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TO: NARD Board, NRD Managers and Conservation Partners  
FROM: Dean E. Edson, NARD Executive Director  
RE: March 12 NARD Update

### **NARD Elects 2021 Officers**

**LINCOLN, Nebraska** – The voting members of the Nebraska Association of Resources Districts (NARD) Board of Directors elected new officers during their board meeting March 8, 2021.

The NARD Board consists of representation from each of the Nebraska's 23 Natural Resources Districts (NRDs). The board meets five times throughout the year and helps guide the association and NRDs in decision making that protects lives, property and the future of Nebraska's natural resources. The NARD Risk Pool Board governs the health insurance program for NRD employees. Since its inception in 2007, the program has held the average annual cost increases for health premium rates below 4.5 percent.

#### **Jim Eschliman, NARD President (Ericson, Nebraska)**

Jim Eschliman from the Lower Loup NRD was elected President of the NARD Board and NARD Risk Pool Board. He has been on the boards since 2016. Eschliman has served on the Lower Loup NRD Board 16 years, is currently Vice-Chairman, and has served on the program and projects committee. Eschliman also serves on his local co-op board and the Cattleman's Beef Board. After selling his dairy cows in 2018, he considers himself retired and resides near Ericson with his wife, Deb.

#### **Orval Gigstad, NARD Vice President (Syracuse, Nebraska)**

The NARD Board and NARD Risk Pool Board elected Dr. Orval Gigstad from the Nemaha NRD as Vice President. Gigstad has served on the Nemaha NRD Board since 1993 and the NARD Board since 1996. He also serves as chair of the National Association of Conservation Districts Northern Plains Region. Previously, Gigstad served as NARD president from 2002-2004. A practicing veterinarian for 45 years, he operates the Arbor Valley Animal Clinic in Syracuse. Gigstad and his wife Carolyn have two children, Grady and Amber.

#### **Marty Graff, NARD Secretary-Treasurer (Ainsworth, Nebraska)**

Marty Graff of the Middle Niobrara NRD was elected as Secretary-Treasurer of the NARD Board and NARD Risk Pool Board. Graff has served on the Middle Niobrara NRD Board 26 years and on the NARD boards since 2018. He farms with his wife, Brenda, and sons near Ainsworth. Off the farm, Graff serves on the East Woodlawn Cemetery Board (Johnstown, Nebraska) and is active in the Elks Club helping with youth baseball and wrestling.

#### **Larry Reynolds, NARD Past President (Lexington, Nebraska)**

Larry Reynolds of the Tri-Basin NRD will remain on the executive committee as the NARD Board Past

President. He has been on the NARD boards 10 years, serving as NARD secretary-treasurer from 2014-2016, vice president from 2016-2018 and president from 2018-2020. Reynolds has been a member of the Tri-Basin NRD Board for 36 years. He served in the U.S. Air Force eight years and in the Nebraska Air National Guard 18 years. Reynolds currently farms and helps manage the family's cow-calf operation near Lexington.

NARD Board Executive Committee also includes two positions appointed by the current President. Jim Eschliman appointed Jim Meisner, representing the Twin Platte NRD, as the Legislative Committee Chair and Jim Johnson, representing the South Platte NRD, as the Information and Education Committee Chair. Both will serve on the Executive Committee.

### **Nebraska Natural Resources Districts Managers Committee**

On March 3, NRD Managers elected Paul Zillig, general manager of the Lower Platte South NRD, as Chair of the Managers Committee; and Todd Siel, general manager of the Lower Republican NRD, as Vice-Chair of the Managers Committee.

The Managers Committee includes managers from all 23 Natural Resources Districts. The committee meets five times a year to coordinate NRD activities with state and federal agencies, conservation partners and other parties to protect Nebraska's natural resources.

### **Priority Designations**

Senator Personal and Committee Priority Bills were announced this week. A short title and a full description of those bills are as follows:

- ***LR 11CA - A Constitutional amendment to require enactment of a consumption tax and prohibit certain other forms of taxation. Erdman. Co-sponsored by Albrecht, Brewer, Briesse, Clements, Halloran, Lowe, McDonnell and Murman. Erdman Priority Bill.***
- ***LB 26 - Provide a sales tax exemption for residential water service. Wayne. Pahls Priority Bill.***
- ***LB 54 - Change immunity for intentional torts under the Political Subdivisions Tort Claims Act and the State Tort Claims Act. Lathrop. Lathrop Priority Bill.***
- ***LB 83 - Change the Open Meetings Act to provide for virtual conferencing. Flood. Government Committee Priority Bill.***
- ***LB 139 - Adopt the COVID-19 Liability Protection Act. Briesse. Slama Priority Bill.***
- ***LB 507 - Prohibit the use of treated seed corn in the production of agricultural ethyl alcohol in certain circumstances. Bostelman. Natural Resources Committee Priority Bill.***
  - ***Contains Provisions of LB 190 - Change provisions relating to use of the Water Sustainability Fund. Hughes.***
- ***LB 399 - Change provisions relating to rural water districts. Bostelman. Natural Resources Committee Priority Bill.***
- ***LB 408 – Adopt the Property Tax Request Act. Briesse. Geist Priority Bill.***
- ***LB 644 - Adopt the Property Tax Request Act. Hansen, B. Hansen, B. Priority Bill.***
- ***LB 650 - Adopt the Nebraska Geologic Storage of Carbon Dioxide Act. Flood. Hughes Priority Bill***

***LR 11CA - A Constitutional amendment to require enactment of a consumption tax and prohibit certain other forms of taxation. Erdman. Co-sponsored by Albrecht, Brewer, Briese, Clements, Halloran, Lowe, McDonnell and Murman. Erdman Priority Bill.***

A proposed constitutional amendment, effective January 1, 2024, that prohibits the State of Nebraska and all political subdivisions of the state from imposing a tax on personal income, a tax on corporate income, a tax on personal property, a tax on real property, a tax on an inheritance from a deceased person, a tax on the estate of a deceased person, and a tax on the retail sale of goods and services.

It replaces such taxes with a consumption tax which shall apply to purchases of services and new goods, except for fuel. Such consumption tax shall begin no later than January 1, 2024 (See LB 133).

The proposal does include language to allow the Legislature to authorize political subdivisions of the state to enact their own consumption taxes upon such terms and conditions as the Legislature may provide. This portion is not included in LB 133.

***The Revenue Committee accepted testimony on LR 11CA on February 3<sup>rd</sup>.***

Prior to Senator Erdman opening on the bill, the committee raised the question of if comments from the previous hearing could simply be referenced, it was acknowledged by the Chair that could occur, however Erdman proceeded with opening on the CA.

During opening Senator Erdman commented that the problem is not just property tax, and that income tax and inheritance tax are also problems. He commented that legislation just continues to be a band-aid, only decreasing the increase. He stressed that consumption tax is catching fire and that there is a lot of support and that everyone would want to move to Nebraska because of all the tax savings.

There was no testimony provided as individuals/organizations had provided testimony on LB 133 and were allowed to address both measures at that time. There were 47 position letters submitted in support and 18 letters in opposition.

The Committee reported no action on the measure.

***LB 26 - Provide a sales tax exemption for residential water service. Wayne. Pahls Priority Bill.***

The Revenue Committee reported LB 26 to General File on March 10<sup>th</sup> following a 8-0 vote. Senator Pahls declared LB 26 a personal priority bill for the session.

The bill proposes to exempt the sale, lease, or rental of and the storage, use, or other consumption in this state of residential water service from state sales and use tax.

***The Revenue Committee accepted testimony on LB 26 on February 24<sup>th</sup>.***

Opening on the bill, Senator Wayne noted that Nebraska does not impose sales tax on bottled water but taxes tap water and residential service. He commented that people cannot survive without water and it should not be taxed.

***Proponents***

Doug Kagan testified in support on behalf of Nebraska Taxpayers for Freedom. He claimed that the exemptions and savings are offered to businesses and noted that it is only fair if residential water service is not taxed.

### Opponents

Jack Cheloha testified in opposition on behalf of the city of Omaha. He noted that the city would lose between \$1.6 million and \$2 million per year in sales tax revenue if the bill were passed. Cheloha further commented that the loss in state revenue would be greater than \$8 million.

Lash Chaffin testified in opposition on behalf of the League of Nebraska Municipalities. He noted that the bill would cut revenue for more than 200 Nebraska cities that impose a local option sales tax. He told the committee the bill would result in increased water rates or in local property taxes to offset the lost revenue.

### Neutral

There was no neutral testimony. Five letters in support of the bill and two in opposition were submitted for the record.

During closing, Sen. Wayne commented that this bill is for the people, arguing residents should not be taxed for water, while exempting bottled water from the tax when purchased at a store.

### ***LB 54 - Change immunity for intentional torts under the Political Subdivisions Tort Claims Act and the State Tort Claims Act. Lathrop. Lathrop Priority Bill.***

The bill proposes that the Political Subdivisions Tort Claims Act does not apply to claims arising from such an act that is the direct result of the negligent failure of a political subdivision or an employee of a political subdivision to protect a person to whom the political subdivision or employee owes a duty of care.

### *The Judiciary Committee accepted testimony on LB 54 and LB 71 at a joint hearing on February 18<sup>th</sup>.*

Senator Lathrop opened on LB 54 by providing a background on a recent court case in Nebraska. The case involved two inmates that were placed in a cell together. The inmates got into a dispute and one strangled the other. The court concluded there was no liability as there was no intentional action by the state that caused the death. Senator Lathrop believes the prison personnel and the state should be responsible as they should have suspected the inmates did not get along.

The effect of the decision goes over to all others - example in schools where they don't do anything to stop bullying; nursing homes that have a worker that abuses patients. He reiterated the provisions in the bill would make government responsible for injury between two parties under their control.

In his opening on LB 71, Senator Wayne cited a situation where Omaha Police failed to arrest and jail an individual that was a threat to his girlfriend. The police did not have a cause of action to arrest but should have incarcerated him anyway, so he did not cause harm. The police detained and questioned him but later released him. The individual later went to his girlfriend's house and shot her.

He noted the difference between his and Lathrop's approach is his bill provides a five-year look-back.

### Proponents

Lorrie Woods testified as an individual. Her special needs daughter was sexually assaulted at school. The class was under-staffed, and four students were left alone. Another special needs student sexually assaulted her daughter. The court ruled the school was not responsible.

Eric Brown, Injury and Workers Comp Lawyer. He had a similar case that ended up being an negotiated settlement. He expressed the need for a law change to protect individuals from being placed in similar situations.

### Opponents

Ryan Wiesen testified in opposition on both bills on behalf of the city of Omaha, City of Lincoln and the League of Municipalities. He noted the intent of sovereign immunity is to protect taxpayers from criminal acts of people they have no control over.

Wiesen noted there needs to be protection for police officers. Law enforcement officers cannot arrest and incarcerate individuals that have not committed a crime. Nor can police officers read the minds of individuals that may later commit a crime.

James Smith testified in opposition of both LB 54 and LB 71 on behalf of the Nebraska Attorney General's Office. He noted there is no cap on monetary damages for state tort claims and spoke about the adverse impact on Nebraska taxpayers. He claimed the bill would make taxpayers responsible for crimes committed by criminals. He noted that duty of care is not defined and claimed the bill should precisely define duty of care.

### Neutral

No Neutral testimony was provided. Numerous letters in opposition of the bills were submitted for the record and for the hearing.

During closing Sen. Lathrop claimed that state and local government need to be responsible for individuals they have under their control. He also noted he only introduced the bill to be a part of the conversation. He claimed that while everybody in the state was represented, not one person came in and said there has been a claim, noting not one testifier could even reference a letter or threat from a lawyer. He commented that Government should only be involved when there is a problem. He closed by noting if this is an insurance issue, then maybe supporters should be at the banking committee.

Sen. Wayne closed on LB 71 by admitting there is a case that he is involved in that the bill may be involved in and under the rules, he does not have to file a conflict unless the bill reaches the floor. He mentioned that he was going after any bill the Attorney General has.

The Committee has not reported any action on the bill.

### ***LB 83 - Change the Open Meetings Act to provide for virtual conferencing. Flood. Government Committee Priority Bill.***

The Government Committee reported LB 83 to General File with AM 127 on February 16<sup>th</sup> following an 8-0 vote. The Government Committee declared the bill a priority bill for the session.

The committee amendment (AM 127) adds language to the bill that ratifies actions taken by public bodies in reliance on Governor's executive orders issued during the pandemic. The amendment also adds MUD and regional metropolitan transit authorities to the list of political subdivisions that may utilize virtual conferencing for public meetings. The amendment adds a requirement that when multiple public participation sites are offered that each meeting site be attended by at least one member of the public entity or their designee. The amendment includes a revision clarifying that the documents that must be made available at each meeting site are those documents being considered at the meeting. The amendment requires an emergency declaration by the Governor under section 81-829.39 to trigger emergency meeting procedures under the bill. Lastly, the amendment provides an exception to an address publication requirement in instances where that address requirement may endanger a person's security.

The bill allows for virtual conferencing for the following entities:

- (i) A state agency, state board, state commission, state council, or state committee, or an advisory committee of any such state entity;
- (ii) An organization, including the governing body, created under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act;
- (iii) The governing body of a public power district having a chartered territory of more than one county in this state;
- (iv) The governing body of a public power and irrigation district having a chartered territory of more than one county in this state;
- (v) An educational service unit;
- (vi) The Educational Service Unit Coordinating Council;
- (vii) An organization, including the governing body, of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act;
- (viii) A community college board of governors;
- (ix) The Nebraska Brand Committee;
- (x) A local public health department;
- (xi) A natural resources district; and
- (xii) The Judicial Resources Commission

To hold such meeting the following criteria must be met:

- (1) Reasonable advance publicized notice is given including providing access to a dial-in number or link to the virtual conference;
- (2) Reasonable arrangements are made to accommodate the public's right to attend at a physical site and participate including seating, in at least one designated site in a building open to the public and identified in the notice, recording of the hearing by audio or visual recording devices, and a reasonable opportunity for input, such as public comment or questions, is provided to at least the same extent as would be provided if virtual conferencing was not used;
- (3) At least one copy of all documents for the meeting is available at any physical site open to the public where individuals may attend the virtual conference. The public body shall also provide links to an electronic copy of the agenda, all documents being considered at the meeting, and the current version of the Open Meetings Act; and
- (4) Except as otherwise provided in this subdivision, no more than one-half of the meetings of the state entities, advisory committees, boards, councils, organizations, or governing bodies are held by virtual conferencing in a calendar year.

The bill also allows for virtual conferencing if an emergency is declared pursuant to the Emergency Management Act. Under this provision, a public body the territorial jurisdiction of which is included in the emergency declaration, in whole or in part, may hold a meeting by virtual conferencing during such emergency if the public body gives reasonable advance publicized notice. The notice shall include information regarding access for the public and news media.

In addition to any formal action taken pertaining to the emergency, the public body may hold such meeting for the purpose of briefing, discussion of public business, formation of tentative policy, or the taking of any action by the public body. The public body shall provide access by providing a dial-in number or a link to the virtual conference.

The public body shall also provide links to an electronic copy of the agenda, all documents being considered at the meeting, and the current version of the Open Meetings Act. Reasonable arrangements shall be made to accommodate the public's right to hear and speak at the meeting and record the meeting.

The nature of the emergency shall be stated in the minutes. Complete minutes of such meeting specifying the nature of the emergency and any formal action taken at the meeting shall be made available for inspection.

The bill also has changes regarding individuals that speak at meetings. The body shall require any member of the public desiring to address the body to identify himself or herself, including an address and the name of any organization represented by such person. Under current law, this is voluntary.

Finally, beginning July 31, 2022, the governing body of a natural resources district, the city council of a city of the metropolitan class, the city council of a city of the primary class, the city council of a city of the first class, the county board of a county with a population greater than twenty-five thousand inhabitants, and the school board of a school district shall make available on such entity's public website the agenda and minutes of the governing body.

The agenda shall be placed on the website at least 24 hours before the meeting of the governing body. Minutes shall be placed on the web site at such time as the minutes are available for inspection under existing law. This information shall be available on the public website for at least six months.

The bill includes the emergency clause so it would become effective as soon as it is approved by the Governor.

*The Government Committee accepted testimony on the bill on January 27<sup>th</sup>.*

In his opening, Senator Flood noted this bill is a step toward modernizing the way meetings are done. He stressed that a lot of people have worked together as a collation to draft this bill and that testimony would be consolidated. During questioning Senator Flood was asked about the right to declare an emergency, and it was noted that this is a point of contention with the bill, but he noted he feels the local individuals are best positioned to determine the best way to address an emergency.

*Proponents*

Proponents of the bill included Larry Ruth testifying on behalf NARD and the LPSNRD. Ruth demonstrated the practical need for the bill by outlining the struggles and obstacles the LPSNRD board has had to overcome during the pandemic. During questioning, Senator Halloran raised concern about the issue of rural connectivity and how it could prevent constituents from participating. Senator Lowe raised questions and spoke to the need to add something in the bill to ensure board members stay actively engaged and away from outside influence.

Other proponents included Shelly Sahling-Zart testifying on behalf of the Nebraska Power Association. She told the committee the bill is not changing how ordinary meetings are conducted, it's about continuing to do public business during moments of extraordinary emergencies. She noted the bill is first and foremost about addressing safety and including transparency.

Mike Rogers of Gilmore and Bell testified on behalf of the city of Lincoln. He spoke about the unclarity in the Governor's pandemic executive order and the potential legal challenges it presents, noting that this bill adds clarity.

Lynn Rex testified in support on behalf of the League of Nebraska Municipalities and the Nebraska Association of School Boards. Rex thanked the Governor for his orders allowing for continuation of virtual conferencing. She outlined how the bill merges two sections of statute for video conferencing and teleconferencing into one section for virtual conferencing.

Sean Kelley testifying on behalf of the Douglas County Board of Commissioners told the committee they have successfully utilized virtual meetings during the pandemic and simply wanted their support for the bill on the record.

Edison McDonald testifying for Arc of Nebraska noted the bill would ensure there is more opportunity for engagement for individuals with disabilities.

Danielle Conrad for the ALCU of Nebraska told the committee this is a good government bill with increased transparency and flexibility. She noted the ALCU is pleased to hear there are amendments to offer additional privacy.

There were eleven written testimonies and nineteen position letters submitted from proponents.

### Opponents

Lance Molina of Gretna testified in opposition. He testified that the bill would allow the government body to mute any individual they disagree with. He provided an example of a meeting in Gretna where proponents were unlimited in testimony, but opponents were filtered.

Written testimony in opposition to the bill was submitted from the Governor's Office. No opposition position letters were submitted.

### Neutral

Neutral testimony was provided by Tim Texel on behalf of the Nebraska Power Review Board. He testified simply to raise questions about three technicalities. Asking for clarification on what does all documents mean in contract to current law of all documents considered at the meeting. He also noted he's not clear on what is meant by sites for copies and how an electronic copy of an agenda needs to be made available.

Neutral written testimony was submitted by Media of Nebraska. One neutral position letter was submitted.

Senator Flood waived closing.

### ***LB 139 - Adopt the COVID-19 Liability Protection Act. Briese. Slama Priority Bill.***

The bill proposes some liability protection for first responders, health care workers, person, business, political subdivision, organizations, entities from lawsuits related to COVID-19.

Under the bill, an individual shall not bring or maintain a civil action seeking recovery for any injuries or damages sustained from exposure or potential exposure to COVID-19 unless the plaintiff can prove, by clear and convincing evidence, that the civil action relates to a minimum medical condition resulting from gross negligence or willful misconduct.

Under the proposal, the following definitions are used:

- Person means: (a) any natural person, sole proprietorship, partnership, limited liability partnership, corporation, limited liability company, business trust, estate, trust, unincorporated association, or joint venture, (b) the State of Nebraska and any political subdivision of the state, (c) any school, college, university, institution of higher education, religious organization, or charitable organization, or (d) any other legal or commercial entity.
- First responder includes state and local law enforcement personnel, including University of Nebraska police department personnel, fire department personnel, emergency medical personnel, ambulance service provider personnel, emergency management personnel, and public works personnel who may be deployed in response to a COVID-19 state of emergency.
- Gross negligence means a conscious, voluntary act or omission in reckless disregard of (a) a legal duty, (b) the consequences to another party, or (c) applicable government standards or guidance.



- Health care facility means (a) any facility in which health care services are provided, including, but not limited to, any health care facility, health care practitioner facility, hospice facility or program, elder group home, assisted-living program, and any other licensed or state-approved facility providing health care or (b) any field hospital, modular field treatment facility, or other facility designated by the Department of Health and Human Services or the Nebraska Emergency Management Agency for temporary use for the purpose of providing health care services related to a COVID-19 state of emergency;
- Health care provider means (a) a person who is licensed, registered, permitted, or certified in any state to provide health care services, whether paid or unpaid, including persons engaged in telemedicine or telehealth, and any employee, agent, or contractor of such person, (b) an emergency medical technician who is licensed in any state, or (c) a volunteer or military personnel who are approved by or work under the direction of the Department of Health and Human Services or the Nebraska Emergency Management Agency and who provide health care services in response to a COVID-19 state of emergency in the State of Nebraska.
- Health care service means any care, treatment, service, or procedure to maintain, diagnose, or otherwise affect an individual's physical or mental condition.
- Minimum medical condition means a diagnosis of COVID-19 that requires inpatient hospitalization or results in death;
- Premises means and includes any physical place, any real property, and any appurtenant building or structure serving a commercial, residential, educational, religious, governmental, cultural, charitable, or health care purpose.

A person shall not bring or maintain a civil action seeking recovery for any injuries or damages sustained from exposure or potential exposure to COVID-19 if the act or omission alleged to violate a duty of care was permitted by, in substantial compliance with, or consistent with any federal or state statute, regulation, or order or public health guidance related to COVID-19 that was applicable to the person or activity at issue at the time of the alleged exposure or potential exposure.

A person who owns, occupies, possesses, or is in control of a premises, including a tenant, lessee, or occupant of a premises, who directly or indirectly invites or permits an individual onto a premises for any purpose, shall not be liable in any civil action seeking recovery for any injuries or damages sustained from the individual's exposure or potential exposure to COVID-19, whether the exposure or potential exposure occurs on the premises or during any activity managed by the person who owns, occupies, possesses, or is in control of a premises, unless the plaintiff can prove, by clear and convincing evidence, that the person who owns, occupies, possesses, or is in control of the premises engaged in gross negligence or willful misconduct that caused the individual's minimum medical condition.

The COVID-19 Liability Protection Act shall not be construed to (1) create, recognize, or ratify a claim or cause of action of any kind, (2) eliminate or satisfy a required element of a claim or cause of action of any kind, (3) affect the rights or limits under the Nebraska Workers' Compensation Act, or (4) abrogate, amend, repeal, alter, or affect any statutory or common law immunity or limitation of liability or constitute a waiver of the sovereign immunity of the State of Nebraska.

Notwithstanding any other provision of law, any civil action seeking recovery for any injuries or damages sustained from exposure or potential exposure to COVID-19 shall be brought within two years after the cause of action shall have accrued.

The COVID-19 Liability Protection Act shall apply to any cause of action accruing on or after the effective date of this act and before the earlier of (1) December 31, 2022, or one year after the end of the COVID-19 state of emergency.

*The Judiciary Committee accepted testimony on LB 139 and LB 52 jointly on February 18<sup>th</sup>.*

Senator Briese opened on LB 139 by outlining the need to implement protections and provide confidence for businesses and schools to aid in reopening. He stressed that the bill provides protections only for those that are trying to follow guidance on protections under the pandemic. Those that do not follow guidance would not have protection under the bill.

The bill provides that a plaintiff must prove gross negligence or willful misconduct. He stressed the need to raise the bar to provide protection for businesses, education and healthcare providers. Over 20 states have implemented similar legislation and that similar legislation has been proposed on the federal level. He noted that the bill does not apply retroactively. He stressed the bill will encourage adherence to public health guidance and that it contains a sunset provision.

During questioning committee members asked what would be considered gross negligence? Sen. Breise noted that would be a question of fact and left for the fact finder to determine what constitutes gross negligence.

Senator Lathrop introduced LB 52 by noting it is a simple bill that offers immunity, and that it was brought solely to allow for conversation about the topic. He noted that he is not aware of any lawsuits or threat of claims. He expressed that he does not see a need for the bill but noted that if there is a problem that needs addressed, he would rather introduce immunity than pass legislation that enacts the elements of LB 139.

Question about retroactivity of bill? Sen. Lathrop noted that past decisions from the Supreme Court have priority and the legislature cannot retroactively negate an individual's right for action.

*Proponents*

Mark Schorr testified on behalf of the Nebraska Chamber, Greater Omaha Chamber, Lincoln Chamber, League Municipalities, American Property Causality Insurance, Hy-Vee, Nebraska Insurance Association, and more than 60 other statewide organizations in support of LB 139.

Schorr noted the economic burden is placed on business and organizations as they cannot get insurance coverage for this. The insurance companies are placing exclusions in policies now. Further, there has been advertisements in national media outlets to encourage individuals to contact a law firm if they wanted to file action for getting COVID-19.

He noted this is a middle ground approach that allows economy to get moving again. He noted the bill is largely based on Iowa law, but incorporates components of laws passed in several other states. He also reiterated that the bill does not jeopardize worker protections. Schorr stressed that the bill not only provides protections for businesses, but also applies to non-profits, religious organizations, and governmental subdivisions.

Emily Bottorf testified in support of LB 139 on behalf of the Nebraska Defense Council Association. Her testimony noted that the current body of negligence law is not a good fit for these types of lawsuits. Even if burden of proof is hard to overcome, the cost of litigation would be expensive. Bottorf noted that while we're not seeing the claims in Nebraska now, they are occurring in other areas.

Mark Whitehead testified in support on behalf of the Nebraska Petroleum Association and the Nebraska Grocers Association. He noted their industries did not have the luxury of shutting down. He claimed they are doing the best job they can to follow guidelines and continue providing services that customers need and this bill would provide added protection.

Jerry Stilmock testified in support for the Nebraska Federation of Independent Businesses. He claimed small businesses are doing everything they can to stay open, and without the protection from litigation, the cost of litigating claims would be a difficult burden.

Andy Hale testified on behalf of the Nebraska Hospital Association in support of both bills. He noted that while hospitals have provided high quality care despite ongoing challenges, they need to be able to operate with the peace of mind and sense of calm without the worry of being sued.

Heath Boddy testified in support of LB 139 on behalf of the Nebraska Healthcare Association. His testimony outlined the issues healthcare providers are facing regarding liability insurance and the perceived risk of COVID suits driving costs higher.

Colby Coash testified in support of LB 139 on behalf of the Nebraska Association of School Boards, the Nebraska Council of School Administrators, and the Rural Schools Association. He noted the bill would provide targeted liability protection that would help keep schools open. He spoke about the issue of reinsurance companies not providing coverage for COVID claims and noted that it is adding a barrier to keeping schools open.

Dallas Jones testified in support on behalf of LIBA. He noted this is a critical function in providing protection for small businesses. He claimed the cost of just a threat of a suit can be too much for business and could lead to some businesses permanently closing.

### Opponents

Johnathon Urbom testified in opposition of LB 52 and LB 139 on behalf of the Nebraska Association of Trial Attorneys. He noted Nebraska has had 26 COVID complaints filed as follows: Ten civil action cases for group gatherings; Six-labor related cases; five contract dispute cases; and one miscellaneous case. He told the committee that nationally COVID exposure litigation is not widespread. He spoke about concern of injecting foreign terms into negligence law that are not there now. He also expressed concern about the minimum injury standard not being seen anywhere else in Nebraska law.

Felicia Hilton testified in opposition on behalf of the Nebraska Labor Unity Council. Her testimony focused on concerns about changing standard of proof. She noted they feel current law does protect businesses from these types of suits and the standard of proof should not have to change.

Todd Stubbendick testified in opposition of LB 139 on behalf of AARP Nebraska. He noted they are opposed to expanded immunity and liability protections for nursing homes and residential care centers.

Shayla Reed, an Attorney for Victims of Nursing Home Neglect testified in opposition on behalf of the Nebraska Association of Trial Attorneys. Her testimony focused on the lack of evidence showing the need for either bill. She noted the bill is especially dangerous for nursing home residents.

### Neutral

No Neutral testimony was submitted.

More than 20 letters in support of the legislation were submitted by organizations including letters from NACO, Nebraska Bankers Association, League of Municipalities, DHHS, Pharmacists Association, Community College Association, Enterprise-Rent-A-Car, Relators Association, Pinnacle Bank, Nebraska Credit Union, and University of Nebraska.

A few letters in opposition were submitted including from IBEW and Building Trades, Professional Firefighters Association and NASCA.

Closing on LB 139 Sen. Briese addressed concerns from opponents. He reiterated the bill would not decrease the precautions being taken by organizations. He noted that this is not tort reform and reminded the committee that the bill will sunset.

The Committee has not reported any action on the bill.

***LB 507 - Prohibit the use of treated seed corn in the production of agricultural ethyl alcohol in certain circumstances. Bostelman. Natural Resources Committee Priority Bill.***

Provisions of LB 190 were incorporated into LB 507 with AM 256. LB 507, was reported to General File with the amendment AM 256 on February 23<sup>rd</sup>. LB 507 is a bill introduced by Natural Resources Committee Chair Bostelman that addresses contamination concerns at the AltEN Ethanol plant near Mead by prohibiting the use of treated seed corn in the production of agricultural ethyl alcohol if the byproduct generated is deemed unsafe for livestock consumption or land application. The Natural Resources Committee declared the bill a priority bill for the session.

**LB 190 - Change provisions relating to use of the Water Sustainability Fund. Hughes.**

Provisions LB 190 was amended into LB 507 with AM 256 and would prohibit the Legislature from appropriating or transferring money from the Water Sustainability Fund for any purpose other than to further the goals of the Water Sustainability Fund except upon a finding that the goals of the fund are not being accomplished by the fund.

**The Natural Resources Committee accepted testimony on LB 190 on January 27<sup>th</sup>.**

Senator Hughes opened by noting the bill would prevent the legislature from sweeping the WSF fund when looking to balance future budget shortfalls, or when someone is looking for funds to achieve another purpose. During questioning, Senator Moser asked if sweeping of the WSF has happened before. Senator Hughes noted that it has been discussed that the opportunity to sweep the interest has been enticing for some during past budget shortfalls and that he felt that was an inappropriate use and would like to prevent that in the future. Senator Hughes addressed a concern about NeDNR accessing those funds, noting that as long as the use of funds is related to WSF he's okay with it, noting the intent is not to impact how NeDNR is using the funds for WSF at all.

**Proponents**

Scott Smathers testified in support on behalf of the Natural Resources Commission. Smathers distributed a handout showing the funding history of the fund. He provided examples of past attempts to pull dollars from the fund.

Written testimony in support was submitted by Nebraska State Irrigation Association. Position letters in support were submitted by NPPD, MUD and CNPPID.

**Opponents**

There was no opponent testimony.

**Neutral**

There was no neutral testimony. A neutral letter was submitted by NeDNR.

In closing, Senator Hughes noted there would be a minor technical amendment to address any confusion on language in the bill.

***LB 399 - Change provisions relating to rural water districts. Bostelman. Natural Resources Committee Priority Bill.***

The bill proposes to spell out the “Nebraska Safe Drinking Water Act” rather than cite the same section of statute for compliance of plans and specifications of public water systems. This is a placeholder bill. The bill was declared the Natural Resources Committee priority bill for the session.

The Natural Resources Committee accepted testimony on LB 399 on January 28<sup>th</sup>.

Cyndi Lamm, Natural Resources Legal Counsel, introduced the bill noting it is simply a shell bill. There was no testimony provided and the committee reported no action on the bill.

***LB 408 – Adopt the Property Tax Request Act. Briese. Geist Priority Bill.***

The Revenue Committee reported LB 408 to General File on March 2<sup>nd</sup> with AM 371 following a 7-1 committee vote. Senator Geist declared the bill as her priority bill for the session. The Committee Amendment (AM 371) becomes the bill to adopt the Property Tax Request Act. Other changes originally proposed in LB 408 are included in the Committee Amendment. The changes from LB 408 with the amendment are outlined below.

- A political subdivision's property tax request in any year shall not exceed its request authority. Request authority shall be equal to the political subdivision's tax request from the prior year multiplied by 103%.
- By a majority vote of a political subdivision's governing board, the political subdivision may exceed the 3% limit for no more than 2 consecutive years. If this situation occurs, the property tax request of the political subdivision shall be reduced to ensure the increase in the property tax request does not exceed 9% over a 3-year period.
- The 3-year period will be measured using the year when the political subdivision exceeds the 3% limit as the first year. If the vote to exceed the 3% limit is for 2 consecutive years, the 3-year period shall be measured twice using each of the 2 consecutive years as the first year of the applicable 3-year period.
- The 3% limit shall not apply to a political subdivision's property tax request that will be derived from the real growth value of the political subdivision.
- A political subdivision that chooses not to increase its property tax request by the full 3% may carry forward one-half of its unused request authority to future years as carryover request authority. Carryover request authority may be used in future years to increase the political subdivision's tax request above the 3% limit.
- The 3% limit shall apply to property tax requests set in 2022 through 2027. The 3% limit shall no longer apply to property tax request set in 2028 and thereafter.
- The presentation required at a budget hearing shall also include information showing the political subdivision is in compliance with the Property Tax Request Act.
- Political subdivision is defined under the proposal as any county, city, village, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college.

- The total amount of property tax revenue raised by a political subdivision in a fiscal year may exceed the limitation in an amount approved by a majority of legal voters. All costs of the election shall be paid by the political subdivision seeking to exceed such limitation.
- The governing body of the political subdivision shall call for the submission of the issue to the voters by passing a resolution, by majority vote of the governing body, calling for exceeding the limit and delivering a copy of the resolution to the county clerk or election commissioner of every county which contains all or part of the political subdivision. The resolution shall include the amount which would be requested in excess of the limit.
- The limitation would not apply to the amount of property tax revenue needed to pay the principal and interest on bonded indebtedness.
- Further, it would not apply to the amount of property tax revenue raised by a political subdivision in any fiscal year on any real growth value within the political subdivision. Real growth value is defined in the proposal as the increase in real property valuation due to (i) improvements to real property as a result of new construction and additions to existing buildings, (ii) any other improvements to real property which increase the value of such property, and (iii) annexation of property by the political subdivision.

(Companion legislation to LR 22 CA)

The Revenue Committee accepted testimony on LB 408 on January 27<sup>th</sup>.

In his opening remarks, Sen. Briese noted that Nebraskans are angry and that high taxes are choking off growth in rural communities. It is difficult to recruit people to the state and keep them to grow the state because of high taxes. There needs to be an all of the above approach and limiting the growth of taxes is one way to start that. Pertaining to LR22CA, he trusts Nebraskans to do the right thing and make the right decision, but this statutory version allows adjustments for ups and downs in budgets and accommodates concerns.

#### Proponents

Bud Synhorst, LIBA, testified in support. He noted this bill makes political subdivisions work within their means, which is what businesses have to do. Political subdivisions are building up war chests to pad their budgets and claiming it as theirs, but really, it's the taxpayer's money. He said that political subdivisions claim that the taxes haven't gone up, but it isn't true because property values have increased, and political subdivisions are getting more if the levy is the same. Political subdivisions aren't dropping their ask even though they get more money because land values have increased.

Robert Holstrom, National Federation of Independent Businesses, testified in support. He mentioned that the state's ability to control spending was a benefit in the pandemic and it's important to have that same budget control on the local level, too. He felt the statutory version of this idea is better due to flexibility, but feels the constitutional version (LR22CA) would get passed by voters, because citizens are upset and would make their own change.

Sarah Curry, Platte Institute, testified in support. She noted that the statutory version would advance quicker so Nebraskans can have immediate relief and the constitutional version (LR22CA) would require more time. She suggested waiting for a larger election year to get more participation.

#### Opponents

Dennis Meyer, Lancaster Co Budget/Fiscal Officer, testified in opposition. He said that the county is open to discussion but worries this legislation is a quick and easy fix without looking at the whole process. There

were years the county took less to drive the levies down and not all political subdivisions are raising taxes for no reason. He noted that infrastructure issues are huge, and 3 percent would make projects slower or even nonexistent.

Greg Adams, Nebraska Community College Association, testified in opposition. He mentioned that the five colleges biggest expense is personnel – collective bargaining and health insurance is about 80 percent of the budget. Additionally, over the last few years the community colleges have faced huge increases in property/liability insurances. There are times when the colleges can be within 3 percent, but they lose flexibility.

Sen. Flood during questioning asked why within 10 years, community colleges went from \$22 million to \$49 million in property taxes. He said that is unconscionable and willful, reckless driving at community colleges.

Adams said he wouldn't go so far as to say it was unconscionable, because it was within the law, but agreed that it was a big increase. He said that Northeast Community College has a new president that is reducing administrative staff and trying to bring things more in line with fiscal conservatism. Southeast Community College prided themselves for years on having a low levy but to do that they neglected things and now they are playing catch up to meet requirements. He said SCC is now increasing their tax request to catch up on deferred expenses.

Robert Post, Banner County Commissioner, NACO, and on National County Board, testified in opposition. He highlighted that the public could make their wishes known during county board meetings and every two years during elections if money wasn't spent properly. If the county's other costs go up, they need flexibility to cover those expenses. He noted Banner County keeps inheritance tax money as a reserve and works hard to maintain a reserve to cover costs.

John Spatz, Nebraska Association of School Boards, testified in opposition. He said this legislation takes away a local board's ability to manage their own budget, and local board members already have a vested interest to keep the budget in check, pointing out that 75 percent of Nebraska school board members have some dependency on the ag industry. Since 2011, on average collectively the schools have spent slightly less than the state. Nebraska ranks 49<sup>th</sup> in the nation for state school support and is the 2<sup>nd</sup> highest in the nation for the resources being invested in the classroom, where you see the highest rate of return.

Spencer Head, Omaha Public Schools Board Member, testified in opposition. He mentioned this was an intrusion on the local control that schools have with their board. The board should be determining whether they increase or decrease the budget, and there are already caps in place for these budgets.

Renee Fry, Open Sky Policy Institute, testified in opposition. She noted this legislation limits local control and we shouldn't punish all local subdivisions because some have had a high increase. Not all political subdivisions are the same and they take care of different needs for our communities, so we shouldn't treat them all the same. Political subdivisions have a spending limit, there are limits on levies and this bill could lead to unintended consequences. She gave the example of responding to natural disasters if political subdivisions can't adjust their own local budgets.

Kyle Fairbairn, Greater Nebraska Schools Association, testified in opposition. He indicated this could cause major problems with budget evaluation for schools because they can't offset the loss from TEEOSA. If the school has a special education student move into a rural school district and that student costs \$100,000 to educate then that school is over the 3 percent because of this one student.

Christy Abraham, League of Nebraska Municipalities, testified in opposition. She noted cities need the flexibility to deal with emergencies – sewer break, natural disaster, etc.

Don Wesley, Greater Nebraska Cities, testified in opposition. Wesley said direct borrowing is not the same as a voter-approved bond issue. Direct borrowing can be quicker and less expensive than voter-approved

bond issue. For local control using direct borrowing might be advantageous to the budget for that local subdivision.

John Cannon, NACO, testified in opposition, noting that counties don't spend money on anything that is not approved, and they don't spend lavishly getting the most expensive snowplows. People are not complaining about the services the county offers, but rather they want more and better services from the county.

Several organizations and individuals submitted written testimony in opposition. Six position letters in opposition were submitted.

#### Neutral

There was no neutral testimony.

Senator Briese noted in his closing that this is an incremental step that can be made to try and make a difference on property taxes. He said they can make adjustments as problems arise with the local areas.

#### ***LB 644 – Adopt the Property Tax Request Act. Hansen, B. Hansen, B. Priority Bill.***

The bill proposes to eliminate and replace the resolution/ordinance process for budgeting that was adopted in 2019 for political subdivisions that have a property tax request greater than the previous year.

A political subdivision may set its property tax request at an amount that exceeds its property tax request in the prior year if: (a) A public hearing is held and notice of such hearing is provided in compliance with all notice and other requirements for a hearing; and (b) The governing body of such political subdivision passes a resolution or an ordinance that contains all of the necessary information in the resolution. The new process would be as follows:

#### **Hearing Process:**

Each political subdivision within a county that seeks to set its property tax request at an amount that exceeds its property tax request in the prior year shall participate in a joint public hearing. At such hearing, there shall be no items on the agenda other than discussion and action on each political subdivision's intent to approve a property tax request that exceeds the political subdivision's property tax request in the prior year.

The joint hearing shall be held on or after August 20 and prior to September 20 and before any of the participating political subdivisions file their adopted budget statement. The joint public hearing shall be held after 6 p.m. on the relevant date.

At the joint public hearing, each political subdivision shall give a brief presentation on the political subdivision's intent to approve a property tax request that exceeds the political subdivision's property tax request in the prior year and the effect of such request on the political subdivision's budget.

The presentation shall include: (i) The name of the political subdivision; (ii) The amount of the property tax request; and (iii) The following statements: (A) The total assessed value of property differs from last year's total assessed value by the specified percent; (B) The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property, in dollars per \$100 of assessed value; (C) The new rate of property tax, in dollars per \$100 of assessed value; (D) Based on the proposed property tax request and changes in other revenue, the total operating budget of the political subdivision outlining the percentage change that the budget would exceed last year's budget;

At the joint public hearing, interested parties desiring to be heard shall be given an opportunity to present oral testimony: (i) Within reasonable time limits, which shall be no less than three minutes; and (ii) Without unreasonable restriction on the number of individuals allowed to make public comment.



**Public Notice Requirements:**

Public notice of the joint public hearing shall be provided: (i) By sending a postcard to all affected property taxpayers. The postcard shall be sent to the name and address to which the property tax statement is mailed; and (ii) By posting notice of the hearing on the main page of the relevant county's web site.

The county shall mail the postcards and the cost of mailing the postcards shall be divided among the political subdivisions participating in the joint public hearing. The postcard sent by the county under this subsection and the notice posted on the county's web site shall include the date, time, and location for the public hearing, a listing of and contact information for each political subdivision that will be participating in the public hearing, and the amount of each participating political subdivision's property tax request.

The notice shall also contain the following information with respect to each participating political subdivision: 1) In all uppercase letters, the name of the political subdivision requesting a tax increase; 2) The total assessed value of property differs from last year's total assessed value by the specified percent; 3) The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property, in dollars per \$100 of assessed value; 4) The new rate of property tax, in dollars per \$100 of assessed value; 5) Based on the proposed property tax request and changes in other revenue, the total operating budget of the political subdivision outlining the percentage change that the budget would exceed last year's budget

**Resolution or Ordinance:**

The political subdivision increasing the tax would be required to have a record vote of the governing body in passing such resolution or ordinance. The resolution or ordinance setting a property tax request shall be certified and forwarded to the county clerk on or before October 15 of the year for which the tax request is to apply.

Any levy which is not in compliance with the Property Tax Request Act shall be construed as an unauthorized levy.

**The Revenue Committee accepted testimony on LB 644 on February 10<sup>th</sup>**

Senator Hansen opened by providing an overview of the truth in taxation initiative. This model was first enacted in Utah in 1985. He noted this is an informed consent bill that provides taxpayers information about what taxes are going up, by how much, who is raising them, and provides a mechanism to make elected officials more accountable for decisions. Hansen said current law does not require political subdivisions to send taxpayers direct notification of a property tax request hearing and that a postcard showing the amount that an individual's taxes would increase would be more effective at getting their attention than the currently required newspaper advertisement.

**Proponents**

Jessica Shelburn with Americans for Prosperity-Nebraska testified in support. She commented that Nebraska has excessive taxation, noting that the state ranks in bottom for property taxes. She testified that the Utah model would strengthen the impact of LB 103, which was passed during the previous session.

Sarah Curry testified in support on behalf of The Platte Institute. She commented that this is an extension of LB 103 and puts teeth in current law. She provided results from an institute poll that said 77% of respondents supported mailed notification of property tax hearing. She commented that there is no mechanism to check if all tax entities are complying with law and holding hearings. She noted that other states including IL, MN, TX and AZ have implemented measures similar to the Utah model.

Written testimony in support of the bill was provided by the Nebraska Chamber of Commerce and the Nebraska Bankers Association

### Opponents

Lynn Rex testified in opposition on behalf of the League of Municipalities. She outlined a number of unworkable issues with the bill. The first being related to the timeline and the issues the bill would create with meeting the filing deadline. She expressed concern over the hearing process, providing an example for Polk County, where there are 29 Political Subdivisions that would all have to come together at 1 hearing. She raised the issue of how political subdivisions with jurisdiction in multiple counties would determine where to hold a hearing.

Jon Cannon testified in opposition on behalf of NACO and raised the same concerns outlined by Lynn Rex.

Colby Coash testified in opposition on behalf of the Nebraska Association of School Boards. He noted that provisions of LB 148 just passed last session, already require separate hearings to be noticed and conducted for budgets.

Written testimony in opposition was submitted by the Nebraska Community College Association and Lancaster County.

### Neutral

No neutral testimony was provided and a letter in the neutral position was submitted by Open Sky.

In closing, Sen. Hansen noted that the postcard is key and what gets people interested. He addressed some questions raised by opponents and noted that the bill allows for an extra week by pushing the filing deadline to September 27<sup>th</sup>. He also noted that hearings would not be too large to manage because the bill lists that only specific subdivisions are required to participate, so not all would be at the hearings. He also noted that the postcards would be shared cost only of those subdivisions raising taxes.

The Committee has not reported action on the bill.

### ***LB 650 - Adopt the Nebraska Geologic Storage of Carbon Dioxide Act. Flood. Hughes Priority Bill.***

The Natural Resources Committee reported LB 650 to General File with AM 548 on March 12<sup>th</sup> following a 6-0-2 vote. Senator Hughes declared the bill as his priority bill for the session. The amendment (AM 548) adds that any permit issuance under the act shall not be construed to amend or alter any statute, rule, or regulation which relates to the commission's authority to regulate operations to increase ultimate recovery from a underground oil and gas reservoir.

The bill proposes the Nebraska Geologic Storage of Carbon Dioxide Act to promote the geologic storage of carbon dioxide.

The purpose is to benefit the state and the global environment by reducing greenhouse gas emissions, help ensure the viability of the state's energy and power industries, provide storage of carbon dioxide to allow for its ready availability if needed for commercial, industrial, or other uses.

A permitting process would be established and regulated by the Nebraska Oil and Gas Commission (NOGC) to provide for injection of carbon dioxide underground, via injection wells, and provide for an underground storage right.

Title to any reservoir estate underlying the surface of lands and waters would be vested in the owner of the overlying surface estate unless it has been severed and separately conveyed. The ownership of reservoir estates may be conveyed in the manner provided by law for the transfer of mineral interests in real property.

The NOGC would be required to hold a public hearing before issuing a permit. Notice of the hearing shall be provided in accordance to commission rules and regulations. Notice of the hearing shall be given to each

mineral lessee, mineral owner, and reservoir estate owner within the storage reservoir and within one-half mile of the storage reservoir's boundaries. Notice of the hearing shall also be given to each surface owner of land overlying the storage reservoir and within one-half mile of the storage reservoir's boundaries.

Before issuing a permit, the commission shall find:

- (1) That the storage operator has complied with all requirements set by the commission;
- (2) That the storage facility is suitable and feasible for carbon dioxide injection and storage;
- (3) That the carbon dioxide to be stored is of a quality that allows it to be safely and efficiently stored in the storage reservoir;
- (4) That the proposed storage facility will not endanger surface waters or underground sources of drinking water;
- (5) That carbon dioxide will not escape into the atmosphere or surface waters from the storage reservoir;
- (6) That the storage facility will not endanger human health or unduly endanger the environment;
- (7) That the horizontal and vertical boundaries of the storage reservoir are defined;
- (8) That the storage operator will establish a testing and monitoring plan to assess the location and migration of carbon dioxide injected for storage and to ensure compliance with all permit, statutory, and administrative requirements;
- (9) That the storage operator has satisfied all of the requirements under the act and if the storage operator has obtained all permits required by the applicable underground injection control program permitting authority for each storage facility injection well;
- (10) That the storage facility is in the public interest;
- (11) That the storage operator has made a good-faith effort to obtain the consent of all persons who own reservoir estates within the storage reservoir;
- (12) That the storage operator has obtained the consent of persons who own reservoir estates comprising at least sixty percent of the physical volume contained within the defined storage reservoir;
- (13) Whether the storage reservoir contains commercially valuable minerals. If it does, a permit may be issued only if the commission is satisfied that the interests of the mineral owners or mineral lessees will not be adversely affected or have been addressed in an arrangement entered into by the mineral owners or mineral lessees and the storage operator; and
- (14) That all nonconsenting reservoir estate owners are or will be equitably compensated.

*The Natural Resources Committee accepted testimony on LB 650 on February 11<sup>th</sup>*

Senator Flood opened by noting the bill is the result of collaboration of several individuals and groups. He noted that the bill is about employing the best technology to expand the market for Nebraska products, while also addressing climate issues. He discussed that the climate change discussion has costal states prioritizing energy sources that meet climate friendly guidelines, noting that if Nebraska can store carbon deep underground as the bill allows to be permitted, they're going to look at Nebraska and it will make our products more marketable.

Sen. Flood noted this is a unique opportunity where all sides can come to together to create a win-win scenario. He noted that the bill would allow ethanol producers to capture CO<sub>2</sub> that would otherwise be emitted and safely inject it 3-10K feet underground. It was discussed that EPA currently has regulatory measures in place and the bill does not diminish existing EPA standards, rather it supplements and builds a state framework around existing EPA regulations.

Sen. Flood noted that groundwater protection is an important priority, and it has been demonstrated that underground injection can be done to ensure groundwater is protected. Storage is intended to be safe and stable in perpetuity, but there were questions from the committee on who is responsible as companies come and go. He noted that financial assurances are in place for the state to address any potential issues, he also reiterated that the EPA regulatory measures have the state's best interest in mind.

### Proponents

Troy Bredenkamp testified in support on behalf of Renewable Fuels Nebraska. He noted that technology is becoming increasingly important for Nebraska's ethanol industry and that low carbon fuel standards are being adopted. He noted that ethanol is already a very low carbon producing energy source, but allowing for injecting CO2 emissions will only make Nebraska ethanol more marketable and competitive in low carbon energy markets.

Hal Demuth, owner of Petretech Corporation a company specializing in oil and gas wells, testified in support. Mr. Demuth provided the committee with a lengthy overview of deep injection wells and how they work. He noted that the EPA UIC program focuses on protection of groundwater with six different classes of injection wells, CO2 injection wells are classified as class 6 wells. He stressed that the existing EPA permit process requires a rigorous process for ensuring protection of water and safe long-term containment. He stated that the injected CO2 is in a super critical state that is slightly heavier than water. He told the committee there are over 800 injection wells already across the country, however only one location where wells of this specific nature are operating is in Illinois.

Charles Goreckey with the University of North Dakota's Energy & Environmental Research Center testified in support of the bill. He outlined similar legislation introduced in North Dakota in 2009. He noted this framework would be needed for Nebraska to address management of the pore space and it would also allow for the state to seek primacy if needed. He provided examples of several similar injection projects across the globe.

Chuck Woodside, CEO of KAPA Ethanol holdings also testified in support. He reiterated the opportunity this would provide for ethanol to expand markets and become an even more competitive low carbon energy source.

Kristen Hassebrook testified in support on behalf of the Nebraska Chamber. The chamber supports the bill due to the opportunity to encourage business growth.

Jan Tenbenschel testified in support for the Nebraska Ethanol Board. He echoed the advantages of being competitive in low carbon fuel markets. He specifically addressed the risk of being out competed by neighboring states if they enact similar legislation and can offer lower carbon fuel. He noted there is even the potential for ethanol to be a negative carbon fuel.

Written testimony in support of the bill was submitted Nebraska Corn Growers and the Nebraska Farmers Union.

### Opponents

There was no opposition testimony.

### Neutral

John Rundel, Chair of the Nebraska Oil and Gas Conservation Commission testified in a neutral position. He spoke to the advantages of injection wells and told the committee the Commission is best equipped to provide oversight for this process. He noted they are a cash funded agency funded through mill levy's assessed on oil and gas production. He noted that the bill has funding mechanisms in place to make this a self-funded program, however there may need to be some appropriations made to bridge a funding shortage during startup of the program. He outlined the rules and hearing process that would begin once the bill is passed. He noted that primacy would stay with EPA for now, but in the future if directed the state and commission could apply for primacy. He noted that currently the state has primacy over class II wells – with 110 active wells in the state.

Matt Joeckel, Director of Nebraska CSD, testified in a neutral capacity on behalf of himself. He provided the committee with a quick overview of the approximately 20 similar projects across the globe. He spoke about the need for trained geologist and engineers to provide assessments. He noted that due to geologic features these projects are feasible in several parts, but not all parts of Nebraska. He outlined the need for appropriate long-term monitoring. He addressed a question from the committee about the potential for earthquakes, noting that underground injection can result in earthquake, the risk can be addressed by running geology and engineering assessments.

Several position letters both in support and opposition of the bill were submitted for the record. Sen. Flood waived closing.

### **Floor Action**

#### ***LB 148 - Transfer certain environmental safety programs to the Department of Environment and Energy. Bostelman.***

The Legislature advanced LB 148 to Final Reading on March 10<sup>th</sup> by voice vote after adopting AM 332 on a 36-0 vote. The amendment (AM 332) replaces references to Department of Health and Human Services with Department of Environment and Energy.

On February 16<sup>th</sup> the Legislature advanced LB 148 to Select File by a 40-0 vote after adopting AM 28 by a 35-0 vote.

Previously, the Natural Resources Committee advanced LB 148 to General File on February 4<sup>th</sup> on an 8-0 vote with Committee Amendment AM 28. The amendment clarifies that water uses includes wastewater, specifies the identity of the directors, and changes the expiration date of licenses to December 31 each year.

The bill proposes to transfer the following powers and duties from the Department of Health and Human Services to the Department of Environment and Energy: A) Relating to testing of water samples and B) Issuance of licenses and permits, fees, water well contractors, recreation camps, swimming pools, mobile home parks, and drinking water.

There are no changes to the make-up of the Water Well Licensing Board. However, there are additional conflict of interest provisions and per diem requirements proposed. These include:

- No board member shall take any action or make any decision in the discharge of the duties of a member of the board that may constitute a conflict of interest. As soon as a member is aware of a potential conflict or should reasonably be aware of such potential conflict, whichever is sooner, the member shall submit a written statement to the Director of Environment and Energy describing the matter requiring action or decision and the nature of the potential conflict.
- The member shall take such action as the director shall advise or prescribe to remove the member from influence over the action or decision on the matter.
- Conflict of interest includes financial, professional, or personal obligations that may compromise or present the appearance of compromising the judgment of a member in the performance of the duties of a member of the board. The director may establish a definition of conflicts of interest for members of the board and may establish procedures in case such a conflict arises.
- Each member of the board shall, in addition to necessary traveling and lodging expenses, receive a per diem for each day actually engaged in the discharge of the duties of a member of the board, including compensation for the time spent in traveling to and from the place of conducting business.

- The compensation per day shall not exceed fifty dollars and shall be determined by the board with the approval of the department. The department shall be responsible for the general administration of the activities of the board. The cost of operation and administration of the board shall be paid from the General Fund and the Water Well Standards and Contractors' Licensing Fund.

Relating to testing of water samples, the director shall certify and enter into authorization agreements with laboratories to perform tests on water that is intended for human consumption, including the tests required by the director for compliance and monitoring purposes. The director shall establish, through rules and regulations, standards for certification.

Such standards (i) may include requirements for staffing, equipment, procedures, and methodology for conducting laboratory tests, quality assurance and quality control procedures, and communication of test results, (ii) shall provide for certification of independent laboratories to test samples provided by public water systems for all acute toxins for which the department tests such samples, including, but not limited to, coliform, nitrates, inorganic chemicals, organic chemicals, radionuclides, and any other acute toxins for which the department tests such samples, and (iii) shall be consistent with requirements for performing laboratory tests established by the United States Environmental Protection Agency to the extent such requirements are consistent with state law.

The director may accept accreditation by a recognized independent accreditation body, public agency, or federal program which has standards that are at least as stringent as those established pursuant to this section. The director may adopt and promulgate rules and regulations which list accreditation bodies, public agencies, and federal programs that may be accepted as evidence that a laboratory meets the standards for certification.

Inspection fees and fees for certifying other laboratories shall be established and collected to defray the cost of the inspections and certification.

Laboratories shall be allowed to test water samples which are not compliance samples by testing methods other than the methods and procedures required to be used on compliance samples by rules and regulations of the department. For purposes of this section, compliance sample means a water sample required under the Nebraska Safe Drinking Water Act and rules and regulations of the department to determine whether a public water system meets current drinking water standards.

*The Natural Resources Committee accepted testimony on LB 148 on January 27<sup>th</sup>.*

During his opening, Senator Bostelman mentioned he would be providing AM 28, which simply makes 3 clarifying changes and no technical changes to the bill. He mentioned that since 2005 NDEE and DHHS have been operating under a series of MOA's and this bill would simply formalize what is already occurring.

#### *Proponents*

Director Jim Macy testified in support of LB 148 on behalf of NDEE. He highlighted that NDEE has been running the various programs in this bill under a Memorandum of Agreement for the last 3.5 years. This bill will transfer the physical assets and funds from DHHS to NDEE. Macy outlined that NDEE has been able to provide better service to communities across the state and anticipates no changes to the way the programs are run. He also mentioned the Safe Drinking Water Act and the Clean Water Act programs are both delegated to the state from EPA so it makes sense to have them both under the same agency.

Bo Botelhom, General Counsel for the Department of Health and Human Services, said DHHS & NDEE have been operating under a MOA and working towards transferring these programs and LB 148 would make this transfer official. This bill would properly consolidate the programs and would better serve Nebraskans.

Lee Orton, Executive Director of the Nebraska Well Drillers Association, testified in support of LB 148. Lee highlighted the program transfer under the MOA has worked very well over the last 3.5 years. Nebraska is recognized nationally for the success of our water well programs. Lee mentioned the well drillers were not necessarily pleased when the transfer first happened, but it has worked very well and the Well Drillers Association looks forward to working with the NDEE leadership. Lee said this move needs to be made official so we can move forward with the programs.

#### Opponents

No testimony was provided in opposition to the bill.

#### Neutral

Larry Wennekamp, Wastewater Supervisor, representing 476 communities across Nebraska and provides assistance in regulatory compliance testified in the neutral capacity. Larry mentioned many communities lack resources needed to run a water system. His concern with the transfer of these programs from DHHS to NDEE is that there will be a lack of training and technical assistance needed by smaller communities. His other concern is the programs are public health programs and not environmental programs. He said NDEE needs to make a commitment that the environmental side of things does not overshadow public health.

Letters of support were sent in from City of Blair, Lincoln, Omaha, Fremont, Village of Waunetta and the Department of Defense.

#### ***LB 368 - Provide the Auditor of Public Accounts enforcement powers for failure of political subdivisions to file reports. Sanders.***

On March 9<sup>th</sup> the Legislature advanced LB 368 to Select File by a 37-0 vote after adopting AM 66 on a 36-0 vote.

Previously, the Government Committee reported LB 368 to General File with AM 66 on February 8<sup>th</sup> by an 8-0 vote. The amendment (AM 66) deletes a redundant grant of authority to the Auditor of Public Accounts.

The bill proposes when a political subdivision fails to file a required report with the Auditor of Public Accounts by the applicable due date, the Auditor may assess the political subdivision a late fee of twenty dollars per day for each calendar day the required report remains not filed. The late fee would begin on the day following the date the report is due. The total late fee assessed shall not exceed two thousand dollars per filing.

The bill also outlines that at the auditor's discretion, the expense of the audit of the political subdivision shall be paid by the political subdivision.

#### *The Government Committee accepted testimony on LB 368 on January 29<sup>th</sup>.*

In her opening, Senator Sanders said the bill was brought to her office by the Auditors office. She told the committee the auditor's office receives reports from 2800 political subdivisions, of which 309 were filed late, and 19 still have not filed FY2019 audit reports. She noted that chasing reports is expensive and frustrating for the auditor's office. She stressed that the bill says may assess a penalty, so they have discretion. She also outlined a committee amendment (AM 66) which strikes the portion of the bill outlining that the auditor can audit the political subdivision, noting that under existing law they already have the ability to audit any given subdivision at any time, and that section of the bill is repetitive and unnecessary.

### Proponents

Russ Karpisek testified on behalf of the Auditor of Public Accounts. He outlined the need for the bill and told the committee the main issue is the requirement is already in statute, but there is no teeth to make people get things in on time. He reiterated that trying to chase down people to submit the reports is time consuming and expensive, but there is nothing they can do right now.

### Opponents

There was no opposition or neutral testimony.

A position letter in support was submitted by the Platte Institute.

### ***LB 369 - Provide the Auditor of Public Accounts access to working papers and audit files. Sanders.***

On March 10<sup>th</sup> the Legislature advanced LB 369 to Select File by a 37-0 vote after adopting AM 67 on a 39-0 vote.

Previously, the Government Committee reported LB 369 to General File with AM 67 on February 8<sup>th</sup> by an 8-0 vote. The amendment (AM 67) deletes a redundant grant of authority to the Auditor of Public Accounts.

The bill outlines that the Auditor of Public Accounts shall have unrestricted access to the working papers and audit files for any audit report required to be filed with the office of the Auditor of Public Accounts.

Under the bill, working papers and audit files are defined to mean those documents containing evidence to support the auditor's findings, opinions, conclusions, and judgments and includes the collection of evidence prepared or obtained by the auditor during the audit.

The bill also incorporates provisions proposed under LB 368. This includes when a political subdivision fails to file a required report with the Auditor of Public Accounts by the applicable due date, the Auditor may assess the political subdivision a late fee of twenty dollars per day for each calendar day the required report remains not filed. The late fee would begin on the day following the date the report is due. The total late fee assessed shall not exceed two thousand dollars per filing.

The bill also outlines that at the auditor's discretion, the expense of the audit of the political subdivision shall be paid by the political subdivision.

### *The Government Committee accepted testimony on LB 369 on January 29<sup>th</sup>.*

In her opening Senator Sanders mentioned the bill was brought to her by the State Auditors office. Provisions of the bill were outlined and she offered a Committee Amendment (AM67) which strikes the portion of the bill outlining that the auditor can audit the political subdivision, noting that under existing law they already have the ability to audit any given subdivision at any time, and that section of the bill is repetitive and unnecessary.

### Proponents

Russ Karpisek testified on behalf of the auditor of public accounts in support. He told the committee the intent of the bill is essentially the same as LB 368, and just about improving compliance with existing law. He expressed that the auditor's office has had challenges with a specific CPA firm. He told the committee their office has not heard of any opposition.



### Opponents

There was no opposition or neutral testimony. A position letter in support was submitted by the Platte Institute.

### **Committee Action**

#### ***LB 26 - Provide a sales tax exemption for residential water service. Wayne. Pahls Priority Bill.***

The Revenue Committee reported LB 26 to General File on March 10<sup>th</sup> following a 8-0 vote. Senator Pahls declared LB 26 a personal priority bill for the session. A summary of the bill is on page 3 of this report.

#### ***LB 501 - Adopt the Uniform Easement Relocation Act. Flood.***

The Judiciary Committee reported LB 501 to General File on March 10<sup>th</sup> with AM 526 following an 8-0 vote. The amendment (AM 526) incorporates provisions of four other bills, none of which are on the list of bills relating to natural resources districts.

The bill proposes a process to modify easement relocation.

Specifically, the bill modifies the rule requiring mutual consent of owners for easement relocation, allowing the owner of the burdened lot to obtain permission to relocate the easement from a court. The burdened property owner must demonstrate to the court that the relocation would not materially reduce the usefulness of the easement, impose a burden on the easement holder, impair a purpose for which the easement was created, impair the safety of anyone using the easement, or reduce the value or condition of the easement holder's property.

The burdened property owner must provide advance notice of the relocation plan to parties owning an interest in the property served by the easement, and any of them may object to the relocation in court. Additionally, the burdened property owner may not disrupt the easement holder's access during relocation.

The bill does not apply to relocating a public-utility easement, conservation easement, or negative easement or to encroach on such.

#### ***The Judiciary Committee accepted testimony on LB 501 on February 4<sup>th</sup>.***

In his opening, Sen. Flood noted that the Nebraska Law School contacted him about introducing the bill. It codifies what is already in the law and provides more guidance for the courts.

He provided an example for the committee. Sen. Flood owns a section of land between Sen. Lathrop's land and Sen. Lathrop has an easement to run a water pipe across Sen. Flood's land to irrigate his land. Now Sen. Flood decides he wants to develop his land and wants Sen. Lathrop to move his water pipe to the edge of the property. The law provides a process and structure for that to easily happen and guide landowners.

Flood noted that statute is silent on this issue and in 2006 the court of appeals dealt with this issue and constructed a process. Now the goal is to take that process and add it to statute, so instead of referencing the case law, you could just reference it in statute.

### Proponents

Larry Ruth testified in support on behalf of the Uniform Law Commission. The Uniform Law Commission is a state agency created by statute and helps to codify court decisions. The purpose is to strengthen the

federal system and judicial system. They find areas of uniformity that states can benefit from by making things uniform across the system.

Steve Willborn, UNL Law Professor and serves on the Uniform Law Commission, testified in support. This provides procedural structure and process, which ensure the easement holder is protected. This adds protections for easement holders and will help avoid nasty disputes after. This uniform bill was promulgated this summer and has been introduced in a few states, but not adopted yet anywhere.

Written testimony in support of the bill was submitted by the Nebraska State Irrigation Association.

### Opposition

There was no opposition or neutral testimony and Senator Flood waived closing.

### ***LB 189 - Change provisions relating to property tax refunds. Halloran***

The Revenue Committee reported LB 189 to General File on March 12<sup>th</sup> following a 7-0-1 vote.

The bill proposes to change procedures for making a property tax refund. Under the bill, if sufficient funds are not available, the county treasurer shall register the refund which remains unpaid as a claim against each political subdivision and shall issue the person entitled to the refund a receipt for the registration of the claim.

The bill eliminates existing language regarding the political subdivision certifying to the county treasurer that a hardship would result and create a serious interference with its governmental functions if the refund is paid. It adds language to require the political subdivision to make provisions in its next budget for the refund claim amount. The bill also eliminates the five-year allowance for refund.

### The Revenue Committee accepted testimony on LB 189 on February 10<sup>th</sup>

During his opening remarks, Sen. Halloran mentioned the Mid-America Agri Products-Wheatland (MAP-W) ethanol plant in Madrid, Nebraska, protested their taxes and found that they were being charged double what they should have owed. Perkins County owed the MAP-W ethanol plant a repayment of nearly \$110,000. Per statute, political subdivisions can declare a hardship and not have to make the repayment. This bill would require them to include the repayment in their next budget to ensure the taxpayer, who was overcharged receives their money. He noted that the MAP-W ethanol plant is just one example of a taxpayer not being repaid and we need to hold political subdivisions to repayments.

### Proponents

David Bracht, attorney at Kutak Rock representing MAP-W ethanol plant, testified in support. Bracht noted that MAP-W employs 30-35 employees in Madrid and has some of the highest salaries in Madrid and Perkins County. He said the hardship clause in statute, doesn't have a specific meaning other than the repayment would interfere with the government operation. The political subdivision also doesn't have to pay interest on that repayment unless it is still unpaid after five years. Bracht asked the committee to contrast that with the taxpayer, who pays 14 percent interest if they don't pay their taxes in first year and could lose their property if they don't eventually pay.

Frederick Stehlik, attorney with Gross and Welch and represented MAP-W on various tax appeals, testified in support. Frederick noted that it can take some time for the clock to even start on repayment. In MAP-W's case, they appealed the 2017 tax valuation and three years later the Nebraska Supreme Court heard the case and made a judgement, which then started the five-year clock for the county to make repayment. Frederick noted there is no way for the taxpayer to enforce repayment of the taxes and they can't ask the political subdivision to take the repayment off the next year's taxes. He said it's essentially an interest-free loan for

the political subdivision and there is no rule that says the political subdivision can't come back the next year and raise the taxes back up. He noted when the ethanol plant or another manufacturer is the largest employer, this can happen.

Robert Lundeen, CEO of MAP-W and Mid-America Bio Energy, testified in support. Lundeen noted that in the early 2000s they built two ethanol plants – one in Cambridge and one in Madrid. They have a board member who serves on both ethanol plant boards, and they discovered that the Cambridge plant was valued at 50 percent less than the Madrid plant even though they were identical. Lundeen noted the board tried to be respectful as a member of the community and employer in Perkins County, but the fact that they were being charged twice than an identical plant 80 miles away was not OK. Lundeen said his board directed him to take action and they started litigation and exhausted their means, and now they are before the legislature pleading for fairness. We buy 16 million bushels of corn in the area and we help increase the value of the corn basis. Lundeen noted that if it's happening to them, it's happening to others but since their revenue is larger, they went through the extra cost to litigate it. He said counties are indebted to various taxpayers.

Don Kain, representing himself and the Independent Cattlemen of Nebraska, testified in support. He noted that he just raises cows and is not a CEO of anything, but his ranch in Custer County had a 250% tax increase in one year. He noted he has two Nebraska Supreme Court decisions in his favor and has only received one partial payment (\$12,000 of \$18,000) for being overtaxed. He noted he is concerned the county will use the hardship clause to hurt him financially and get out of repaying him. He said it's such a ludicrous situation in Custer County and it's happening across the state, not only to the big guy but also the little guy. He said he often gets phone calls from people who are going through this same situation and would try to provide a list for the committee.

### Opponents

Jon Cannon, NACO, testified in opposition. He noted that in some cases the hardship clause is certainly needed as in case of MAP-W the village of Madrid's repayment would have been 1/3 of their budget. He said, the clause is for the benefit of all taxpayers, because the levy would have to be increased for everyone to offset the repayment. The reason the hardships are in statute is because the burden would be shifted onto every other taxpayer. Cannon noted that Perkins County repaid the settlement, however the ESU, NRD and smaller subdivisions still have the judgment outstanding.

Lynn Rex, League of Municipalities, testified in opposition. Repayment might become a levy issue and come down to issuing a bond, vote of the people, etc. Rex noted that the hardship line is critically important as in the case of the village of Madrid with it being 1/3 of the budget. Rex note if there is budget capacity, the political subdivision would get it paid because they don't want that repayment sitting on their books. Rex said she didn't believe this bill is ready to pass, because there is more information that is needed like how many refunds are pending and how widespread of an issue this is.

### Neutral

There was no neutral testimony and no letters were submitted for the record.

In closing, Sen. Halloran said that Sen. Flood hit it on the head, "it's not their money." He said it's about equity and fairness for the taxpayer, and it's essentially an interest-free business loan for the political subdivision.

### ***LB 650 - Adopt the Nebraska Geologic Storage of Carbon Dioxide Act. Flood. Hughes Priority Bill.***

The Natural Resources Committee reported LB 650 to General File with AM 548 on March 12<sup>th</sup> following a 6-0-2 vote. Senator Hughes declared the bill as his priority bill for the session. The amendment (AM 548) adds that any permit issuance under the act shall not be construed to amend or alter any statute, rule, or

regulation which relates to the commission's authority to regulate operations to increase ultimate recovery from a underground oil and gas reservoir.

The bill proposes the Nebraska Geologic Storage of Carbon Dioxide Act to promote the geologic storage of carbon dioxide. A summary of the bill is on page 18 of this report.

### **Committee Hearings Concluded This Week**

#### ***LB 370 - Adopt the Personal Privacy Protection Act. Sanders.***

The bill would prohibit any state or local government unit from: (a) Requiring any individual to provide personal information or otherwise compelling the release of personal information; (b) Requiring any nonprofit organization holding a certificate of exemption under section 501(c) of the Internal Revenue Code to provide such public agency with personal information or otherwise compelling the release of personal information; (c) If in the possession of personal information, releasing, publicizing, or otherwise publicly disclosing such personal information; or (d) Requesting or requiring a current or prospective contractor or grantee to provide such public agency with a list of nonprofit organizations holding certificates of exemption under section 501(c) of the Internal Revenue Code to which such contractor or grantee has provided financial or nonfinancial support.

Under the bill, personal information means any list, record, register, registry, roll, roster, or other compilation of data that directly or indirectly identifies a person as a member, supporter, or volunteer of, or donor of financial or nonfinancial support to, any nonprofit organization holding a certificate of exemption under section 501(c) of the Internal Revenue Code;

This bill does not prohibit: (a) Any report or disclosure required by the Nebraska Political Accountability and Disclosure Act; (b) Any report or disclosure by a public agency regarding testimony received at a public hearing conducted by such public agency; (c) Any lawful warrant, subpoena, or order issued by a court of competent jurisdiction for the production of personal information; (d) Any lawful request for discovery of personal information in litigation if both of the following conditions are met: (i) The requestor demonstrates a compelling need for such personal information by clear and convincing evidence; and (ii) The requestor obtains an order barring disclosure of such personal information to any person not named in the litigation; and (e) Admission of personal information as relevant evidence before a court of competent jurisdiction.

A person alleging a violation under the bill may be entitled to appropriate injunctive relief and damages, including a reasonable attorney's fee.

#### ***The Judiciary Committee accepted testimony on LB 370 on March 11<sup>th</sup>.***

Senator Sanders opened by noting there has been a recent push for laws that ask for disclosure of names donating to non-profits, and that activists want to target individuals based on their beliefs. She commented that non-profits encourage free speech and the free exchange of ideas and the privacy of individuals expressing that right should be protected. She stressed that the bill does not alter campaign finance. Sen. Sanders also offered an amendment that addresses concerns brought by UNL, Secretary of State, and the State Auditor.

#### ***Proponents***

Doug Kellogg testified in support on behalf of Americans For Tax Reform. He expressed that the intent of the bill is to ensure personal information is not collected and exposed. The bill protects individual's ability to exercise free speech without fear for repercussions. He outlined examples of efforts from congress and in other states to undermine free speech by targeting donor information. He reiterated that the bill would not change campaign finance laws.

Spike Eickholt testified in support on behalf of ALCU of Nebraska. He provided the committee an overview of past Supreme Court cases that protect the right for individuals to associate in privacy. He noted that the bill is an affirmation of privacy, but still upholds that government can compel for financial disclosures in campaigns.

Karen Bowling testified in support on behalf of the Nebraska Family Alliance. She stressed the need for the privacy protection and provided multiple examples of harassment and attacks targeted against supporters of the NFA.

Americans for Prosperity and the Non-Profit Association of the Midlands both submitted written testimony in support of the bill.

#### Opponents

Korby Gilbertson testified in opposition on behalf of Media of Nebraska. She commented that 501(C)(3) and (4)'s blur the lines between education and political action. She told the committee there are organizations operating as political organizations under the guise of charities and expressed concern that this bill would broaden those efforts.

#### Neutral

Russ Karpisek testified in a neutral capacity on behalf of the State Auditor. He testified that the auditor's office can currently audit non-profits that receive public monies but expressed concern that the bill as written would eliminate that ability. He noted that the proposed amendment works to address those concerns.

Position letters were submitted by 5 proponents, 1 opponent, and 1 neutral.

The Committee reported no action on the bill.