

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**WAYNE:** Good afternoon and welcome to your Urban Affairs Committee. My name is Senator Justin Wayne and I represent the 13th District of-- which is north Omaha and northeast Douglas County. I serve as a Chair of Urban Affairs. We will start off having members of the committee do self-introductions starting to-- on my right with Senator Arch.

**ARCH:** John Arch, I represent District 14, which is Papillion and La Vista.

**M. HANSEN:** Matt Hansen, representing District 26 in northeast Lincoln.

**FITZGERALD:** Trevor Fitzgerald, committee legal counsel.

**BRIESE:** Tom Briese, I represent District 41.

**CRAWFORD:** Good afternoon. Sue Crawford, I represent District 45, which is eastern Sarpy County, Bellevue, and Offutt.

**LOWE:** John Lowe, District 37, which is the southeast half of Buffalo County.

**PRECIOUS McKESSON:** Precious McKesson, Urban Affairs committee clerk.

**WAYNE:** Also assisting us-- assisting the committee is our committee pages, Noah Boger from Valley who is a political science and French major at UNL and Katie Pallesen from Omaha who is a political science major and history major at UNO. This afternoon we'll be hearing five bills and we'll be taking them in the order listed outside the room. On each of the tables in the back of the room you will find blue testifier sheets. If you are planning to testify today please fill out the blue sheet and hand it to Precious when you come up. This will help us keep accurate record of the hearing. Please note that if you wish to have your position listed on the committee statement for a particular bill, you must testify during that position of the bill's hearing. If you do not wish to testify but you would like to record your position on the bill, please fill out the gold sheet in the back of the room. I will also note the Legislature's policy is that all letters for the record must be received by the committee 5:00 p.m. the day prior to the hearing. Any handouts submitted by a testifier will also be included as part of the record as exhibits. We would like-- we would ask that if you do have handouts please bring ten copies and if you do not have one the pages will make more, but please remember as you go forward to bring ten copies. Testimony for each bill will begin with the introduction-- introducer's opening statement. After the

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Urban Affairs Committee January 29, 2019

opening statement we will hear from the supporters of the bill, then followed by opposition. Then we will hear-- will hear from those speaking in the neutral capacity. The introducer of the bill will be given the opportunity to be making-- make closing statements if he or she wishes to do so. We ask you begin your testimony by giving us your first and last name. Please spell both your first and last name for the record. We will be using the four-minute light system today. When you begin your testimony the light will be-- will turn green. Yellow means there's one-minute warning left. Red light means please wrap up your final thoughts. I would like to remind everyone, including senators, please turn off or place your cell phones on vibrate. With that, we will begin today's hearing with LB70-- 75-- LB75 is my old felons' right voting bill, LB57. Senator Morfeld.

**MORFELD:** Still recovering from that one.

**WAYNE:** Ouch.

**MORFELD:** I was in favor of it. In any case, Senator Wayne, members of the Urban Affairs Committee, my name is Adam Morfeld, for the record spelled A-d-a-m M-o-r-f-e-l-d, representing the "Fightin' 46th" Legislative District here today to introduce LB57, a bill that applies to municipalities and prohibits ordinances and other regulations that would prohibit short-term rentals of residential property. The bill does allow ordinances and regulations that deal with public health and safety concerns the same way that we allow for such ordinances for our long-term rentals. It does not affect regulations of a private entity, including a homeowners' association organized under the Condominium Property Act or the Nebraska Condominium Act. This is a growing business and an opportunity for citizens to rent a room, an apartment, or their entire residence out for a short-term rental, which is defined as not more than 30 consecutive days. In Nebraska last year there were 46,000 guest arrivals to the tune of approximately \$4.3 million dollars, money that stayed in Nebraska and benefited our citizens and taxpayers. The way it works is like this. Airbnb or a similar short-term rental service is an online marketplace that allows people to list and book accommodations around the world, from a spare bedroom to an entire house, an apartment, or even a castle. It allows individuals to safely and securely locate each other, communicate and make financial transaction in over 65,000 cities and 191 countries. Hosts can set guidelines for guests and even require government ID. And guests and hosts can publish reviews after checkout keeping everyone accountable and respectful. This type of service is similar

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Urban Affairs Committee January 29, 2019

to ridesharing services such as Uber or Lyft. Guests and hosts use short-term rental services such as Airbnb to confirm travel dates, expectations, and pay. For instance, Airbnb holds onto the payment until 24 hours after the reservation begins and the host keeps 97 percent of booking fees. In the rare event that there is damage, the property of every Airbnb host is covered up to \$1 million. Airbnb also works proactively with cities and states to collect taxes and remit them directly to local governments. Airbnb is a service that I've personally used numerous times and I've found it to be safe, efficient, affordable and a fun way to travel and meet people. And I'd be happy to show any of you guys how it works off the mike with the app. It also is an important addition to our efforts to expand and promote tourism in Nebraska and a service that many people both young and old have come to expect, whether they're a Nebraskan or coming to visit our state. For those of you that were not familiar with this bill, it was introduced last year and added onto an Urban Affairs Committee bill, which ultimately passed but then was vetoed by Governor Ricketts. The Governor did indicate, however, that he was supportive of this measure, that was a part of a larger package in the bill. Also an amendment was adopted that was adopted or suggested, excuse me, by the Department of Revenue and included in this draft. I have just a few handouts. This is just about Airbnb, but know that there's a lot of other on-line short-term rental companies, but they've been kind enough to give us facts and figures on Nebraska and how it works in Nebraska. I urge your favorable consideration of LB57. I'd be happy to answer any and all questions. Thank you.

**WAYNE:** Any questions from the committee? I just have one. Where in Nebraska do we have a castle?

**MORFELD:** Well, let me search quick.

**WAYNE:** I withdraw my question.

**MORFELD:** OK. I'm sure I could find one, but. No questions?

**WAYNE:** Any questions from the committee? Senator Arch.

**ARCH:** I've had a question. It indicates that the, that the municipality can do, can adopt and enforce ordinances specifically for public health and safety. And yet it's also a, it's also a revenue issue. Right?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**MORFELD:** Yep.

**ARCH:** So I guess help me understand the-- I guess the broader intent, the broader intent of the bill.

**MORFELD:** Yeah. So the broader intent of the bill is to make it so that, I mean, in some places cities or municipalities have tried to outright ban short-term rentals and that, that's the broader intent is to prevent the outright ban. My intent is not to make it so that a city or municipality cannot regulate a problem property just like they would a homeowner or a long-term rental, but to put them on the same level playing field in terms of regulation.

**ARCH:** Level playing field as--

**MORFELD:** As a short-- or a long-term rental.

**ARCH:** As a long-term rental.

**MORFELD:** Yeah. Or even in some cases a homeowner. If you're a homeowner and you're, you know, affecting the public safety and welfare of your fellow residents there's measures that the city can take.

**ARCH:** OK.

**WAYNE:** Senator Briese.

**BRIESE:** Thank you, Chairman Wayne. Thank you for being here, Senator Morfeld. You said that some municipalities have outright banned short-term rentals. Here in Nebraska?

**MORFELD:** Not here in Nebraska, as far as I know, but it certainly is a concern sometimes.

**BRIESE:** OK. Thank you.

**WAYNE:** Senator Lowe.

**LOWE:** Well, thank you, Chairman. And thank you, Senator Morfeld. Can city and-- cities impose zoning where it might inhibit this? Would this supersede their zoning law?

**MORFELD:** Yeah. I'm glad that you bring that up. And I-- it actually mentions that cities can-- yeah, right here. So if you could turn to page 3, line 9, it starts at 5: municipality shall apply an ordinance

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

or other regulation regulating land use to a short-term rental in the same manner as another similar property. An ordinance or other regulation described by this subsection includes: residential use and other zoning matters. So they can still do zoning that's reasonable and doesn't provide an outright ban on all and treating it the same as a long-term rental.

**LOWE:** OK. I'm just thinking that if I didn't live in my modular home and I owned some multimillion dollar house my neighbor has a multimillion dollar house and they rent out and it's a different person coming in every other week because they're in Sun City or someplace. I don't know if I'm a neighbor if I would like that all the time where there was somebody different there. I'm just thinking, because I also wouldn't want an empty house next to me also--

**MORFELD:** Yeah. Yeah.

**LOWE:** -- I'd just like your view.

**MORFELD:** Yeah. I mean, I think that one can take a lot of different views. I mean, I, I, I obviously live in a home and you know in the bottom of my home I have an apartment so I have a resident that, that lives there. It's, it's part of the home but it's it has its own doorway. That individual has friends and other folks coming back and forth all the time. I also have neighbors who--

**LOWE:** But you do have some control over that.

**MORFELD:** I have a little bit, yeah, just like I have with an Airbnb. I also have neighbors who don't have anybody coming over, but I also have neighbors who own their home and constantly have people coming over. So I think even when you have a homeowner, you can have the same scenario, same thing going on. And, you know, I think that my issue is, I want to make sure that cities can still regulate, particularly for problem properties, but that they're on the same level playing field.

**LOWE:** All right. Thank you very much. Appreciate it.

**WAYNE:** Any other questions from the committee? Seeing none.

**MORFELD:** Great. Thank you.

**WAYNE:** First, we'll have proponents. Any proponents? We're going to use the on-deck system, so if people want to talk-- testify if you

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

could sit up in the first two rows so I kind of know. Oh. Go ahead, sorry.

**AMANDA DOCTER:** Sorry. Good afternoon, Chairperson Wayne and members of the Urban Affairs Committee. My name is Amanda Docter, A-m-a-n-d-a D-o-c-t-e-r, and I'm a host for Airbnb here in Lincoln. I'm here to testify in support of LB57, a bill that would prohibit ordinances restricting short-term rentals of residential property and allow agreements with on-line hosting platforms regarding taxation. LB57 proposes a restriction on the ordinances and regulations municipalities can adopt which would limit the short-term rental of residential property. Airbnb and similar platforms appeal to community-minded people who are interested in making local connections and supporting the local economies of communities they live in and visit. Short-term rentals, such as those facilitated by Airbnb provide positive economic impacts in communities by providing hosts extra income and bringing guests into towns and neighborhoods that they may not otherwise spend time or money in. In my personal experience both hosting and staying in Airbnbs, this form of short-term rental provides a one-of-a-kind experience of the city or town you're staying in and provides the opportunity to connect with community members and see events and attractions which don't necessarily show up on the top ten attractions list. LB57 also proposes that the Tax Commissioner may enter into agreements with on-line hosting platforms such as Airbnb to collect and pay applicable sales taxes and fees on behalf of the individual host. This provision is mutually beneficial to municipalities, hosts, and guests, because it allows all taxes and fees to be disclosed prior to the rental. By allowing the on-line hosting platform to collect and remit taxes it ensures that the proper taxes and fees are going to the new mint-- municipality for each instance of short-term rental. Currently, hosts are responsible for determining, collecting, and paying these taxes outside of the on-line hosting platform, a practice which is inefficient-- is often inefficient, inaccurate, or simply overlooked. Again, I support LB57 because of the potential positive economic impacts it provides for communities and for the streamlining of the collection of applicable taxes and fees. Thank you for this opportunity.

**WAYNE:** Are there any questions from the committee? Ms. Hunt-- Senator Hunt.

**HUNT:** Thank you so much for being here, Ms. Docter. How long have you been hosting on Airbnb?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**AMANDA DOCTER:** It has been a year and a half now.

**HUNT:** Have you ever had any, any really negative experiences that would cause you to think that this isn't something that we should be encouraging here in Nebraska?

**AMANDA DOCTER:** No.

**HUNT:** OK. Thank you.

**AMANDA DOCTER:** Yep.

**WAYNE:** Any other questions from the committee? Seeing none, thank you for coming today.

**AMANDA DOCTER:** Thank you.

**WAYNE:** Any other proponents? Welcome to your Urban Affairs Committee.

**NICK PADEN:** Hello. I'm sorry, I must not have paid attention. Good afternoon. Chairman Wayne, members of the committee, my name is Nick Paden, spelled N-i-c-k P-a-d-e-n. I'm here today on behalf of the Nebraska Travel Association in support of LB57. The Nebraska Travel Association is a statewide organization of businesses and other groups with an interest in the state's largest industry-- third largest industry, I'm sorry. We support the short-term rental business because it fills a critical niche in the lodging industry. We also believe that the short-term rentals should be paying their fair share of taxes and government fees, otherwise they unfairly compete with the traditional hotels and motels which remain the bedrock for lodging. We support LB57 for two reasons. One, it ensures that cities don't put up barriers to short-term rentals. And two, it ensures that short-term rentals are paying their fair share of taxes and government fees by putting in place a sensible enforcement mechanism. Right now the system depends on the good faith of rental owners themselves who may not know the law or understand what they need to do to follow it. Senator Morfeld's plan to put the responsibility of collecting and remitting the tax on the businesses that make short-term rentals possible is a smart approach to enforcing our tax laws. And that concludes my testimony. I would attempt to answer any questions.

**WAYNE:** Any questions from the committee? Senator Hunt.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**HUNT:** Thank you, Senator Wayne. So the way you're viewing this, does this mean that Airbnb, the platform itself, would be responsible for collecting the taxes and remitting them?

**NICK PADEN:** Correct, yes.

**HUNT:** OK. Thank you.

**WAYNE:** Any other questions? Senator Briese.

**BRIESE:** Thank you, Chairman Wayne. Thank you for being here, Mr. Paden. I believe I heard earlier that no Nebraska community has attempted to outlaw or ban short-term rentals. Is that correct?

**NICK PADEN:** I would have to go back and check that. I apologize. I, I, I'm not sure. I haven't gone through. We just-- we, we support the removal of any barrier.

**BRIESE:** But if that's true, do you perceive much of a likelihood that a community would attempt to ban such arrangements?

**NICK PADEN:** But I, I would hate to speculate to say. I, I would, you know, I, I would be happy to go back to the members and get more info on that. I'm sorry.

**BRIESE:** OK. No. No problem. Thank you.

**NICK PADEN:** Yeah, sorry.

**BRIESE:** Thank you.

**WAYNE:** Any other questions from the committee? Seeing none, thank you for coming.

**NICK PADEN:** Thank you.

**WAYNE:** Any other proponents? Welcome to your Urban Affairs Committee.

**SAMUEL LYON:** Good afternoon, Chairman Wayne, members of the committee. My name is Samuel Lyon, S-a-m-u-e-l L-y-o-n, and I'm here in support of LB57. I was born and raised here in Lincoln. My wife and I began opening our home to guests in July of 2017. In that time we have hosted over 200 guests from 47 states, Canada, London, Beijing, and Saudi Arabia. Many of our guests are attracted to the Airbnb platform because it supplies something that isn't readily available through traditional venues. Many mentioned the homey feel that they find when



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Urban Affairs Committee January 29, 2019

they get-- when staying with us. Some are very excited that they can bring their pets with them, as that's not an option at a lot of traditional venues. And some like the option of an extended stay. One of our guests had a new job in Lincoln and was excited to stay with four different hosts for ten days in different parts of the city so that he could familiarize himself with our city before finding a long-term location to stay. Every guest has been very respectful of our house and of our family and appreciative of our tips and recommendations for places to eat and visit while they are here, increasing dollars spent in our city. In addition to personally having the short-term rental in our, in our home we have had long-term rentals in Lincoln for the last 15 years. And I can tell you that in long-term rentals you have good experiences and bad experiences and you have troubles with neighbors sometimes, you have the whole gamut. But as a property owner there's nobody more interested in what's happening at our properties than ourselves. And it's, it's much easier to keep tabs on what's happening when it's in your own home or it's a short-term rental because you're, you're seeing it every few days or every week versus once, you know, every few months. We have used the platform on trips to Florida, Texas, Kansas City, and in each case we search out Airbnbs, sometimes altering our location based upon where we can find an Airbnb to stay at in the area that is our preferred stay. Each of the hosts were very nice and many of them were retired, using Airbnb to supplement their fixed income. I understand that this bill would also allow for Airbnb to collect and remit taxes on hosts' behalf. Currently, our accountant does this for us. As we have other long-term rentals it's easy for, for, for him to just float that right in there and do all of it for us, even though it's a little bit different and there's extra taxes to be collected. But I know that there are some in the Airbnb community that would find it difficult to work their way through the tax obligations, the collecting, and the remittance process as it can be a little bit daunting. I think this is a great and necessary step in the evolution of home sharing. All in all I think Airbnb is a great platform that benefits my family personally, the local businesses that Airbnbs are found, our city, and our state. And I would thank you for moving the bill forward with favorable consideration. And I'm ready for questions if there is any.

**WAYNE:** Any questions from the committee? Seeing none, thank you for coming today.

**SAMUEL LYON:** Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**WAYNE:** The next proponent.

**NICOLE FOX:** Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Nicole Fox, N-i-c-o-l-e F-o-x, and I am director of government relations at the Platte Institute, and I am here today to testify in support of LB57. In recent years the Internet has created new economic opportunities by connecting property owners and renters through home sharing platforms like Airbnb, VRBO, and FlipKey. Such platforms provide cheaper and more convenient options for travelers and allow homeowners to earn extra income by renting out a room or their entire home. An outright ban on homeowners using their own property to earn income by providing a short-term residential rental, also known as home sharing, should not be on the list of policy options available to cities and villages. LB57 would prohibit cities or villages from issuing ordinances or other regulations that prohibit the use of a property as a short-term rental. We understand that this bill would not apply to regulations of a private entity, including a homeowners' association organized under the Condominium Property Act or the Nebraska Condominium Act. LB57 protects the opportunity for home sharing through-- throughout Nebraska while retaining the ability of local governments to establish regulations for the specific purposes of public health and safety. Legitimate concerns for the public welfare are ultimately the only true justifications for regulations on home sharing. What I'd like to do is I'd like to share a story about a couple I met this past summer. I was attending one of the College World Series games in downtown Omaha and struck up a conversation with the couple sitting next to me. And of course my first question was, what state are you from? What team are you cheering for, thinking that they were out of towners, but then they disclosed to me that they were locals. They were a retired couple. They were dependent on the money that they had worked hard to save and like many retired couples they hope to travel. They had two daughters one who was engaged to be married and the other was soon to be engaged or at least they were anticipating. This couple saw renting part of their home as a way to supplement their retirement income so they could do the things like travel and help pay for their daughters' weddings. Their home was booked for rentals every day of the College World Series. When large events such as the College World Series comes to Omaha, hotel rooms can be pricey and difficult to come by and home sharing allows those coming to Nebraska from out of state more options. Nearly any time it is proposed that a new form of entrepreneurship no longer be prohibited by law it can be expected that other similar businesses and government entities that regulate

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

those types of businesses will oppose the less restrictive regulations. The concept of local control should never be used to favor some established businesses over others to limit competition and the economic freedoms of potential entrepreneurs. Laws similar to what is being proposed in LB57 have passed in recent years in Arizona, Tennessee, and Indiana. In California though residents in Palm Springs, a popular tourist, tourist destination, overwhelmingly voted down a proposal that would have banned home sharing in single-family homes. So, Senator Briese, to your questions, there have been proposals in other states to ban this; not necessarily Nebraska, but other states. On behalf of the Platte Institute I'd like to thank Senator Morfeld for introducing this legislation. This is good policy, and I ask that you advance LB57 to General File. And with that I'm happy to take any questions.

**WAYNE:** Any questions?

**NICOLE FOX:** All right.

**WAYNE:** Seeing none, thank you for coming today. Any more proponents? Welcome to your Urban Affairs Committee.

**JACK CHELOHA:** Thank you, Senator. Good afternoon, members of the Urban Affairs Committee. My name is Jack Cheloha, that's J-a-c-k, last name spelled C-h-e-l-o-h-a, I'm the lobbyist for the city of Omaha, and I want to testify in favor of LB57 this afternoon. I want to thank Senator Morfeld for bringing this bill and this issue before this committee. I'll just kind of try to wing it, talk off the hip here a little bit, because most of the comments you've heard by other witnesses. So I think it's good that we're bringing this forward. As technology advances it's good that government recognizes it. A few years ago the Legislature passed bills relating to urban or, excuse me, Uber and Lyft. And now it makes sense that we deal with the Airbnb platform. We're most appreciative of the amendment last year by the Revenue Department that put Airbnb rentals on an equal standing with hotel-motels so, therefore, as they're rented out they're obligated to pay their state sales tax, local option sales tax, as well as any occupation taxes that may be out there on rentals. If I could draw your attention to page 2 of the bill on lines 5 and 6, Senator Morfeld did account for the time period that Airbnbs could be rented for, a for a period of no longer than 30 consecutive days. As our various departments reviewed the bill and in Omaha I think we appreciated this time period. But at the same time we want this committee to consider the option of limiting the total amount of days that an Airbnb could

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

be rented out in one, one-year time period. Some of our departments recommended 90 to 120 days. Senator Morfeld may have issues with this, and he'll probably tell you about it when he closes, but I just wanted you to think about that. Senator Lowe, you brought up that someone had a really nice house and next door to them it was continually a revolving door sometimes that could raise concerns with citizens. And typically who do they call with their complaints? They call the city then and so we just think that would be reasonable of this committee to put some type of regulation on how many days you could actually rent out your property as well so we didn't have such a situation of revolving doors, particularly in residential neighborhoods or things like that. Overall, we think it's a good bill. We're happy to, to get into the 21st century and the city of Omaha is supportive of LB57. I'll try to answer any questions.

**WAYNE:** Any questions from the committee? I have one that's just glaring, sticks out to me.

**JACK CHELOHA:** Yes, sir.

**WAYNE:** Doesn't this bill take away local control and why are you supporting it?

**JACK CHELOHA:** Typ-- typ-- typically, I did have that note, I was going to say, usually we would prefer bills that say cities, you're allowed to do Airbnb rentals within your city. But because it appears that this is a matter that has developed and has some legs of its own, it's already in operations, it seems like it's wise for the state to offer some regulation and guidelines at this point. I know in Omaha our elected leaders somewhat struggled with this. Many elected officials are very favorable for Airbnbs, whereas others wanted to be careful and have some regulations regarding zoning, occupation, and things like that. And lo and behold we haven't done anything locally, so it's, it's good that we're able to at least have this on the books.

**WAYNE:** Thank you. Any other questions? Seeing none, thank you for coming.

**JACK CHELOHA:** Don't apply that to other matters.

**WAYNE:** Any other proponents? Seeing none, any opponents. Any opponents? We need just one. OK. Anybody in neutral?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**CHRISTY ABRAHAM:** Thank you, Senator Wayne and members of the committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, and I represent the League of Nebraska Municipalities. And I'm going to start with Senator Wayne's point. The League loves local control, and we certainly review very carefully any bills that put restrictions or regulations on municipalities and hence our neutral position today. We are very grateful to Senator Morfeld. This is the third year I believe this bill has been introduced and every year it gets better and better. We're certainly very grateful for Senator Morfeld to include some of the concerns that we raised last year about occupation tax and sales taxes. And the bill through its three years I think has improved in giving municipalities more and more flexibility to put in the restrictions that they think are needed. Certainly the needs of Omaha are going to be very different from a community like Bayard, for example. As far as the League knows, I think only the city of Lincoln has any ordinances dealing with short-term rentals. And it's not an outright prohibition against the short-term rentals, but just puts in place some regulations about what they need to follow. Other than that, we don't know of any Nebraska municipality that has any of these. But Senator Morfeld is correct and, and Miss Fox also, there are municipalities in other states that have outright banned short-term rentals. But that hasn't been the case here. So thank you again to Senator Morfeld, and I'm happy to answer any questions.

**WAYNE:** Any questions from the committee? Senator Lowe.

**LOWE:** Thank you, Chairman. Thank you, Ms. Abraham. Do you think it was brought up by the city of Omaha lobbyist or representative that maybe in 90 days or 120 days, would a city be able to put up an ordinance for that, even though we pass it this way--

**CHRISTY ABRAHAM:** Senator Lowe, that's--

**LOWE:** -- because it would allow the city to do it, but then an ordinance may trim it back a little?

**CHRISTY ABRAHAM:** I think that's a really good question. And certainly the language in LB57 does give municipalities some broad authority. It says to protect the public's health and safety. I mean, I think if a municipality could justify in some way, we need this restriction for some reason because of public health or safety, they may be able to do that. But it's not specifically written in here that they'd be allowed to do that, so it might be a bit of a gray area.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**LOWE:** OK. Thank you.

**CHRISTY ABRAHAM:** Sure.

**WAYNE:** Any other questions from the committee? Seeing none, thank you for coming today.

**CHRISTY ABRAHAM:** Thank you.

**WAYNE:** Any other neutral position testifiers? Seeing none, Senator Morfeld for your closing.

**MORFELD:** Thank you, Chairman Wayne. I'm also happy to report that I did find your castle. It's gotten 1,005 reviews, five stars, and it's in Galway, Ireland, and it's for \$171 a night if you book right now. So wasn't able to find one in Nebraska. We'll work on that. In any case, I appreciate the questions and discussion. I, I, I did get some communication with Jack in the city of Omaha on the 90-day restriction. I, I, I would be opposed to that. I do think that there is leeway for a city with the broad authority here to, to impose that. I wouldn't be in favor of that if it, if there was an ordinance, I'd probably go and testify in opposition to the city council to an ordinance that would do that, but I do think that there is, this is broad enough to allow for that and we don't, we don't mention that in statute. The other thing that I'll say is that, yeah. I can kind of see concerns about people coming and going, but you know I, I have concerns with people coming and going sometimes with people who own their homes, let alone you know short-term rentals. So those are the same types of concerns that you have in any neighborhood or, or any place where you're living around other people. The other thing that I would say on the 90 to 120 days is, one of the things that's really neat if you talk-- I actually don't rent out my home to Airbnb or short-term rental, and I don't plan on doing that, but I do use it when I go and travel. But the people that do rent out their home or room, they tell me that, number one, for some of them it's, you know, they're retired and they like to meet people and they like to host people. Other folks say, this is actually, this helps pay my health insurance for the month or x bill for the month. Other folks say, listen, there's not a lot of hotels or any hotels in my smaller community and this is-- gives people the ability to come for games or social events or for family events when there's not enough room in someone's house or whatever the case may be. And so to put that restriction, that 90- to 120-day restriction, might work in one city, but in another community that wouldn't make sense at all if there

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

isn't a hotel in that community or something like that. So I do want to keep it broad. And I'd be happy to answer any questions that you guys may have.

**WAYNE:** Any questions from the committee? I have just a small one. The League testified that each year your bill gets better and better, so should we wait till next year?

**MORFELD:** Well, you know what? I think this year's the year. I thought last year was the year, too, and the year before it. But, you know, I'm a patient guy, but I'm only around for another four years. So for some people that's a good thing, others not so much.

**WAYNE:** Thank you, Senator Morfeld.

**MORFELD:** OK. Thank you very much for your time.

**WAYNE:** This closes the hearing on LB-- oh, sorry. Are there any letters? Here's one letter of support: Goldwater Institute. And this closes the hearing for LB57. Now we'll begin the hearing on LB121. Senator Crawford.

**CRAWFORD:** Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. For the record my name is Sue Crawford, S-u-e C-r-a-w-f-o-r-d, and I represent the 45th Legislative District of Bellevue, Offutt, and eastern Sarpy County. I'm honored to be here today to introduce LB121 for your consideration. Consistent with the theme for today, rerun Tuesday, LB121 is the same as LB1020 as amended in 2018 that was passed unanimously from this committee with one person absent. LB121 clarifies provisions relating to direct borrowing from a financial institution by cities and villages. In 2015, LB152 was introduced by the Urban Affairs Committee and its passage clarified the authority of municipalities to borrow directly from financial institutions in certain circumstances. Under these provisions it was also made clear that loans taken out by municipalities are not restricted to a single year, but instead can be repaid in installment payments. However, the ability of municipalities to borrow directly from financial institutions was capped with a total amount of indebtedness from direct borrowing limited to 10 percent of the municipal budget for a city and 20 percent of the municipal budget for a village. After the implementation of this municipal borrowing mechanism, the language outlining how the bar-- the borrowing cap was calculated was interpreted to mean the cap was based on one year of a municipality's budget, even if it was a multiyear loan. LB121 changes

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Urban Affairs Committee January 29, 2019

this language to clarify that the amount of loan attributable in any one year to the limitation on the total amount of outstanding indebtedness from direct borrowing is the total amount of the outstanding loan balance divided by the number of years over which the loan is to be repaid. To put these changes in an example, the bill in 2015 authorized multiyear installment loans. Let's say under the current statute a city the metropolitan class wanted to take out a loan for \$100,000 dollars to be paid back over five years. Currently, when calculating whether or not this amount was within their direct borrowing cap set by statute, the \$100,000 being borrowed cannot be more than 10 percent of the overall municipal budget for that year. Under LB121 the \$20,000, the amount to be repaid in each year, is the amount that could not exceed 20 percent of the municipal budget for that year. Recognizing that this change will allow municipalities to borrow greater sums of money, LB121 limits municipal loans to a repayment period not to exceed seven years. The current statute had no-- has no limit on the number of years municipalities can borrow. So if they have more, excuse me, so if they have more than one multiyear loan the sum of the repayment of those loans in a given year can never exceed 10 percent for cities or 20 percent for villages of their budget. LB121 also extends the limitation on the total amount of indebtedness from, from direct borrowing by a city of the second class from 10 percent, which is the current cap for all classes of cities, to 20 percent of the municipal budget of the city which mirrors the current cap for villages. With rather small budgets, we have heard stories of cities of the second class having much more difficulty staying inside their 10 percent cap than larger cities and banks have not been able to meet the financing needs of the smallest cities. It is important to note that LB121 does not change or eliminate any of the criteria a municipality must meet in order to be able to access a direct borrowing loan. These restrictions were put in place in 2015 to ensure municipalities were not turning to direct borrowing installment loans for purposes that should instead be achieved by securing bonds. Under these provisions, municipalities can only borrow directly from a financial institution if they are borrowing the money to purchase real or personal property, for the condition of construction of improvements, or to refinance existing indebtedness. Further, in the ordinance or resolution authorizing the direct borrowing municipalities must certify that financing for these authorized activities through traditional bond financing would be impractical, would not allow the project to be completed within time constraints facing the city or village, or would cost more to taxpayers than, than, or would cost more to taxpayers. Information about any ordinance



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

or resolution being moved forward by city council or board of trustees on this matter must be relayed in the public notice. Again, these are strong protections that limit this direct borrowing tool from being abused by municipalities and all these protections remain in place with LB121. Additionally, LB121 clarifies that the measurement or determination of the amount of any direct borrowing loan to be attributed to any one year is to be tied to the date of the ordinance approving the direct borrowing. This will ensure that once a loan is qualified, reductions in the village's budget in a subsequent year will not invalidate the loan or affect the village's ability to refinance the existing indebtedness in the future. In other words, future reductions in the village budget would not serve to invalidate a loan that was, that was within the limitation of the total amount of indebtedness from direct borrowing at the time the loan was made and the ordinance resolution was passed. LB121 will provide greater flexibility to cities and villages to finance infrastructure projects. The bill reflects the original intent of the Legislature by removing restrictions on the financing of direct borrowing needs of cities and villages. The bill does not alter in any fashion the quote balancing test unquote that exists for the city or village to determine whether or not direct borrowing or bond financing should be utilized. LB1020, the last version of this bill I introduced, advanced unanimously from-- with an amendment from the committee last year and LB121 has incorporated that language. I appreciate your attention to this important issue, and I'm happy to answer any questions you may have.

**WAYNE:** Any questions from the committee? Senator Lowe.

**LOWE:** Thank you, Chairman. And thank you, Senator Crawford. You said that this is rerun Tuesday. Is there-- what's the difference between this bill this year and the bill last year?

**CRAWFORD:** So this bill is the same as the amended version that came out of the committee last year.

**LOWE:** OK. But it just didn't pass on the floor because--

**CRAWFORD:** Right. It didn't even get to the floor. Didn't get to the floor.

**LOWE:** It ran out of time?

**CRAWFORD:** Right. Correct.

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Urban Affairs Committee January 29, 2019

**LOWE:** Thank you very much.

**CRAWFORD:** Thank you.

**WAYNE:** Any other questions from the committee? Seeing none, I'm assuming you're going to be here for your closing.

**CRAWFORD:** Yes, I will be.

**WAYNE:** Any proponents?

**BOB HALLSTROM:** Chairman Wayne, members of the committee, my name is Bob Hallstrom, H-a-l-l-s-t-r-o-m. I appeared before you today as registered lobbyist for the Nebraska Bankers Association to testify in support of LB121. Senator Crawford has done a nice job of outlining the history of this bill and the reasons why it is necessary. I would note for the record, unlike the last bill this one is not getting better and better. In fact, it is, Senator Lowe, exactly the same bill that was advanced unanimously by this committee last session. So we think we've addressed the issue and the problem. One of the issues, just to go back to put a framework in mind here for the committee, three years ago when this bill was passed we were somewhat surprised that we needed a bill at all, because banks have been making direct loans to villages and cities for quite some time. But there is a notion or a concept that all of the municipalities' powers are derived from the state and some village and city attorneys had suggested that there was not a specific statute for their particular type of village or city. And so the, the bill came forward. It was rather straightforward initially and the committee then looked at it more critically and decided that there should be some restrictions and parameters put in place with regard to direct borrowing. Those items were addressed by Senator Crawford, and we want to make it clear we're making absolutely no changes to the restrictions that are placed on villages and cities with regard to whether or not they can conduct direct borrowing activities as opposed to alternative financing arrangements based on those statutory restrictions. I do, for those of you who are into mathematics, I do have in my testimony, without belaboring the fact, some of the examples that Senator Crawford talked about in terms of why this is a problem based on the budget for one year when you have, for example, a five-year installment loan. The nuts and bolts of this bill are we're now going to look at the amount of the loan that has to be serviced or the amount that is attributable to any one year to remove the problem that exists. I also have an example in my testimony that shows how you aggregate additional direct

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

borrowings over time to where you, you clearly can't have situations where the village or city would max out from a, a number of direct borrowing loans within that one-year attribution total of 10 or 20 percent of the, of the annual budget of the city or the village as the case may be. With that, I'd be happy to address any questions that the committee may have.

**WAYNE:** Any questions from the committee? Senator Briese.

**BRIESE:** Thank you, Chairman Wayne. Thank you for being here, Mr. Hallstrom.

**BOB HALLSTROM:** Thank you.

**BRIESE:** This seems like a considerable expansion of the ability of municipalities to direct borrow. How did they get along the last three years without something like this in place? You gave the example in here of the village of Jackson and a treatment plant. What did they end up doing ultimately?

**BOB HALLSTROM:** My understanding, Senator, with regard to that is that they, they had sufficient reserves that they ended up dipping into their reserves and got a smaller dollar loan, a direct loan to, to fill in the gap. And I believe in the one case they may have deferred or delayed taking on the project. I think the village of Jackson and the village of Ponca where the two or the city of Ponca were the two that were involved in the particular instance in northeast Nebraska.

**BRIESE:** OK. Do you have any other examples of hardship imposed on municipalities by these re-- restrictions we had the last few years?

**BOB HALLSTROM:** Senator, if I might back up, I would probably respectfully take exception. This bill does not significantly expand what was originally intended in the legislation. I think we had unintended consequences. It didn't make any sense, if you look at it in retrospect, to create a bill that says you may own, you, you can get a five-year loan and if you've got let's say a \$500,000 loan, \$100,000 was within your annual budget cap and you could get five \$100,000 loans over time, but you can't get the initial \$500,000 loan for which you're only responsible for servicing at \$100,000 a year because of the technical way in which the bill has been drafted and, and subsequently interpreted. So we don't think there's any expansion of direct borrowing beyond what the Legislature and all of the parties

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

that we're working on the legislation thought and intended was, was going to be the result of this bill.

**BRIESE:** And in 2015 or whenever this occurred I wasn't here. I guess I'm not privy to the intent behind it. But what, the way it was ultimately drafted versus what is in here, I would certainly consider that an expansion of the ability to borrow money from a flat-- from an institution, it would seem to me.

**BOB HALLSTROM:** And I think, Senator, with regard to the hardships what my fear would be is despite having let people know what the rules of the road are based on the current interpretation that there may be some of those loans going on and the last thing we'd want to do is, is not go back and change the law to make sure that the original intent of the Legislature is, as I would suggest it was, is being carried out through this bill.

**BRIESE:** OK. Fair to say that bonding is an option in many situations that can't be covered through direct borrowing.

**BOB HALLSTROM:** I think it's an option, Senator, and I think that's exactly why again-- if I can-- if I can take you back, we were again surprised that the committee took it upon themselves initially to put those restrictions in play, but some of the very things that you've raised were talked extensively and discussed extensively about by the committee in crafting the restrictions that are in the law which I think are addressed to, to take care of that concern if you will that the community or the municipality is going to have to show after a public hearing and the ability for public input that the requisites of is it more efficient, is the timing such that you can't go out and take the time to issue a bond, and so forth that all of those criteria that balancing test that Senator Crawford mentioned all have to be satisfied before you can even get to step one and say, yes, direct borrowing is a better alternative from efficiencies, cost, etcetera for the community to do.

**BRIESE:** Okay. Thank you.

**BOB HALLSTROM:** Thank you, Senator.

**WAYNE:** Senator Hunt.

**HUNT:** Thank you, Senator Wayne. Hello. Nice to see you.

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Urban Affairs Committee January 29, 2019

**BOB HALLSTROM:** Thank you, Senator.

**HUNT:** So just to clarify and put it in as plain of terms as possible, this bill would mean that for a municipality that 20 percent cap would just be on the payment due for the loan, not the full total amount of the loan over the number of years that they've taken it out--

**BOB HALLSTROM:** Right.

**HUNT:** -- which is the intention of the original bill. But like you said, there were just some unintended consequences and it strapped the municipalities a little bit for them to do their projects.

**BOB HALLSTROM:** That would be our exact interpretation, Senator.

**HUNT:** OK, thank you.

**WAYNE:** Any other questions from the committee? Seeing none, thank you for coming.

**BOB HALLSTROM:** Thank you, Senator.

**WAYNE:** Any more proponents? Welcome to your Urban Affairs Committee.

**LYNN REX:** Thank you. Senator Wayne, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraskans Municipalities. We really appreciate Senator Crawford introducing this legislation again. As she noted, this was LB1020 from last year with the standing committee amendment incorporated. That being said, the League brought LB152 back in 2015 to this committee and that was because at the time there were cities across the state that were direct borrowing. As Bob Hallstrom said, banks thought that they could loan it to cities, cities thought that they could have loans. But not all city attorneys agreed with that, so there's a split of opinion. And in Nebraska, the Nebraska Supreme Court has consistently upheld Dillon's Rule which essentially says, municipalities in the state of Nebraska have three powers: those powers that expressly granted by Nebraska law; those powers that are implied by Nebraska law; and those powers that are necessary to effectuate corporate powers. That being said, we thought it was very important to bring in a bill to basically make it very clear that there is express authority because of the implications of all of this. So that being said, I would like to just briefly go through a couple of highlighted issues. Senator Crawford did an outstanding job going through the details of this measure. If you note on page 2, this is obviously Section 18-201, line 8, it makes

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

it clear again that this is for a term not to exceed seven years. We see that as a restriction. However, Senator Briese, as you noted, I mean, there is some expansion here in the event that on page 3, for cities of the second class they would be given that 20 percent cap, which is what villages have under the prior legislation. So we think that that's very important just because there are villages that have expressed that issue, too. Ponca is one of those cities that have indicated that this would be very helpful to them. And I would underscore the fact that one of the reasons why cities do this is to save money because of the cost of what it costs to go through a bond issue and for the most part-- I'm not saying Lincoln and Omaha and first-class cities would never do it, but predominantly this is an issue that helps second-class cities and villages across the state of Nebraska. There are 529 cities and villages in the state in Nebraska. There are 380 of those that are villages, population 100 to 800 roughly, because they have the chance to go up or down just a little bit. There's 117 cities of the second class. That's a population of 800 to 5,000. And then 5,000 and up would be first-class cities, Lincoln and Omaha. So we really appreciate Senator Crawford introducing this bill. We would hope that this committee would again advance it to, to general file because she did incorporate the standing committee amendment that this committee had last year and this bill has been vetted several times. So it's just an extremely important bill to make sure there's express authority. With that, I'd be happy to respond to the questions that you might have.

**WAYNE:** Any questions from the committee? Seeing none, thank you for coming.

**LYNN REX:** Thank you so very much.

**WAYNE:** Any other proponents? Any opponents? Any testifiers in the neutral position? Seeing none, Senator Crawford.

**CRAWFORD:** Thank you, committee. And I'd like to thank those who came to testify. To your question, Senator Briese, I just want to point you to the green copy of the bill and page 2 and the-- that is what was passed initially in terms of trying-- of protecting the citizen so that the borrowing was not done with direct borrowing that should instead be done with a bond process. So that's the language that was put in initially on the conditions in which direct borrowing would be acceptable and requiring that they, that they note that it is impractical to do a bond borrowing in that case. And also note that there has to be a public notice for meetings with a clear notation

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

that an ordinance or resolution authorizing direct borrowing will appear on the agenda. So a citizen notification and some protections for citizens to ensure that this borrowing doesn't replace bond borrowing. With that, I'd take any other questions that may have arisen.

**WAYNE:** Any other questions. Seeing none, thank you.

**CRAWFORD:** Thank you.

**WAYNE:** This closes the hearing on LB121. We will now open the hearing on LB160, Senator Quick.

**QUICK:** Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Dan Quick, D-a-n Q-u-i-c-k, and I represent District 35 in Grand Island. Today I'm here to introduce LB160, the bill that would amend the Local Option Municipal Economic Development Act to define economic development program to include early childhood infrastructure-- infrastructure development for cities of the first class, second class, and villages. In 1991, the Legislature passed a Local Option Municipal Economic Development Act, which is also referred to as LB840 to authorize incorporated cities and villages to appropriate local sales and property tax revenues for certain economic development purposes. Currently, the communities can use these funds for different eligible activities. An example of these-- some of these activities include: direct loans or grants to qualifying businesses; grants or loans for job training; real estate purchases; or grants or loans to businesses for providing incentives for new residents to look-- to relocate. According to the Department of Economic Development, to date there are over 70 communities that have voted to create such programs. For example, Fremont has taken advantage of the act for almost 20 years, using local funds for street construction and renovation, new police and fire departments, and economic development. The city of O'Neill has also been-- benefited from the act with nearly \$1 million in local funds appropriated since 2013 to create jobs and increase housing. In my hometown of Grand Island we've used LB840 funds as the primary incentive offered by the Grand Island Area Economic Development Corporation. In Grand Island-- in Grand Island, LB840 funds are used as a cash payment made directly to a company and are based on job creation and job training needs for employees. This structured payment system is established between expanding businesses and the Grand Island Area Economic Development Corporation. Training incentives can be paid upfront to jumpstart a business, while job creation incentives are an annual payment delivered over a three-year

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

period of time. It is also possible to structure a low interest or a for-- "forgivable"-- forgivable loan to meet businesses' needs. These are just a few examples of how cities use LB840 funds. Cities and villages can create the program that works best for them. While we don't often talk about early childhood as an important part of economic infrastructure, it most certainly is. According to the-- to recent information from the Committee for Economic Development, the childhood industry in Nebraska has a nearly \$460 million impact on our economy. LB160 represents a logist-- a logical extension of the act to include early childhood infrastructure development to address the early childhood education shortages which hurt the ability of our communities to attract new businesses. These shortages in early childhood education also hurt the ability of existing businesses to recruit new employees as employees struggle to find quality childcare for their families. This bill will also ensure that any funds that cities choose to designate for early childhood education are only being appropriated for quality early childhood programs. In 2013, the Legislature passed step-- the Step Up to Quality Childcare Act, which measures early childhood programs on a five-step scale, with step five being the highest rating a program, program can receive. Under LB160 a program would need to achieve a recognized quality rate-- rating of a-- of-- of a step three or higher to be eligible for LB840 funds. High quality-- high quality early education-- high quality early childhood programs play an important role in a community's economic development. Nobel Prize winning economist James J. Heckman recently released a study that found high quality early childhood programs for disadvantaged children can deliver 13 percent per child on an investment-- I should say per year on investment. This type of investment pays real dividends in Nebraska cities. I want to emphasize as the Legislature has made changes to LB840 fund uses several times in the past. As you will note in the committee memo for this bill, the Legislature has previously expanded the definition of qualifying businesses to include construction and rehabilitation of low-income and work force housing, film production, and real natural gas infrastructure. Including quality early childhood programs in this category is a must for our children, our parents, and working families, our employers, and our business communities. In closing, LB160 comes with no cost to the state but with a great opportunity for, for valuable short- and long-term returns that allows local control of LB840 funds to be invested in new and innovative ways to help ensure the future of well-being-- of the well-being of children and communities. I believe that when we invest in our children from a young age we are investing in our state's economic future. With that,



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Urban Affairs Committee January 29, 2019

I look forward to working with stakeholders to advance this bill, and I would be happy to answer any questions.

**WAYNE:** Any questions from the committee? Senator Arch.

**ARCH:** Given the limited number of dollars available for economic development, do you have any concern that adding this would, would dilute those dollars? I mean, we're-- we seem to be moving more towards very, very targeted investments in our-- in our economic development. Are you concerned at all about that?

**QUICK:** Well, I don't-- I don't, I don't believe so. I mean, the communities have that choice of how to use those funds. So if they see it-- see the need within their community which would attract more businesses I believe that, that, that they would choose if they, if they saw a need for more childcare within their community, then maybe that's something they'd want to act on to be able to entice more employers to come into their community.

**WAYNE:** Any other questions from the committee? I thought there was going to be more give and take. OK. That was a lot easier than last year. Any-- next up, we'll have proponents. Any proponents? Welcome to your Urban Affairs Committee.

**JOEY ADLER:** Thank you. Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Joey Adler, J-o-e-y A-d-l-e-r, and I appear today in support of LB160 on behalf of the Holland Children's Movement, a nonpartisan, not-for-profit organization that strives towards its vision for Nebraska to become the national beacon in economic security and opportunity for all children and families. I'd like to express my gratitude to Senator Quick for the introduction of LB160 and the members of this committee. The idea for this bill grew from what we already know works well in Nebraska, local control, and creating new pathways to increase opportunities for investments to support Nebraska's families. This bill achieves just that by providing more opportunities for access to quality early childhood education without cost to the state which all of you know too well is no easy task to be sure. As local communities tackle the ever present goal to attract and retain new talent they are realizing more and more that in order to grow the work force young families need better access to childcare. Without question the demand for access to affordable quality childcare is real and present and our ability to meet this demand is crucial to a growing work force and economy in Nebraska. Recent research on public opinion in Nebraska by the Holland

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

Children's Institute showed that 83 percent of Nebraskans believe that the state should place more focus on expanding access to affordable, quality childcare to grow the economy and work force in Nebraska. LB160 is an opportunity to do just that by making sure that access to quality childhood education is a priority in our state. LB160 allows local communities the option to invest LB840 funds in quality early childhood programs, recognizing the early childhood industry as the economic driver that it is and the potential it brings for communities across our state. Unlike some other industries, childcare businesses are local, they employ Nebraskans, they serve Nebraska children and families, and help Nebraska parents enter and succeed in the work force, and all of which fuels more activity for local economies. LB160 is an innovative state policy solution that works to meet an identified need at the local level. Senators, we hope you'll take this opportunity today to support Nebraska's local economies and work force and ensure more young children enter school ready to succeed and grow into the work force of tomorrow by advancing LB160. Thank you for your time today, and I'd answer any questions you have.

**WAYNE:** Any questions from the committee? Seeing none, thank you for coming today.

**JOEY ADLER:** Thank you.

**WAYNE:** Any more proponents? Welcome to your Urban Affairs Committee.

**ELIZABETH EVERETT:** Thank you. Chairman Wayne and members of the Urban Affairs Committee, thank you for allowing me to testify today. My name is Elizabeth Everett, E-l-i-z-a-b-e-t-h E-v-e-r-e-t-t, and I'm a policy associate with First Five Nebraska, a statewide early childhood policy organization. I'm here today to testify in support of LB160. I'm not going to repeat some of the comments already said by previous testifiers, but I would like to read a couple of statistics in my testimony. Right now Nebraska is ranked first in the U.S. for percentage of single mothers with children under the age of 6 working outside the home and ranked second in the U.S. for percentage of married couple families with both spouses working outside the home. Due to demands several communities in Nebraska have started to incorporate early childhood into their own strategies for economic growth. Gothenburg, Columbus, Wood River, Albion, and Pender have all developed public-private partnerships to build or enhance already existing early childhood infrastructure. These and other communities are finding innovative ways to address the needs of working parents and employers. According to Melissa Kelly, Pender Community Hospital

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

CEO, she said that the addition of Little Sprouts Child Development Center in Pender filled a fundamental void for an essential building block necessary for economic development in our community. Per Pender Community Hospital, it is a recruiting tool as we work to get engaged top end candidates for open positions. Prior to the opening of the new Child Development Center. Pender existed in a childcare desert where families were struggling to find reliable, quality childcare on a regular basis including her own. LB160 provides an additional funding pathway for communities. It would allow them to use existing economic development funds to invest in quality early learning and childcare programs if they believe it's necessary to a community's long-term prosperity. As our state continues to grow it will be imperative that communities have the sort of flexibility and opportunity to invest in these quality early learning programs. Again, thank you for allowing me to testify today and I'll take any questions at this time.

**WAYNE:** Any questions from the committee? Seeing none, thank you for coming today.

**ELIZABETH EVERETT:** Thank you.

**WAYNE:** Any more proponents? Welcome to your Urban Affairs Committee.

**JASON BUSS:** Hi. My name is Jason Buss. I am the president of the board for the Merrick County Child Development Center.

**WAYNE:** Can you spell your first and last name [INAUDIBLE].

**JASON BUSS:** Oh. Jason, J-a-s-o-n, Buss, B-u-s-s. I've submitted written testimony so I'll be brief and try not to repeat too much. I-- the Merrick County Child Development Center was a God blessing to my wife and I when we moved to Central City five years ago. If we wouldn't have had it we wouldn't have been able to live in a small town of Central City and work elsewhere. Since then, as the president the board for the Merrick County Child Development Center we've raised funds to pay off the USDA loan that we had, the half million dollars and we're behind. We have 30 kids on our waitlist and the school's preschool has 20 kids on their wait list and we're a booming town. So we need the help of a bill like this to help us do a zero interest loan through our Economic Development Corps so that we can be debt free in the future sooner than if we take out another USDA loan and put the community back in the red for too long. So we look forward to

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

your support of this bill and hopefully get it passed that we can expand in time for our community's needs. Thank you. Any questions?

**WAYNE:** Thank you. Any questions from the committee? Senator Briese.

**BRIESE:** Thank you, Chairman Wayne. Thank you, Mr. Buss, for being here. Did you say you migrated to Central City?

**JASON BUSS:** Yes. Yeah, we moved from Columbus.

**BRIESE:** And childcare, was that a consideration in your decision where to locate?

**JASON BUSS:** It was the main reason we chose. After we saw the center there-- they had built a nice center years before. So we have a hundred-- I didn't mention, we have 135 kids. We have capacity for 85, so we do a lot of juggling-- our director does-- to fit them all in the capacity, sorry.

**BRIESE:** OK, thank you.

**WAYNE:** Thank you. Any more questions from the committee? Seeing none, thank you for coming today.

**JASON BUSS:** Thank you.

**WAYNE:** Any more proponents?

**CHRISTY ABRAHAM:** Thank you, Senator Wayne and members of the Urban Affairs Committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, and I'm here representing the League of Nebraska Municipalities. This committee will hear a lot about the LB840 programs. Senator Quick did a nice job of sort of giving the legislative history but there was a constitutional amendment needed in order to do these programs and LB840 was the enabling legislation in 1991 that allows them to happen. They're incredibly important to our communities. Right now we have about 72 municipalities across the state that have be LB840 programs and they're used for a wide variety of-- for qualified businesses. And I think you've heard and will continue to hear that these municipalities really want to attract people to their community. And housing is probably the number one thing that we hear from communities, like we really need work force housing. But quality childcare is another huge factor to determine whether or not a family is going to move into a community. So the League is very supportive of allowing these LB840 dollars to be used

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

for that purpose. And I wanted to add before, LB840 programs, they are voted on by the community, so these are voter-approved programs and they have to create very extensive plans about how these funds are going to be used. So the people who vote on them are very sure about, these are how these funds are going to be used. And I think a lot of communities would be very supportive to have quality childcare or be part of what they're using their economic dollars for. I also want to mention, I'm also here-- I'll probably never say these words again but here they come out. I am also here representing the Nebraska Association of School Boards. They were not able to come today, so here I am. And but they share some of the same concerns that the League does that really having quality childcare in those communities are important to them also, so I wanted to get that plug in for them. And I'm happy to answer any questions.

**WAYNE:** Any questions from the committee? So are they paying you? I'm joking to-- I'm joking.

**CHRISTY ABRAHAM:** It's strictly pro bono, Senator.

**WAYNE:** No questions. Thank you for coming today.

**CHRISTY ABRAHAM:** Thank you.

**WAYNE:** Any other proponents? Any opponents? Any opponents? Seeing none, any people testifying in neutral capacity? Seeing none, Senator Quick for your closing.

**QUICK:** And I'll keep it brief, but I just urge you to please consider passing this on to the floor so we can pass this into legislation. And, you know, I think the big thing for a lot of the communities and really for employees and working families is trying to find quality daycare. And I think this just gives communities another option they can-- whether, you know, whether they should use those funds for that or not. But it gives them another opportunity to help grow their economy and their community. So thank you and I hope you will please pass this.

**WAYNE:** Any questions for Senator Quick? Seeing none, thank you for coming. Letters of support we have: the National Association of Social Workers, Nebraska Chapter; letter of support from Nebraska Department of Education; letter of support from the Buffett Early Childhood Institute. And a neutral letter from: the Learning Community of

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

Douglas and Sarpy County. With that, that closes the hearing on LB160. Next up we have Senator Hansen with LB66.

**M. HANSEN:** Ready?

**WAYNE:** Yep. Ready, sir.

**M. HANSEN:** Thank you. And good afternoon, Chairman Wayne and fellow members of the Urban Affairs Committee. My name is Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent District 26 in northeast Lincoln. I'm before you today to introduce LB66 which would task cities to include an early childhood element as part of their comprehensive plans, which are already required by state statute. LB66 would become effective when a new city, when a city develops a new comprehensive plan, undertakes a full update to an existing plan, or by January 1, 2022, at the latest. This is modeled after prior legislation in 2010 that added an energy element to comprehensive plans. The early childhood element would add a new section to the comprehensive plan that would utilize existing resources and data to assess the supply of quality licensed early childhood education programs for children under the age of six, evaluate the availability and utilization of licensed childcare capacity for children under six, and promote early childhood health and education measures that benefit the community. The collection and analysis of this information provides greater transparency to the public including new businesses that may wish to relocate to the area knowing they can attract and retain new young talent who will raise their families in a thriving community. Guys are, gathering such information also aims, also arms decision-makers with information to guide policies and to target limited resources to wise investments like high quality early childhood education. The childcare industry has an undeniable effect on parent's participation in labor force and a significant impact on the economy of local communities. However, childcare is not just a work support for parents, but also critical for the healthy development of children to ensure they start school ready to learn. Access to high quality childcare ultimately leads to a more skilled work force. Families and employers depend on quality childcare for more stability for today's employees to lay the foundation for tomorrow's work force. Investing in early learning and development is one of the best foundations for human capital. However, this type of targeted investment that can have both immediate and long-term benefits to the individual child, society at large cannot take place without measured and thoughtful planning. In closing LB66 is an opportunity for its cities to evaluate and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

analyze the access families have to quality early childhood programs and to make positive changes to promote children's health and early learning without costing the state additional funds. I will note that LB66 is identical to last year's LB880 as amended by this committee, which was passed by the body in this committee last year but ultimately did not become enacted into law. With that, I will ask the committee to advance LB660 [SIC]. Be happy to take any questions.

**WAYNE:** Any questions from the committee? Seeing none, thank you.

**M. HANSEN:** Thank you.

**WAYNE:** Will you be here for closing?

**M. HANSEN:** Plan to.

**WAYNE:** Just double-checking. Any proponents? Welcome, Senator, to your Urban Affairs Committee.

**COLBY COASH:** Thank you, Senator Wayne. Members of the Urban Affairs Committee, it is good to be back. My name is Colby Coash, C-o-l-b-y C-o-a-s-h, and we are happy to be here in support of LB66. The Nebraska Association of School Boards, as you may know, is very interested in, in this area because our mission is to provide money saving programs and services to school boards to help them better serve their districts, their community, and their state. And a key focus of that, of meeting that mission centers around board development, particularly in the area of strategic planning and community engagement. In fact, this part of NASB's mission has been a large growing part over the last several years because of communities wanting to engage in strategic planning and engaging their school boards as part of that community engagement. So over the last few years we've seen a real shift in focus in both our community engagement and those strategic planning sessions when districts are, are definitively thinking more outside the box. And we're finding out that one of the biggest barriers to economic growth in rural Nebraska include housing and childcare. That's what we hear from our members over and over again. LB66 is a really nice way from Senator Hansen of saying, from the state's perspective, perspective that early childhood is critical to that growth. And when a community builds a comprehensive plan, something like this is really important to the viability of the future of that community. And as we engage with school boards, we feel that they're more than ready to collaborate with cities and counties and leaders and their communities on these

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

sorts of initiatives. So we appreciate Senator Hansen bringing this bill and urge you to advance it.

**WAYNE:** Any questions from the committee? Seeing none, thank you for coming today.

**COLBY COASH:** Thanks.

**WAYNE:** Any more proponents?

**JOEY ADLER:** Good afternoon again, Chairman Wayne and members of the Urban Affairs Committee. My name is Joey Adler, J-o-e-y A-d-l-e-r, and I appear today in support of LB66 on behalf of the Holland Children's Movement, a nonpartisan, not-for-profit organization that strives towards its vision for Nebraska to become the national beacon in economic security and opportunity for all children and families. I would like to start off by expressing gratitude to Senator Hansen for introducing LB66. We believe this is a forward-thinking proposal reflective of the need and public support for more accessibility to affordable, quality, early childhood care and education. I'm not going to go over the polling again, but we see this proposal to include examining early childhood care and education in city development plans as a logical step to strengthen communities now and long into the future. Educators and business leaders alike know that examining products or services at the beginning rather than having to go in and fix the problems later is a smarter and more cost-effective approach that requires the type of thoughtful planning proposed today in LB66. This legislation would prevent an innovative opportunity for communities to assess and evaluate and promote the well-being of young children and families. LB66 is intended to help benefit city planning and development with respect to Nebraska's young children and families without financial burden to the state. Last year there were concerns brought up about how to access the needed information and data to meet the requirements laid out in LB66, and we worked with groups last year to address those concerns which was amended into the bill. LB66 includes those same changes from last year. In addition, we have enormous amount of data at hand and resources to help cities if they have any questions about that and how to recognize quality early childhood care and education in Nebraska. I would, of course, be open to working with anyone to address any issues or concerns. We would urge you to advance LB66 to provide further opportunities to support Nebraska's families and the work force of today and ensure our



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

children begin school ready to succeed and grow in the work force.  
With that, I'll take any questions.

**WAYNE:** Any questions from the committee? Senator Briese.

**BRIESE:** Thank you, Chairman Wayne. Thank you for being here. I think we've heard considerable testimony about the importance of childcare to economic growth in our communities and the realization that, of its importance. With that said, are there communities out there whose strategic planning in this regard is inadequate, that are not doing it, that need to be prompted by a measure such as this?

**JOEY ADLER:** I wouldn't say that they were inadequate. I would just say that this is something that we want to make sure is at the forefront. And while not maybe a secondary thought but the first thought, that when we're talking about our city planning that it should be one of the main things that we're considering for economic growth.

**BRIESE:** Did you feel there's communities where it's not at the forefront?

**JOEY ADLER:** You know, I'm not, I don't, I can't give you any examples of that or anything like that. It's, it's mostly more of let's just make sure that it is at the forefront than to say that nobody, that somebody is not doing that.

**BRIESE:** OK, thank you.

**WAYNE:** Any other questions from the committee? Seeing none, thank you for coming today.

**JOEY ADLER:** Thank you.

**WAYNE:** Any other proponents?

**ELIZABETH EVERETT:** Hello again. Chairman Wayne and members of the Urban Affairs Committee, thank you again for allowing me to testify today. My name is Elizabeth Everett, E-l-i-z-a-b-e-t-h E-v-e-r-e-t-t, and I'm a policy associate with First Five Nebraska. I'm here today to testify in support of LB66. Nebraska has roughly 58,000 vacant jobs. While efforts are being made to attract a work force from outside the state, we must also look inwards to make the greatest use of the potential talent pool already in Nebraska. Strengthening our early childhood infrastructure in communities can make it possible for more people to fully participate in the work force who might otherwise be

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

prevented from doing so by limited access to quality childcare options. Not only will quality early learning and childcare programs help our current work force stay at the job, but they will also help strengthen Nebraska's future talent pipeline by helping our youngest citizens develop the necessary cognitive and behavioral skills needed to be successful in school and later in life. LB66 will require Nebraska's metropolitan, primary, first- and second-class cities to incorporate an assessment of their early childhood infrastructure into their comprehensive plans. This bill would provide communities the opportunity to assess their current early childhood programs, including the availability of licensed childcare providers. It would also allow these communities to identify any gaps that exist in their current early childhood infrastructure. First Five Nebraska feels strongly that LB66 will provide communities the accountability and transparency they need to improve their existing early care learning programs. It will help communities deepen their talent pool and close the achievement gap for young children facing risk factors that threaten their success in school and help lay the foundation for our state's long-term economic prosperity. Thank you again for allowing me to testify today. I will take any questions at this time.

**WAYNE:** Any questions? Senator Arch.

**ARCH:** Probably should have asked this earlier.

**ELIZABETH EVERETT:** Yep.

**ARCH:** Definition of early childhood, 0 to 5?

**ELIZABETH EVERETT:** Yes, 0 to 5. We normally would consider policy between 0 to 8 though as well, just because of the--

**ARCH:** So in this, in the requiring of this plan in early childhood, a piece of the comprehensive plan, would you be requiring 0 to 5 or 0 to 8?

**ELIZABETH EVERETT:** It would focus on 0 to 5, so pre-K and below.

**WAYNE:** Any other questions?

**ELIZABETH EVERETT:** Thank you.

**WAYNE:** Thank you. Any other proponents? He was right. I wasn't sure if you're asking me to ask that question. Do you have another question?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**ARCH:** No, I don't.

**WAYNE:** Any opponents?

**JACK CHELOHA:** Good afternoon, Chairman Wayne, members of the Urban Affairs Committee. My name is Jack Cheloha, that's J-a-c-k, last name spelled, C-h-e-l-o-h-a, lobbyist for the city of Omaha and I want to testify against LB66 this afternoon on behalf of Omaha's Planning Department. First and foremost, obviously, we're supportive of early childhood development and the various needs and resources in order to help our youth acquire all the skill and training they need to be ready for school to start once they get to kindergarten and beyond. However, what we have an issue with in this bill is the means of getting there. We don't believe that this particular item should be placed within a city's comprehensive plan. This is more of a community-type engagement, community-type service as opposed to municipal government which typically, you know, we deal with fire, police, bricks, mortar, roads, etcetera. In particular, I'm just going to point out my planning director sent me an e-mail and pointed out four points as to why he would oppose the bill. Number one, the bill was silent on the definition of an early childhood element and is asking for a lot. This effort could be done more effectively outside of our master plan by another agency or nonprofit or part, possibly in partnership with the city. Number two, the Department of Health and Human Services tracks and has the most viable data on early childhood centers and would be a natural fit as the lead agency for this type of bill. Number three, without a true definition of an early childhood element it would be hard for us to implement and the results from the community to community would be mixed and not achieve the outcomes that are desired by the proposed bill. And then finally number four, the bill is narrowly focused on one particular industry. Would this open up cities to other industries making similar asks or requests of the Legislature to be added to our master comprehensive plan? And for those four reasons we would be opposed to the bill. We think there's other avenues that would be a better fit and because of that we oppose it. I'll try to answer any questions.

**WAYNE:** Any questions from the committee? Senator Hunt.

**HUNT:** Thank you, Chairman Wayne. Thank you for being here, sir. Given how much we know about the link between early childhood education and positive economic outcomes for cities and the effective early childhood desert that we have in our city of Omaha, why is it that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

Omaha is comfortable including business and work force in their city plan, but not education?

**JACK CHELOHA:** I'm not certain I could answer that. I think they're just talking about what jobs are available and that we do participate in, you know, certain economic incentive programs, whether it would be TIF and/or the state's Advantage Act where our local option sales taxes are given back to businesses as incentives. That would be probably my best guess as to why we include those.

**HUNT:** And when you, in your testimony you were referring to an industry, like giving preference to an industry that would open up to all others. By industry are you referring to early childhood education?

**JACK CHELOHA:** Let me go back and look at his e-mail. I'm not certain why he specifically said that. Well, I think what he was just saying is this category or this group. I don't know why he used the word industry, but I read it verbatim off the e-mail, ma'am.

**HUNT:** OK. OK. Thank you.

**WAYNE:** Any other questions from the committee? I have kind of a couple or maybe one. It depends on how long ago, so it might be broken up into a couple.

**JACK CHELOHA:** Yes.

**WAYNE:** So back in like 2010 there was an energy component added to the comprehensive plan that the city of Omaha supported. And then last year this exact same bill, you were all neutral. What changed?

**JACK CHELOHA:** OK. Regarding the energy aspect, I think with that we were interested in developing our community and trying for the energy saving programs where people would qualify for tax breaks. And that we thought would help to the building of our city, the aesthetics, the upkeep, etcetera. And then in terms of LB880 you're absolutely right. We did testify last year in a neutral capacity on the bill. I probably made some of the same comments and, and mentioned that HHS was probably better suited for it last year. But because the bill still was advanced out of the committee and because of the grief I took from my planning department, this year I am here opposing the bill because they just absolutely told me they, they're just not supportive of it as written. So that's why I'm here.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**WAYNE:** Any other questions from the committee? Hearing none, thank you for coming today.

**JACK CHELOHA:** Thank you.

**WAYNE:** Any other opponents? Anybody testifying in the neutral? Welcome back to your Urban Affairs Committee.

**LYNN REX:** Thank you. Senator Wayne, members of the committee, my name was Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We're here today in a neutral capacity on this measure. I would reference you to specifically page 6 of the bill. The first part of the bill relates to Omaha. Chapter 14 is Omaha. Chapter 15 is Lincoln. And then if you look on page 6 starting on line 11 this is (5) of 19-903. And this relates to first-class cities and second-class cities. We really do appreciate the special efforts that Senator Hansen and his staff made to accommodate some of the concerns that we brought forward last year on LB880. If you turn to page 6 again on line 29 it says: this subdivision shall not apply to villages. We think that is important just because of the size of villages and the issues that they have to address. And, quite frankly, a lot of them don't have comprehensive plans in any event. So with that, we do appreciate the accommodations and some of the special things that they've put in this. We're here in a neutral capacity because of our protocol which is basically when we have cities that are split. This is, there are some exceptions. I will not bore you with those, but when there, but when our membership is split then we will testify to a neutral capacity. So childhood development is extremely important, early childhood care is extremely important and certainly this does tie into work force development, work force housing, and all the issues that this committee and some other committees have also worked so hard on. With that I'd be happy to address any questions that you might have.

**WAYNE:** Any questions from the committee? Thank you.

**LYNN REX:** We thank Senator Hansen for his hard work on these issues. Thank you.

**WAYNE:** Thank you. Any other testifiers in a neutral capacity? Seeing none, Senator Hansen for a closing.

**M. HANSEN:** Thank you, Senator Wayne and members of the committee. And first, let me thank all the proponents who came in support and I know

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

we had several other proponents who were not able to attend but sent letters. I think overall, especially from the educational community, there's a broad base of support and kind of seeing this as a broadening of roles to make sure kind of collectively communities come together to focus on early childhood education. I'm appreciative of Lynn Rex testifying on behalf of the League in a neutral capacity. We worked with them extensively on the language. As I said in my introduction, the bill as introduced is approximately the committee amendment from last year, which the League had considerable say in terms of defining some of the data and some of the criteria. My initial bill last year was much more just a briefer description and we expanded that. In relation to the city of Omaha coming in opposition. I will note they were courteous enough to give me a heads up that their position had changed from neutral to opposed. I do take a little exception to the kind of the categorization that city plans are kind of like dry, technical, land use documents. That was kind of in some testimony in some of the conversations at the microphone. I'd like to kind of read this, how the city of Omaha describes their city plan. And so this is from the city of Omaha Urban Planning Web site. And I'll quote: The master plan represents the overall vision of Omaha and has two fundamental purposes. The first provides an essential legal basis for land use regulations such as zoning and subdivision control. Secondly, a modern master plan presents a unified and compelling vision for the community derived from the aspirations of its citizens and establishes specific actions necessary to fulfill that vision. That's the end of the quote. I bring that up mainly to talk about these are, these are vision documents, these are strategy documents, these are of the opportunity for the city when, in connection with its constituents to have a broader discussion on what the city is going to look like in the future. And I think time and time again we've heard that early childhood education, childcare, whatever you want to call it is so important especially to young families, new families, and communities across the size. That's why I think it's important to just make sure that's included in those documents. And with that, I'll close and be happy to entertain any questions.

**WAYNE:** Any questions from the committee? I see none. Thank you for coming.

**M. HANSEN:** Thank you.

**WAYNE:** Letters of support include: National Association of Social Workers-Nebraska Chapter, Nebraska Department of Education, and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

Buffett Early Childhood Institute. And neutral position letter, letter of neutral position is Learning Community of Douglas and Sarpy County. With that, that will close LB66. Next we will open on Senator Blood's LB11. I don't want them to pass out while we were [INAUDIBLE].

**BLOOD:** No worries. I'm not going anywhere.

**WAYNE:** All right. Welcome to your Urban Affairs Committee, Senator Blood.

**BLOOD:** Well, thank you, Senator Wayne. And good afternoon to Chairman Wayne and the members of the Urban Affairs Committee. My name is Senator Carol Blood, that's spelled C-a-r-o-l B-l-o-o-d, and I represent the people of District 3, which is comprised of western Bellevue and southeastern Papillion. Today I bring you LB11, which utilizes the existing broad-based legislative authority of municipalities to regulate nuisances within the municipalities' extraterritorial jurisdiction or from here on, ETJ. LB11 creates a process by which a city or village can enter into an interlocal agreement with the county in which they are located to work together to address and prevent nuisances within the city's ETJ. This will enable the joining of resources by the city or village and county to better abate nuisances in ETJs. By promoting timely resolution of nuisances through LB11, we can improve the quality of life for Nebraska citizens. While cities do have broad-based legislative authority to address nuisances within their ETJ, counties do not, because counties are creations of the state. All of their authority derives from the Legislature. Until 2009, counties lacked the authority to create and pass ordinances. Even when the Legislature did grant this authority with the passage of LB532, the authority was extremely limited and specifically carved out county ordinance authority within the ETJ, leaving any nuisance authority up to the municipality. Now I want to be really clear that this bill does not require that cities and counties work together in any way. It will be up to the elected officials serving on city and county boards to decide whether or not to use the tool created by LB11. While not requiring collaboration, providing this option allows the city and county the local power they need to see the rapid resolution of nuisances. As some of the-- as some-- I cannot talk this afternoon. As some of you may remember in 2015 the Urban Affairs Committee heard testimony regarding LB266, a bill to clarify nuisance enforcement powers by municipalities within their ETJ. The bill, which the Legislature later passed, clarified that cities and villages have the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

authority to enforce nuisance ordinances within three miles of their ETJ. While cities and villages enjoy broad-based authority to enforce such nuisances, they are not required to do so. Due to limited resources, cities may choose to prioritize enforcement within city or village limits rather than their ETJ. In other cases, cities and villages may not know that they have the authority to exercise this power. In either case the county lacks the jurisdiction supplement a response to this situation as it falls under the carve out I mentioned earlier. LB11 would allow for counties and cities to work together to address nuisances through an interlocal agreement. Nuisance enforcement within a municipality's ETJ is extremely important in counties like Sarpy County, with a large population that centers outside of its cities and villages and unincorporated areas such as sanitary improvement districts, also known as SIDs. As most of you are aware, Sarpy County is one of the fastest growing counties in the state. While exciting for the county it does come with its own challenges and growing pains. Approximately 55,850 Sarpy County residents or one-third of the county residents live outside of our five cities. Also enclosed is my test-- in my testimony is a map prepared by the Legislative Research Office which shows the number and percentage of residents in each county that reside, reside outside of these municipalities. So a pressing issue, pressing issue for Sarpy County is nuisance enforcement within municipalities' extraterritorial jurisdiction or ETJ. In Sarpy County, county commissioners and the county attorney's office have had numerous nuisance, nuisance complaints arise within the ETJ of one of its municipalities ranging from noise ordinance enforcement, manure runoff from a nearby horse farm, and abandoned vehicles on private property. As a former city councilmember, I know firsthand that cities and villages have limited resources at their disposal, particularly after the elimination of state aid to political subdivisions in the last decade. I also know that local elected, local elected officials just like those of us serving here in Lincoln are cost conscious and strive to be good stewards of taxpayer dollars. This is why cities or villages may choose to limit nuisance enforcement within their corporate limits. They want to conserve the limited resources that they have at their disposal. We all know that shared services are about resolving problems in a cooperative manner. They can eliminate duplicative services, reduce costs, maximize resources with benefit to all involved. All LB11 does is creates a tool for cities and counties to collaboratively stretch these resources further and ensure that the citizens who live in these areas receive equal protection under the law. And for those reasons I encourage the Urban Affairs Committee to



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

advance LB11 to General File. And with that, I'm happy to answer my-- any questions you may have now or at closing. And I'm sorry but I'm losing my voice again, so.

**WAYNE:** Any questions for Senator Blood? Seeing none, thank you. Any proponents? Welcome to your Urban Affairs Committee.

**BETH BAZYN FERRELL:** Thank you. Good afternoon, Chairman Wayne, members of the committee. For the record my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials. I'm appearing in support of LB11. We'd like to thank Senator Blood for introducing this bill. It is, as you said, it's a tool for cities and counties to work together to provide nuisance abatement in the ETJs for the cities. It is an ability-- would provide an ability to stretch resources for counties and cities and we would just encourage you to support this bill. I'd be happy to answer questions.

**WAYNE:** Any questions from the committee? Seeing none, thank you for coming. Any proponents.

**JOE KOHOUT:** I don't know. Just one. Perfect. Administrative issue there.

**WAYNE:** For those who are new to the committee this happens quite a bit with this testifier, so.

**JOE KOHOUT:** Chairman Wayne and members of the Urban Affairs Committee, my name is Joe Kohout, K-o-h-o-u-t, and I appear before you today this afternoon in support of LB11 on behalf of two clients, the Lancaster County Board of Commissioners and the Metropolitan Area Planning Agency. Lancaster County supports the bill as a commonsense approach to dealing with issues in those areas of the county where nuisances develop and the county lacks authority to adequately address them. Similarly, MAPA, who currently assists cities with its planning-- with planning and development area-- with nuisance-- in their planning and development area with nuisance abatement, supports this legislation as one more option given to those communities to work with their county to achieve remediation of nuisances. Both Lancaster County and MAPA express their appreciation to Senator Blood for introduction of LB11, and we would encourage the committee to advance it. I would be happy to try to answer any questions that you might have.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

**WAYNE:** Any other-- any questions from the committee? Seeing none, thank you for coming today.

**JOE KOHOUT:** Thank you.

**WAYNE:** Any other proponents? Any opponents? Anybody testifying in a neutral capacity?

**CHRISTY ABRAHAM:** No administrative kerfluffles with me.

**WAYNE:** Welcome to your Urban Affairs Committee.

**CHRISTY ABRAHAM:** My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, representing the League of Nebraska Municipalities. We do want to thank Senator Blood for introducing this legislation. I believe she has introduced it in the past also and we were neutral that time, too. The League is a great proponent of the Interlocal Cooperation Act and we certainly encourage our cities to use it and we especially encourage them to use it with the counties which is allowed under the Interlocal Cooperation Act. So we certainly appreciate Senator Blood's intent on this, but we do believe that counties and cities already have the authority under the act to do this. So we're not sure that this is necessary but we certainly appreciate the ideas behind it. So I'm happy to answer any questions.

**WAYNE:** Any questions from the committee? Thank you for coming today.

**CHRISTY ABRAHAM:** Thank you.

**WAYNE:** Any other testifiers in a neutral capacity? Seeing none, Senator Blood, you are here for closing. Welcome back.

**BLOOD:** Well, thank you. It seems like I was just here. First of all, I'd like to point out to the new senators is that we did, indeed, have this bill in the past and it easily got out of committee. But, unfortunately, since it was a short session and fortunately the Urban Affairs Committee was kind enough to put it into an omnibus bill, which then unfortunately got vetoed not because of my part of the bill. But I am still very appreciative of the fact that they did that. The one thing that I would say is-- and I served on the legislative committee at the League of Municipalities for eight years and have great respect for them. And I, I go to them for information on a consistent basis. That we've had a lot of great legal people who have looked at this legislation and thought that it was needed. And I do appreciate their opinion and I appreciate the fact that they did not

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 29, 2019

come out against it. It's, it's what I think Senator Changer-- Chambers calls a fluff bill. It's really not going to change anything drastically, but it's going to give them more tools and greater abilities to, to utilize those resources, and that's a good thing. And I believe there's zero fiscal note, which is even better, so.

**WAYNE:** Thank you. Any questions for Senator Blood? Seeing none, thank you for your testimony today and for being here.

**BLOOD:** And thank you for allowing me to be here.

**WAYNE:** Letters of support is: Sarpy County Board of Commissioners. And with that, that will close LB11 and it will also close our hearings for today. We will Exec in about three to five minutes if you want to get up and stretch around and we'll jump right into it.