BREWER: Good afternoon and welcome to the Government, Military and Veterans Affairs Committee. I'm Senator Tom Brewer, representing the 43rd Legislative Districts-- District, which is 11 counties of central and western Nebraska. I'm the committee Chair. The committee will take up the bills in order posted on the agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your opinion on proposed legislation before us today. The committee members may come and go during the hearing. This is just part of the process. We have bills to introduce in other committees. I do have a note, Senator McCollister is in Appropriations and Senator Hansen has several bills in Judiciary and Urban Affairs, so they will probably be out most of the day. I ask that you to abide by the following procedures to better facilitate today's proceedings. Please turn off or silence your electronic devices. Please move to the reserved chairs before you testify, reserving a front chair, front row for those. Introducers will make the initial statement, followed by proponents, opponents, and those in the neutral. Closing remarks are reserved for the introducing senator. If you're planning to testify, please pick up one of the green sign-in sheet, complete it. We ask that you print and complete the form so it can have a proper record. If you do not wish to testify but would like a record of your presence here, there's a white sheet at the back table. Please fill that out. If you have handouts, we'd ask you to provide ten copies. When you come up, give them to the pages along with your green sheet. When you come up, we'd ask that you speak clearly into the microphone, say your name and then spell both your first and last name. We will be using a light system for testifiers today. We will be using the three-minute time system for your remarks. So at the two minutes you'll get the amber light, at three minutes you'll get the red light. No displays of support or opposition for today's bills will be allowed. You will see committee members using electronic devices to either do research or to find out when they have to go to their hearing. With that, we will start with introduction of committee members on my right with Senator Blood.

BLOOD: Good afternoon. Senator Carol Blood, representing District 3, which is western Bellevue and eastern Papillion, Nebraska.

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

LOWE: John Lowe, District 37: Kearney, Gibbon, and Shelton.

BREWER: All right, Dick Clark, committee counsel; Julie Condon, committee clerk; and our pages Bhagya and Peyton, right over here on the left. With that, we will go ahead and get moving on the day into our first bill, which is LB1122. Senator Erdman, welcome to the Government, Military and Veterans Affairs Committee.

ERDMAN: Thank you, Colonel Brewer. Good to be here. Before I get started, let me do the right thing and spell my name and say it. Steve Erdman, S-t-e-v-e E-r-d-m-a-n. I represent nine counties in the Panhandle and I said this last week, Senator Brewer, when I was here and you weren't, you sure have a nice room.

BREWER: Thank you.

ERDMAN: I just came from the, the closet where Senator Sanders was yesterday. So today I bring you a bill, LB1122, that has to deal with-- the bill deals with allowing surveyors the opportunity to locate certain pins for identification where the boundaries are for properties. The bill, the bill was brought to me like most bills that I get were brought to by constituents that have issues that they believe need to be dealt with. And I am involved in the real estate business, we sell, in our company, we sell mostly ag land, and so we have opportunity to use surveyors most all the time. What happens, periodically, a surveyor will be hired to find the boundaries and survey a piece of property, but that marker may be on private land. And when it's on private land, the, the surveyor doesn't have the same authority a county surveyor or a state surveyor does to go on that property without permission. And we have several landowners who are absentee landowners who don't live in the area and often by the time they find who out-- who the landowner is and where they are and locate them, it delays the survey for several days and consequently holds up the whole transaction. And so I brought this bill with that recommendation. It's a very simple bill. It gives an opportunity for those surveyors to do their work and find the location of these pins. Sometimes the location of the pins are on private property. Oftentimes, they're on-- in the road or wherever they are on public property. But that's not the issue. So the bill is very straightforward. It gives the, the surveyor permission to go onto that property and discover where the pin is and the location they need to find it. It protects the landowner, they're still liable for any damages that they may cause when they're on the property. Their vehicles must be identified on the exterior so that people know who they are and what they're doing, and it gives them an opportunity to get their job done in a more efficient manner. It's better for them,

as well as for those who are hiring them to do the survey, as well as those people purchasing the land. And so there will be others behind me that deal in this business daily that will share with you the reasons for this. It's a very straightforward bill. It's very similar to the first one I had last week when I was here. And it was a rare occasion then, I had a bill I thought was eligible for the consent calendar, this being my second chance in five or six years to do it again. We'll find out. But like I said, it's an opportunity for us to have a discussion about what makes life better for those who do this kind of work. And if we can get out of the way and let them accomplish what they need to accomplish, I believe we should do that. So I'll finish with that, and those people behind me are far smarter and understand this far better than I. But I will try to wrap up what they say at the end and answer any questions now, as well as later if there's any questions.

BREWER: All right, thank you, Senator Erdman. Questions? You'll stick around for close?

ERDMAN: Yes, sir.

BREWER: All righty. Thank you. All right, we will start with proponents to LB1122. Welcome to the Government Committee.

CASEY SHERLOCK: Thank you, Senator Brewer. Good afternoon. I will try to make this quick. I prepared a five-minute testimony so I'll--

BREWER: All right.

CASEY SHERLOCK: --speed it up. My name is Casey Sherlock, C-a-s-e-y S-h-e-r-l-o-c-k. I appear before you in support of LB1122. I've been a Nebraska registered land surveyor for 18 years now. I grew up in Alliance Nebraska, earned a bachelor of science degree from Chadron State College, served as the elected county surveyor and public works director for Hall County for 12 years. Served on the NACO board for seven years and I've held the position of Nebraska State Surveyor for the past four years. I serve as ex-officio secretary of the Board of Examiners for Land Surveyors. That being said, as Nebraska state surveyor, the bill has no direct impact on the office of state surveyor, nor have I been instructed by the Board of Examiners to issue any kind of a position on this bill on behalf of the board. My comments are my own, while I know full well the importance of my position as state surveyor, I'm often relied upon for expertise, guidance, and leadership throughout the land surveying profession. I'm

in support of LB1122 because I believe this bill assists land surveyors in protecting the property rights of landowners in the state of Nebraska for current and future generations. There are several current statutes with authorize entry-- that authorize entry upon private property by land surveyors in the performance of their duties. One is for the state surveyor, one is for county surveyors, one is for the Department of Transportation, one is for the Department of Natural Resources in regard to the Safety of Dams and Reservoirs Act [SIC], and another is for the Department of Natural Resources as it pertains to flood plains. Senators, my point is there are existing statutes which grant a right of entry in one form or another to various surveyors in their capacity for the government in the interests of the protection of the property rights and the interest of that government entity, along with what could be argued as an interest of public safety and public good. However, there is no such statutory authorization for a nongovernmental surveyor to have authority to enter upon private property in the interests of protecting the property rights of regular Nebraska property owners. All Nebraska registered land surveyors are required to follow the laws of Nebraska, along with the rules and regulations of the Examining Board. Within those regulations is a code of practice and in that code of practice it states: The registrant, in practicing land surveying, shall be cognizant that his or her first and foremost responsibility is to the public welfare and act with reasonable care and competence and technical knowledge and skill ordinarily applied by land surveyors of good standing to safeguard life, health, and property. We see those words safeguard life, health, and property throughout our statutes and regulations, and we don't just take those as words. Those are our purpose or our mission, if you will. The primary duty of the land surveyor is the equal protection of property rights of all property owners, both current and future, including current clients and adjacent owners. Land survey plats become permanent public records, and I can't think of another industry or private practice profession and the final document becomes a public record. That in itself tells me it's in the best interests of the public. Land surveyors may not be public servants, but we are here to serve the public. The laws and regulations we currently have require land surveyors to follow established procedures and those established procedures often require us to enter onto private property. And with that, I will go ahead and conclude my testimony and urge you to vote yes on LB1122. Thank you for your time and I'd be happy to answer any questions.

BREWER: Well, thank you for reading five minutes worth of stuff in three.

CASEY SHERLOCK: I got, I got through three and a half of it.

BREWER: Well, you, you got the main points. All right. Well, listen, you're right, this seems like a pretty straightforward issue and, and needed if, if it's a nonresident landowner and you need to do the survey rather than [INAUDIBLE]. As far as issues, you know, the one that's obvious is if you're surveying, say, in a, in a, in a field and the surveyor, I assume, has to just accept the risk of getting kicked by a bull or bit by a dog, that just comes with the territory.

CASEY SHERLOCK: That's correct, Senator. The bill does add in protections for the property owner should the surveyor be injured entering onto the property. The surveyor would forfeit any kind of claims against the property owner, as well as the liability of the, of the surveyor for any damages he causes.

BREWER: Fair enough. OK, quick questions? All right, thank you for your testimony.

CASEY SHERLOCK: Thank you. Senator Brewer, I was going to mention, I grew up in Alliance, worked in Chadron, worked for a surveyor in Chadron, and I, I surveyed part of the property you have in Gordon--

BREWER: Oh.

CASEY SHERLOCK: --in 1996.

BREWER: Wow. We're dating ourselves a little there, but I was a-- I was just a kid back then.

CASEY SHERLOCK: Yeah. Thank you.

BREWER: Thanks. Wow, good memory. All right, next proponent to LB1122. Welcome to the Government Committee.

JEREMY FEUSNER: Thank you. Good afternoon, Senator Brewer, members of the committee. My name is Jeremy Feusner, J-e-r-e-m-y F-e-u-s-n-e-r. I reside in Kearney and I'm here in support of LB1122. I've been in the surveying profession for over 20 years and I've been a Nebraska registered land surveyor for the past 11. I'm also past president of the Professional Surveyors Association of Nebraska. I support LB1122 because it's necessary for land surveyors to have permission to access

any property necessary to fulfill their legal, professional, and ethical responsibilities to the public in the performance of their duties. One of the main problems we have in the land surveying profession is that nonsurveyors do not understand the complexity and duties of land surveying and how land was granted out of patent in the United States government. All property in Nebraska within the public land survey system is connected. Even a subdivision within a city is part of a fraction or the whole section of land. Each of the 36 sections within a township is connected and each township is laid out relative to its respective guide meridian. No land is isolated and not connected to the Public Land Survey System. Tracts of land are also part of fractional or whole sections of land and are described by legal descriptions. For some background, legal descriptions are written descriptions that describe one and only one unique piece of land, no two properties can have the same description, and there are multiple ways in which these descriptions are written. Sometimes one parcel can be surveyed-- can only be surveyed once the adjacent parcel's boundary lines have been determined. Other times, the bearing or course of a line is referenced to another line. For example, you may own a small acreage in a corner section. The north line of your tract may be described as being parallel to the north line of that said quarter. You can't determine the north line of the tract unless the north line of the quarter is located and surveyed. Thus, a necessity to access someone else's private property. Another example in the rural setting is the recovery and perpetuation of property and government corners, evidence such as lines possession or encroachments and easement locations. For example, if I'm surveying in section one of a township, it may be necessary to recover coroners or evidence in the adjacent section two to calculate potential search positions or recover monuments for my survey. Surveys of record from 50 to, to 100-plus years ago may need to be retraced to determine the correct positioning of both government and property corners. It's often said within our profession that in order to retrace a previous surveyor, we must walk in their footsteps. Retracement and recovery of boundary lines, corners, and control monuments may take you to land several parcels away or miles away. The last example I'd like to give is in an urban setting. More specifically, I'll use the example of my home in Kearney because it may give you an easy visual, visual of an easy example. I was the first person in my subdivision to have a privacy fence built around my backyard. I had the property corners located, instructed the fence contractor to build the fence on my side of the property line. In doing this, though, my property corner is no longer, no longer accessible from my property. It's two inches on the other

side of the six-foot-tall privacy fence. You have to go to the neighbor's yard to locate the corner. Being able to physically dig up and survey a corner on the opposite side of your client's fence is very common in both rural and urban settings. A further complexity of surveying is land development. I think everyone here can agree that land is continually being divided into smaller sections of land for development, and more rarely are smaller parcels combined to make a larger parcel for ownership. In summary, I'm asking you to support this bill so the land surveyors can fulfill the legal, professional, and ethical obligations of, of our surveying license while protecting the public from any liability of injury or damage to our equipment in the course of conducting our work. I thank the committee for your time and would be happy to answer any questions you may have.

BREWER: All right, thank you for your testimony. And that was a, that was a great reference with a fence because you can visually see what that would be and how you couldn't necessarily get to it because of where the fence is, you're going to have to go on that person's property to get to that point. Now-- well, let's see if we got questions for you before I start. Questions? You see out in the Sandhills a lot, the small concrete squares with what looks like a coin that's on the top of it.

JEREMY FEUSNER: Yes, sir.

BREWER: It's evidently a designated survey point. So that, that becomes the, I guess, start-- starting reference for how you go from there to determine smaller pieces of land.

JEREMY FEUSNER: Correct. There's two different, two different type of monuments that you might be referring to. One of them is a control monument, which is originally established by the United States Geological Survey, now National Geological-- National Geodetic Survey, and then other monuments would be the mile and half-mile corners you're referencing. Correct. Both of which still need to be assess-- accessed to survey properties.

BREWER: All right. Well, no questions. Thank you for your testimony.

JEREMY FEUSNER: Thank you.

BREWER: All right, any additional proponents? Just out of curiosity, how many more proponents do I have in here? OK, how many do I-- how

many in opposition do I have? How many do I have in neutral? Well, Steve, nothing like overkill, buddy. OK, [LAUGHTER] welcome--

TODD WHITFIELD: I promise, I'll be brief.

BREWER: --welcome to the Government Committee.

TODD WHITFIELD: Good afternoon. Thank you. Good afternoon, my name is Todd Whitfield, T-o-d-d W-h-i-t-f-i-e-l-d. Senator Brewer, I'm here today on behalf of the Professional Engineers Coalition of Nebraska. It's a group made up of Nebraska Society of Professional Engineers, American Society of Civil Engineers, Professional Surveyors Association of Nebraska, and Structural Engineers Association of Nebraska. The American Society of Mechanical Engineers is also an associate member of the coalition. The coalition has a standing position to support legislation that would uphold current statutes members of the group must follow while performing services within their professions. Current Land Surveyors Regulation Act states that the duties of land surveyors are licensed to safeguard health-- life, health, and property for everyone, and not just for the owner of the property being surveyed. We view LB1122 as a bill that will allow professional land surveyors to better perform their duties as outlined. As such, we support LB1122. We appreciate your attention to the legislation and hope the committee will advance it to this measure. Thank you for your time.

BREWER: All right, thank you for your testimony. Any questions? All right, thank you.

TODD WHITFIELD: Thank you.

BREWER: All right, next proponent to LB1122. Good afternoon and welcome to the Government Committee.

SCOTT BOSSE: Thank you. Scott Bosse, S-c-o-t-t B-o-s-s-e. I'm from Mitchell, Nebraska. And I'd just sit and not talk, but I just drove six and a half hours to sit here, so you'll get my three minutes.

BREWER: She's all yours. You earned it.

SCOTT BOSSE: I'm just here to support this bill. I, I sent this to Senator Erdman and all the senators. At the first of the year, I sent an email to everyone of them to try to get this legislation proposed. And we need to be able as surveyors to do our job. We're nonbiased to the owners. We are there to protect everybody's property rights. And

like was said, there's a lot of times-- I am from rural Nebraska and there's not a lot of section corners out there. And I can go out there and look for a section corner, there's no corner available, so I go a mile away looking for the next one, another mile away for the next one, and I can end up four or five miles in each direction looking for corners to bring back in to do this property. I can go onto three or four different property owners. I don't know where I need to go until I start doing my work and that, that dictates who I need to be on. I don't have a lot of issues with landowners out there, but it's those one and two times that you do that make you need something. And that's why I also put in here protections for the landowners. So we're not lia-- you know, they're not liable if we get bit by a dog, kicked by a horse, run over by a bull. You know, we shouldn't be. I mean, we have to go on their property to do this survey for the public and everybody around, but they shouldn't be responsible for us entering in there. I would never thought about that. But this day and age, that needs to be said. I mean, when a burglar can break in somebody's house, trip over their coffee table and then sue them, there's an issue. So we'll put common sense in the bill. I know it doesn't need to be said, but I guess it does need to be said. But I appreciate your time on this, and hope we get fair consideration and hope it goes for approval.

BREWER: All right, well, first off, thanks for making the trip. Honestly, considering where I'm from, that, that trip sometimes gets a little old, especially if you only get three minutes. So I, I apologize for--

SCOTT BOSSE: I woke up here and I was proud to be here, you know.

BREWER: Well, and the good news is, I think you've got a great bill to-- if you're going to make a trip, you want one that's going to have success. And so far it's looking really good for you. So anyway, any other questions? All right, thanks again for coming.

SCOTT BOSSE: Thank you. I appreciate your time.

BREWER: All right, additional proponents? Welcome to the Government Committee.

CARL GILBERT: Thank you. Carl Gilbert. I'm a licensed land surveyor in the state of Nebraska, have been for nine years. I'm also Banner County Surveyor, so I made the long trip too. I live about 15 miles from Wyoming, so.

BREWER: Carl, can I have your spell your name out?

CARL GILBERT: Yes. Sorry. C-a-r-l G-i-l-b-e-r-t.

BREWER: Thank you.

CARL GILBERT: And so anyway, I'm also Banner County Surveyor, so I run into issues not only as private surveyor, but, you know, as county surveyor. We do have currently on the statutes trespassing, you know, legislation to support the county surveyor, as Casey mentioned earlier. However, on the private side of what I do in the last, just in the last year, I've had three different properties that I was unable to complete the survey on because of this issue. And I'll say there's legal counsel in that part of the state that is taking for granted of the situation we're in. And I think a lot of where we're, where we're sitting at today with this stemmed off of, of some of these issues. And I've had clients, landowners that have hired me because fences were constructed and they call and ask, hey, can you come out, find the line, because we do not believe the fence is where the property line is. So they hire-- I come out to look at it and the landowner with the brand new fence now claims that's where his line's at will not let me in on the property to measure the line so we can see the difference between where the fence is at and where the property line's at. So I'm in support of the bill for that reason, mainly to get my job done and to, to help the public. So that's all I have.

BREWER: All right, well, thank you for your testimony. Let's see if we have any questions. Seeing none, thank you.

CARL GILBERT: Thank you.

BREWER: Thanks again for that long haul you made.

CARL GILBERT: Yeah.

BREWER: All right, additional proponents? Welcome to the Government Committee.

JERRY PENRY: Good afternoon, members of the committee. My name is Jerry Penry, J-e-r-r-y P-e-n-r-y. I come before you today to testify in support of LB1122, and will provide some historical background regarding land surveying in Nebraska. I'm a licensed land surveyor in the state of Nebraska. I'm also licensed in the state of South Dakota. I have 38 years of experience as a land surveyor, including employment

with several private engineering firms as well as county and state government. For many years, I have chaired the Historical Committee for the Professional Surveyors Association of Nebraska. Immediately after Nebraska became a territory in 1854, surveyors were commissioned by the General Land Office to begin establishing the lines and the four-sided polygons that we know as sections, townships, and ranges. The beginning point of this monument is on the bluff of the Missouri River and southeastern tip of Richardson County that was placed in the spring of 1855. The land was then surveyed from east to west and south to north, with the majority of the work finished in the northwestern corner of the Panhandle by 1883. In all, over 77,000 square miles were surveyed. Licensure in Nebraska for land surveyors first began in 1957. Since the first registration on November 12, 1957, with then State Surveyor Hugh Dillon, there have been a total of 838 surveyors licensed to practice land surveying in Nebraska. Of that number, 326 are currently licensed, and of that number, 177 currently have Nebraska addresses. The remaining 149 who are licensed in Nebraska are by reciprocity from 28 other states. That concludes my testimony.

BREWER: I was hoping you'd go longer, that was interesting. [LAUGHTER] All right, additional questions? All right, thank you for your testimony.

JERRY PENRY: Thank you.

BREWER: All right, any additional proponents? I know I've done this once, but just in case somebody wandered in. Any neu-- any opposition? Any neutral? Senator Erdman, come on up and close.

ERDMAN: Thank you, Senator Brewer. So as I said earlier, those people know more about surveying than I do. But I will, I will tell you this, part of the issue is, I do sell real estate there in western Nebraska. Generally, what we do is we get an offer on a property, we got 30 days to close. And if we run into a snag where they can't get on the property and survey it, it puts us in a bind to get closed within 30 days. So I think they fairly described to you why we need to do this. I appreciate them coming that far. Mr. Sherlock, I wondered what he was going to be when he grew up. He was quite successful. He started in Alliance, and that's just near my place. And, and so I've, I've served with him on the NACO board. I've, I've known him for a long time, so I appreciate his comments. He's the state surveyor. That's amazing that he made it there. I appreciate that. And those other people that drove as far as they did, there's very few people that come to this body that drive farther than me. And those two people

are, are those two and Stinner may be the other one. And so with that, I'll close. And I got to go back over to the closet where Senator McColler just came from-- McCollister. And I sure appreciate this room, and I would like this to be either on consent calendar or maybe perhaps a Speaker priority.

BREWER: All right, well, just so you know, you have zero letters in opposition, zero letters in the neutral, and all the letters are in support. That, along with the testimony today. I don't control consent calendar or Speaker, but I'd say you've got a very good chance of one of those happening. So well done, sir.

ERDMAN: Thank you, sir. I appreciate it.

BREWER: All right.

ERDMAN: Thank you for your time.

BREWER: We'll go ahead and close on-- well, hold on. Did you guys have questions for Senator Erdman? I assumed since we didn't hear anything. All right, you're good. OK, we'll close on LB122 [SIC--LB1122] and those that are going to be testifying on LB1146 are welcome to move forward. And let me get my readers on. All right, we are now shifting to LB1146 and we're going to welcome Senator Friesen to the Government Committee.

FRIESEN: Thank you, Chairman Brewer. I assure you that there won't be as many proponents to my bill, but there might be opponents.

BREWER: OK.

FRIESEN: My name is Curt Friesen. I represent District 34. I appear to you today to introduce LB1146. LB116 would require a vote of the people who reside within the jurisdiction seeking to form a joint agency under the of Interlocal Cooperation Act. LB1146 also would require that the members of the board formed under the act shall be members of the governing board of the jurisdiction that formed the agency. Finally, LB1146 would require a vote of the people of the joint agency for any building or infrastructure projects proposed by the board of the joint agency. We have seen instances where local boards thumb their nose at the voters when the voters say no to a building or infrastructure project. This would be one way to make sure the voters' voices are heard and respected. While this bill was drafted to include all governmental subdivisions, it is my desire to limit this proposal to school districts and educational service units.

I've been contacted by a number of individuals representing various governments who have issues with this bill and I'm very open to any changes to make this bill better. Some have already shared ideas with me and I will make sure that it is my intent to only touch the school districts and the ESUs. I am not after any other JPAs, joint public agencies, none of that stuff, so I will make sure that amendment would follow that would take all that out. We just had a couple of instances where a school bond issue has failed and then they reached an agreement with their ESU and they used their joint levy authority and they build a school without the vote of the people. And that's what I am trying to target. I, I think that if you're going to do those large building projects with bonding, it needs to be a vote of the people. And with that, I will waive closing, but if-- I'd answer any questions if you're-- have any.

BREWER: OK. Well, let's go and see if we don't have questions on this. Any questions for Senator Friesen on LB1146? All right and you say you're going to waive?

FRIESEN: I have to leave.

BREWER: OK, gotcha. Thank you--

FRIESEN: Thank you very much.

BREWER: --for your opening. OK, well, we will start with proponents to LB1146. OK, not everybody at once. All right, seeing none, we'll go to our opponents to LB1146. Welcome back to the Government Committee.

LYNN REX: Thank you, Senator. Senator Brewer, members of the committee. My name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. I appreciated Senator Friesen's opening, indicating that he intends to have an amendment to take out other political subdivisions, but I would like to walk you through some of the major issues in this bill notwithstanding, just because we're dealing here with the green copy of the bill and we've not seen that amendment. So a little bit of background in terms of interlocal agreements, I mean, initially the laws were put in in 1963 to facilitate interlocal agreements. But in terms of the actual impetus for having more interlocal agreements across the state, that was done in 1996. That's when this Legislature was looking at levy limits and lids on restricted funds. The backdrop to that was that there was a threat of a statewide-- and there actually was a statewide initiative put in play, which you may remember, Senator Flood. And so Senator

Warner, who was then Chair of the Revenue Committee, said listen, what, what we're going to do is we're going to put on levy limits and lids on restricted funds. And I know that several of you are familiar with that because of your previous service on local government boards. So with passage of LB299 in 1996, the Legislature put in play basically the lid on restricted funds in 13-519. And that basically had the incentive because Senator Warner's view was, and he made it very clear, to incent the creation of more interlocal agreements, cooperation among public entities; try to work together, not work against each other. If you could go together as a school and the city and have one facility, do that instead of the school have one and the city have one. In addition, in 1996-- by the way, that lid law took effect in 1996, but simultaneously the Revenue Committee and the Legislature ultimately advanced LB1114. That put in play the levy limits on all political subdivisions. For municipalities, it's 45 cents plus five with interlocal agreements. Again, huge incentive to say do them, we want you working together and that's reflected in 77-3442. So that's the backdrop about basically the, the huge effort by the Revenue Committee and ultimately this Legislature in 1996 and moving forward to say to local governments, we want you working together, political subdivisions work together. So with that, of course, the major concern with this is twofold; one that only members of the public body shall serve on that public agency. For example, some of you may be familiar with risk management agencies. The league has the League Association of Risk Management. Obviously, just trying to get-- we have-- try to have a balance of elected and appointed officials. Very, very difficult to have just elected officials. And you also want to have the finance officers, the folks with the CPAs. You want the lawyers. You want those folks that are also serving. Secondly, a vote of the people in order to even form one, that would be highly problematic because we're, we're here talking about hundreds and hundreds of interlocal agreements and agencies across the state because again of what happened in 1996 in this Legislature to jump-start and incent those types of interlocal agreements. So we think that having any kind of vote of the people, for example, on whether or not the League Association of Risk Management should even exist-- I'll just finish that sentence, if I may.

BREWER: Please.

LYNN REX: OK-- that essentially there would be others who would say, oh no, we don't want the competition. We don't want to have the lowest possible rates at the lowest possible cost. No, thank you. We don't want to have that. So in any event, we think it's really important to

leave these laws as they are. That being said, we appreciate Senator Friesen indicating that he's going to take municipalities out, but I also think this is not a good bill for schools either or anyone else. But I understand and respect his view because I think he's got, you know, issues that he's brought forward to this committee before that are, that are obviously legitimate. So with that, we're happy to work with the committee and happy to respond to any questions that you might have.

BREWER: All right. Thank you, Lynn. Questions? And my, my question was going to be OK, if, if he was to change it the way he described so that it just applied to school districts and ESUs, where would you be? But you, you answered the question that you would still be opposed to it, correct?

LYNN REX: Yeah, we think it, we think it really doesn't work for them either. There-- for-- I can give you several examples where schools and cities are working together, whether it's to do a joint library and other sorts of things. We think that's really important. And by the way, these elections are expensive to do. And in our view, Senator Brewer, there are some easy solutions to folks that don't like what they're doing. Number one, if you're a local government official, you can be voted out. If you're an elected official, you can be recalled. We've had some that deserve to be recalled and many that did not. But overall, not many recalls in this state. Also, one can also exercise the right to vote and go vote who you want to have. And if you really have all the answers, then I think it's really great that folks run for public office on the local level. And so, and so in any event, I think there's that, but I also respect Senator Friesen's view. I understand frustration that happens too with local governments, but I think if there's frustration with schools and ESUs or any other group, could be cities or wherever else it may be, the answer is, you know, meet with your local or local elected official, vote them off-- our of office if you don't like what they're doing. And if you really don't like what they're doing, you can always recall them.

BREWER: Well, all right. Thank you for your testimony.

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

BREWER: OK. We are still on opponents to LB1146. Yeah, come on up. Have a seat in the front row. Welcome to the Government Committee.

CHRIS DIBBERN: Good afternoon, Senator Brewer and members of the committee. My name is Chris Dibbern, C-h-r-i-s D-i-b-b-e-r-n. I'm the general counsel to two interlocals here in Nebraska, the National Public Gas Agency, which is over 30 years old, and the Public Alliance for Community Energy, which is over 24 years old. These two interlocals are part of several thousand interlocals in the state of Nebraska and Lynn told you the, the, the basis of working together works. It's a very good tool the Legislature has given us to use. It can be an agreement or it could be an agency that provides needed services. And Lynn Rex expressed the two, the two positions I was going to talk about; not having elected positions on the board and also the vote of the people. That doesn't work when your interlocal doesn't have elected bodies like maybe a power plant or an out-of-state other organization utility. So those are our two main concerns. I appreciate that Senator Friesen is narrowing the bill, but we just want you to be very careful about interlocals that are valuable tools. They generally are there to save individuals money. Any questions?

BREWER: Let's check real quick. Questions? All right, between you and Lynn you must have done a good job. Thank you. Welcome to the Government Committee.

CHRIS CONNOLLY: Thank you, Senator. Senator, members of the committee, my name is Chris, C-h-r-i-s, Connolly, C-o-n-n-o-l-l-y. I'm the chief assistant city attorney for the city of Lincoln and I want to thank you for your time today. I wanted to express our concern for the consequences of passage of LB1146. Interlocals have been an important tool in the toolbox of most, if not all, political subdivisions in this state. The ability to cooperatively act with other governmental entities has shown operational and financial benefits to the entities involved. The city of Lincoln is part of dozens of interlocals. I can cite three examples involving the city of Lincoln. First, we have an interlocal that deals with weed abatement with Lancaster County. Interlocal has been in place since 1996, but was updated in 2011. The county has the infrastructure for weed abatement across the county, but the city could do it on, on its own also. By creating the interlocal, we took a necessary, but not high-profile task that all cities need to do and by working cooperatively with the county, have eliminated redundancies in the administration of the city's weed abatement program. There are cost savings with this interlocal, but just as important, we achieve some operational economies by having one entity do the work for both the city and the county. Another interlocal is generally referred to as southeast 911. It is a

collection of 16 cities and counties, including Lincoln, that have banded together to purchase E911 and NG911 service and equipment. By forming interlocal, the group was able to save a great deal of money in purchasing an emergency communications services system. The total cost for each to have purchased the system and equipment alone would have been much, much higher and with less reliability because the systems may have been different, resulting in interface issues with neighboring systems. The benefits of this interlocal or both financial and life saving in its purpose. The last example involves projects with a railroad transportation safety district. We have found interlocals to be a fast and effective way to memorialize an agreement between the city and the RTSD for crossing agreements, creation of quiet zones, and bridge, bridge construction, among other projects. In the last ten years, we've entered into approximately 16 of these interlocals. Finding other methods of agreement would take more time and be less efficient and I would also add, I think would be less transparent. These are just three examples of how useful interlocals can be. There are many others. To require a vote of the people for creation of new interlocals would result in very few being established and the cost-- and costing taxpayers needless dollars and costing dollars needlessly. We urge you, on behalf of the taxpayers of Lincoln, to reject this bill. Thank you and I'd be happy to entertain any questions.

BREWER: Were you planning on a three minute-testimony or did you just cram it all--

CHRIS CONNOLLY: I was trying to shoot for three minutes, Senator--

BREWER: Well, you did good.

CHRIS CONNOLLY: --because I wasn't sure if it was going to be three or five minutes.

BREWER: To the second, very impressive. All right, let's run through some questions for you here. OK, questions? All right, well, thank you for your testimony.

CHRIS CONNOLLY: Thank you.

BREWER: All right, we are still on opponents to LB1146. Welcome to the Government Committee.

JACK CHELOHA: Good afternoon, Senator Brewer and members of the committee. My name is Jack Cheloha, that's spelled J-a-c-k

C-h-e-l-o-h-a. I'm the lobbyist for the city of Omaha. I want to testify in opposition to LB1146 this afternoon. It's good to know that this act is out there and the city of Omaha has utilized the Interlocal Cooperation Act. As you've heard from other entities, we've used it not only generally to have agreements amongst groups and also we've taken it, on a couple of ideas, a little further where they're actually legal or administrative offices that would have been subject to the original green copy here. And those examples, at least in Omaha, Douglas, are we built our city/county building together and we have a public building commission now and it also has to do with an act passed in Urban Affairs relating to energy programs that are called PACE, P-A-C-E. Other examples where Omaha has used this, we have agreements with Douglas County relative to our keno operations and revenues. We work with our, our sheriff regarding police resources. We've also had agreements with the county relative to public infrastructure, interchanges, roads, highways, etcetera. Let's see, we also have agreements relative to our extraterritorial planning jurisdiction. That's a three-mile zone around the city where we have agreements with the county and then other communities, whether we buffer up against other cities, whether it be Bennington or Waterloo. Finally, I was comforted to hear that Senator Friesen is going to offer the amendment, but yet at the same time, we'd still have concerns because we've also used the Interlocal Cooperation Act with our schools. For instance, we have a shared city community center and a library with a public school within the city limits. And we've also worked with the learning community to place a public library within our city limits too. We think these are good. It shows cooperation. It serves the public well and, and therefore we won't want to hinder them, so I'm against LB1146. Thank you.

BREWER: Thank you, Jack. All right, questions, questions? All right, well, thank you for your testimony.

JACK CHELOHA: Thank you.

BREWER: OK, we are still on opponents to LB1146. Welcome to the Government Committee.

BETH BAZYN FERRELL: Thank you. Good afternoon, Chairman Brewer. members of the committee. For the record, my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials and I'm appearing in opposition to LB1146. You're being handed out a letter from Lancaster County, from the board of commissioners, and they provide some examples in there of

the interlocal agreements that Lancaster County is using and they are-- some of them similar to what you've, you've heard already. Our concerns with this bill are also similar to what you've heard already. We have concerns about the delays that might occur if counties were forced to go to a vote for interlocal agreements. We also have concerns about requiring members of the county board to serve on the interlocal board as the only members that could serve on that and I think you've heard good examples and good reasons for other test-- from other testifiers, so I will just conclude my comments and express our opposition to the bill.

BREWER: And just for the record, even if it was modified, as Senator Friesen indicated, where it would just be school districts, ESUs, you're still in opposition?

BETH BAZYN FERRELL: We haven't discussed if it would just, just apply to schools, but I think that would take us out, although I guess we, we do often have a show of solidarity between local governments so--

BREWER: Well, and, and you don't have a copy of the bill yet, so it's a large sale, so I understand. All right, questions? All right, thank you, Beth. All right, any additional opposition to the LB1146? Welcome to the Government Committee.

JASON ALEXANDER: Thank you. Good afternoon, Chair Brewer and committee members. My name is Jason Alexander, J-a-s-o-n A-l-e-x-a-n-d-e-r, and I am the superintendent of Beatrice Public Schools. I'm here today in opposition to LB1146. I've been honored to be the superintendent at Beatrice since 2018. I'd like to provide a brief snapshot and history of our school district. Currently, we have one high school, one middle school, three elementary schools, one preschool, and one alternative school offered in conjunction with our ESU 5 under an interlocal agreement housed at their site. We serve approximately 2,000 students, 1,000 of which are PK-5 students. The district was cited for 28 life safety violations in 2017 by the State Fire Marshal; 24 of those violations have been rectified, but 4 violations, specifically related to the PK-5 elementary schools, have not been corrected due to the scope and costs of the project. You will see those in the materials provided for you. Thus, we have a very clear and compelling duty to take action to address these issues and do not have the means available to do so. Last spring, the health inspector visited our buildings, our elementary buildings, and wrote up violations for our 1952 gymnasiums that are currently used as kitchens and serving areas for our students to eat lunch in. We've affectionately renamed them

"kitchenasiums," telling us we need to install kitchen sinks in cabinets or closets that were built in 1952 to store P.E. equipment. The facts are there is no way to install sinks in closets in 1952. The community of Beatrice has failed five of six bond issues since 1991 for a high school and elementary school. The one that passed was due to a tornado that took out part of the high school-- there-- and the repairs being insurmountable and in comparison to the use of insurance funds was another reason for the new school. Post bond issue surveys have indicated and stated tax increases as the reason for the failure. This fall, we housed eight community meetings, four public committee of the whole meetings, updates at all of our board of education meetings, and provided multiple opportunities on Internet, Facebook, and our web book-- webpage for people to respond. I've had two constituent, constituents call with questions and a plethora of overwhelming support and thank you for how we've solved the issues without raising people's taxes, which brings me to the point of why this bill is defective. Since 2017, the school board has been searching for another avenue without raising taxes to address the life safety code violations, the health code violations, the compliance deficiencies of ADA, and all the other inequities related to special needs and general education failures that exist in our buildings. This is why we've partnered with our educational service unit to create Southeast Nebraska Education Agency to secure bonding upfront, amortize the project over 30 to 40 years, and operate within the budgeting parameters established by state law, utilizing our building to fund and pay off the debt service. This bill would unnecessarily usurp local authority when the means we are using respects the taxpayer wishes that have been communicated to us to remain without our leving-- within our levying limits, and revenue-generating authority. We are not exceeding our regular budgetary authority. We are simply using the means to manage a needed project. Thank you and I'll take any questions.

BREWER: All right, well, you, you provided us a lot of information here and it's nice to have the reference material, so thank you for that. Questions? All right, I, I let you go along because you were on a rhythm and I thought we needed to hear what you have and, and you're not a lobbyist, so you've, you've met all the blocks.

JASON ALEXANDER: Thank you, Senator Brewer, greatly appreciate it. Thank you for your time, committee members.

BREWER: You have a good day.

JASON ALEXANDER: You too.

BREWER: All right, we are still on opponents to LB1146. Welcome to the Government Committee.

JANET BYARS: Thank you. Chairman Brewer and members of the Government, Military and Veterans Affairs Committee, my name is Janet Byars, J-a-n-e-t B-y-a-r-s. I am currently serving in my tenth year as a member of the Beatrice Board of Education and I'm here today testifying as a board member and a citizen of Beatrice, Nebraska. This testimony was submitted in opposition to LB1146. The board of education entered into an interlocal agreement with the ESU 5 to issue bonds to build a new pre-K-5 elementary building, as allowed by state statute. We did so because our 66-year-old elementary buildings are costly to maintain and present health safety and environmental issues for our students and staff. After several years of public dialogue with constituents through school board meetings, community listening and sharing sessions, and surveys, we found our community was receptive to a new elementary building, but only if it could be built without a property tax increase. The ability to repurpose dollars being inefficiently spent on building maintenance to a bond payment for new, safe, and efficient facilities was a key factor in deciding on an interlocal agreement. I have had no one indicate disappointment in this decision. As an elected representative to the school board, I take very seriously my responsibility to ensure our children have the best and safest learning environment possible. It is critically important that our staff focus on teaching and not on unsafe conditions within their classroom. I also take very seriously my responsibility as an elected official to be a responsible steward of my neighbor's tax dollars and direct our district's resources to their best purposes. Each district's challenges and opportunities are unique and local officials need the ability to tailor solutions that work for their community. These same local officials make their decisions within a state-mandated statutory and regulatory framework that already has extensive limits and oversight. Had the additional limitations proposed to LB1146 been law when Beatrice formed its interlocal agreement with ESU 5, we would have been prevented from doing the job our citizens expect us to do. The board of education did their due diligence, engaged the public, and made a decision with our students and our community foremost in our minds. The benefit of interlocal agreements for our communities ensures they are being run effectively and efficiently. The responsibility of school board members is to ensure that the students of our community receive a quality, fair, and equitable education and we do so with fiscal

responsibility. Our neighbors rely on us to make the best decisions for their future and they have the ultimate authority as citizens and voters to choose their local leaders. Please carefully weigh the long-term effects of further limiting the choices that local officials have to invest in the future of our children and serve the public interest in their communities. Thank you and if you have any questions, I'd be more than happy to answer them.

BREWER: Well, first, you probably have a unique situation because of some of the challenges that Gage County has and, and that is probably some of the reluctance on, on property tax issues. And so to, to manage all that and get through it, thank you for your service for that because that's, that cannot be easy. All right, questions? All right, thank you for coming in. Thank you for your testimony.

JANET BYARS: Thank you.

BREWER: All right, any additional opponents? Welcome to the Government Committee.

ERIN CHADWICK: Thank you. Good afternoon, Senator Brewer and members of the committee. My name is Erin Chadwick, E-r-i-n C-h-a-d-w-i-c-k, and I'm here today in opposition of LB1146 as a member of the Beatrice Board of Education, as a small business owner in Beatrice, as a former economic developer in Gage County, and as a concerned citizen of the great state of Nebraska. In a community like Beatrice, appearances matter and Beatrice Public Schools aren't going to win an award for best dressed anytime soon. But here's the issue: our schools are facing much more than an appearance problem. As you've heard today, Beatrice is in a unique situation. Our elementary buildings have reached the end of their useful life and are increasingly unsafe environments for our children. The air quality, even before standards raised thanks to COVID-19, is anything but quality in our 1950s buildings. The asbestos-lined hallways, the ceiling tiles that function better as kindling than for their intended use, the outdated electrical systems and boilers, the corroded pipes that bring drinking water into our schools, they're failing us and are hazardous to the health of our youth. Our district has worked relentlessly to maintain these buildings, but it's difficult to piece together parts for obsolete systems and astronomically expensive to replace them. Knowing that our buildings will continue to decay despite our best efforts at maintenance, our district has tried and failed on numerous occasions to partner with the community to correct these issues and update our facilities. In a community like Beatrice, whose farmers shoulder the

bulk of the area's property taxes, where people have a choice between public and parochial schools, and where we share workforce and taxation issues like the rest of the country, it's crucial that districts across the state have multiple tools available to us to be able to provide for the basic life, safety, and environmental needs of our students and staff. Simply put, the community doesn't want their property taxes raised and their vote against that is effectively a vote in favor of the district continuing to operate inefficiently by throwing millions of dollars into Band-Aids for our buildings. I was elected by my community three years ago to represent the voices of those who checked the box next to my name. Their vote authorized me to make decisions to the best of my ability with the tools available to me as a board member. Their vote empowered me to become as educated as I could about our district, about school finances and operations, and about board serviceship so that I would have the ability to weigh the needs of the schools with the wants of the community. I don't work for the school district and I am not just a resident. I'm a school board member, a liaison between school and community whose most important mission is to do what's best for the children, our future of Beatrice. LB1146 takes that away from me and erodes at the very fiber of local control. At the end of the day, I'm accountable for my actions on the board and I have constituents to answer to. In a community like Beatrice, that means something. Those who voted for me know where to find me and how to contact me. They also know that if I failed in my role on the board of education, they have the opportunity to call my actions into question and vote me out of office come November. This is the beauty of local control and again, why I am urging you today to vote against LB1146. Thank you.

BREWER: All right, thank you. Any questions for Erin? Well, thank you and--

ERIN CHADWICK: Thank you.

BREWER: --excellent testimony.

ERIN CHADWICK: Thank you.

BREWER: OK, more opponents. Welcome to the Government Committee.

BRANDON LAVALEY: Thank you, sir. Chairman Brewer, members of the committee, my name is Brandon Lavaley, B-r-a-n-d-o-n L-a-v-a-l-e-y, superintendent of Wahoo Public Schools in Wahoo, Nebraska. I am here today representing the school district in which I am honored to serve,

providing educational opportunities and spaces to over 1,100 students who reside in Saunders and surrounding counties. As a district representative, I'm before you as an opponent of LB1146 speaking from the perspective of public education. Wahoo is a unique community with a public and private school of similar student enrollment. As such, bond issues historically have been very difficult to pass. In the past 45 years, there have been four failed referendums with only one passage, despite consistent student enrollment growth. In recent years, the board has used its authority-- I apologize, used its statutory authority in levying taxes toward the special building fund, but cannot save enough to make necessary additions due to inflation, cost of construction, and enrollment increases. Following the latest bond election, a community advisory committee was formed consisting of patrons from a wide cross-section across the district. This group worked for several months to understand the history, the needs, and develop recommendations for the board. The conclusion the committee reached was it would be very difficult to pass a bond election and the board should investigate alternative financing options, which is precisely what the interlocal agency offers. Utilizing an interlocal agency provides a mechanism to which, to which we can make significant improvements to the district without impacting the levy for taxpayers. In the case of Wahoo, it was only after a vote of the people on a bond referendum and active community advisory committee recommendation that the board of education sought this route. The board, at various times in open meetings, discussed possible avenues for addressing facility needs. The formation of an interlocal agency was discussed and approved at a regularly scheduled meeting that was properly advertised at both Wahoo Public and ESU 2 board meetings. The district has received far more support than opposition towards using the interlocal agency from the general public. In conclusion, interlocal agencies are an effective tool for school districts to utilize in making improvements to facilities. Agencies require locally elected officials to act in the best interest of students and patrons, abide by statutory limits in school budgets, and be transparent in the process. To further restrict or eliminate interlocal agencies would be counter to the support of local control that this state and its leaders have communicated so many times in the past. I appreciate your time and would be open to any questions.

BREWER: All right. Thank you. Questions? Senator McCollister.

McCOLLISTER: Yeah, thank you, Mr. Chairman. What's the mechanical? How does it work when a-- those interlocal agreements consider a project?

Is it a majority vote from both, both groups or what's the mechanism by which these projects get approved?

BRANDON LAVALEY: I will do my best to answer that question for you. You-- the interlocal would form a board that--

McCOLLISTER: OK.

BRANDON LAVALEY: --controls the financing piece and decisions on construction. In our case, that interlocal board would put the decision-making process or powers on the local school district with the construction.

McCOLLISTER: So the school board would then have to approve it separately, is that correct?

BRANDON LAVALEY: Yes.

McCOLLISTER: I see and you have open meetings and so citizens can attend and voice their support or nonsupport?

BRANDON LAVALEY: Correct.

McCOLLISTER: OK, thank you very much.

BRANDON LAVALEY: You're welcome.

BREWER: All right, any other questions? Seeing none, thank you for your testimony.

BRANDON LAVALEY: Thank you.

BREWER: Additional opponents? Welcome to the Government Committee.

BRENDA McNIFF: Thank you. Good afternoon, Chairman and members of the committee. My name is Dr. Brenda McNiff, B-r-e-n-d-a M-c-N-i-f-f. I'm the administrator of Educational Service Unit 5, located in Beatrice, Nebraska. I've been the administrator for five-- for the past five years and am--have served at the ESU for the past 20 years. Thank you for accepting my testimony in opposition of LB1146. Entering into this interlocal agreement was not a decision that ESU 5, the ESU 5 board took lightly, to the contrary. The decision was made with great thought, deliberation, and with the ESU's mission of service and support in mind. As you've heard in-- during previous testimony related to the Beatrice Public Schools building project, a number of

public meetings discussing the current elementary building conditions and options to address these were held. Furthermore, numerous discussions and deliberations with legal counsel, the Beatrice board of public-- the Beatrice Public Schools Board, and ESU 5 board occurred. Every effort was made to ensure transparency, as together we navigated this unique opportunity to build a safe and secure elementary building that would serve the Beatrice community and children for years to come. As an example of a few points we considered, during public meetings, there was little to no opposition to the elementary building project. ESU 5 received no monetary gain when entering into this partnership and the creation of the interlocal would not raise the levy for the school district. The mission of ESUs is to serve and support our schools, our students, and the people of Nebraska. ESUs are oftentimes referred to as an invisible asset to school districts. We work from the expectation of efficiency and effectiveness, to be good stewards of taxpayer dollars, to provide school districts what is needed and necessary, to innovate wherever possible, and to use economy of size to drive costs down. In this instance, and after much deliberation and transparency, the ESU 5 board elected to support the school district, district and community through this interlocal partnership. Thank you for accepting my testimony and I'm open to any questions.

BREWER: All right, thank you for your testimony. Questions? All right, seeing none, thank you.

BRENDA McNIFF: Thank you.

BREWER: Any additional opponents? Any in the neutral? And since he has already said that he was waiving closure, we will close on LB1146. There are two letters in support, three in opposition, and zero in the neutral. And that will then close LB1146 and we will move onto LB1008 and welcome up Senator Albrecht. Senator Albrecht, welcome to the Government Committee.

ALBRECHT: Thank you. Thank you very much. Shall I?

BREWER: Whenever you're ready.

ALBRECHT: Good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. For the record, my name is Joni Albrecht, J-o-n-i, Albrecht, A-l-b-r-e-c-h-t, and I represent Legislative District 17 in northeast Nebraska, which includes Wayne, Thurston, Dakota, and a portion of Dixon Counties. I'm

here today to introduce to you LB1008, which provides a statewide approach to energy policy and would ensure governments do not restrict the fuel choice options of Nebraskans for their homes and their businesses. LB1008 lists several energy choices, but is primarily driven by what we have seen local governments do across the country. Communities coast to coast and in between in places like California, Colorado, New York, New Jersey, and even Kansas are proposing ordinances that would seek to or effectively ban the use of natural gas equipment and connections in new buildings and construction. Banning natural gas would not only negatively impact local businesses, economic development, customers, and communities, it also threatens our resiliency. In response, 20 states have enacted energy choice legislation, while several more states are considering such measures. This legislation has often received bipartisan support. Banning natural gas in residential and commercial buildings would have a negative impact on the economy and is a costly, inefficient means to achieve desired climate goals. Nearly 540,000 Nebraskans rely on safe and reliable natural gas service. Eliminating their energy choices increases energy costs significantly and reduces discretionary spending. Bans can cost jobs in an industry that rely on affordable energy like agriculture and can hurt a community's competitiveness and can negatively impact the economy. Enactment of this bill would ensure current and future Nebraska businesses know that they are open for business. A decision to ban natural gas in one community has impacts on many Nebraskans. Utility regulation is a matter of statewide concern. Local decisions to ban natural gas pass cost onto other customers and create a patchwork energy policy. The state has a responsibility to ensure its citizens have access to affordable, reliable, and resilient energy mix. Local governments, in most cases, do not have to worry about the responsibility that comes with this authority. Limiting access to natural gas hurts economic development, job creation, and creates a barrier to solving the housing crisis. Local decisions to eliminate fuel choices have an impact on current and future citizens and residents in other jurisdictions. State policies are necessary to balance the need, the needs and considerations of customers throughout Nebraska. I thank you for the opportunity to introduce LB1008 and urge you to send LB1008 to the floor. Following me will be stakeholders who will be happy to answer questions you may have, and I'll certainly try to answer a few myself. Thank you.

BREWER: Thank you for that opening. Questions for Senator Albrecht? Senator Blood.

BLOOD: Thank you, Chairman Brewer. Thank you, Senator Albrecht, for bringing this bill forward. I'm kind of curious, where did you get the idea for this bill because it's, it's not one--

ALBRECHT: Black Hills Energy has asked, has asked me to bring it to you.

BLOOD: Black Hills Energy brought it to you?

ALBRECHT: Yeah.

BLOOD: And they serve your district, right?

ALBRECHT: Yes, they do.

BLOOD: Thank you.

BREWER: I have a quick question for you. Any idea why all of the letters in opposition come from Omaha and the letters of support come from other places?

ALBRECHT: That I really couldn't answer, but others behind me possibly can.

BREWER: All right. Any other additional questions? Yes, Senator Lowe.

LOWE: Thank you. I think I just read in some publication just today or maybe yesterday where it was, like, New York was considering banning gas going to anything new.

ALBRECHT: Um-hum.

LOWE: Is, is that, is-- have you heard of other ones that are doing it.

ALBRECHT: It's a concern for the industry. I probably don't have as many stories as those behind me may have, but it is a concern for our country.

LOWE: Thank you.

BREWER: Well, actually, I stand corrected. One of the letters in opposition is from Shelley Shaling-Zart from Lincoln Electric System so--

ALBRECHT: Um-hum.

BREWER: --there was one from Lincoln. Any other questions? All right, will you stay around for closing?

ALBRECHT: Yes, sir.

BREWER: All right, thank you. We will start with proponents to LB1008. Welcome to the Government Committee.

BRENT SMOYER: Thank you, sir. Good afternoon, Senator Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Brent Smoyer. That's spelled B-r-e-n-t S-m-o-y-e-r, and I appear to you as a registered lobbyist on behalf of NorthWestern Energy. Today, I'm also representing a very diverse group of interested parties, including Omaha's Metropolitan Utilities District, the Nebraska Grocery Industry Association, the Nebraska Retail Federation, the Nebraska Propane Association, and the Nebraska Chamber of Commerce and Industry. Thank you for the opportunity to provide testimony in support of LB1008, which would maintain energy choices for Nebraska consumers. As technology and innovation brings changes to the energy sector, businesses have new opportunities to lower their energy costs and to reduce their carbon footprint. At the same time, we are concerned about the unintended consequences of local ordinances that would eliminate energy choices. Clean, reliable, and affordable energy is of particular importance to Nebraska businesses, manufacturers, and restaurants. We believe that state level policies are necessary to balance the energy requirements of all consumers with the desire to reduce our carbon footprint and remain competitive and growing in our state's economy. Ultimately, the right to choose an energy source should remain with the customer, and we encourage you as a result of this to advance LB1008. I would be happy to take any questions, but fair warning, I am kind of a new guy on the block when it comes to this issue, so I might have to defer to my compatriots following me, but I would be happy to try.

BREWER: All right, well, you're representing a lot of folks, so we'll see if you get an equal number of questions here. All right, any questions for Brent? All right, well, thank you.

BRENT SMOYER: Thank you, sir. Thanks for taking it easy on me.

BREWER: Somebody is going to catch it, I'm sure. All right. Welcome to the Government Committee.

JILL BECKER: Good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Jill Becker, spelled J-i-l-l B-e-c-k-e-r, and I appear before you today as a registered lobbyist on behalf of Black Hills Energy. We would like to thank Senator Albrecht for introducing LB1008 on our behalf. LB1008 lists several energy choices, but as the natural gas provider in this state, it is primarily driven by what we have seen local governments do across the country, some of which you've heard a little bit about. In communities across the country, really from coast to coast and places in between, California, Colorado, New York, New Jersey, and even Lawrence, Kansas are proposing ordinances that would seek or effectively ban the use of natural gas in, in their jurisdictions through natural gas equipment and connections in new buildings and construction. In response, 20 states and-- 20 states have enacted energy choice legislation, while several more states are considering such measures. This legislation has often received bipartisan support, and as you heard from the earlier testifor-- testimony, support from many industries across the states. We believe that banning natural gas would not only negatively impact local businesses, economic development, customers and communities, but it also threatens our resiliency. And I do have to mention it is a little bit ironic, given that today is February, and one year ago we were facing significantly extreme cold temperatures. And here we are today, and probably none of us wear a jacket inside-- or into the building. And so certainly we want to make sure that we have every available energy source available to us on the table because in instances like we saw last year, we needed everything to be able to serve customers. And I'm very proud of, of the way that we were able to serve our customers during that time. But I also want all of you to be very aware that-- and I appreciate the tremendous amount of support that we have received on this issue. But as an industry, not all people feel that way. They just don't. So we are here asking you for your support of this bill. We believe that we as an industry are valued by our customers. We serve 59 percent of Nebraska households who use natural gas in their homes and really eliminating their energy choices would increase their energy costs significantly and have a tremendous impact on their ability to have their homes warm, to use their dryers, and to, to use their fireplaces. We believe that this should be a state decision and that giving local decision makers the authority to act in the area of energy would really not benefit our citizens. State policies are necessary to balance the needs and considerations of customers throughout Nebraska, and it seems to us that it should really be a

cornerstone policy set by the state. With that, I urge your support of LB1008 and would be happy to answer any questions that you may have.

BREWER: All right, thank you for your testimony. So in the locations where they banned natural gas, their primarily-- their primary way of heating just becomes electric?

JILL BECKER: Yes.

BREWER: So the electricity is coming from something that's a baseload generating plant, which is going to be coal or natural gas--

JILL BECKER: Probably.

BREWER: --or nuclear in some cases.

JILL BECKER: Or, or-- yeah, nuclear in some cases, or depending where you are in the country, potentially hydro.

BREWER: Oh, good point. All right, thank you.

JILL BECKER: But it, it really does depend where you are.

BREWER: So when things went dark this time last year, how many customers with Black Hills had their switches turned off?

JILL BECKER: In Nebraska, none.

BREWER: OK, let's see if we have questions for you. Questions? As far as changes that were made from last year to this year because you didn't have to turn off power to customers, did you have any major changes in how you guys plan and, and do business day in and day out?

JILL BECKER: I would say that we had no major changes to how we plan and do business. There was certainly a tremendous cost in making sure that we continued to have sufficient gas supply to serve those customers. So because of the high prices of the gas that we had to purchase, we had a process in front of the Public Service Commission, our regulator, to determine those costs and how our customers would pay for the cost of the gas. Natural gas as a commodity is a pass-through to our customers. We don't mark it up. We don't make a profit off of that. So we had to figure out a way to cover those tremendous costs.

BREWER: Makes sense. All right, well, thank you for your testimony.

JILL BECKER: Thank you.

BREWER: All right, next proponent of LB1008. Welcome back to the Government Committee.

JOE KOHOUT: Thank you, Chairman Brewer, members of the Government, Military and Veterans Affairs Committee. My name is Joe Kohout, K-o-h-o-u-t, and I appear before you today as a registered lobbyist on behalf of the United Cities of Sarpy County, a coalition of the five mayors of the five fastest growing cities in the state of Nebraska and Sarpy County. We are appearing in support, and, and it's always kind of one of those interesting moments where you, when you meet with clients and you talk about a position on a bill and when there's unanimous consent of five mayors who range in city size from, from almost 65,000 down to the smallest in Springfield, and the consistent message of those mayors was, yes, we generally do not like preemption and this, and this bill is about preemption and but, but there are certain areas that the mayors feel from time to time it's appropriate to have a, a consistent state policy on these issues, and that is where we landed on, on LB1008. So that is why I appear before you today on, on their, on their behalf. And I did pass around a letter stating that support from Mayor David Black of the city of Papillion. Happy to try to answer questions.

BREWER: I'm glad you clarified that because the, the rabbit hole you started down I didn't think was going to put you in the support category, but you ended up there in the end, so.

JOE KOHOUT: Yep.

BREWER: All right, questions for Joe? Yes, over here, Senator Blood.

BLOOD: Thank you, Chairman Brewer. Thanks for coming today, Joe. So I, I don't know if you'll know this answer, but I'm curious. So knowing what I know about the United Cities of Sarpy County--

JOE KOHOUT: Um-hum.

BLOOD: --and having read this bill, you know, we keep talking about having a statewide plan, but all I really see is like protecting the entity, which I don't disagree with, but I don't really see a plan. Was it your feeling, and you may not know this answer, and I respect that,--

JOE KOHOUT: Um-hum.

BLOOD: --but what was it your feeling that-- when I read this and then I, I heard the testimony, I keep hearing that this is a statewide plan, that we need to know where we're going. We need to decide if we're, you know, all moving together, all good things, but I don't really see it as a plan as much as protection. Did you talk at all about how maybe it needs to go a little bit further to actually be a plan?

JOE KOHOUT: No, I, I don't think I discussed-- I mean, I don't-- when we discuss the bill, the, the discussion was limited to the scope of LB1008 and how it-- what it represented as far as I, I would argue, Senator, frankly, as a philosophy, I think do we want to start having discussions of what are the appropriate energy policies to attach to homes in our individual council chambers or is it appropriate to have some sort of a state policy-- statewide policy on that?

BLOOD: Yeah, and I definitely think there should be statewide policy. I'm just-- you know, I'm always looking to the future.

JOE KOHOUT: Right.

BLOOD: And we're the fastest growing county in Nebraska, and I'm not sure that it necessarily embraces all of our needs in a way that's going to grow with us. That's my concern.

JOE KOHOUT: Got you. Thank you.

BREWER: All right, and Senator Sanders, did you have a question? OK. No other questions? All right, Joe, thank you.

JOE KOHOUT: Thank you.

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

DAWN CALDWELL: Thank you. I think this is my first time in this committee. Chairman Brewer and committee members, I'm Dawn Caldwell, D-a-w-n C-a-l-d-w-e-l-l. I have the privilege of serving as the executive director at Renewable Fuels Nebraska, the statewide trade organization for the ethanol industry. We are a resource to encourage public policy that ensures the growth and expansion of the renewable fuels industry in our state. Our 24 ethanol plants can produce 2.6 billion gallons of ethanol annually. Second in production only to Iowa. We are proud that Nebraska's ethanol industry contributes some $5 billion annually to our state economy. I come before you today in support of LB1008. All types of energy and utilities are utilized in

ethanol production. I would be remiss if I didn't acknowledge the entire value chain of ethanol all throughout Nebraska in rural remote areas, in small towns, along railroads, and in larger cities that terminals, grain dryers, that are fired by natural gas are used to dry down the grain so that it does not spoil. Specific to the ethanol industry, while ethanol plants enjoy selling as much wet distillers grain as possible to lower their carbon index score, very often a portion of the coproduct is dried. Natural gas is utilized in that drying process. Inability to use natural gas will stifle growth and expansion opportunities for the grain and ethanol industry in Nebraska should we lose that opportunity. And another aspect I'd like to address, and I know the bill doesn't specifically state current construction or current homes, but I have to envision that if we stop the opportunity for natural gas to new construction, that will just continue depleting the product and then current homes and businesses would be left without the product as well. And I can tell you that typically in rural and small town homes where corn farmers, elevator employees and ethanol and plant employees live, many of them utilize natural gas or propane for their hot water heaters, their furnaces, and their kitchen stoves. The burden to renovate utility services and replace all of those items seems like a very insurmountable task for many of the families that work in those positions. So in conclusion, I ask that the committee give a positive vote to LB1008 and continue to allow Nebraskans to enjoy the energy source of choice for their homes, their farms and, very importantly, to the grain and ethanol industry for their businesses. Thank you, and I'll answer questions.

BREWER: All right, thank you, Dawn. If you didn't have natural gas in order to generate enough heat to process the ethanol, can you do that with an electrical process?

DAWN CALDWELL: Not at, not at this time. There are some unique attributes that are coming about in technology. So, for instance, the Siouxland Ethanol plant at Jackson, Nebraska is pulling a portion, and I vow it's a, it's a small portion, but it's a pretty cool process to pull energy from a landfill nearby. And so they are converting some methane then into some energy. I see some opportunities down the road for technology, but enough to do the entire process would be impossible. We need the natural gas and we need electricity, both actually.

BREWER: OK.

DAWN CALDWELL: And reliable electricity, I would add.

BREWER: That's-- it's good to have reliability. All right, questions? Thank you for your testimony.

DAWN CALDWELL: Thank you.

BREWER: Welcome to the Government Committee.

ANDREW DUNKLEY: Thank you very much, and good afternoon, Chairman Brewer and members of the committee. My name is Andrew Dunkley, A-n-d-r-e-w D-u-n-k-l-e-y. I'm the director of state governmental relations with the Nebraska Farm Bureau. I'm here today on behalf of our members to testify in support of LB1008. In addition to the Nebraska Farm Bureau, I am also testifying on behalf of the Nebraska Cattlemen. There is an extremely dangerous movement happening across this nation called electrification, as it's called by its proponents. When first reading this bill in particular, you could be forgiven to-- for-- to assume that it is not needed. After all, you don't necessarily see it happening right now in Nebraska or any of the other 20 states that have enacted such legislation. After all, natural gas and other forms of energy are common throughout the state and popular as affordable and reliable forms of energy. However, this trend has been expanding. When I first heard of this movement in 2019, I-- only Berkeley, California, had enacted legislation banning installation of natural gas hookups on new built-- in new built homes. I believe at that time there were a couple cities, I believe Bellingham, Washington was considering it so it wasn't cause for immediate concern. Well, since then, what was rare two years ago was just enacted in New York City. This is, this is spreading. There's, there's either enacted or pending either legislation or, or trying to move forward with this electrification process in Denver, San Francisco, Seattle, throughout the country, and, and smaller cities as well. We cannot be mistaken about the intent of the proponents of the electrification movement. Their goal is to end the oil and natural gas industry. As farmers and ranchers will tell you, and the energy diversification is extremely important in agricultural operations. The cost of heating barns with electric heaters can be very cost prohibitive in many parts of the state. But more important than that, it would rely on a grid that can easily be affected by weather when livestock could need that reliable energy most. Just take a look at a year ago today. Nebraska's farmers and ranchers want to have the option to use natural gas stoves, water heaters, space heaters, and furnaces. They need the ability to use the energy source that is best for them, whether that be wind, solar, electric, ethanol, coal, heat and oil, or natural gas. We encourage

your support of LB1008 and the protection of consumer choice. I am happy to attempt to answer any questions you may have.

BREWER: All right, thank you, Andrew. OK. Questions? I guess, is it fair to say that you've got a decent working knowledge of the energy issues, especially here in Nebraska because my, my question would be, we're conscientiously making a decision to stand down our coal plants for environmental reasons. Now granted that does have an impact on Nebraska since the trains that we need to run need to haul something, and it seems to be coal is the thing. But, but that aside, if we, say, retire the plans that run natural gas, that leaves us nuclear plants, which now we're down to one of, what other options do we have for energy in Nebraska?

ANDREW DUNKLEY: Well, I mean, there's, there's, you know, the, the word that I think stands out to, to me in this testimony, as I wrote it, was diversification and energy diversification or the go-to line of every elected official that I've seen in the last seven years and all of the above energy policy. So as far as, as far as electrical power is concerned, there are states enacting mandates for particular usage of, of renewable energy. I believe that ethanol is a great addition to that. However, there is, there needs to be diversification. So whether that, that comes from wind and solar, or whether that comes from ethanol, whether that comes from natural gas, we believe that options should be open.

BREWER: That was, that was a good political answer.

ANDREW DUNKLEY: Thank you.

BREWER: All right, I guess the point being, if it had not been for natural gas, the collapse of the system that we saw last year would have been compounded. Is that fair to say?

ANDREW DUNKLEY: I believe that's fair to say. Yes.

BREWER: I mean, because your, your choices are either you take a coal-fired plant, which is hard to "gen" up and have at full speed very quickly, so at the point you cease to be able to have your renewables because the sun's not shining or the wind isn't blowing or they're iced up and they're not working, we're down to a few options. And, and so I guess what I'm trying to understand is the thought process of why you would take natural gas out of this because of our options, it's, it's cleaner than coal. Is that fair to say?

ANDREW DUNKLEY: I believe it is. During last year's cold snap, I know that the Southwest Power Pool, which Nebraska is a part of, received energy from-- I-- forgive me, I forget the name of the, the pool to the, to the east of us in, in Iowa and the Midwest, which received energy from its, its pool to the east. So I, I know that energy from, from coal power plants in West Virginia and, and Pennsylvania made its way all the way to Midwest and, and Nebraska, Kansas during that cold snap. I would say that the, the desire for the removal of, of natural gas from new builds is exactly a political one and, thus, a political answer given because it's the, it's the, the, the desire of its proponents to end an industry and change the way that energy is, is produced in this country.

BREWER: Well, and we've had discussions about solar, which is a good option. It's used out west, especially with like wells, things like that. But the numbers for NPPD and OPPD to produce the amount that they think is in that range they're going to need into the future will require hundreds of square miles to be covered with solar panels. So then we go back to the issue of that's land that's out of production for agriculture. So you can see too the, the life of those are fairly limited and then what do we do with the solar panels once they have lived out their life, so then there's an environmental issue there. So it, it just seems like it's a pretty convoluted system and the one part of that that seems dependable, i.e. the natural gas, is the part that we're not going to take out of the picture and use whatever's left.

ANDREW DUNKLEY: As technology continues to, to grow in energy, and that's been, you know, technology has compounded itself for the last 50 years of energy production. That will continue and, and I'm sure there is a move toward renewable energy, whether that is, is ethanol in grain, grain-based energy or, or, you know, solar and wind. But there are downsides to, to, to those, as you pointed out, and we-- at Farm Bureau we support the ability for landowners to do with their land exactly how they see fit and, and can, can supplement their farm, farms and ranches, but that, that is up to the landowner. And, and meanwhile, the reliability factors cannot be overstated.

BREWER: I would think in agriculture that would be paramount because of the loss of the life of animals, obviously, at the point their water freezes or their buildings are too cold for lambing, calving, whatever it might be.

ANDREW DUNKLEY: I was at a friend's house this last Saturday. They are in the middle of lambing season, and he pointed out to a, a, a heater in, in his, in his barn saying we rely on that when, when it gets cold out. Obviously not right now, but last year it is-- it was a natural gas heater and, and they, they couldn't afford to run an electric heater. So it's, it's, it's worth noting.

BREWER: All right, thank you. No more questions? All right, thank you.

ANDREW DUNKLEY: Thank you.

BREWER: All right, we are still on proponents of LB1008. Welcome to the Government Committee.

JACK RUSSELL: Thank you. Good afternoon, Chairman Brewer, members of the committee. Thank you for allowing me to speak here today. My name is Jack Russell, that's J-a-c-k R-u-s-s-e-l-l. I am the policy and research coordinator for the Lincoln Independent Business Association. Our organization represents around 1,000 members in Lincoln and Lancaster County. And I'm here on behalf of LIBA in support of LB1008. LB1008 would ensure Nebraskans and Nebraska businesses continue to have the ability to choose their fuel source. By prohibiting the restriction of any electric, natural gas, propane or other utilities, we can make sure individuals across our state have access to the most cost-effective choices. Preventing bans on energy sources would be a forward-thinking policy. Banning certain utilities would make our communities less resilient. Not only that, but it would also negatively impact economic development and local businesses by limiting their choice and increasing their operating cost. Over the past two years, business owners have struggled with the impacts of the pandemic. It is important that policy makers do what they can to create an environment of growth and avoid adding additional cost. LB1008 does a good job of preventing potential costs for business owners, commercial property owners, and consumers. Local decisions to eliminate fuel options have impacts beyond that local jurisdiction. They can cost jobs and create a less reliable energy grid for all Nebraskans. That is why the statewide regulation is necessary. Policies that limit energy choice provide hurdles for economic development and cost business owners. LB1008 insures that Nebraska residents and businesses have access to the most affordable energy choice. For these reasons, LIBA supports advancing this bill out of committee and onto General File. I want to thank Senator Albrecht for bringing this bill forward and to the committee again for allowing me

to speak here today. I'd be happy to try and answer any questions you may have.

BREWER: All right, thank you, Jack. Questions? All right,--

JACK RUSSELL: Thank you.

BREWER: --thank you for your testimony. Any additional proponents for LB1008? Any opponents? Welcome to the Government Committee.

LASH CHAFFIN: Thank you. Thank you, Senator Brewer. Good afternoon, Senator Brewer, members of the Government Committee. My name is Lash, L-a-s-h, Chaffin, C-h-a-f-f-i-n. I'm the utility section director at the League of Nebraska Municipalities. And today I'd like to offer our opposition to LB1008. And first, a couple of background factoids. Nebraska, unlike a lot of other states, we have a lot of city- and village-owned utilities. There are 13 cities and villages that own electric-- or own natural gas distribution systems from the smallest from Pender all the way to Hastings-- or Fremont's a little bigger than Hastings, but-- and then we have-- there's 122 cities that own and operate electric distribution systems. And there's another 100 or so that are owned by the city but leased by another public power provider who does the retail operation. So Nebraska law sometimes doesn't integrate well with other state laws because of this proliferation of publicly owned and operated utilities. And I'd like to bring everybody down to set aside the discussion of energy choice for a minute, and let's go to the elementary school process of breaking down a sentence. What-- if you break down the sentence that is LB1008, it has ramifications well beyond, well beyond energy choice. What it, what it says is if you cut out a lot of the extra words that are necessary, but if you cut them out, what it says is no city shall enact an regulation that has the effect of prohibiting natural gas service connection or, or reconnection. There are lots of regulations that have nothing to do with energy choice. For instance, if the city of Sutton disconnects somebody from their electric system for nonpayment and they, they go to reconnect, the person wants reconnected, under this law, you could-- the, the-- this-- the, the customer would have the argument that, no, you can't force me to pay my bill to get reconnected because you can't have a regulation saying anything that, that forces me to-- I have a right to be reconnected. You can't pass that regulation. Similarly, if the village of Pender wants a natural gas system, if they said you have to put down a service deposit, it's part of our regulation, that, that would not be allowed under this, under this particular language. So it's, it's a--

you know, in other, in the other 20 states that may work a little better with their city utilities, that just doesn't really work here. Similarly, there are regulations for meter connection and service connections that deal with safety. And you might say what, what could ever happen with regards to safety? City of North Platte-- this is a real story, a customer wanted to be connected to their electric utility and they drove their truck out there, the crew did, and they looked at it and they said, look, this structure is so dilapidated that the-- if we hang the meter on the wall, the wall will fall down. So they refused to provide service. They refused to connect that utility because of a safety regulation. And, and you know, that said there, but there are dozens of these type of things that this bill would affect beyond energy choice. That said, the Black Hills Energy and, and Senator Albrecht have been very gracious to offer to work with me on some of these concerns. It's probably a little more than changing one or two words, but, but I, I think if you-- well, I'll have the red light, but--

BREWER: Yeah, keep rolling.

LASH CHAFFIN: --but I, I think the issue of energy choice is probably an important issue. However, some of this language has nothing to do with energy choice, and it really needs to be honed before you get to that discussion. The energy choice in Nebraska is a little bit unique. Interestingly, there are over 200 villages and cities in Nebraska that don't even have natural gas service to them. If we want energy choice in Nebraska, we need to be figuring out a plan to get natural gas across the state. It's a fairly regular story in Nebraska to have investors put money together for an ethanol plant and find out, oh, we can't get natural-- the pipeline isn't big enough. There's not enough natural gas supply to get to our ethanol plant. So to be honest, elected officials in Nebraska, they want more natural gas. They don't want less natural gas. The-- you know, there may be an exception or two, but this is the-- if, if we're really looking at energy choice, we need to broaden the discussion to how to get, how to get natural gas to a much broader constituency of Nebraska, more than just the Kearneys and the Grand Islands. It, it needs to go-- Valentine is a fairly sizable place, large business community. Valentine does not have natural gas service. So there are situations out there that probably need to be remedied. But that said, I will commit to work with, work with Black Hills and Senator Albrecht to clean up some of this language because this-- these are important changes that need to, need to be fixed. So I'll certainly answer any questions.

BREWER: Well, and-- I mean, that's why I let you go longer because this is the kind of information we need to, to understand that-- because unless you, you dig in to understand how Nebraska is structured with availability of natural gas, that, that's a little bit of an eye-opener, I guess. Now, you said that you could work with them to look at "wordsmithing" or verbiage or however we want to make this so that it's more, more focused on the intent. Which obviously we, we don't want to make rules where you can't send a bill out to someone to turn off their power because they didn't pay or whatever the, the scenario there is. But do you see with some of this "wordsmithing" the ability to make this to where it is acceptable to you?

LASH CHAFFIN: Yes, I do. I do.

BREWER: Well, let's see if we have questions. Questions? All right, thank you for that education on our, our systems here in Nebraska.

LASH CHAFFIN: Thank you.

BREWER: Since Valentine's in my district and I didn't know that, learned something new. All right, the next testifier. Welcome to the Government Committee.

ERIC GERRARD: Thank you, Chairman Brewer, members of the Government Committee. My name is Eric Gerrard. That is E-r-i-c, last name is G-e-r-r-a-r-d. I am here representing the city of Lincoln in opposition to LB1008. I don't plan on hitting the red light today on this Friday afternoon. Three main points I wanted to make. First, first point is, the city of Lincoln is not planning on prohibiting any of these uses, so I just wanted to, to say that upfront. Second point, the reason I'm here is just on the principles of, of local control. The city of Lincoln, almost any bill dealing with preemption, we, we-- typically, you'll see us testifying in opposition to anything related to preemption. So that's the, the main reason I'm here. The third reason, and I think Lash-- or Mr. Chaffin from the League hit on this as well, we do think there are some technical issues that, that could be solved, and I mentioned that to Senator Albrecht this morning. For instance, if there's a fire at a building or a house, one of the first things we do at the city Lincoln is, is turn off, turn off those utilities to, to prevent that. I think, as Lash pointed out, a reading of this may prohibit that or may prohibit the reconnection when, when it's necessary. And so if there is a working group working to clean this up, we would, we would like to be a part of that, that

conversation. So with that, I will end my testimony and try to answer any questions. Thank you.

BREWER: All right, thanks, Eric. All right. Questions? So the, the technical issues, your example of, of in the case of a fire not being able to shut off the power, pretty sure we could probably figure out some verbiage on that one. Local control and they-- you, you would have to admit, though, if we took all the towns in Nebraska, the first one that would probably have a policy like this would probably be Lincoln. Would that be a fair statement? [LAUGHTER]

ERIC GERRARD: I got to think how to answer that, [INAUDIBLE].

BREWER: Yeah, you might lose your job or that deal. Don't do it.

ERIC GERRARD: No comment.

BREWER: There, there you go. Well done. OK, seeing none, thanks, Eric, for coming.

ERIC GERRARD: Thank you.

BREWER: OK. Any additional opponents? Welcome to the Government Committee.

AL DAVIS: Good afternoon, Senator Brewer, members of the Government Committee. My name is Al Davis, A-l D-a-v-i-s. I'm the registered lobbyist for the Nebraska Chapter of the Sierra Club and its 3,000 members. The club opposes LB1008. The bill seeks to limit the authority of elected local officials to make decisions about how future development is handled in their communities. I've observed that most conservative elected officials champion local control, and we hear that often in discussion on the floor of the Legislature. So it comes as a surprise to me that this Legislature in particular, which is made up of a largely conservative bench of senators, continues to attempt to strip school districts, public power districts, health districts, counties, and now cities of their local control because it doesn't fit a particular political agenda which they support. You can't claim to support local control when you continue to try and impose your own will on other elected officials. LB1008 is a bill appearing all across the United States and surfaced at the American Legislative Exchange Council. Its origins are deep in the petroleum and gas industry, which is concerned that the new focus on climate change is depriving them of markets for their products. The bill is designed to force municipalities to permit the installation of natural

gas pipelines in residential neighborhoods over the objections of elected board members in these municipalities. I was unable to find any instance of a Nebraska municipality imposing any restrictions on the industry, which leads one to wonder why the bill is needed. The oil and gas industry has modeled itself on the tobacco industry, which denied and obfuscated about the damage tobacco did to America's health and cried about citizen rights whenever a smoking ban was implemented by city councils across the United States. After 50 years, millions of premature deaths and billions spent on lobbying, the states finally enacted a smoking ban in most public places to the benefit of all Americans. I'm sure the tobacco industry put forward bills which prohibited local elected officials from enacting bans, and we're seeing the same thing today from the oil and gas industry. The nation must move forward on the climate change issue. If local elected officials choose to impose restrictions on gas pipelines in their community, then let them face the wrath of their constituents at the ballot box, but don't impose barriers to the work of mayors and city managers who are looking to solve problems for the benefit of their constituents and actually for all Americans. The nation must address climate change. Courageous city managers and city councils are doing so when new subdivisions are developed by encouraging all electric residential development. How are these actions any different from constituents imposed-- from covenants imposed by subdivision developers who require specific color schemes or upkeep requirements on a residence, only that the cities have come up against a powerful industry, which will do everything in its power to prohibit the phasing out of its profit center. The bill is an assault on local control and should be killed by this committee. [INAUDIBLE] of climate change are all around us, and this is one small tool to move towards a sustainable future. Thank you.

BREWER: All right, thank you for your testimony. You represent who?

AL DAVIS: Nebraska Chapter of the Sierra Club.

BREWER: OK, what is their mission statement?

AL DAVIS: I don't have that with me, sir, but it's the, the objective is to protect and nurture the natural environment.

BREWER: OK, and you spoke, you spoke on, you spoke in opposition to my bill to keep people from being able to bury the blades for wind towers. Is that correct?

AL DAVIS: I did.

BREWER: And that is helping the environment by allowing people to bury wind blades in Nebraska?

AL DAVIS: I think that wind energy is a viable industry in the state, and we have to deal with the ramifications of what's left over regardless of, you know, how you feel about it.

BREWER: And that would be true of solar panels, any, any by-products of it,--

AL DAVIS: And you want to talk about--

BREWER: --we should be able to bury it regardless of the impact on the water table or anything else?

AL DAVIS: I think there would be some questions about the effect on the water table.

BREWER: All right. Questions? Thank you. All right, any additional opponents? Anybody in the neutral? Welcome back.

CHRIS DIBBERN: Thank you. Good afternoon, Senator Brewer and members of the committee. My name is Chris Dibbern, C-h-r-i-s D-i-b-b-e-r-n, and I'm a registered lobbyist, so I'm happy to go last. I'm also the general counsel to the National Public Gas Agency of Nebraska Interlocal with-- and in connection with the Nebraska Municipal Power Pool. We serve 14 small cities natural gas, and I'm handing out to you an overview of natural gas bans in the United States. I think it's a very helpful overview, talks about the bans on natural gas, that bans contribute to a problem of energy reliability and affordability in states, and that those states that have adapt-- adopted bans have increased energy prices. And it's very clear and helpful article on, on why bans are bad. This is a double negative bill. We want to prohibit bans. And I'm here on a neutral position of because I actually do support LB1008, but as Lash pointed out, it was drafted with some issues in there that are very difficult. For example, it would, as, as the League of Nebraska pointed out, it-- you couldn't have any policy or has the effect of prohibiting the connection or reconnection of any electric, natural gas, propane, or other energy utility service. So that language is really broad and that's problematic. We also have a problem that the bill is-- that we thank Senator Albrecht and Black Hills Energy, a very well-managed company, for LB1008. But we, and we oppose bans, but we think local control is

very important and that cities have a right to say whether or not they should have propane tanks. If you have electricity in your town, you often will ban propane tanks. So that's, that's something that's too broad in the bill. We think that-- we're concerned about the half a million people, residents and businesses that use natural gas. It is a lower cost fuel, historically. It is a cleaner fuel. But LB1008 has some flaws. Today, 76 cities have placed restrictions on natural gas. So this is a movement, you've heard over 20 states have then reacted and said, no, you can't ban natural gas. So I think this, this outline actually puts together a pretty good balanced approach on what has happened. Senator Blood, you mentioned an idea about energy policy, and I know many of you have been concerned about energy policy in the state. Can I finish?

BREWER: Yes, go ahead.

CHRIS DIBBERN: So we'd be willing to work together in the future to support a much narrower bill supporting natural gas without harming local control, disconnects, propane, and all several other energy issues.

BREWER: All right, thank you. So when we're talking bands, so we're on, on the same wavelength here, you're talking about is the banning of natural gas or the banning of banning natural gas?

CHRIS DIBBERN: This is an overview of natural gas bans in the United States where they have prohibited banning. Yep.

BREWER: Prohibited--

CHRIS DIBBERN: This double negative,--

BREWER: All right.

CHRIS DIBBERN: --it's been a bad [INAUDIBLE].

BREWER: Just, just for the record, we want to make sure we're on the same wavelength.

CHRIS DIBBERN: And, and we, too, appreciate that this is the anniversary of a very difficult year on that February storm, Uri.

BREWER: Well, I'm, I'm glad that this year is much nicer than last year--

CHRIS DIBBERN: Abso--

BREWER: --because that was a very hard time.

CHRIS DIBBERN: Absolutely. It was very expensive.

BREWER: All right. Questions for Chris? All right, thank you. All right, any more in the neutral? All right, let me read into the record here. Oh, here we go. Senator Albrecht, welcome back.

ALBRECHT: Thank you. Thank you. Thanks for your attention to all the questions. We just wanted to be clear that this bill is not in response to any particular action by a city or a county. We're very thankful for our great relationships and partnerships with them. Excuse me. It's also prudent that we remain intentional with our current reliable sources. This bill would allow us to do just that. So if there are players that would like to sit down and make this a better bill or the committee wishes to amend it in any way, we would certainly be willing to entertain that.

BREWER: Well, I, I thought that when Lash came up and spoke that that was a great attitude that listened.

ALBRECHT: Um-hum.

BREWER: It's got flaws, things we don't like, but it doesn't mean that we're going to be crazy against it. What we're saying is, let's see if we can figure out ways to, to adjust to where it is something that we can--

ALBRECHT: Correct, because--

BREWER: --be on board with.

ALBRECHT: --I will say that our city of Pender was in a bad way a year ago, and thank God for the state taking action to help some of those folks out, the seven cities that were really in trouble. So.

BREWER: All right. Questions for Senator Albrecht on LB1008? All right, thank you for this bill,--

ALBRECHT: Thank you. Have a good afternoon.

BREWER: --your time. Oh, letters, yes, the whole thing I was looking for before we close on LB1008. We have 2 proponents, 15 opponents,

zero in the neutral, and we will close on LB1008. And we will open on LB983. Welcome to Government Committee. We're going to see if you draw as much fire or not.

LOWE: Definitely can clear a room.

MOSER: I know how to clear the room. Yeah. Well, good afternoon, Chairman Brewer and fellow members of the Government, Military and Veterans Affairs Committee. My name is Mike Moser. It's spelled M-i-k-e M-o-s-e-r. I represent District 22, which includes Platte County and portions of Stanton County. Today I'm introducing LB983, working with the city of Columbus and the League of Municipalities. LB983 addresses the use of county industrial tracts. In 1957, the Legislature created county industrial tracts as an economic development tool that gives counties the authority to create industrial tracts. These tracts benefit businesses and owners of property in the tract as they are considered outside of the municipality and therefore do not pay any city sales tax, city property tax, nor do they collect city sales tax on on-premises sales. This bill addresses how county industrial tracts are being used and whether occupants in these tracts still meet the definition of industrial as defined in Section 13-1111. Current law provides that every even-numbered year in March, the county board is required when requested by a municipality to review industrial areas in its jurisdiction. If the county board finds during its review that there may be a problem with the area designation as being industrial, the county board will give notice to the property owners of the tracts, and there will be a hearing. If after the hearing the county board feels the property is no longer being used for industrial purposes, the county is required to remove that area from the industrial tract. County boards are sometimes reluctant to remove industrial area designations, even when evidence is presented that activities are occurring that do not meet the definition of industrial. The ramifications of being inside the city or outside the city include city property tax on the property and the equipment inside. And for an example, the Columbus levy is around 0.3 percent, 0.3251, something, as I recall. And so on a million dollars, that's $3,000 tax that they would have to pay. And then it may affect the school district that they are located in because some of the properties inside the city, most of them are one utility and outside the city they're-- a lot of them are a different utility. And then the, the school district differences can be big, too, because the city school levy is with bonds and everything about 1.2 percent and the adjoining school district to the north is 0.62 something. And so that can make a 6,000

difference-- dollar difference in their tax. To address some of these issues, and, and the county doesn't really have any incentive to remove a property from the industrial tract because the owners of the property will pay a county tax no matter what, but their actions will cause the user of this tract to maybe pay more tax or-- I mean, the ramifications are bigger to the person who occupies the tract than what they are to the county itself. So sometimes the counties don't want to start a, a fight over that because it doesn't gain them anything. They just get involved in a fight over which school district, which power district, whether the city can get their tax. And so they don't have an incentive really to go too far to, to satisfy the law. To address some of these issues, LB983 provides the following language that's added to clarify that storing personal property is not included in the definition of industry and therefore not an allowable use. The bill changes the process by which a county board reviews the industrial area designation. When the municipality requests a review under this bill, it would be required that the county board hear a-- hold a hearing and give notice to the municipality and the owners of the tracts. The bill removes the language about the county board needing to find a problem before holding a hearing. The bill places burden of proof on the property owners and under the bill at the county board hearing the burden of proving that the tract is in the-- that the tract in the county industrial tract is still being used for industrial purposes is on the owner of the tract. Finally, the bill provides new language that if the owners do not attend the county board hearing, the county is required to remove the designation of the industrial area from the tract. Other testifiers will follow me to discuss specifics of the bill. I ask your support of LB983. The original purpose for industrial tracts was to protect businesses so they couldn't be annexed and be forced to pay city sales tax, city property tax. It was an economic development tool, and subsequent owners of these properties may not be as valid of tenets as the original tenet that was given the industrial tract designation. And so that's where the problem arises. The original company might outgrow that property and move somewhere else or they can go out of business or it could be sold to somebody else. Then another company-- another owner would come in and buy this building, and then he might store his motorhome or his four-wheelers and boats and all this kind of stuff because it might be inexpensive storage. And if he uses that as his address when he buys things, he doesn't have to pay the 1.5 cents city sales tax on what he buys, and, and then he doesn't have to pay the 0.32 whatever decimal dust levy on personal property that he registers at that address or on the actual

property there. So, you know, that's kind of the problem. This bill is not a-- I mean, it's improved, it's an improvement from where we are. I thought they should have maybe gone a little bit farther and, and but this is where the people who brought the bill to me would like it to be. And so I'm going to behave and, and--

BREWER: All right.

MOSER: --do it, do it the way that they feel it should move forward. I also laud the committee for their policy of having the best bill last.

BREWER: We, we do our best to make you happy. OK? All right, thank you for that opening. Questions? Yes, Senator Halloran.

HALLORAN: Thank you, Chairman Brewer. I just want to thank you for adding something to my vocabulary, additional decimal dust.

MOSER: Yes.

HALLORAN: It works pretty good. I like that.

MOSER: Well, it, it matters when you take it times a billion dollars in valuation. But sometimes you get tired of repeating all the numbers.

HALLORAN: Very good.

MOSER: I don't think they ever repeat, like, pie. You know, it's unique all the way to eight places or whatever.

BREWER: It's, it's 3:37 on a Friday. Anything else? We're going to, we're going to, we're going to get to the first testifier if you got--

MOSER: No, I'm good.

BREWER: All right. Have a seat. Standby. We're going to get to you again here.

MOSER: Thank you.

BREWER: First proponent to LB983. Welcome to the Government Committee.

TARA VASICEK: Good afternoon, Senator Brewer and committee members. I am Tara Vasicek. I'm the city administrator in Columbus, T-a-r-a V-a-s-i-c-e-k. The-- I've provided a, a handout for you all. But there are 14 county industrial areas containing 152 unique properties in the

city of Columbus' jurisdiction. The city of Columbus is the most industrialized community in this district of the Federal Reserve. So we're very industrialized and we think that the, the rule in general is a fantastic economic development tool. But there are some that are abusing the privilege and then we're having trouble with the county enforcing the regulations. So that's why I brought this forward. Columbus is located in Platte County. State statute has established the regulations with respect to creating, maintaining, and removing the designations of those industrial properties. Many times over the year, the city of Columbus has followed the state statutes as written and requested that Platte County review the industrial designation of properties. Last time Columbus did so was in 2018. After I thoroughly reviewed all the parcels, I requested that Platte County review 13 of the properties which did not meet Section 13 regulations in the city's opinion. The county set a hearing and notified all 13 properties. All but three property owners came to the hearing or contacted county supervisors directly. The properties, which were represented at the hearing, were allowed to maintain their industrial designation, even though many of them did not qualify as an industrial use according to Section 13. Several of those properties are used for personal storage. A couple have remained undeveloped for decades, and some are commercial businesses. If you visit their websites, you can see perfectly well that they're commercial. There are other-- the other three they did remove because nobody protest-- nobody requested that they maintain their status. The amendments, as Moser said, would just put the burden of proof on the property owner. I did provide a form. It's just a draft form that I would, if this is approved, I would request Platte County to send this to those that we question to fill out. It's a very simple one-page form, a few questions that would identify whether they still qualify or not. Many of the property owners don't fully understand the ramifications of this, but they do understand that they don't have to pay city taxes when they're in those tracts. So they do obviously advocate for themselves to the county-elected officials. Really, the only entity that has any-- stands to lose anything is city government. As written, the existing statute's intent, I believe, is for the county to conduct a thorough review according to the regulations, but unfortunately that is not happening. Therefore, the city of Columbus supports this bill and we ask for your support as well.

BREWER: All right. I think you cleared up some of the confusion from Senator Moser's opening. So thank you. Yes, Senator McCollister.

McCOLLISTER: Yeah, thank you, Chairman Brewer. With passage of LB983, how many properties would have been taken off of that, that classification?

TARA VASICEK: All 13. If the Platte County would have had to do what LB983 would do, it would have taken all 13 out. We only request review of parcels we know don't meet the regulations. As we said, it's a fantastic tool. There are many major businesses, over 140 in Columbus that are industrial users that qualify under the regulations as they're written. And we have-- the city has no desire to go after them. We see that it's an economic development tool and we're fine with that. But when you're storing your personal, you know, UTVs and things like that--

McCOLLISTER: If that were to occur, how much additional revenue would you receive?

TARA VASICEK: I have not run the numbers on those 13 parcels. I would have to look into that.

McCOLLISTER: Thank you.

TARA VASICEK: Yep.

BREWER: All right, any additional-- yes, Senator Lowe.

LOWE: Thank you, Chairman Brewer. If you remove these pieces of property from the industrial tract, would that create holes in the zoning then and then it would be moved up to commercial or--

TARA VASICEK: No, they're still-- they're already in our zoning jurisdiction, so they meet the land development ordinance and the zoning regulations as they are. There is a one portion of Section 13 says that if they don't meet the ordinance, the land development ordinance or zoning code that they are automatic-- they should automatically come out. But we work with the businesses that we know are industrial in nature if there's a zoning issue to correct it so they can maintain their industrial status.

LOWE: OK.

BREWER: All right, any additional questions? All right, thank you for your testimony.

TARA VASICEK: Thank you.

BREWER: Additional proponents? Welcome back to Government.

CHRISTY ABRAHAM: Good afternoon, Senator Brewer and members of the Government Committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities. Senator Moser and Tara did a great job of explaining what this bill does. We just wanted to add our voice that we are very supportive of this bill. As Tara mentioned, this has been an interesting economic development tool that came into being in the 1950s. Sort of was before the Nebraska Advantage Act or LB840 plans. It was this idea that you could build these county industrial tracts sort of away from residential centers and industry could move in. And the advantage was you weren't going to have to pay city taxes if you were in the county industrial tract. So that was the, that was the incentive to come in, come into those properties. What's happened and it's not just Columbus, we formed a little bit of a task force with some other communities that also have county industrial tracts. So you're talking about North Platte, excuse me, Scottsbluff, Blair, Crete, Grand Island, York, and they all have serious concerns about county industrial tracts. One of them is, interestingly, the city is sort of growing around the county industrial tract. It can't be annexed. And so the city is sort of moving around it. And so that causes its own set of problems. So we certainly appreciate that in this bill, the property owners in those county industrial tracts are going to have a little bit more burden to demonstrate, yes, we're still using it for industry. And if they're not, the possibility remains where some of that might be able to be annexed into a municipality. So I just want to thank Senator Moser again for introducing this, and I'm happy to answer any questions.

BREWER: All right. Yeah, Senator McCollister.

McCOLLISTER: Yeah, thank you, Mr. Chairman. Are some of the counties with larger populations supporting this legislation?

CHRISTY ABRAHAM: Some of the counties with large-- OK, that's a great question, Senator McCollister, and I'm not just saying that because I'm trying to delay for time. It is a good question.

McCOLLISTER: [INAUDIBLE]

CHRISTY ABRAHAM: Yeah, yeah, or maybe it's both. We, we worked with the Nebraska Association of County Officials on this bill and the language to make sure that the counties were OK with it. And I see

someone from NACO here that I think is going to testify in the neutral capacity. So I think counties are OK with, with the language in the bill.

McCOLLISTER: Regardless of the population of the county?

CHRISTY ABRAHAM: Yes. And, and I have found, Senator, it's usually the larger first-class cities that seem to have county industrial tracts. So we would consider those the larger population counties. And as I said, I, I think they're all OK.

McCOLLISTER: Thank you.

BREWER: All right, any other questions? Thank you.

CHRISTY ABRAHAM: Thanks so much.

BREWER: All right, any additional proponents? Any opponents? Any in the neutral? Here we go. Well, welcome back.

BETH BAZYN FERRELL: Thank you. Good afternoon, Chairman Brewer and members of the committee. For the record, my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials and I'm appearing neutral on this bill. When we first looked at this bill, I have to say we didn't talk about the tax aspects. We didn't talk about any of that. Our first concern or the first issue that came up was what does this do to counties that are zoned and Platte County is a county that is not zoned. Eighty-three counties have zoning, seven have comprehensive plans, the rest are not zoned. So our look at this was a little bit different, perhaps. What we concluded, though, was industrial tracts and zoning, while they're interrelated and, and the, the issues are the same, probably unless county zoning deals specifically with storage, it's probably not going to be an issue. Or if county zoning regs would have the language that's exactly in statute that would need to be amended, then, then that would be affected by this bill. We did talk about shifting the burden of proving, if you will, that the tract should remain industrial and we kind of had a discussion on both sides of that, how it would be helpful for the county not to have to make that decision if the situation was such that, you know, they were put in that position. So I think we really-- we had a good discussion, but we had more questions and concerns so that's why we're neutral.

BREWER: Understand. All right, thank you for your testimony. Questions? All right, thank you. OK. Any others in the neutral? Senator, welcome back.

MOSER: Thank you. To Senator Lowe's question about zoning, the property has to be contiguous to the city, adjacent to the city to be annexed. So if they're in the middle of the industrial tract, even though they may not be industrial, the city can't annex them. So there's a mixed bag of how this would apply to, to some properties. But if there are any other questions? Great.

BREWER: Well, I suppose the obvious question is, since we have no letters in opposition, no speakers in opposition, no letters even in the neutral, I suppose you want special handling on this bill?

MOSER: Sure.

BREWER: OK. Just thought I get that--

MOSER: Whatever, whatever it qualifies for, I'm interested.

BREWER: Well, I say that you've handled it pretty well. All right, no other questions, that will complete-- oh, no letters. We'll close on LB983 and we'll close our hearings for our Friday afternoon.