

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee February 11, 2021  
Rough Draft

Does not include written testimony submitted prior to the public hearing per our COVID-19 Response protocol

**BREWER:** Good morning, and welcome to the Government, Military and Veterans Affairs Committee. I'm Senator Tom Brewer from Gordon and I represent the 43rd Legislative District. I serve as the Chairman of this committee. For the safety of our committee members, staff, pages and the public, we ask those attending the hearing abide by the following procedures. Due to social distancing requirements, seating in the hearing room is limited, so we ask that you only enter the hearing room as necessary for the bill that you're here for. The bills will be taken up in the order posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. The committee will pause between bills to reset the room. The-- let's see, we request that everyone utilize the identified entrance to my left; exit, to my right. When entering and exiting the room, we request that you wear face coverings while in the hearing room. Testifiers may remove face covering to do their testimonies to assist committee members and transcribers in clearly hearing and understanding their testimony. Committee members, I leave it up to you and your discretion on the wearing of face coverings because of the Plexiglas dividers and social distancing. We would also ask that the public hearing is for which-- attendance reaches the seating capacity, the doors will be monitored by the Sergeant at Arms and people will be allowed in as those leave. It should not be an issue today, unlike yesterday. We still ask that you observe social distancing and wearing the mask if you're waiting in hallways. The Legislature does not have available, due to our HVAC project, overflow hearing room space. So again, our only option there is the hallway. We ask that you please limit or eliminate handouts. The committee will be taking up bills in order they're posted. On the agenda our hearing today is your public part of the legislative process. This is your opportunity to express your position on legislative issues before us here today. Committee members might come and go during the hearing. I did get a note here that Senator Sanders will be presenting in Revenue. Thank you. The-- the Senators will come and go as needed. Again, understand that this is a digital committee and you'll see them on their phones and computers trying to either get information or find out when they have to be at a-- another hearing. Ask that you abide by the following procedures in the facility here today. Please turn off or silence any electronic devices. No food or drinks in the room. Please move to the reserved chairs when you're ready to testify. These

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are the chairs designated in the front rows. Introducers will make initial statements followed by the proponents, opponents and the neutral testimony. Closing remarks, of course, will be reserved for the introducing Senator. If you're planning to testify, please pick up a green sheet on the back table. Please fill it out and be sure that all information is clearly legible. Letters for the record must be posted prior to 1200 Central Standard Time, the day prior to the hearing. We have handouts. Be sure that you have at least 12 copies. Pages may or may not be able to assist you with that. Each letter must have the bill number, proponent, opponent or neutral identified in the letter. No mass mailings will be utilized. When you come up to testify, please speak clearly into the microphone and tell us your name and then please spell your first and last name to ensure accuracy for the record. We will be using a light system here today. You will have five minutes to make your initial remarks to the committee. When you see the yellow light, you'll have one minute remaining and the red light will indicate your time has expired. And we also have an audible alarm. No displays of support or opposition for bills, vocal or otherwise, will be allowed in these hearings. Committee members with us today will introduce themselves starting on my right.

**BLOOD:** Good morning. Senator Carol Blood, representing District 3, which is western Bellevue and southeastern Papillion, Nebraska.

**SANDERS:** Good morning. Rita Sanders, representing District 45, the Bellevue-Offutt community.

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

**HALLORAN:** Good morning. Steve Halloran, representing District 33, which is Adams and parts of Hall County.

**HUNT:** I'm Megan Hunt from District 8, which is midtown Omaha.

**BREWER:** To my right, Dick Clark, legal counsel, to my left on the corner is committee clerk, Julie Condon. And today we have two pages, Jon Laska. Jon, raise your hand. He is a senior at UNL from Genoa, and Ryan Koch. Ryan is a senior also from Hebron. There you are. All right, with that said, Senator Linehan, welcome to the Government Committee.

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**LINEHAN:** Thank you, Chairman Brewer, and thank you committee for hearing this this morning. I'm Lou Ann Linehan, L-o-u L-i-n-e-h-a-n, and I'm here to introduce LB261. Also I represent Elkhorn. And the reason I'm here this morning to introduce this bill is on behalf of a constituent, Allison Heimes, and her mother who lives here in Lincoln. In 2017, Allison lost her brother and he was a member of the Missouri National Guard, and when they chose to have him buried here in Lancaster County, they were refused a memorial marker for his grave. So when Allison first approached me on this, I was like, that can't be right, let me dig into it. So I checked with [INAUDIBLE] not his fault, so I checked with my son, who's in the National Guard, and he was like, oh, no, we take care of that. Well, the trouble was, he wasn't in the Nebraska National Guard, he was in the Missouri National Guard. So disconnect there somehow. So we dug a little deeper and got ahold of Lancaster County. It's true. If you don't have some form, that means you were deployed by the President of the United States, then you don't get the marker. You can pay for it, but somehow you're not as deserving as those who got deployed. So when I was in Iraq, the people that hauled us around was the time where National Guard and they hauled us around in emer APS and well first, Humvees, and then emer APS and they were in as much danger as anybody else there. So I just-- I find it like-- I don't even know why this is a problem and it needs to be fixed and it takes legislation to fix it. I have almost 30 cosponsors. I will work to get 49 if that's what it takes, because I would like to see this on the consent calendar. I do have a concern, if you notice and I haven't had enough time because you know how fiscal notes work. You get them like two hours or three hours before the hearing. There's some-- Lancaster County must just be misreading what this would mean for like Lancaster County, because there are currently three-- according to what I found this morning, there's 3,344 members of Nebraska's National Guard. So that's not very many people considering all they've done for us in the four years I've been here from flood and disaster relief to the pandemic and setting up tents, and I mean, they work all the time. And at least half of those members, maybe not half but it would be close to half, are already veterans because they've already served in the Army or they've served in the Marines. So when they-- a lot of people who leave the service before their 20 years, go into the National Guard because they love their country and they love to be in the service. So, I just don't think the cost is-- it-- I think it's insulting to talk about the

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cost, frankly, and it's so very little and it certainly isn't going to mean somebody is going to have to hire another service officer. That's just-- it's not that hard. So with that, thank you.

**BREWER:** All right. Thank you for your opening. Questions for Senator Linehan on LB261. I guess, just-- oh, yes, Senator Blood.

**BLOOD:** Thank you, Chairman Brewer. Thank you, Senator Linehan. You know, I'm a big fan of this bill, so, yeah, I'm looking at the fiscal note and I'm seeing that they need to hire two people.

**LINEHAN:** There's confusion.

**BLOOD:** Yeah, and this isn't something is going to happen all at once either, right? It's going to be things that happen over a period of time upon request.

**LINEHAN:** The other thing, the bill only covers those that joined, and I should have mentioned this, only covers-- so thank you for the question. Only covers those who joined the service after we went-- joined the National Guard, after we went to an all volunteer force in 1973.

**BLOOD:** Right.

**LINEHAN:** So you're talking about a very limited, I mean, we're not talking about everybody. We're talking about those that joined the force after 1973 and ever since then, when they clearly knew when they joined the National Guard, especially since 1990, their chances of being deployed overseas to any of the multiple war zones we've been in since then, was very high. So these guys sign up knowing that they're going to be in danger. And gals, I'm sorry, men and women.

**BLOOD:** But-- and you answered my question. I mean, my concern is this-- this to me shows there's not a clear understanding what the bill does and how it works when I look at the system and that, so.

**LINEHAN:** Right.

**BLOOD:** All right.

**LINEHAN:** Clearly some confusion there.

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**BLOOD:** Thank you so much.

**LINEHAN:** Thank you very much for the question.

**BREWER:** And since this question was posed to me, so I want to understand. You can have served in any of the branches and-- and when you finish your tour of duty, if you want to join the National Guard, even though you were Navy, you simply hang up the Navy uniform, you come over, you become part of the Army or Air National Guard, and you wear an Army uniform, an Air Force uniform and your service-- your-- your training is then credited and you're given a, like MOS skill set and-- and then you just drive on. So a lot of folks seemed concerned that you could go from Navy or another service. That transfer over is almost invisible, I mean, it's-- it's just a matter of getting your record straight and then figuring out what skill set you have, so. All right. Any other questions? Thank you for this bill, and thank you for your opening.

**LINEHAN:** Thank you.

**BREWER:** All right. We will start with proponents to LB261. Welcome to the Government Committee.

**RYAN McINTOSH:** Thank you, Chairman Brewer. Members of the committee, my name is Ryan McIntosh, R-y-a-n M-c-I-n-t-o-s-h. I am appearing today as a proponent on behalf of the National Guard Association of Nebraska. The National Guard Association of Nebraska represents the commission and warrant officers of the Nebraska National Guard, both Army and Air, as well as a number of retirees. LB261 recognizes those who served in the reserve component, both the National Guard and Reserves, for their service. Under the current statutory definitions, someone may have served 20 or more years in the military without qualifying for one of these markers. LB261 is a simple solution to this, and we thank Senator Linehan for bringing this bill and we urge the committee to advance it.

**BREWER:** All right. And Ryan-- am I right, you got promoted a while back?

**RYAN McINTOSH:** Yeah, about a year ago.

**BREWER:** OK, so you're now Major.

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**RYAN McINTOSH:** Yes.

**BLOOD:** Well done. Thank you.

**RYAN McINTOSH:** Thank you, Senator.

**BREWER:** All right. Questions? Thank you for that.

**RYAN McINTOSH:** Thank you.

**BREWER:** OK, next, proponent. Welcome to the Government Committee.

**ALLISON HEIMES:** Thank you, Chairman, and thank you, committee members, for hearing me out. My name is Allison Heimes. It's spelled A-l-l-i-s-o-n H-e-i-m-e-s, and I am here as a proponent of this bill. Linehan, Senator Linehan mentioned that it is my brother who inspired this bill. He died in 2017, unfortunately from suicide, and we attempted to get him a burial marker through the federal government and then through the state government once he was buried and were denied by both. Senator Linehan mentioned that in order to get a burial marker from the federal government, you have to supply your DD214 that shows your service overseas when you were called up by the President. If you were not called up by the President, you're not entitled to any sort of recognition in the form of a burial marker. So we tried to supply his DD214 that showed that he was called up by the Governor of Missouri for the Ferguson riots as security and that was not suitable as it wasn't the President who called him up. So at this point, this bill is meant to bridge a gap between those who receive a burial marker for their federal service and those who do not who have served in the National Guard for a long period of time, but never served overseas. And that would include all the National Guard service members who have served during floods, fires, riots, and at this current moment, the pandemic. So we are asking that you support this bill and thank you.

**BREWER:** Thank you. Questions for Allison? Yes, Senator Blood.

**BLOOD:** Thank you, Chairman Brewer. Thank you for your testimony today. Allison, for the record, can you please tell us how long you've been working on this issue?

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**ALLISON HEIMES:** Oh, um, well, my brother passed away in 2017 and he was buried one month later. So I suppose I started working on this bill in December of 2017. Um, as soon as I realized that this wasn't something that was provided to every member of the National Guard, I started researching and working on it.

**BLOOD:** So-- so good on you for taking an issue and sticking to an issue. I think your brother would be really proud. And I just want to thank you for coming forward today.

**ALLISON HEIMES:** Thank you.

**BREWER:** Additional questions? Senator Lowe.

**LOWE:** I just want to say thank you for your brother's service to our country and thank you for doing this for him.

**ALLISON HEIMES:** Thank you, Senator Lowe.

**BREWER:** And any additional-- so everyone understands, a DD214 is the document that the military gives you upon your completion of your-- your time in service. It is a-- essentially a log or record of the schools you've attended, the deployment you had-- awards. So, that is what the military or the government uses to confirm that you served X amount of time in what service. Unfortunately, the DD214 does not tell the story of National Guard emergency deployments for shorter durations as opposed to, say, a year or two overseas or something like that. So the issue of the floods, the fires, the blizzards, riots, and you could have even served overseas and done that as a part of your annual training and it's still not show up on your DD214. So we're not really asking anything out of the ordinary here. They have served. They have served in the capacity that we asked them to. And because of simply a way this was written, it left out a group of individuals who, you know, of their own volunteer service, did everything we ask of them, and then they've-- they've been left out. So I understand that, that DD214 sometimes isn't completely accurate on what that service reflects and what they've actually had to do. All right, any additional questions? Seeing none, thank you for your testimony.

**ALLISON HEIMES:** Thank you.

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**BREWER:** All right, additional proponents for LB261. Not seeing any, we will go to any opponents to LB261. All right, then we will go to those that are here in the neutral capacity for LB261. Seeing none, Senator Linehan.

**LINEHAN:** Again, I just want to thank the committee for hearing this and hope we can get it out soon. And I want to thank Major McIntosh, who also was in D.C. with our troops not that long ago. And I really want a special thanks to Allison. Not only did she work on this, but she actually challenged me last fall and she made me work. And she really does deserve for this to be taken care of. Thank you very much.

**BREWER:** Senator Linehan, thank you. Thank you for this bill and thank you for all your efforts there. We did have-- double-check here, on LB261, no letters and no written testimony. All right. With that we will close on LB261. And next up will be LB664, is that correct? And that would be Senator Groene. Senator Groene, welcome--

**GROENE:** Thank you.

**BREWER:** --to the Government Committee.

**GROENE:** Chairman Brewer and members of the committee, I brought LB664 because I did a little research here even before I was a senator on the mutual finance organizations. I'll give you a little history. By the way, Jerry Stilmock sent you an information. He's the lobbyist for the rural fire districts, and he gave you a little history on mutual finance organization. But in the synopsis, in 1998, the Legislature created the Mutual Finance Assistance Fund Act to create a state funding source for rural fire districts. In order to receive the funding, the districts must agree to participate in a countywide mutual fund organization. By statute, the State of Nebraska Department of Insurance sets aside 10 percent of the total insurance premium collected and transferred to the State Treasurer to deposit in the Mutual Finance Fund. The total tax is 1 percent of all premiums; 10 percent of that goes to the Mutual Finance Fund. The State Treasurer pays out from the funds to each MFO or mutual finance organization, according to the population within the MFO members. It is defined by a county. But there's always that exception, the fire district overlaps the county line, the total territory of the population goes with wherever the headquarters of the fire department is. The remaining



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funds are swept back into the General Fund on June 20 of each year. Money available-- there was a handout. It's a history of the last five years of the history of how much money was available and how much was appropriated. The dollars available for disbursements have averaged \$9,111,576 for the past five years. Recently, it's been over \$10 million. Presently, the \$10 per capita rate for each mutual finance organization has had a five-year average appropriations of three point nine nine hundred twenty-- \$3,920,000. Present law says, since 1998, which it hasn't changed since the bill was created, \$10 is given to each fire district or MFO based on the population of the entire MFO. As I said, so over the five years, an average of \$5.2 million has been left in the fund and swept back into the-- and not used for its intended purpose, but swept back into the General Fund. LB664 will update the disbursement formula to more adequately reflect the needs of the fire districts as population decline in rural Nebraska but needed fire protection services have increased. The \$10 per capita disbursement will stay intact. LB664 will add a \$10,000 payment for each fire district in a mutual finance organization. It will go directly to the fire district. The fiscal note is in error when it states the total payments are limited by-- limited because I don't know where they got that information, but it's wrong when they said on the bottom of the first page, under LB664 exceeds the amount credited to the Mutual Finance Assistance Fund for an insurance tax fund. Funding from the program required General Funds. That's not true because in statute in the MFO statutes, it says 35-1206, the State Treasurer shall prorate payments to approved applicants. The intent of the Legislature was to disburse all of the Mutual Assistance Fund to rural fire districts. Yeah, if the-- if Mutual Finance Assistance Fund is insufficient to make all payments to all applicants in the amount provided in Section 35-102, the State Treasurer shall prorate. So there's no General Funds. I mean if they give \$10,000 to each fire district that's in an MFO and it comes to \$11 million, we only got \$10 million, it's prorated. So I don't-- these guys work hard, but they don't know all the information either in the Fiscal Office. And appropriations, I had confusion when I came here why the Appropriations Committee and the Governor appropriates a certain amount of money to the MFO, because the way the statute reads, 10 percent of the Department of Insurance collects the insurance tax. Ten percent of it is transferred to the Treasurer to put in the mutual finance organization fund. All right? The General Fund never receives

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it. It's not a part of their appropriations. If anything, they should have the excess on June 20 considered revenue. The Governor, which I disagree with, told the rural fire department, and their guys are just working their butts off. They don't know what's going on down here. But they were only going to get \$3.7 million. He has no right to tell them how much money they're going to get. If this Legislature corrects the disbursement of it, they have a right to every dollar by statute in that fund. If there's a few dollars left, it goes back to the General Fund. So what we are doing here is updating. That \$10 per head hasn't changed since 1998. The insurance fund has gone from about 3.5 to 4 million in 1998 to 11 million, darned near 11 million. And also 66 rural counties lost population since then, a lot of population. Same amount of acres they got to cover, same amount of grass fires they've got to cover. Fire trucks went from \$200,000 to \$500,000 in that time. And every year the appropriate-- what they appropriate out is less because there's less people living in rural Nebraska. But if you're driving by North Platte and you have a wreck, it's that guy to take-- tells his boss, I've got to go. I'll fix that car later, the mechanic, I've got-- I've got an EMT call out on the interstate. And we are shorting them on the funds that this body intended them to have. For the \$10,000 base that each one will get, will eliminate Halsey, Nebraska, losing population every year unless volunteers are available to do the-- and it's probably and truly what this is property tax relief for rural Nebraska. If the state funds are disbursed, that rural fire district can lower their property tax rate and they will. They get by on old pickup trucks with tanks on the back, old equipment, and you don't hear them complain. Maybe we ought to put a plaque on the graves of every volunteer fire department too, member. We had four members coming down to testify. I think we're down to two now. The guy in Dakota County had to-- Pat Moore from Dakota County was going to be here, but had an emergency volunteer fire department incident that required him to attend today. Wasn't because he had a funeral to go to or had a business. He had something going on with his rural fire that he's not getting paid for. This money needs to be disbursed and we need to change. The Appropriations Committee should not be considering this revenue to be spent somewhere else. The Governor shouldn't be considering it revenue. This body by statute has said that money is supposed to go to rural Nebraska. Now, it's just not rural. There's-- there's union fire departments involved too. Lincoln-- in Lincoln County, North Platte Public Lincoln, North

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Platte's Fire Department is involved. They're 1 of 12. I believe Alliance is in it. It's just time for us to correct the record. If this was any larger government entities that weren't volunteer, they'd be down here every year to make sure they got every dime. These guys didn't even bring this bill to me. They're just darn glad I researched it and found it myself and trying to correct it. I introduced LB63 and gov-- similar bill went to Revenue two years ago. And where we corrected the-- in the MFO, we got to keep the same tax rate. And some of those guys were so conservative, they said, I'm not going to be as high as the highest person the MFO wanted to be. So they couldn't get an MFO started. Forty county has it. Some more are starting now because you have to have the same tax rate one of three years instead of every single year. I had rural fire departments calling me and telling me I got money sitting around because I got too high a tax rate and then I had some begging for more money. But they never beg. They just do what they got-- do with what they got. So anyway, I'll leave it at that. You'll hear from the-- from the fire districts themselves, a couple or three of them. That's it.

**BREWER:** All right, thank you. Questions for Senator Groene? Well, I guess I will share with you I've just the last two days, matter of fact, I'm leaving this afternoon to go west to work the issue. We have 100-mile stretch between Valentine and Gordon and what's become an unavailable ambulance service for a number of reasons, the inability to upgrade equipment to where it is adequate to do the mission and the training of personnel so that they're able to meet the requirements. That isn't just there. It just happens that's a 100-mile stretch that a lot of deer are hit on, a lot of accidents happen. And it's a long ways to a hospital either way. They're either going to Gordon or they're going to Valentine. And so I'll-- I'll be interested in finding out more about how these districts could possibly, you know, have a resource available that currently they're not utilizing.

**GROENE:** It would be \$10,000 apiece. In Lincoln County, it would be another \$120,000. We've got 12 of them in their rural fire district. We're the, I think, the second largest county in the state geographically behind Cherry County. So--

**BREWER:** So when they peel this money off, it just goes back into the General Fund?

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**GROENE:** Yeah.

**BREWER:** So it's been earmarked for fire support and then goes back because of not being able to meet. What's the I guess, the sole criteria they use? They haven't spent the money by a certain date and then it's automatically chopped off and sent back.

**GROENE:** But worse than that, it's got flip-flop. The Appropriations Committee and the Governor decided this was money they were appropriating. They are not appropriating it. There's \$10 million into this fund goes from the Insurance to the Treasurer. It doesn't go through General Funds at all. The statute says if there's not enough claims on it by the MFOs on June 20, the remainder gets swept back into the General Fund. The Appropriations Committee should be looking at it as estimated revenue, not being a benefactor to rural, that they were nice enough to give them \$3.7 million was all that was distributed over \$10 million last year. I talked to one of the rural chiefs and he said we never knew that. We came down here begging Appropriations Committee to appropriate us more. They thought they were being-- had to be gracious-- gracious instead of coming doing the right thing and coming to me or another senator and saying, we got to change this formula. We need to be able to get access to more of this money. It's just not sent to them. They have to justify and give a report to the-- to the Treasurer Murante, what the purpose of the money is going to be used for. And I will tell you one thing. Not a single one of those people will say it's for pay increases or benefits. They do it voluntarily. It will be for equipment. It will be for gasoline. It will be for training.

**BREWER:** So basically operational things that are needed to be able to complete the mission.

**GROENE:** Yes, that's what they will use it for. And-- and not only do these folks volunteer, they burn, burn their own gas to go to Grand Island, wherever they do for fire school. They probably pay for their own meals because we used to limit them to \$25 a day for their meals. And I did raise that to \$50 in LB63 along with the tax thing. So these are amazing people. And you call them a hero, they'll blush and they'll look at the floor.

**BREWER:** OK. Senator Blood.

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**BLOOD:** Thank you, Chairman Brewer. Senator Groene, I just have a technical question and I keep rereading it and it's still not clicking through to me. I'm hoping you can help. I'm looking at your amendment, AM167 to LB664. And if you look at 35-1205, it says: Any mutual finance organization which has entered into an agreement pursuant to Section 35-1204, blah, blah, blah. But here it says-- it's parallel and take it down to the last part of it, and it says: but that is not a member of a mutual finance organization which qualifies for such assistance shall receive \$10,000. I'm just-- the wording is confusing me.

**GROENE:** Yeah, it's the original language is really confusing because there are three categories, all right?

**BLOOD:** Right.

**GROENE:** If you're an entire county, that Greeley County, there's only one fire district. I mean, they're so sparse, there's only one rural fire district. If you're the only fire-- rural one in a county where you can't have an MFO with somebody else, you can be a fire district who applies and gets it without being an MFO. It used to be you could be a suburban. You still can be a suburban fire district that doesn't have any rural ones around you. And you could be your own MFO, but not really an MFO. You were a suburban fire district that qualifies. Millard used to. Millard was the last one. There isn't any more. And then you were an MFO finance organization. And when you did that, every fire district in that county had to agree to do it. So we wrote the bill. Jerry Stilmock and I sat down and wrote it because he's their lobbyist and he's an attorney. But then when we sent it to Treasurer Murante, if you ever met John, I served with him. He couldn't understand it. I'm just giving him a bad time. So he sent us this amendment and he said this we understand better. He rewrote it and said, I understand this. So if you will write it this way, I am the one that has to disburse it, my department. So I said, fine, if it makes more sense to you written the way-- what it's saying at the end is if you're already a suburban district, then you don't qualify again as a suburban. It's-- it's-- word.

**BLOOD:** And I definitely hear what you're saying it's supposed to do. We can talk about this outside the hearing.

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**GROENE:** Yeah.

**BLOOD:** I'm-- I'm not sure that's what the amendment does.

**GROENE:** Yeah, that's what it says. It says, where is it?

**BLOOD:** Because I'm looking at 35-1205.

**GROENE:** Each village, city of the second class and rural suburban fire protection district that is a member of a mutual organization which qualifies for assistance under Section 35-1205, those are all-- that's Lincoln County with 12 members. All right?

**BLOOD:** Right. That one's clear to me.

**GROENE:** All right. And each rural, which would be Greeley County, or suburban fire protection district, which would have been Millard, which is no longer exists, which qualifies for assistance under Section 30, but-- but that is not a member of a mutual finance organization which qualifies for such assistance, shall receive \$10,000.

**BLOOD:** So doesn't that change the language from being a member to not being a member?

**GROENE:** No, it's I don't see the need for this. But if Senator Murante likes it.

**BLOOD:** No, and I--

**GROENE:** What it's [INAUDIBLE]

**BLOOD:** --I am not harassing you over this or anything.

**GROENE:** --what he's trying to say is you cannot double dip. But you can't double dip, Senator Blood.

**BLOOD:** No.

**GROENE:** What he's trying to say is you cannot--

**BLOOD:** Nobody's saying that.

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**GROENE:** Yeah. No, but he thought they could.

**BLOOD:** Right. I-- I-- I don't see the need for the change in the language in order for them to support it.

**GROENE:** That's fine. If I can get it out of committee with--

**BLOOD:** And I'm not sure that that does what he thinks it does either. So that's why I'm saying [INAUDIBLE]

**GROENE:** So if you read our original language, I think it does it because you're either rural, which is Greeley County, you're either suburban and you qualify, or you're a mutual finance organization, which is a group, and all of those qualify for the \$10,000.

**BLOOD:** And I agree.

**GROENE:** You can't be either/or.

**BLOOD:** I agree they should get the money and I-- I just don't-- I just question whether it needed to be amended [INAUDIBLE].

**GROENE:** Well, you guys can debate that in committee. And if you think the original language is better, I'm fine with that. I just thought because in the fiscal note, if you look at this,--

**BLOOD:** Yeah, I did.

**GROENE:** --Senator Blood, I had to bring the amendment because Murante told the Fiscal Office he was confused. So if this keeps him from being confused and lets him sleep at night, I'll take his amendment.

**BLOOD:** I appreciate you helping me with this. Thank you.

**GROENE:** Thank you, Senator Blood.

**BREWER:** All right. We will work to clarify that. Obviously, if we can avoid the amendment, that would be nice.

**GROENE:** Yeah.

**BREWER:** But I don't--

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**GROENE:** Mr. Stilmock thinks it says the same thing, but.

**BREWER:** OK. All right. Additional-- John Lowe.

**LOWE:** Just-- just be clear. Thank you for being here today, Senator Groene, and bringing the bill. Just to be clear, this is money that was paid in for the FBOs [SIC]

**GROENE:** Every insurance policy has 1 percent tax on it. All right. It's actually insurance company is taxed, not the people, but they pass it on. And a certain date they got to send 1 percent into the Department of Banking. Ten percent by statute is supposed to go to Mutual Finance Assistance Act. And under that act, a fund is created with the Treasurer and Department of Banking takes 10 percent of those total funds which have gone from three to four million, over \$10 million now since 1998, sends it to the Treasurer. Rural fire districts get together and decide who's going to be an MFO. They send an application to the Treasurer. He asks them what they're going to use it for, looks at their county population and sends them \$10. There is a cap of \$300,000 on that. There's actually a cap. So my county has 38,000 people. We only get \$300,000. And the money sits there. And then on June 20 it goes back into the General Fund. We have an update. Funds keep growing, but we haven't updated disbursement as costs have gone up. There's just as many fires. There just isn't as many people out in rural Nebraska.

**LOWE:** So a fire truck that you use out in rural Nebraska, that costs the same as a fire truck you use in suburban Nebraska.

**GROENE:** Usually the one in suburban Nebraska and Omaha got done with, it got sold used to the rural fire district. They don't buy new. Most of them have because the grass fires out in Senator Brewer's and the northern part of my county, they're four-wheel drive pickups with grass units on them.

**LOWE:** I think the last time I went out to Chadron out there, there was 27 fires going at any one time.

**GROENE:** And then all those rural fire districts from 100-and-some miles away showed up. And the thing is, what's nice about the MFO now in my county, those grass fires they can take care of. But if a



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building burns or if the fire gets too big, guess who comes out to the rescue? North Platte. They all work together because of that MFO. There's no dispute about-- there's no more disputes on the interstate. This is Hershey's jurisdiction. They're supposed to pick up the accident with their ambulance. This is North Platte's. They work together. It all goes through the same dispatcher. It's a great-- I can't think of this-- Wickersham or one of them-- it's a great idea and it was a great bill. We just haven't-- this body has not kept up with the funding formula.

**LOWE:** I think in the last couple of years, we had EMS in here and up in the western part of Nebraska they don't send an ambulance out because it can't get there in time. They send a helicopter out almost every time. And so cost is a little more expensive out there than running down the block with your truck.

**GROENE:** If we can put another, it's going to be-- it keeps going down because of the \$10. If we can put more money on the table, even if all the fire districts, all 90-- 40 counties that do it now. If 93 counties, well, there'd be two or three that couldn't because they're cities, metropolises. But if all of them did it, we'd have 400 fire districts probably times \$10,000, it's \$8 million. And then we, we disbursed \$4 million, right, with the \$10 a head, that would be if everybody did, it'd be about \$12 million or more it'd be. But-- but it's limited and has to be prorated when it hits the amount. But that's what we want. We want every dollar sent out to its intended purpose. So instead of getting \$10,000 everybody, if it gets over the limit, it might be \$9,850. But that's-- what's sad, I got a fire district out there that has probably dang near a thousand square miles. They probably have 80 to 90 people live there and they have big grass fires. And last year they had 83 people lived there and this year it's 80. Next year might be 78, but about every man in that district is on the fire department. That \$10,000 would really help out.

**LOWE:** Thank you.

**BREWER:** All right. Any additional questions? You'll stick around for close?

**GROENE:** Oh, yeah.

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**BREWER:** Thank you. All right, we'll do a quick clean up here and we'll have our first proponent come up for LB664. Welcome to the Government Committee.

**KENNY KRAUSE:** Good morning. Mr. Chairperson, members of the committee, my name is Kenny Krause, K-e-n-n-y K-r-a-u-s-e. I'm here today representing the Fairbury Rural Fire Department, the Jefferson County Mutual Finance Organization, Nebraska State Volunteer Firefighters Association, and the Nebraska State Fire Chiefs Association, of which I am currently serving as President. I am here in support of LB644, which would increase funding to participants in MFOs. I'd like to thank Senator Groene for introduction of this bill and he just spoke-- what he just said hit home with me as I was sitting back there because he is very accurate in how he described how we operate. Our county MFO comprises seven member departments who have district either wholly or largely within Jefferson County. Its governing board consists of a member from each one of those rural board of directors. That body receives MFO funds and determines the allocations of those funds to their member departments. So other MFOs agree on how to allocate their funds. Each MFO can decide how to-- to divide its funds off. Ours distributes the money as follows: one third of MFO funds are distributed in proportion to property valuations; one third are estimated divided up by population; and one third is divided equally. Member departments traditionally use these funds to maintain-- maintain essential equipment needs. MFO funds are crucial to all departments, large and small, that have joined in the mutual finance organizations. Even in Fairbury, the funds make up 10 percent of our annual budget. With those funds, we are able to provide a higher level service to our patrons than we would without those funds. For example, a recent training weekend for our department cost each participant nearly \$600 per person. Without the supplement of our MFO funds, decisions about priority of our essential training opportunities would have to be made. To our smaller departments, such as our neighbor to the east, Jansen Rural Fire, MFO funds especially important because their budgets are a fraction of ours. To that point, LB664 would have dramatic positive impact on the departments. The \$10,000 additional funds would constitute 30 percent of their budget. Our neighbor, Diller Fire and Rescue, has recently decided to purchase a new fire engine and to allocate its MFO funds towards financing the purchase. An additional \$10,000 from the MFO would give Diller the chance to

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dedicate more funds, apart from the property tax revenue, toward the paying of this substantial piece of equipment. Increasing the MFO Fund program is truly property tax assistance to rural fire districts that really need the help. We're just one department in one MFO, but I'm sure that organizations across the state would tell you the same story if you were asked to hear it. In closing, as a voice for the NSVFA, the NSVFC, and our local department and MFO, I support LB664 and its crucial benefits that it promises to provide our great state's volunteer firefighters. I thank you for your time and I'd be happy to answer any questions.

**BREWER:** All right. Thank you. Questions? We have our fire expert here if you have any [INAUDIBLE] I spent 17 years on the volunteer fire department and one of the constants was, of course, updating gear because the bunker gear changes, the air packs change. Upgrading the trucks was the biggie, the hardest thing to get done, just because, you know, the cost was astronomical and it usually meant, you know, waiting years in order to have that one vehicle upgrade. In the west, we have problems with our grass rigs that are out on the ranches and we scatter them as best we can to cover areas for the range fires. Do you guys utilize the ability to bring DRMO or military equipment in and reset them to use as-- as fire equipment, or is that a rarity?

**KENNY KRAUSE:** It's rare in our area. There is a program through the Forestry Service that allows for that equipment to be assumed by fire districts. But the fire district never actually owns that equipment. It's always--

**BREWER:** So you're just essentially renting it for the period of time you have it?

**KENNY KRAUSE:** Yeah.

**BREWER:** I see.

**KENNY KRAUSE:** And the-- the issue I have with that is I don't own it, but yet I'm going to be required to make repairs on it and maintain it and-- and it could go back at any time. So I have not utilized that program in Fairbury.

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**BREWER:** No, no, no. I understand. I-- I didn't know exactly how that worked. But thank you.

**KENNY KRAUSE:** If I could speak to that--

**BREWER:** Sure.

**KENNY KRAUSE:** --a little bit. Senator Groene was asked about the fire engines and he made the comment that Omaha trucks may end up in a smaller community. We're actually in the process as of right now of replacing a ladder truck. That truck new is \$1.5 million. We operate on a \$200,000 budget. So that's not an option for us to get that kind of equipment. So we're actually getting a used one, a 2006 model. But that truck is still worth over \$600,000. So just to kind of put perspective of our budget and what equipment costs are.

**BREWER:** Now, there was a period and, again, I've been out of it for about 20 years now, but Smeal used to build trucks here in Nebraska. Do they--

**KENNY KRAUSE:** They still do.

**BREWER:** And where do they do that at?

**KENNY KRAUSE:** At Snyder, Nebraska.

**BREWER:** Snyder, OK.

**KENNY KRAUSE:** We're actually lucky to have quite a few that industry in Nebraska. There's a company in Fremont. There's one out at Ogallala that's building fire trucks now. And I'm sure there's others that I'm forgetting but.

**BREWER:** And so you can-- you could go through them also for used trucks that are being traded on new trucks, kind of like a car dealership.

**KENNY KRAUSE:** They don't--

**KENNY KRAUSE:** They don't do that.

**BREWER:** No. It's not really.

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**KENNY KRAUSE:** Oh, OK.

**KENNY KRAUSE:** Yeah.

**BREWER:** All right. One more time. No additional questions. Well, thank you for making the trip up and helping us to better understand it.

**KENNY KRAUSE:** Thank you.

**BREWER:** All right, the next proponent, come on up. Welcome to the Government Committee.

**BRENT LOTTMAN:** Thank you. Good morning, Mr. Chairman and Senators, committee. My name is Brent Lottman, B-r-e-n-t L-o-t-t-m-a-n. I've been in the volunteer fire and EMS area for about 27 years and I've been a member of our Nemaha County Mutual Finance Organization Board since-- we were one of the MFOs that ran on the initial-- allowable use of MFOs back in '98. And so I've served as the city of Peru's representative on that board since that time, and I've been the secretary-treasurer there for a number of years now, working on disbursing those funds and how to get them split. So. Chief Krause had kind of indicated what Jefferson County does, and I actually grew up in Jefferson County, so I'm fairly familiar with that. But we have 11 entities in our-- the cities and the rural districts work together, but they maintain their own to kind of keep costs separated. So when you look at 11 entities, that may sound like a lot. However, we have a number of small communities around; and when there's a fire in those communities, everybody would rather not wait an additional 10 or 15 minutes for the fire department to show up. So the volunteers continue to volunteer their time and the cities and rural districts continue to-- to staff those, although usually with just enough equipment to get by. They-- they try to make excess allocations there. So for the mutual finance organization in Nemaha County, the funds are used for general operating expenses, fuel, insurance, utilities, equipment upgrades, STBAs and bunker gear and things like that were mentioned. So just as things get unusable, that money is used to replace those. We have some districts that are fairly high valuations, and so those districts go with very little MFO money. They let the ones that have the lower valuations and lower tax revenue have that. And every year we have the meeting to determine that. It seems to work pretty well because as valuations have changed over the years, one side of the

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county is viewed as the have-nots. And then when they reassess that that part of the county became the haves and the other part of the county became the have-nots so overall it's kind of become pretty equal in how those funds have been disbursed. I want to thank Senator Groene for introducing this bill because the \$10,000 an entity would make a huge difference. I did some research after getting the call about this. And we have one municipality only fire department. They run a budget of about \$6,000 a year and they are constantly struggling to do much of anything because that's what their village board allowed-- allotted them. And our biggest entity has about \$65,000 budget. That's Auburn runs the most, they're the biggest city. Some of the other things that we've run into recently are, I'm sure you've you've heard from Senator Slama on flood issues, but the Peru rural fire district, for instance, the last few years took about a \$15 million hit on valuation because the bottom land went from high value land to hundred dollar an acre valuation, which the farmers shouldn't be paying for something that shouldn't be used. But it does make a change that's unexpected in tax valuation. Other things that have happened that we've dealt with, and Auburn has been the one that's dealt with it the most but all the other agencies have dealt with it, is also during the flood, Interstate 29 closed and Highway 75 became the de facto interstate. And that resulted in a lot of calls that usually aren't there for most of the EMS type of situations or wrecks. Other things the department has tried-- the departments have tried to stay up to date with extrication equipment, things like that, because when you're involved in a wreck, you don't want to wait for a long time, if at all possible. And I kind of looked at the makeup of this committee before and Omaha, Lincoln, places like that there that are metro paid departments, I don't think there's another way to do that, do a great job. But especially in traveling the interstate, even between Lincoln and Omaha, when you go through Saunders County, I believe they have an MFO. And so you're-- if you get in a wreck in that area, it's going to be those departments that are responding versus the metro departments. I think I say-- I thank Senator Groene for introducing this bill, and I would obviously support movement of the bill-- the bill forward to utilize the funds that were set aside. I promise you, they will be used adequately and responsibly and you'll probably see rural districts lowering it. So that's all I have for right now. I do support the bill and I'd be willing to answer any questions anybody may have.

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**BREWER:** All right. Thank you for that. Questions for Brent? Well, again, I think Senator Groene probably made a good point that considering the temperatures and conditions out, there would probably be a lot more volunteer fire departments here, if it wasn't for the fact that, you know, it's just pretty tough to travel and not be available where you're from in these conditions. So thank you for making the trip.

**BRENT LOTTMAN:** Thank you, Senators.

**BREWER:** Next proponent. All right, Christy, come on up. Welcome back to the Government Committee.

**CHRISTY ABRAHAM:** Senator Brewer, it's so good to see you. Thank you, members of the Government Committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m. I'm here to represent the League of Nebraska Municipalities. And we also want to join the chorus of thanking Senator Groene for introducing this bill. We are very grateful for the purpose of why he's trying to do this, that he really is trying to disburse all the monies that are intended for these organizations so they can have this money. Cities and villages, particularly the smallest ones that you've sort of heard mentioned in the previous two testimonies, they really struggle with their budgets. And their fire departments would be incredibly grateful to have these extra funds. So we're really appreciative of this bill. I wanted to mention that our State Treasurer puts out a report every year on the MFOs and how they're spending their money. And I know this is so helpful that I'm just holding it up for you. It's on the State Treasurer's website. And when you go through the list of what these MFOs are spending their money on, it is exactly what you are hoping they're spending the money on. It's repair of fire trucks; it's PPE; it's training; it's Hazmat equipment; bunker gear; maintenance. These are all the things that are really essential for the fire districts and the EMS out there to have. And so we're just really grateful for this bill and to get more money to these organizations because they really are spending it really, I think, in a really good way. And-- and they could use more of it. So thank you so much for your time today. And I'm happy to answer any questions you might have.

**BREWER:** All right. Thank you, Christy. OK. Questions for Ms. Abraham? Senator Blood.

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**BLOOD:** Thank you, Chairman Brewer. Christy, I'm going to put you on the spot just because I know your knowledge is policy. So did you-- have you had a chance to look at this amendment?

**CHRISTY ABRAHAM:** Thank you. And I meant to mention that. Thank you to Senator Groene's staff for getting me a copy of the amendment. And I've-- I've just read through it briefly. But I would tell you that I think the League would support either the green copy of the bill or the amendment. I think, as Senator Groene mentioned, I think it's really doing the same thing. But if the State Treasurer feels like it's more clear, we're happy with that.

**BLOOD:** I was comparing it to the existing 35-1205. So maybe when you have a chance and you're not like in front of everybody at the last minute, you could take a look at that for me.

**CHRISTY ABRAHAM:** I'd be glad to.

**BLOOD:** Because to me, I see a conflict. So--

**CHRISTY ABRAHAM:** OK.

**BLOOD:** And I'm in support of this, the underlying purpose of this bill. I just-- it stuck in my craw this amendment, so I hope you can help me with that.

**CHRISTY ABRAHAM:** Thank you. And I will study it in more detail and I'd be happy to get back to you. And again, I guess just my initial reading was that it does pretty much the same thing that the green copy does, but I'll confirm that and get back to you. Thank you.

**BLOOD:** And again, when you compare it to 35-1205 you'll see what I mean.

**CHRISTY ABRAHAM:** Let me write that down. OK, I will check it out. Thank you, Senator Blood.

**BLOOD:** Thank you.

**BREWER:** All right. OK. Anything else for Christy? Thank you for coming up and testifying and coming out in the cold.



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**CHRISTY ABRAHAM:** Thank you so much, Senator.

**BREWER:** All right, we'll do a quick cleanup and do we have any other proponent's? Are you throwing a curveball on me on this one? Ryan, come on up. Welcome back.

**RYAN McINTOSH:** Thank you, Chairman Brewer, members of the committee. My name is Ryan McIntosh, R-y-a-n M-c-I-n-t-o-s-h, and I appear today as a registered lobbyist on behalf of the Nebraska State Volunteer Firefighters Association, as well as Nebraska Fire Chiefs Association. Both the NSVFA and the fire chiefs have been a strong supporter of the Mutual Financial Assistance Act since its creation in 1998. The act for those who choose to participate in it has provided significant and vital funding for volunteer firefighters across Nebraska, what you heard a little bit about today. I'll refer you to the background paper that was provided to you all by Jerry Stilmock. And I won't repeat everything that's within there, but would be happy to answer any questions on it. I would like to share a consideration with you, though, as I close up. So the men and women serving volunteer firefighters and EMTs across the state not only spend countless hours of their time, whether day or night and all sorts of weather, but they have a long history of doing their own fundraising to provide for their opportunity to do so. This isn't a complaint, but just a comparison. I can't tell you that any village or city utility department member or any other department member who is required to go and fundraise for their own equipment or for maintenance to their equipment. With regard to the amendment, our preference would be for the green copy. But either, we believe it accomplishes the same thing, but our preference would be for the bill as written. Senator Brewer, to answer your question on the military equipment and the partnership with the Forest Service, we do have several member departments, but not many, that do participate in that. But there is a somewhat limited supply and it is on a first come, first serve basis.

**BREWER:** Most of what I've seen have been either LMTVs or HEMTTs that they utilize as tankers.

**RYAN McINTOSH:** Yes

**BREWER:** Yeah, OK.

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**RYAN McINTOSH:** Yeah, I'm aware of a handful of HEMTTs, the big tankers. They're converted for-- for fire use.

**BREWER:** All right. Thank you. I thought you were coming up with a military hat on. I was curious how it was going to fit, but well done on the-- on the change of hats there. We got you up here on the issue on the amendment, I'm going to have Dick Clark and-- and Senator Blood make sure we-- we get that resolved, because I don't want the amendment to be what grinds us to a halt. It shouldn't be. If it's a good bill, it's a good purpose and the Treasurer had a, you know, a brain cramp, we don't want to have that be the issue here. So, anyway, thank you for coming. Any ques-- any additional questions? Yes, Senator Halloran.

**HALLORAN:** Thank you, Chairman Brewer. Not a question, but as much as a comment, I agree with you that rural fire departments and EMTs shouldn't have to have fundraisers for equipment. But please don't do away with them because your great-- they're great community events. I appreciate that.

**BREWER:** The only problem with the fundraisers and the volunteer department I was on, we had one. It was a Vegas night and the sheriff came and informed us that that was illegal and that we could no longer do that. So we had to shift to other activities. But sometimes raising money is the challenge so thank you.

**RYAN McINTOSH:** Thank you.

**BREWER:** All right. Any additional proponents for LB664? Is there anyone here in opposition to LB664? And anybody in the neutral? All right. Senator Groene. Welcome back.

**GROENE:** I thought the guy page in Natural Resources was the cleanest table, but I believe this one is.

**BREWER:** Oh, no, Jonathan's the best.

**GROENE:** Yes. Thank you, Senator Brewer. Comment on Nemaha County [INAUDIBLE] individual comes up here. Since 2010, Nemaha County has lost 248 people. What other government agency has decreased funding from the federal or state government? These guys have gotten \$2,900 less. They've decreased 4 percent, 290 people. What they got in 2010

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was 2,900 more dollars than what they're getting today because they lost population. Think there's less fires? That's why I didn't attempt to increase per capita number because it was a declining and we went to the \$10,000. Future legislators, as the fund increases, they can play with the \$10 an acre or \$10,000 easily to adapt. So the ten-- from six thousand, can you believe anybody can operate on \$6,000? You know, gambling is legal in Nebraska, we can have some poker nights at the fire department again. But anyway, no, it's-- I really-- if I get this accomplished in a couple of things, it make part of spending eight years down worth it because it does a lot for my-- my-- my heroes. Always wanted to join one, but I traveled for a living and I couldn't do it. So Wallace, Nebraska, does take that, in my district does, Senator Brewer, get those military vehicles. So I'd like to push it through if I could. Be a great bill for a Speaker priority.

**BREWER:** Well, and just so you understand, too, and a point I think that needs to be made is even though the population may decrease in some of these locations, the popula-- the population is becoming more elderly. There's more ambulance calls. The ambulance call many times need fire to help in-- in moving the patient. And so, you know that the calls are not issue of population, but more the the numbers of populations, but the needs of the population. So I-- I totally agree with you. So. All right.

**GROENE:** I assume today.

**BREWER:** Senator McCollister. Yes.

**McCOLLISTER:** Yes. Thank you, Mr. Chairman. Senator Groene, sorry I was late. I was introducing some bills in Judiciary. Can you just give me your comments on the fiscal note?

**GROENE:** I addressed it earlier, Senator McCollister. On the bottom where they said that it would involve General Funds is wrong. The last sentence where it says "under LB664 exceeds the amount credited to the Mutual Finance Assistance Fund for the Insurance Tax Fund, funding for the program will require General Funds" that's false. There's in statute that says if it reaches-- if the appropriation for it from the secretary, the Treasurer exceeds what the fund brings in from the 10 percent of the tax he prorates it. They must overlook that in the statutes.

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**McCOLLISTER:** So the numbers we see in reductions of cash funds is incorrect.

**GROENE:** No, that's right. Those cash funds don't belong to the Appropriations Committee--

**McCOLLISTER:** I see.

**GROENE:** --because that-- they never see it actually. There's never a cash fund in the-- in the General Fund for this because it goes directly from Department of Insurance to the Treasurer and he has a-- he has a fund. It might be managed by the Department of Revenue.

**McCOLLISTER:** So no impact from the General Fund.

**GROENE:** No, you missed it. But there actually should not be an appropriation in our Appropriations Committee for the mutual finance organizations.

**McCOLLISTER:** OK.

**GROENE:** This money is dedicated to it. If there's any left over, it should be considered a revenue, because if there's any left over on June 20, then it's swept back into the into the General Fund.

**McCOLLISTER:** Yeah, thank you.

**GROENE:** A good point, though, when it says 2.268 million, that probably might be accurate for the first year because there's only-- there's 40 MFOs. There's not 91 or so. As time goes by and now it's more, a lot of little towns said, why should I get involved when all of it's going to go to the bigger town because they got the population? And they-- and they didn't have the book work and they then said, well, why should I do that? They're going to dictate my property tax rate. I can survive. We're all volunteers. But now with \$10,000 directly to that small district, it'll be an incentive for them to work with the bigger districts to create an MFO. It's a great idea.

**McCOLLISTER:** So the basic intent of the bill is to divide the money in a more equitable way.

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**GROENE:** Well, that and make sure it gets divided. Senator.

**McCOLLISTER:** OK.

**GROENE:** It's not. It's been-- it's because what I said about Nemaha County populations are going down in rural county and we haven't changed the \$10 per head since 1998.

**McCOLLISTER:** Got it.

**GROENE:** And so the revenues are coming in. Disbursements are going down because of population. This \$10,000 will be very-- make it a lot more equitable and then the bigger towns will get a little more because they have more population. It works. They've got bigger budgets. It's the base plus, plus an incentive on population.

**McCOLLISTER:** Thank you, Senator.

**BREWER:** All right. Any additional questions? Let's see, letters for we have-- oh, we have one proponent in South Sioux City and no opponents and none in the neutral so.

**GROENE:** You should have got four or five letters before noon yesterday, one from Scotts Bluff County, one from Lincoln County, one from Ainsworth, that county. They should have been-- I got them before noon yesterday at least, unless your your committee rules are you got to be in sooner than noon the day before.

**BREWER:** Noon yesterday. Well, to me, the rule is noon yesterday.

**GROENE:** Anyway, we'll get you copies.

**BREWER:** Get with me and--

**GROENE:** One in your district that sent, Senator Brewer.

**BREWER:** OK.

**GROENE:** Not Alliance, Ainsworth.

**BREWER:** All right. We need to-- we'll fix that.

**GROENE:** All right. Thank you.

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**BREWER:** All right. Thank you. That will close on LB664. And we'll have a reset real quick here. OK, if we could have everybody that are not here for LB631 exit. Senator Bostar, welcome to the Government Committee.

**BOSTAR:** Pleasure to be here.

**BREWER:** You can begin whenever you're ready.

**BOSTAR:** Good afternoon, Chairman Brewer, and members of the Government, Military and Veterans-- Veterans Affairs Committee. I'm Senator Eliot Bostar, E-l-i-o-t B-o-s-t-a-r, and I represent Legislative District 29. I'm here today to introduce LB631, a bill that prohibits counties from forbidding short-term rentals of residential property. LB631 simply expands on legislation passed last session that bans cities, towns and villages from outright prohibiting short-term rentals. Many people use online platforms to list and book accommodations around the world. In 2017, Nebraska had 46,000 guest arrivals, totaling approximately \$4.3 million from one platform alone. This bill does not restrict counties from creating ordinances or regulations that deal with public health and safety concerns. This is consistent with current statutes regarding-- regulating long-term rentals. LB631 does not supersede rules and regulations of private entities, including of a homeowners' association organized under the Condominium Property Act or the Nebraska Condominium Act. The broader intent of the bill is to ensure that individuals are subject to consistent legal treatment regarding the ability to rent their property within or beyond municipal boundaries for fewer than 30 days. I urge your support of LB631. I'd be happy to answer any questions you might have.

**BREWER:** Thank you for that opening. Gee, seems like kind of a logical bill, but we better dig in and find out if there's something we don't see here. Any questions? All right. You'll stick around for close?

**BOSTAR:** Yes, sir.

**BREWER:** All right. We'll see if we have many testifiers. All right. Looking for proponents to LB631. Senator Ebke, welcome back to the Government Committee.

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**LAURA EBKE:** Thank you, Chairman Brewer, members of the committee. For the record, my name is Laura Ebke. That's L-a-u-r-a E-b-k-e. I'm the senior fellow with the Platte Institute. I'm happy to be here today to testify in support of LB631. As you will see, I don't have a lot to say. Property rights are a foundational principle of our republic. In 2019 this Legislature passed LB57, which prohibited cities and villages from enacting ordinances that would prohibit the use of a property as a short-term rental. In other words, Airbnbs and Vrbo's and similar services. This bill quite simply places the terms found in Section 1 of LB57 into Chapter 23 of the Nebraska Revised Statutes and prohibits counties from doing the same thing. Subject to otherwise contracted or limited actions with one's property, such as through covenants or homeowners' associations, property owners should be able to use their property free of government infringement for otherwise lawful purposes. This bill allows homeowners who may have rental properties or second homes to use them for short-term rentals should they choose to do so. We don't believe the counties that levy taxes on private property should place limits on how property owners can sublet their property, provided that no real harm is being done to others in the process. And we encourage the advancement of LB631 to the floor.

**BREWER:** All right. Thank you. Because I'm not hip, what is Vrbo? What is that?

**LAURA EBKE:** Vacation rental by owner, I think is what it stands for.

**BREWER:** Oh, OK.

**LAURA EBKE:** It's a-- a service, yeah.

**BREWER:** Very good. Questions for Senator Ebke. John Lowe.

**LOWE:** Thank you, Chairman, and Laura, good to see you again.

**LAURA EBKE:** Nice to see you, Senator.

**LOWE:** Since the passage-- and you may not know the answer to this, but since the passage of LB51, has there been any problems with these short-term rentals in cities?

**LAURA EBKE:** I'm not aware of any, but that doesn't mean that there haven't been problems. I mean, you know, obviously short-term rentals,

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you know, people who-- who-- who rent short-term rentals are still subject to other laws. So you can't-- you can't rent out a property to be used for unlawful purposes otherwise. I mean, it's just a matter of whether or not, you know-- we use these. When we go on vacation, we use these kind of services all the time and I think probably a lot of people do these days.

**LOWE:** All right. Thank you.

**BREWER:** All right. Any other questions for Senator Ebke? All right, thank you--

**LAURA EBKE:** Thank you.

**BREWER:** --for coming in and testifying. All right. Any additional proponents of LB631. Welcome to the Government Committee.

**TYSON FRANZEN:** Thank you. Good morning, Mr. Chairman, members of the Government and Veteran Affairs Committee. My name is Tyson Franzen, spelled T-y-s-o-n F-r-a-n-z-e-n. I am here today as a proponent of LB631. I'd like to address my experience with Otoe County in short-term sharing. I own sixty-one and a half acres without a-- I'm sorry, wooded acres with a lake in Otoe County. I had been renting portions of my land using Hipcamp-- think Airbnb, but instead setting up tents in your backyard and renting out a camper via Airbnb. And I quickly learned that in Otoe County I would need to apply for a conditional use permit in order to charge the public a fee. I applied for that conditional use permit and paid \$600 fee. Then it was at the hearing on my conditional use permit that I discovered Otoe County has conditions for that permit, were essentially the rules and regulations for a campground. Campgrounds requiring things like 12-foot wide rock roads, full electric, water, septic, concrete pads. This was a very, very large investment that I couldn't afford, nor did I want to do. As an avid Nebraskan, I believe our state has a lot to offer in the way of tourism. I think it's a shame that private landowners can't share their little slice of heaven. I think landowners near Chimney Rock, Snake River Falls or any of the other scenic places in Nebraska with others that simply think we're a flyover state. While utilizing Hipcamp, I met people from all over the United States that had no idea Nebraska could be so scenic and so Nebraska-nice. I'm in full support of Nebraska counties being able to create rules and regulations that



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offer our state a sustainable-- a safe and sustainable for the purpose of LB631, and I understand the need for proper planning and growth in a county as long as it takes into consideration the needs of everyone. I also support paying the 1 percent state and 2 percent in Otoe County lodging taxes. In addition to that, Airbnb, specifically as a short-term sharing service, also allows a-- us to charge a cleaning fee. So if that's utilized, it will help to create jobs and to stimulate the economy. However, I feel that the county charging a nonrefundable \$600 conditional use permit fee based on their assessment that I was operating as a campground, will dissuade others from participating in short-term sharing. If a conditional use permit fee will still be required, I think this fee should be much lower so as to not dissuade others from short-term sharing. At minimum, I'm hoping that LB631 will create a path for counties to amend their rules and regulations to include short-term sharing and to implement rules for the greater good of everyone in Nebraska. And with that, happy to answer any questions.

**BREWER:** Thank you. Have you ever testified here before?

**TYSON FRANZEN:** Um, I used to work for Nebraska Interactive, but here before, but no.

**BREWER:** Did a very good job.

**TYSON FRANZEN:** Thank you.

**BREWER:** All right, questions? John McCollister.

**McCOLLISTER:** Yeah, thank you, Mr. Chairman. Do you have any idea what a more appropriate fee schedule would-- would look like?

**TYSON FRANZEN:** That wouldn't be for me to determine and I do not-- I've-- my personal suggestion, I understand that counties are funded based on conditional use permit fees and the way that zoning is done for planning and growth in the county, that I can tell that that's a way that they get income. So, I mean, I don't necessarily say abolish it because I support counties, but, you know, 50 to \$100 is-- isn't asking too much, but \$600--

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**McCOLLISTER:** You'd agree that the \$600 might be appropriate for a campground, but not for the kinds of applications you're discussing, correct?

**TYSON FRANZEN:** That is correct.

**McCOLLISTER:** So you think, 300 bucks, 200 bucks, 150.

**TYSON FRANZEN:** I think if you are having trouble paying your taxes, I think it's a great way to supply that extra bedroom in your house and you might try it out and you might only rent out a room for \$50 a night on a weekend and then end up only making \$300 that year. It may not work out for you. In my specific instance, the land I own, in my opinion, is beautiful. We've had that confirmed by others. You know, we could-- we could do \$300, but from a-- like I said, an avid Nebraskan, you want people to want to do it. I think, you know, some of the things that I've heard earlier this morning, uh, rural Nebraska is struggling to keep young people around. And so I think that would be a great way to get people to come through. We had people come from Canada, Colorado, California, and they were just like, you know, we had no idea that Nebraska could be so scenic. And I think, you know, in eastern Nebraska, that's one thing, but western Nebraska is something completely different. And I think it's all beautiful, but.

**McCOLLISTER:** Thank you.

**BREWER:** As long as we're bringing them here when it's warm. All right, Senator Sanders.

**SANDERS:** Thank you, Chairman Brewer. Tyson, quick question. The classification of camping maybe needs to be changed because wouldn't this fall more under Boondocking?

**TYSON FRANZEN:** That would be true. Boondocking is considered a dry camping. You're not-- you're not hooked up to electric, you're not hooked up to septic, you're not hooked up to anything like that, so Boondocking would be an accurate way of looking at it, but it's still short-term sharing in general. So, I guess the way that I put it is, it's not renting a room, it's setting up a tent in my backyard and enjoy it with you, so it would be--

**SANDERS:** With no hookup services or any of those, right, so--?

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**TYSON FRANZEN:** Correct, and sorry, I didn't mean to interrupt. Like Hipcamp, the one that I use is called Hipster camping is the way to think about it. They-- they try to attract people that like having the comfort. So, like if you have-- if you have goats, farm animals, people that don't have that, love seeing that. So that was, you know, if you can offer those things, it makes you more attractive. So, you know, maybe people don't know about solar and you have a solar setup for them to come out and see. So those types of things, they encourage you to be creative, try to stand out. But yes, Boondocking is essentially what it is.

**SANDERS:** Thank you.

**BREWER:** That's a real term, Boondocking?

**TYSON FRANZEN:** Yeah.

**BREWER:** All right. Well, I'm learning a lot today. All right. Senator Halloran.

**HALLORAN:** Thank you, Mr. Chairman. So, Tyson, I didn't catch where-- where-- where's your camp located in-- where's your property located?

**TYSON FRANZEN:** Property is in Otoe County and Palmyra, south of Palmyra about two miles between Douglas and Palmyra.

**HALLORAN:** OK, wanted to give you the opportunity for a shameless plug where--

**TYSON FRANZEN:** We call ourselves Andzen Acres.

**HALLORAN:** OK.

**TYSON FRANZEN:** And then you come out and you have a good time and then you remember our name and hey, you got to relax every now and then, right?

**HALLORAN:** Yes, sir. Well, happy-- happy Boondocking.

**TYSON FRANZEN:** Thank you.

**BREWER:** All right. Any other questions? Yes, John Lowe.

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**LOWE:** Thank you for coming out today, Tyson, and enjoying our weather here in Nebraska as you drove here.

**TYSON FRANZEN:** Yes.

**LOWE:** Can you-- do you supply the tents or do they bring their own tents to-- to camp in, and are there some sort of facilities that they can use while on your property?

**TYSON FRANZEN:** We have never had it-- had to supply any utilities. Things we supplied were, we-- we bought outhouses. We keep water jugs around, you know, things counties might want to create for rules or, you know, just create regulations. If you're going to have a fire pit outside, you know, you don't want to do it right next to your neighbors and bordering the fence where they've got a herd of cattle and tall dead grass that poses a risk. So I agree with those things. So to answer your question, no, I mean, we don't provide it, but it's assumed kind of like if you rent a room on Airbnb and go stay in Key West or something like that, you kind of check out the room ahead of time. You know that there's air conditioning and everything there that you're needing for your trip.

**LOWE:** So you have air conditioning on your property, then?

**TYSON FRANZEN:** We've had instances where people came out when we were doing it. We're not doing it now. That it was just so incredibly hot that we said, you know, here's a camper that we have for-- we'll hook it up to a generator and you guys can stay in that. Likewise, we also do the same. We had a couple of friends, not our friends, but they came out and stayed in the winter. You know, like you guys, you can't camp in a tent. So that, you know, is something to also take in consideration as far as the health of people. These are things that you'd have to worry about.

**LOWE:** OK. How about neighbors? I mean, have you had any complaints from any neighbors or has that been a problem?

**TYSON FRANZEN:** We did have a complaint from a neighbor who lives across the highway. And so they complained that somebody turned into their driveway and that-- that was their biggest complaint. I-- when I went for the conditional use permit process, I went around and talked

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to all my neighbors that were within the mile radius that's required by the planning commission. And most of them were, it's your land, do with it what you want. Some were like, I think that's a great idea. So I would say overall it was the 95 percent of the people were in favor of doing with it what you like, you know, as long as it doesn't affect them, and if it does, they got my number and they'll be calling. So, yeah.

**LOWE:** I think it's a great idea too.

**TYSON FRANZEN:** Thank you.

**BREWER:** All right, any additional questions? This has actually been very interesting. Thank you for coming and testifying.

**TYSON FRANZEN:** Thank you.

**BREWER:** All right. We'll, go ahead and go to our next proponent. I don't see anybody standing up, so we'll go to opponents. Nobody standing, we'll go to neutral. Senator Bostar, welcome back to close on LB631.

**BOSTAR:** This is an incredible setup.

**BREWER:** Yes, and while you're-- while you're there waiting, just to kind of share this with you, I need to do this then anyway, but so understand that we've had proponents, no opponents, none in the neutral. We have no letters in the neutral or opposing. We have no written testimony in neutral or opposing, and we do have letters in support and letters or written testimony in support. That is not something we have seen yet in the Government Committee. So you have-- may have found a nugget of gold here. Please, whenever you're ready.

**BOSTAR:** Yeah. Well, first of all, thank you, Chairman Brewer, and members of the committee for your time and attention. Essentially, this is just taking the-- the statute that was created and negotiated that applies to villages, cities, municipalities, and extending that to apply to the counties. The hard work, I think, really was done previously in sorting all of this out. In communication with folks, you know, before coming here today, for example, talking to NACO, you know, no one expressed any concerns to me. So I just wanted to point that out and-- and just remind anyone who might be on the fence about

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it that this would still permit counties from adopting reasonable rules and regulations regarding safety and public health for property. So with that, if there's any final questions that I can answer, I'd be absolutely happy to.

**BREWER:** All right. Let me--

**HALLORAN:** Mr. Chairman.

**BREWER:** Oh, I got it, yes. Oh, I'm sorry. Senator Hunt.

**HUNT:** Thank you, Senator Brewer. I do have a few concerns about this bill and they aren't big. This is actually a topic that I know a lot about. I was a host on Airbnb professionally for about six years, and I ran four different properties in Omaha and I would like to continue to do it. It's something I will probably do in the future. Um, and I've also stayed at rental properties from Vrbo and Airbnb and all kinds of different services all over the world for over a decade, and I'm a little bit surprised that we didn't have any opposition testimony to this bill or any letters, because in a lot of communities this is a really controversial idea. And last year, I know that we passed Senator Morfeld's bill to kind of apply the same idea to cities and municipalities and that this bill specifically deals with counties, but in a lot of cities where they have laws like this, it turns out that big investors and big companies end up coming into the city and buying a lot of the affordable housing stock, and they kind of turn these-- these apartment complexes and buildings into party houses, for a lack of a better term. They renovate them, they fix them up and they can make them look like really modern little hotel rooms and stuff. They put it up on Airbnb because they can make more money from short-term rentals than they can from a long-term renter. And I can say as an Airbnb host, that's exactly right. I mean, I would sometimes make \$10,000 a month, you know, as a single, just-divorced mom. That was a lot of money to me and probably the most money I ever made in my life doing these short-term rentals at the time. And, you know, a smart investor who knows this market could come and buy up affordable housing stock. I don't know how much this would impact, for example, Otoe County or some of the smaller counties in Nebraska, but in my district and in, you know, the most urban part of our state in midtown Omaha, this could pose a huge problem for accessibility of affordable housing for our residents and also possibly pose some

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problems for local control. So do you have any response to that type of concern?

**BOSTAR:** Yeah, absolutely. Thank you, Senator Hunt. I would say that essentially, this-- I think, most of your concerns are probably directly related to, and I just remember the bill number, LB57 from 2019--

**HUNT:** Which I supported, but these are concerns, are valid.

**BOSTAR:** No, and I absolutely understand. I would just say that with-- with-- with that previous bill being enacted into statute, I think-- I think this bill doesn't do anything to make your concerns worse, because I think really what we're talking about, you know, anything that isn't a village, a city or a town, I mean, we're really talking about the rural spaces in-- in our state that-- that this is what's going to cover. So while I absolutely appreciate your concerns, I think-- I think that from my understanding, your concerns are really targeted more toward the activities that are happening within municipalities, villages, towns and cities. I'm not sure that this would add anything to that in a problematic way. Of course, I would hope that counties when making their rules around this, do take time and care in crafting those and that they they are responsibly enacted, but-- but yes, I absolutely understand what you're saying, Senator Hunt.

**HUNT:** This-- the-- the phenomenon of investors coming in and buying up a housing stock and turning it into little short-term rentals that are really cool and really hip and really well designed and they attract a lot of young people and families to come visit Nebraska, obviously, that would be wonderful if that happened. The more people who can come visit, the better. And I had similar experiences to one of your testifiers who, you know, some of the guests I had over the years were just amazing people. And I was so happy to show them our state and have them have a good impression of Nebraska when maybe, more than they expected. Um, but, of course, that abuse of-- of affordable housing can happen anywhere, not just in midtown Omaha, but it can happen anywhere in the state. And in a lot of cities and counties and states where they have more problems with this, say, Kansas City or Nashville or Portland or Denver, you know, Omaha is a smaller city than those places, but we're getting there. And I would like us to be

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a big city and they pass laws like this and then it becomes a fight later. And so, you know, it might be across this bridge when we come to it type of thing, where if we see that housing stock is getting abused, you know, 5 or 10 years down the line because tourism in Nebraska is just booming so much, that would be a great problem to have, and we could revisit the regulations at that time. But I-- I will support this bill but because there was nobody in opposition on the record, I wanted to put these concerns on the record because for urban residents, these are major. So thank you, Senator Bostar.

**BOSTAR:** Thank you, Senator Hunt.

**BREWER:** All right. Any additional questions before we wrap up? I owe you a name. The written testimony was from Justin Brady with Nebraska REALTORS Association, and the letters, position letters, Nebraska Travel Association and NACO. So with that, we will close on LB631 and thank you.

**BOSTAR:** Thank you, Chairman Brewer, and members of the committee.

**BREWER:** Good afternoon and welcome to the Government, Military and Veterans Affairs Committee. I'm Senator Tom Brewer representing the 43rd Legislative District and I serve as Chair of this committee. For the safety of our committee members, staff, pages, and public, we ask that those attending our hearings abide by the following procedures. Due to social, social distancing requirements, seating in this room is limited. Today, we will just not even worry about that paragraph. Request that everyone utilize the identified entrance and exits. Ask that you wear a face covering while in the room. You may remove it if you're testifying so that we can clearly hear you. For committee members, I'll leave it up to your discretion on wearing a face covering because we are protected by the Plexiglas dividers and adequate social distancing, it's not a requirement. Public hearings for which attendance reaches capacity, we're going to skip that one this afternoon, too. We're going to not worry about our overflow and the committee will take up the bills as posted on the agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your opinion on the proposed legislation before us. Committee members might come and go during the hearing. This is just the process in order to go and introduce bills. Be aware that senators will be working on either their computers or cell phones



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to check information or find out if they have other committee requirements. We ask that you abide by the following rules to facilitate today's meeting. Please silence or turn off your electronic devices, no food and drink in the room, please move forward to the reserved chairs prior to testifying. Introducers will make their initial statement, followed by proponents, opponents, and those in the neutral testimony. Closing remarks are reserved for the introducing senator. If you're planning to testify today, please pick up a green sheet on the table, back of the room, fill it out, please write, print clearly, and complete the form. All letters must be posted prior to 1200 hours on central standard time the day before. If you're doing handouts, please provide at least 12 copies, no mass mailings. The letter must identify the bill number, whether you're proponent, opponent, or in the neutral. When you come up to testify, please speak clearly into the microphone. Tell us your name and then please spell your first and last name to ensure we get an accurate record. We will be using a light system for all testifiers. You will have five minutes to make your initial remarks to the committee. We will have a yellow light at one minute and a red light and alarm when your time has expired. Questions may follow. No displays of support or opposition for bills vocal or otherwise will be allowed during public hearings. Committee members with us here today will introduce themselves starting on my right.

**BLOOD:** Good afternoon. Senator Carol Blood, representing western Bellevue and southeastern Papillion, Nebraska.

**McCOLLISTER:** John McCollister, District 20, central Omaha.

**SANDERS:** Good morning. Rita-- good afternoon. Rita Sanders, District 45, the Bellevue, Offutt community.

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

**LOWE:** John Lowe, District 37.

**HALLORAN:** Good afternoon. Steve Halloran, District 33, which is Adams and parts of Hall County.

**HUNT:** Hi, I'm Megan Hunt. I represent District 8 in midtown Omaha.

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**BREWER:** Dick Clark, legal counsel, on my right. And Julie Condon, on the corner is committee clerk. And I should have this memorized, but we will jump over. The afternoon pages, Caroline Hilgert, there's Caroline, she's the tall one, junior from-- at UNL. And Peyton Larson, Peyton is a sophomore at UNL in the corner. With that, we will start with our first-- let's see, first one is a telephonic call from Kate Sullivan. And is she ready to go on the air? Yeah, go ahead and call in and then we'll-- I'll give her a quick intro and then we'll let her give a little information on herself. All right, our first appointment will be Kate Sullivan and this is to the Nebraska Accountability and Disclosure Commission.

**KATE SULLIVAN:** Yes, this is Kate Sullivan.

**BREWER:** Kate, Senator Brewer with the Government Committee. How are you today?

**KATE SULLIVAN:** I'm fine, thank you.

**BREWER:** Well, we have the committee assembled, and I guess our, our first step probably ought to be just to have you give us a little background. And that way we get to know you better.

**KATE SULLIVAN:** Yes, I'd be glad to. First of all, my name is Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n. And I just wanted to double-check to make sure that you are hearing me OK and I'm speaking clearly enough. Is that all right?

**BREWER:** You're doing a great job. Thank you.

**KATE SULLIVAN:** Well, and thank you, too. I really do appreciate the fact that I was able to call in today and didn't have to travel. It is so terribly cold out here in Cedar Rapids, Nebraska, and I'm sure it is there, too. And I-- although I would have liked to have been there because when I was a state senator, I did serve for four years on the Government Committee. And so it would have been a little, a little step back on memory lane, if you will. But be that as it may, I come before you today to ask for your consideration for my reappointment to the Nebraska Accountability and Disclosure Commission. I was first appointed in 2017 to fulfill an unexpired term. And so because of that, then the Governor did choose to then reappoint me. And because

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of that unexpired term, I'm now having the opportunity to fulfill a full six-year term, if that is what in fact happens. As elected officials, as I was a few years ago, we, we get acquainted with the Commission because we are during our campaigns and also all the time that we are elected officials have to file reports with the Commission as to the political contributions we receive and what we do with those contributions. And all in the, the guise, the responsibility of showing transparency and accountability on the part of elected officials. And I think that's a good thing. We are a nine-member Commission and we are balanced both geographically and politically. There is a, a staff that goes along with the Commission. A small one, but very capable. And we as commissioners rely on them to field information that comes in as far as complaints, also amass information for us so that we can review those complaints and information about possible violations to the act and how that works. And that is really the nuts and bolts of why we exist as commissioners, that we look at complaints that are filed on behalf of individuals or organizations who think that details, provisions of the act are being violated. And it's up to us to determine that and to follow through accordingly. And to that end, whether it's filing a report, we do have the that if not filed in a timely manner or other features of the act that we feel are not being attended to, we have the opportunity to file-- or to assess fines. And furthermore, we can go so far as to have investigations and hearings. And if found violations, then we can actually also assess, assess civil money penalties. So that, in a nutshell, is what the Commission is all about, providing transparency and accountability on the part of elected officials all the way from the state level to the local level, including the 200 and-- well, probably not 250 school districts anymore, but somewhere in that neighborhood. And so there are a lot of elected officials in Nebraska, but I think the citizens of Nebraska are well served by having this Commission in place. I've enjoyed the opportunity and I've learned a lot in being on the Commission. And would like very much to continue in this role for six more years. So with that, I'll end my testimony and will be glad to answer any questions you might have.

**BREWER:** All right, thank you. That is the best description of what the Accountability and Disclosure Commission does I've ever heard. So thank you. I feel like I, I have a better understanding. And just to

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confirm. So the length of your term, this will take you through June 30 of 2026, correct?

**KATE SULLIVAN:** Yes, yes.

**BREWER:** Just double-checking. All right, real quick, let's go around the room and see if we have questions for Senator Sullivan. John McCollister.

**McCOLLISTER:** Yes, thank you, Mr. Chairman. And hi, Kate. How many--

**KATE SULLIVAN:** Hi, Senator, nice to hear your voice.

**McCOLLISTER:** Yeah. How many terms can one serve before you're term limited on that?

**KATE SULLIVAN:** This is it. I'm only able to step into this possibly for six years because I fulfilled an unexpired term. But under normal circumstances, a commissioner can only serve one full term.

**McCOLLISTER:** Understand. Thank you.

**BREWER:** All right. Any other questions? All right. Well, with that, Senator Sullivan, thank you for that introduction to yourself and the background on the Nebraska Accountability Disclosure Commission. And I think that will wrap up all of our requirements for now.

**KATE SULLIVAN:** Thank you very much, Senators, and good luck to you.

**BREWER:** All right. Have a good day.

**KATE SULLIVAN:** You, too. Bye.

**BREWER:** All right, we will open it to proponents of Senator Kate Sullivan's appointment. Are there any proponents? Any opponents? Anybody in the neutral? Frank, I got to ask, are you here to testify?

**FRANK DALEY:** Just to monitor at the request.

**BREWER:** Oh, OK. Well, I kept thinking you were going to fit into a category somewhere. And, and when you didn't, I was, I was a little worried. But, all right, I feel better now. All right. Well, then we'll go ahead and close on Kate Sullivan's appointment and we'll

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switch out for our next. And just to kind of give everybody a little background, the next appointment, Erin Bond, this is to the State Personnel Board and the term will be through August 4 of 2025. And with that, why don't we go ahead-- let's see, Erin?

**ERIN BOND:** Um-hum.

**BREWER:** Come on up. Still need to grab the paperwork. There we go. Welcome to the Government Committee.

**ERIN BOND:** Thank you.

**BREWER:** Whenever you're ready.

**ERIN BOND:** All right. My name is Erin Bond. I am here to request appointment to the State Personnel Board. I am currently the people operations manager at Speedway Motors. I have been there about a year, so I started about 30 days before the pandemic hit. So learning public sector and a new job during a pandemic has been challenging, but I am now stronger because of it. I currently manage seven people in this position, two of which are in different states. We do everything from writing policy to employee lifecycle, anything HR related, benefits, anything. Like I said, HR, you name it. I received my degree from Nebraska Wesleyan University in sports management of all things. After college, I went on to become a manager in retail and then also in banking. And then I finally found my calling in HR at the state of Nebraska, none the less, so. I started with DAS or Department of Administrative Services in State Personnel as a recruiter. And after about two years, I moved over to the agency side of HR for DAS and was a generalist for about two years, I think, and then became a personnel manager where I managed two generalists from there. I was also here for the start of the Shared Services Initiative that the Governor had put out where-- so each agency has their own HR and then those, those agencies that are smaller that don't have a human resources dedicated HR person, maybe has an accountant who wears an HR hat every so often. We took those on to support them in their HR functions. We supported code agencies, noncode agencies, boards. So I learned the whole, almost the whole gamut of everything that you could in supporting those, those types of agencies. I supported rules covered, nonclassified, NAPE, SLEBC. I think those are the four that I've got experience in throughout my tenure at the state. And I, I love the

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state. I learned a lot and I miss it. And I'm just happy to be here and able to keep serving, if at all possible. So I'm also a member of SHRM, which is the Society for Human Resource Management, and LHRMA, which is the local chapter of SHRM. I earned my HR certification or SHRM-CP in 2016 and have kept that up. And like I said, I'm excited just to be able to be given this opportunity to serve again, if at all possible. I believe that I bring experience since I worked at the state for seven years and have supported a lot of different kinds of agencies and those covered by a lot of different, a lot of the different unions and the rules. I-- and was an employee that was covered by them. So I think I bring a lot of perspective that could be valuable.

**BREWER:** All right. Thank you for that background information. Senator McCollister.

**McCOLLISTER:** Yeah, thank you, Mr. Chairman. Just so I understand, sometimes I don't hear as well as I should. You're not currently employed by the state of Nebraska, correct?

**ERIN BOND:** Correct. I'm employed by Speed-- Speedway Motors.

**McCOLLISTER:** Speedway.

**ERIN BOND:** Um-hum.

**McCOLLISTER:** OK, and you're appointed by the Governor?

**ERIN BOND:** Yes.

**McCOLLISTER:** OK, thank you.

**BREWER:** All right, additional questions? Yes, Senator Halloran.

**HALLORAN:** Well, welcome. And that's quite a resume you have.

**ERIN BOND:** Thank you.

**HALLORAN:** What do you see as some of the biggest priorities or challenges for the Personnel Board?

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**ERIN BOND:** I know from the time that I was here, there has been a big push to-- for the consolidation project for the class and comp, because we had over 1,300 classifications, I believe, within the, within the system. And I know that they've been working on that for a long time. And that's a challenge to work with all the unions, plus the rules to have everybody come together and agree on a way to move the state forward in that aspect. So I think that's going to be a challenge. But I was involved in the beginning of it and I would love to help move it forward and see it through.

**HALLORAN:** OK, thanks, Erin.

**ERIN BOND:** Um-hum.

**BREWER:** All right, one more check to see if there's any other questions. We will be getting back to you as soon as we Exec and, and figure out the appointments, but thank you for coming in and thank you for your testimony.

**ERIN BOND:** Thank you. I did not spell my first and last name. It's E-r-i-n B-o-n-d.

**BREWER:** That was my bad for not catching that.

**ERIN BOND:** No, that's all right.

**BREWER:** Thank you.

**ERIN BOND:** Thank you.

**BREWER:** All right, we'll take a quick break here and get ready to transition into our Exec. Let's see, Julie, let me know when you got everything powered down so we can go into Exec.