about that-- that is the Cultural Preservation Endowment Fund, and that is simply passing the money through when we draw it down. It's basically the silo where it sits before it gets distributed. And what I had said earlier about the grants that we do with that money, that's what that is. That can be roughly anywhere from nothing, depending on the stock market to about \$300,000 or \$400,000 a year. But as I said, it gets split and then it gets added to these other

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pots which come from the state General Fund and the National Endowment for the Arts.

BRIESE: OK.

SUZANNE WISE: Our total budget is about, with all the sources, including the cultural endowment is only \$3 million. So--

BRIESE: OK. OK. Thank you. Senator Moser.

MOSER: Well, I was-- thought of something listening to Senator Briese, the appropriation from the state to the Arts Council. Do you know approximately what that is?

SUZANNE WISE: Yes, I do, it's about \$2.1 million.

MOSER: Currently?

SUZANNE WISE: Currently.

MOSER: And will you have any animals on your new plate?

SUZANNE WISE: We might, depends on how attractive they are and how many people like that particular type of animal.

MOSER: I was just thinking that might help get it through the Legislature--

SUZANNE WISE: I, I, I totally understand.

MOSER: --if we have the right animal on it. I was thinking prairie dogs, but--

SUZANNE WISE: Well, we're hoping to have an artist-- several artists kind of submit designs. And we have, of course, work with the Department of Motor Vehicles. But it's, it's always possible.

MOSER: Thank you.

BRIESE: And what is the benefit of these arts districts versus the way we're doing it now?

SUZANNE WISE: The benefit of having a defined cultural district has to do with making sure that everybody is on the same level in terms of the management of the district. If you don't have that, you're not kind of in sync. Often, you may have one group that wants to do it one

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way and another group that wants to do it another way. The cultural district, basically, everyone has to buy-in and this is what we're going to be doing. And we try to encourage things like the signage and actually helping to pay for, say, a consultant for the district, which often and, again, going back to the previous testimonies about little 501(c)(3)s, they don't have money to hire, say, a marketing consultant. A grant from this cultural district money can get them the money they need so they can get professional help in terms of how do you market your professional dis-- or your cultural district, what kind of signage you should have that's going to be really attractive to visitors, and what other ways can government be helpful to them. So my broad vision is-- you see I listed all of the state agencies that I think can be helpful in this: Historical Society because of their expertise in historic preservation; and Tourism Commission in greater Nebraska; sometimes Game and Parks plays, I think, a significant role like, say, in Chadron. So having the imprimatur of, of having an approved, authorized cultural district kind of helps bring in those resources because everybody else knows it's been vetted.

BRIESE: OK. Thank you.

SUZANNE WISE: Yeah.

BRIESE: Any other questions? Senator Moser.

MOSER: Another thought that I got from listening to you. You're so inspiring.

BRIESE: Oh.

MOSER: The purposes that a district might spend money on might be different than what the Arts Council currently--

SUZANNE WISE: Um-hum.

MOSER: --supports. So if you wanted to put on the New Christy Minstrels or something, as long as there a group that the Arts Council would, would support, you could put on an event and they would provide some funding for it and then you'd have to get local funding with it. But with this district, it sounds like they could be paying for park benches or signage or-- so it expands the purposes beyond just an event. Is that correct?

SUZANNE WISE: Yes, Senator Moser, and I'm glad you brought up performers because they could apply somewhat within that district

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probably already we fund anyway. And so they wouldn't have to apply for the New Christy Minstrels through this cultural district grant. They would get that from a different grant program of ours.

MOSEER: Right. Right. So this has a little different purpose and a little [INAUDIBLE]--

SUZANNE WISE: That's correct.

BRIESE: Thank you, Senator Moser. Anyone else? Seeing no one, thank you for your testimony.

SUZANNE WISE: Thank you.

BRIESE: Next proponent? Good afternoon and welcome.

DOUG ZBYLUT: Good afternoon, Chairman Briese and members of the General Affairs Committee. My name is Doug Zbylut, D-o-u-g Z-b-y-l-u-t, and I'm the executive director of Nebraskans for the Arts. On behalf of Nebraskans for the Arts, which is a statewide organization of artists, teachers, businesses, and individuals committed to advancing opportunities in the arts, we wanted to express our support for LB943 and how creative districts are a tool for municipalities in Nebraska to use for economic development and community vitality. Creative districts are local community efforts to enhance the quality of life, an opportunity for existing residents, increase creative activity, and create a distinct sense of place. Creative districts are growing in popularity and becoming an integral part of economic and community development policy. As Senator Hunt had said, a recent American for the Arts study show there are over 300 designated creative districts in the United States, demonstrating that states are committing tools and resources to develop these areas of creativity, to help with community vitality, and attract and retain employees and businesses. And in the Blueprint Nebraska report released last year, one of the major findings was that not all regions in the state have access to the same level of arts, entertainment, and recreation offerings, creating a barrier to retain the top talent in Nebraska and for attracting new workers and families. This initiative proposed targeting state investment and other incentives to aid partnerships with the private sector, nonprofit organizations, and government in mapping, planning, and marking their community, arts, entertainment, and recreation assets. And we see that LB943 can serve as such a targeted investment. I work with a lot of arts organizations across the state and wanted to share some of the communities that

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could benefit and grow from a creative district program as proposed in LB943. The Moon Block project rejuvenated a downtown block in Red Cloud. In addition to the Willa Cather Center, store fronts were refurbished, attracting a wine bar and music venue to open. Plans are being worked on right now to open a 30-room boutique hotel and turning the old movie theater into a performing arts and conference center. McCook, which has been home for the Buffalo Commons Storytelling and Music Festival for 23 years, seeing the impact of the arts on their city, McCook is taking on several projects to enhance their community vitality. In 2017, they started the Norris Alleyway Project, an outdoor music venue in the heart of downtown. A McCook landmark, the former Keystone Hotel and now Business Center, is expanding its business and computer program to include the sixth floor, which is an art gallery and working artists spaces. These facilities and programs would further-- receive further recognition and support through LB943's creative district program. Included in your hearing packet, is a letter of support from Laura Capp from Ashland. Laura has worked with her fellow downtown business owners to create arts events to attract residents and visitors. When I have talked to Laura, she said it could be difficult to find funding for cooperative marketing projects. Creative district designation and grants program would be a great benefit to them. And a concentration of music and performing arts venues, along with art galleries, are highlighted in the 2018 Lincoln Downtown Strategic Plan. The report discusses the city's desire in wanting to designate this area as a arts district. Now the connecting thread in all these efforts is the fundamental understanding that through creative districts, the arts and its partnering businesses can make substantial contributions to local economic development, livability, and be a magnet for worker attraction retention. Creative districts also help communities in capturing a higher share of state and local taxes as residents stay locally for their cultural entertainment and shopping. LB943 is a way for our state to step up with support and compete with other states if we wish to continue to meet our goal of growing the good life. And then something I don't have in my written testimony, but I thought about it when I was driving here, is that's a-- kind of see this as a-- you, you have different state agencies helping with economic development. You have-- the Department of Labor has their work force training and internship programs. You have the Department of Economic Development-- you know, that have their business recruiting incentives. But you know, a, a three-legged stool would be much better-- you know, to support economic development, and that's where we see this as the Arts Council can really help, but especially with

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their existing network through grants programs, so really helping support community vitality projects to support our state. So-- well, thank you for your time and consideration of this information.

BRIESE: Thank you, thank you for your testimony, sir. Any questions? Seeing none, thank you.

DOUG ZBYLUT: All right. Thanks.

BRIESE: Any further testimony in support of LB943? Good afternoon and welcome.

BRAD MELLEMA: Good afternoon. Thank you. Brad Mellema, director of Grand Island Convention and Visitors Bureau, B-r-a-d M-e-l-l-e-m-a. Thank you, Senator Briese and committee, appreciate the time to speak today. OK, the arts district concept-- in Grand Island, we would probably be second in line behind perhaps Benson to apply for this. And we've got several areas in town that we believe would be beneficial to that. I come to you as a tourism director, but I'm also an adjunct professor of photography at Hastings College, live and work in the arts community. So on the personal side, I would be very supportive of this. Grand Island does not have a major university or a college. They've got College Park and some other things there. But many times those communities have an arts department within them that feed the arts culture or a community. Grand Island does not have the benefit of that, like maybe some of our neighboring communities do. As such, you were asking questions earlier. We got a lot of statistics about the economics of it, and absolutely those things are true. But part of it is giving yourself, as a community, permission to be artistic, OK, permission to be artistic. What does that mean? When you create an arts district-- in Grand Island, I can imagine downtown, or what we call Railside, to do that, we've got a lot of galleries and things like that that are down there, the food. And then we've got music festivals. In the last four to five years, Grand Island has a resurgence of it. And let me tell you, the businesses have picked up on that. If for some reason that doesn't go off because of weather or other considerations, it has a major impact on that. So when you combine maybe with the downtown association and create an arts district and layer that within there and have some potential resources to help move the arts forward in our community, that benefits so many people, including the business owners. But the people that live there, and from where I sit, the tourism business in Grand Island certainly would be beneficial of that. I also look at Fonner Park and the things that happen there and some of the events that happen there that could

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be layered into the artistic. So that might be a potential. I look at Stuhr Museum, and the arts that happen out there. I look at the Crane Center, and so these are all things that should-- those organizations or community portions of our community-- come together to do this, to have the ability to layer in what this arts district hopefully becomes. I think it certainly does create something that would be useful in moving the arts forward. Therefore, it's good for our community. Therefore, it's good for tourism. Therefore, it's good for the state of Nebraska. So I wanted to come down personally and make this, this-- comments to you as you consider this and recognize, yes, there's economic benefits of it. They've been talked about and they're easy to recognize. But I think giving yourself permission, as a community, to be artistic is very, very powerful. Last thing I'm going to say, we have a group called Grow Grand Island, which is a public and private partnership. I've been on the phone this morning and this last Friday with people doing events. It's a music and barbecue event that were happening, and, and we're desperately seeking funds to get that thing launched and get it going. We believe it could bring potentially thousands of guests to our town. This is the type of stuff that we work in every day. And so to be able to do this, I would be fully in support of that. So that's my testimony for today. Any questions from the committee?

BRIESE: Thank you for your testimony. Senator Blood.

BLOOD: Thank you, Chairperson Briese. So I'm very familiar with Grand Island, and I agree that this would be a wonderful thing for Grand Island. Do you envision, because obviously you've thought about this quite a lot,--

BRAD MELLEMA: Um-hum.

BLOOD: --that it will bring better connectivity to Grand Island? Because one of the issues Grand Island has is the same issue that Bellevue has, where there really isn't a center of town anymore because of how the growth has happened.

BRAD MELLEMA: Um-hum.

BLOOD: I mean, I remember the-- are you originally from Grand Island?

BRAD MELLEMA: Originally from Omaha. But a-- Grand Island is my adoptive town, hometown now.

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BLOOD: Since, since when?

BRAD MELLEMA: I've been in my position for seven years.

BLOOD: OK, so you wouldn't remember the Greek candy store. But there are a lot of things that used to be in certain areas of town that no longer are there. And it seems like the arts could possibly bring-- if I hear you correctly, this is what I hear, I see in my head, too. Could you see that it could kind of connect the different sections of Grand Island through the arts by, by bringing everybody together?

BRAD MELLEMA: I, I would concur with what you're saying. Let's-- OK, back to the Railside district, which if you're familiar with Grand Island, would be south of the railroad on 3rd Street and it's, it's a block, probably about seven blocks in length, north of the tracks is 4th Street, 4th Street is a homespun group now of internationally first generation- and second generation-owned businesses. It's wonderful, a tapestry of, of-- I think there's probably seven or ten different nationalities represented in business ownership there. It looks a little rough, but man, there's just-- for the future of tourism, I see it and I see the festivals and things that we're having planned for 4th Street. So I would actually tie that whole area together. And so that's a center that, if you go back 30, 40, 50 years, 4th Street was a very different makeup--

BLOOD: Right.

BRAD MELLEMA: --than it is now. It has changed and morphed as all of Nebraska, all of your communities have done that, 4th Street in Grand Island has done so. And so to tie in, in opportunities for an artistic district there, I think you would find individuals come forward with ideas to celebrate. Well, this year we're looking at a Cinco de Mayo concert and, and food festival right there on 4th Street. So I think where you're headed with that is the same direction I'm headed with that.

BLOOD: So if I hear you correctly, better connectivity and find a way to bring the different areas, that are now kind of disconnected, together.

BRAD MELLEMA: Well, and I mentioned some far flung, so if you look at Omaha or Lincoln, a larger municipality, I, I, Stuhr Museum is in a very district-- different part of town--

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BLOOD: Right.

BRAD MELLEMA: --perhaps than the Railside district. And Fonner Park isn't that far, but it's, it's a little bit of a car ride over there. So that might be a separate district potentially depending on those-- that businesses and, and opportunities there. But it just seems to me that downtown Railside, 3rd and 4th Street would, would make a lot of sense for the first one for our community.

BLOOD: But you could do like San Antonio did. And even though they're far apart, they become connected through transportation and events, and you have that potential, I believe.

BRAD MELLEMA: It's exciting to think about.

BLOOD: Thank you.

BRIESE: Thank you, Senator Blood. Any other questions? I assume that you would make strategy decisions, strategic decisions relative to arts districts in consultation with your economic development folks out in your area, correct?

BRAD MELLEMA: That's correct, economic development, Chamber of Commerce, I mentioned earlier the Grow Grand Island committee where we meet on a regular basis, downtown associations. Those are all people that you would want to have behind the development and boundaries of this type of a district. So in our community, and I would hope most communities, a, a minimum of those level, and then city of and the county certainly would be consulted and/or hopefully involved at a leadership level. But that's where I would do it in our community.

BRIESE: Sure. And this delivery system, this arts district system, fair to say that it would make it easier to coordinate with economic development folks and try to achieve economic development goals in your community?

BRAD MELLEMA: It's one more tool. In a city like Grand Island, I would view that as one more tool to accomplish the end of what I said when I opened my testimony, and that is giving yourself permission to be artistic. Well, what does that mean when I say that? In a town like Grand Island, we have some really talented people that might just be lying over here, or a business or an idea for that next developing artist or, or business to come forward. So that's what we all hope.

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BRIESE: OK. Thank you for your testimony today.

BRAD MELLEMA: Thank you.

BRIESE: Any other testimony in support of LB943? Good afternoon and welcome.

CAITLIN LITTLE: Good afternoon. Thank you for having me. I am Caitlin Little, C-a-i-t-l-i-n L-i-t-t-l-e. I am the director of development for BFF Omaha, which is a small arts nonprofit right in Benson, Senator Hunt's district. I also am the operations and marketing manager for the Benson Theatre, which is a theater that used to be an old vaudeville theater, which is currently under renovations. We're in the tail end of our capital campaign to bring it back to its former vaudevillian glory. Benson is kind of a self-identified arts district-- you know, before being an arts district was cool or even a thing in Nebraska, which we hope to fix soon. We started out as two separate artist-run galleries that later combined and turned into an arts community nonprofit. Over the last five years as a nonprofit, and the almost eight years as an entity, we have created Benson First Fridays, which is a first Friday art walk, very similar to what you have here in Lincoln and also in Kansas City. So these things are happening all over the place. We also do community programming, youth engagement. We do public arts-- or public arts things. We do a mural project every other year and we also do a banner project every year to beautify our community and show off all the talent that we have. On top of that, we also just started a mobile gallery out of an old-- it's an old semitrailer that we have converted completely and we take it around different places. It has actually visited Lincoln, it came here last year for Lincoln Calling. So we really think that having localized-- or having a very specialized arts district would be super, super beneficial. Over the last few years-- we are a nonprofit that is primarily volunteer-run. So people are spending-- I, I know I volunteer at least 40 hours a month for this. We have about-- we've created eight jobs in our community. We've also kind of transformed Benson. Benson, eight years ago, was completely different than Benson now. I believe we've even had articles written about how we are an upcoming arts and culture district. Before that wasn't really the case. There were about maybe three or four bays in this four-block area that had anything in them. Since we started having these art walks, started drawing people in, started creating a community and programming that people are interested in and people want to come to, we have seen that change from about three or four bays being filled to

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just three or four bays not being filled. So almost everywhere on that street, it's filled with small businesses that have popped up in the last few years. There are also small businesses that we work in close relationship to. So every one of these-- we have membership programs that help any one of these small businesses become involved in what we are doing. We also work with probably at least 100 other nonprofits throughout the city creating programming with them and in conjunction with them. We strive for diversity and inclusivity, accessibility. As she spoke earlier about the hearing loop system for the Benson Theatre. I was also part of doing that. I'm really, really interested in making Omaha and Nebraska a place where folks want to come and live and stay and create. And by making those-- by, by recognizing arts districts and allowing them to have extra funds to pull from, I think is beneficial for everyone all around, not only the folks that are living and playing there already, but also for tourism. The last year we have received both the Mayor's grant and the Douglas County Visitor's Improvement Fund grant to fund several of our projects. So that's really exciting. And we'd like to continue to have that relationship with our government. Sometimes just the recognition from the government as someone who is creating economic growth and making Omaha, Nebraska, a place for everyone is really, really important to us. We would love to continue those relationships. I know some folks have kind of talked a little bit about some other arts districts that are kind of burgeoning right now-- Vinton Street was mentioned, which is in south Omaha. It's already starting to kind of cultivate the same sort of thing that we have done. They do a second Friday art walk, which is really, really awesome. They've got galleries popping up. More small businesses are opening around there. I know there have been some mural projects and things that are really working to create a beautiful place for people to come. It's kind of like these arts programs are bringing you free tourism and free beautification. Our arts district also created a safety program. We know that as more people come, more bodies happen, you have more traffic. We tried to figure out a way for our community to be safe. Someone also spoke a little bit about connectivity. Through our mobile gallery, we have been sending that out to different areas of town where we feel that there isn't a lot of connectivity, so we have been in south Omaha. We were at Native Omaha Days on 24th Street. We were at Shakespeare on the Green. We were at Maha, which is a huge, awesome tourism nonprofit. So we're really passionate about making those community connections. We also, this last year-- during the summertime when we have our first Friday art walks, we know that also the Old Market has

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an art walk. Real quick, we did-- we made a business partnership with zTrip to offer free rides between the two districts.

BRIESE: OK, very good. Well, thank you for your testimony. Any questions of Ms. Little? Seeing none, thank you for your testimony.

CAITLIN LITTLE: Cool, thank you.

BRIESE: Any other testifiers in support of LB943? Seeing none, any in opposition? Seeing none, any neutral testifiers? Seeing none, we have one letter for the record, in support of LB943, from Laura Capp, Ashland, Nebraska. Senator Hunt, you're welcome to close.

HUNT: Thank you, everybody, and thank you so much to the testifiers who came here to share why they think this is so important for Nebraska. I also wanted to address some questions that I heard from the committee while I was listening. Senator Lowe, to your question about the short session, what if the license plate bill doesn't pass, too? I don't want us to get too hung up on the funding. If this bill passes, that's great. That is a really, really good thing for Nebraska, because what this does is it just allows us to certify arts districts and it validates the work of people like Caitlin behind me, people like the folks in your districts who are doing the work to revitalize their communities. And it creates a framework for future growth and potentially future funding that we can build off of. But until we pass a bill like this, we won't have that framework to create these districts to give the Arts Council the authority to define what they are. And until we do that, we can't even talk about the possibility of any grants. And so I don't want to put the cart before the horse too much here. Yeah, I think nobody would dispute that the arts are good for Nebraska, that it's good for economic development, for our economy. So I would ask this committee, why is it then that 48 other states have recognized arts districts, but we don't? This is, this is a bill that has no cost to us. It's going to help all of our districts. It's a tourism bill. It's an economic development bill. It's a talent attraction retention bill. And it's a great way for us to support the people back home in our districts. The reason that I introduced it was because I wanted to do something for the people who elected me. I wanted to do something to thank them and to help build up the community that I live in on purpose that I love to live in. I love my district. And as I, real quick, as I started working on research for this bill, I saw so clearly how much this was actually

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going to help all of us. So I would urge your support and thank you again.

BRIESE: Thank you, Senator Hunt. Any questions for the Senator? I have a question. The license plate bill, do we have any wild guess as to the dollars that could generate?

HUNT: Yeah, it has a--

BLOOD: Twenty-seven thousand is what the fiscal note says.

HUNT: The, the fiscal note says \$27,000, and we came up with that number.-- you know with the Fiscal Office just comparing it to similar license plate bills. That's obviously-- could vary quite a bit. It could go up if we have a really cool plate. It could go down if people don't buy it. But I wanted to introduce a plate bill as well, rather than try to pull funding from something else just so that we can give the Arts Council a little bit of support and bolstering to do those things like hire marketing consultants, get signage. It's not likely that they're going to be applying for these competitive grant funds to do something like build a library or build a sidewalk. It's just not, not really reasonable given the amount of funds that we're going to have from the license plates. So just those things like the, the business know-how and the signage and the stuff to really establish these districts, that's likely to be the first priority if, if we end up getting this funding. And again, I want to emphasize, if that doesn't pass, that's OK, this is still going to be a really great bill.

BRIESE: OK. So when you look at the combination of the two bills, we're not talking about dedicating a whole lot of-- a lot more revenue to the arts, but we're talking about a different delivery system, different delivery mechanism through the arts district. And I guess we've heard the benefits of that, correct? OK. Thank you. Senator Blood.

BLOOD: Thank you, Chairman Briese. Just for clarification, Senator Hunt, but there would be nothing that would preclude them, say, that they did need a sidewalk to really create connectivity within that district to perhaps work with the BID or go to a community development fund. If they have-- they envision a big picture, there's other people they can bring into this relationship, right?

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HUNT: Absolutely. And that would be how it already works. Thank you.

BRIESE: Thank you, Senator Blood. Anyone else? Seeing no other questions, thank you for presenting this bill to us today. And that closes the hearing on LB943. And that wraps us up for today.