

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** Welcome to the Revenue Committee public hearing. My name is Lou Ann Linehan. I'm from Elkhorn, Nebraska, represent Legislative District 39, and I serve as Chair of this committee. The committee will take up bills in the order posted. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. If you are unable to attend the public hearing and would like your position stated for the record, you must submit your written testimony by 5:00 p.m. the day prior to the hearing. To better facilitate today's proceedings, I ask that you abide by the following procedures. Remind myself to do this. Please turn off your cell phones and other electric devices. Move to the chairs at the front of the room when you're ready to testify. And this, I must not be saying this clearing enough because it really moves things along quicker, if you're next up or want to be next up, to move up front. And the order of testimony is the introducer, the proponents, the opponents, and then neutral, and then closing remarks by the introducer. If you will be testifying, please complete the green form and hand to the committee clerk when you come up to testify. If you have written materials that you would like to distribute to the committee, please then han-- hand them to the page to distribute. We need 11 copies for all the committee members and staff. If you need additional copies of your testimony, please ask the page to make copies for you. And you don't have to wait till you come up. You can do that as soon as we open up here, and I'll introduce the pages. When you begin to testify, please state and spell your name for the record. Please be concise. Is my request that you limit your testimony to five minutes. If necessary, and we are going to do this because I think it helps everybody, we're going to use the light system. So you'll have four minutes on green and then when it turns yellow you have a minute to wrap up. And when it's red you need to stop. There are a lot of people wishing to test-- well, I think we're gonna be OK today. So if your remarks were reflected in previous testimony or if you would like your position to be known but do not wish to testify, please sign the white form at the back of the room and it will be included in the official record. Please speak directly into the microphone so our transcribers are able to hear your testimony. I'd like to introduce committee staff. To my right is legal counsel Mary Jane Egr Edson, Edson; and to my left is research analysis [SIC] Kay Bergquist. At the end of the table on the left is committee clerk Grant Latimer, and I will have the senators introduce themselves, starting at my far right.

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**KOLTERMAN:** Thank you, Senator Linehan. My name is Mark Kolterman. I represent District 24, which is Seward, York, and Polk Counties.

**GROENE:** Senator Mike Groene, Lincoln County, District 42.

**FRIESEN:** Curt Friesen, District 34: Hamilton, Merrick, Nance, part of Hall County.

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

**CRAWFORD:** Good afternoon. Senator Sue Crawford from District 45. That's eastern Sarpy County, Bellevue, and Offutt.

**BRIESE:** Tom Briese, District 41, nine-county area in central, stretching into northeast Nebraska.

**LINEHAN:** Our pages for today's hearing are-- can you girls st-- Brigita, who is from Hudson, South Dakota, and is a sophomore at UNL majoring in agricultural education; and new to us today is Tsehaynesh-- I might not said that just right-- who is a senior at UNL and majoring in political science. Please remember-- thank you, girls. Please remember the senators may come and go during our hearing as they may have bills to introduce in other committees. That's why Senator Lindstrom's not here. He will join us. He's introducing a bill in different committee right now. Refrain from applause or other indications of support or opposition. And I also like to remind our committee members to speak directly into the microphones. Also our audience, for you, for the audience, the microphones in the room and not for a-- so you can hear in here but they're for recording purposes. Lastly, we are an electronics-equipped committee and information is provided electronically as well as in paper form. Therefore, you may see committee members, including myself, referencing information on our phones or computers. Be assured that your presence here today and your testimony are important to us and it's critical to our state government. So thank you for being here. With that, we will ask to start the hearing on LB4. Oh, I skipped ahead. Sorry. Oh, I've got-- is LB86. LB86, Senator, Senator Wayne. There he is.

**WAYNE:** Good afternoon, Chairwoman Linehan and members of the Revenue Committee. My name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e, and I represent Legislative District number 13, which encompasses north Omaha and northeast Douglas County. First, I want to say for those who are reading the transcript later, I am incorporating all of my

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Revenue Committee January 25, 2019

introduction and closing of LB88 into this testimony here and why it's being introduced. I won't repeat all that because this committee just heard that on a day ago, two days ago. In essence of time, I'm just incorporating that into this testimony. LB86 is designed to increase funding for affordable housing in Nebraska and ensure that-- it ensures that the revenue granted will go where it's mo-- needed the most. In technical terms, the bill amends the existing doc stamp statutes and creates an additional tier for million-dollar properties or more. Under the current law, for every home purchased here there is a \$2-- \$2.25 doc stamp on every thousand dollars spent on the property. Under this bill, that fee would increase to \$3.25 for those, every thousand spent, after the millionth dollar on that home. The revenue created from this is about \$1.3 million in the fiscal year of 2020, and that would be mostly directed towards addressing our state's backlog of lack of affordable housing in key areas. Most of it will be in areas-- well, it will be underneath the bill in extremely blighted, substandard areas. All the revenue growth will go towards the statutory defined 50 cents, it won't change that, of a county general fund; the rest of the State Treasurer who will allocate \$1-- \$1.95 of the tax to the Affordable Housing Trust Fund, it won't affect that; 30 cents to the Behavioral Health Service Fund; 25 cents to the Site and Building Fund Development; and another 25 cents to the Homeless Shelter Assistance Trust. So we're not touching any of those. We're-- we are adding to those. This is a reasonable legislation only after the millionth dollar spent would any addish-- individual notice an increase and it's only \$1. The Department of Revenue indicated that to carry out this legislation they can use their existing staff. I thank you for your time and I would urge you to consider this bill. It's a sensible bill, a way to start affordable housing in extremely blighted areas and areas that need affordable housing through our-- and it could pay for itself. So it's no real additional cost 'cause what we bring in as what is given out. Now since the bill was introduced I talked to the Real Estate Association and there was some confusion, and so we will be adding an amendment with this, with this committee. And the confusion was it's right now currently a third, a third, a third is broken up in the-- in the Housing Trust Fund, each Congressional district. The percentage of what this committee decides is what I want to work with you all on and figure out what percentage should go to the extremely, ex-- to the area we're trying to provide affordable housing, the extremely blighted. Whenever we come up with that number, it would still be a third, a third, a third. We're just directing the Department of Economic Development to try to use whatever percentage, 3 percent, 5 percent across the state for that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

extreme blighted area. So it could all be in Omaha. It could all be in Lincoln. It could all be in Hastings. It could all be-- but out of that total amount, the third, a third, a third won't change. We're just putting additional guidance to a requirement to the overall package of whatever percentage of 3 percent that goes to extremely blighted areas. And with that, I'll answer any questions.

**LINEHAN:** Thank you, Senator Wayne. Do we have any questions? I guess I'm a little confused, Senator. You said it wouldn't cost anything, but it does increase taxes, right? I mean--

**WAYNE:** It increased the doc stamp and it doesn't increase taxes for everybody, only those who sell. The doc stamp--

**LINEHAN:** But the buyer usually pays.

**WAYNE:** Oh, I'm sorry. The buyer, yeah.

**LINEHAN:** OK. OK. So at \$3.25 per hundred, it's like a 3.25 percent tax. Right?

**WAYNE:** Yes, but the reason I stay away from the word "tax," 'cause it doesn't apply to everybody, only those who are in the transaction.

**LINEHAN:** So doc stamps, OK.

**WAYNE:** Doc stamp.

**LINEHAN:** So I'll call it revenue.

**WAYNE:** OK.

**LINEHAN:** So-- and the revenue goes to the General Fund now?

**WAYNE:** Correct. And what I'm opening to the idea-- and again, this is a new concept so I wanted to have a conversation and work with the committee on an amendment. We can keep it in the current trust fund or we could create a new one and move that portion over there, so it's never confused, for just extremely blighted areas around that area.

**LINEHAN:** So when you say trust fund, does it go into a separate fund or does it go into the General Fund and then the General Fund puts the money in the trust fund?

**WAYNE:** Well, it goes into the Affordable Housing Trust Fund. But what-- and we're just designating a percentage. But if the committee

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

feels better that we create a new fund and just use those dollars out of there, I'm all for that too. We're leaving it kind of open because this is a new idea. We wanted to really work with the committee on how to make it better.

**LINEHAN:** OK. Thank you. Any other questions? OK. Thank you, Senator. Are there proponents here for LB86? None? Are you a proponent?

**GRANT DAILY:** Yes.

**LINEHAN:** OK. Good afternoon.

**GRANT DAILY:** Good afternoon, Committee. My name is Grant Daily, G-r-a-n-t D-a-i-l-y, and I live at 1430 South Ninth Street in Lincoln. And I'm here on behalf of NeighborWorks Lincoln to give our position on this bill. The proposed bill regarding the Affordable Housing Trust Fund and the collection and remittance of documentary stamp-- stamp tax is important. The Affordable Housing Trust Fund is a critical resource for NeighborWorks Lincoln to fulfill our mission of developing quality, affordable housing, and revitalizing higher need neighborhoods. The-- the fund has helped to both our efforts for infill housing and larger mixed-income development projects all within Lincoln's core neighborhoods. In the last ten years, we have seen a rapid increase in housing prices. Based on the information from our accountant and national network, we have seen a 12 to 15 percent increase in construction materials. We've found that this is due to extreme weather events, including hurricanes, flooding, and forest fires throughout the country, and there's a substantial increase in the building material costs, lumber in particular. For cities like Lincoln, we know that the supply of units has simply not kept pace with demand, leading existing homes to rapidly increase in price. We've seen more than a \$30,000 increase in a lot of home values we've worked with. The additional affordable house or Affordable Housing Trust funding would-- would rapidly-- or would go a long way to increase the addressing the affordable housing gaps throughout the state. We want to offer our support for-- for the stamp tax increase from \$2.25 to \$3.25 per \$1,000 above the \$1 million threshold set by Wayne. This increase would ensure that the fund is-- is well supported towards addressing those, that growing affordable housing crisis. We also do want to mention some concerns regarding the requirement for locating the funds in extremely blighted areas. We understand and support the intent to make sure higher need neighborhoods are receiving the reinvestment they desperately need. However, it is also important to make sure that low to moderate income households are

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

being developed throughout nonblighted areas. Though all of our primary focus area projects meet the criteria for being located within those extremely bright-- blighted areas, some of our single-lot infill projects do not. So these are the kind of one-off lots that we're doing throughout the city as kind of lots arise. As infill financing becomes available, in one sum for us, we have a little bit of concern about how this requirement could complicate the financing for organizations like us. I think the requirement may be even more challenging for similar organizations working in rural communities where the problem of blighting is more scattered and may not be reflected in the census tract data. So we offer our support, but we just hope to have a continuing dialogue with Senator Wayne and other proponents of this bill and we want to discuss this particular requirement in greater depth. But nevertheless, we want to offer our support for the bill and we think it's-- it's really critical in addressing the-- the housing crisis that we have in front of us.

**LINEHAN:** Thank you. Are there questions from the committee? Seeing none, thank you very much for being here.

**GRANT DAILY:** Yes.

**LINEHAN:** Other proponents. Seeing none, opponents. Seeing none, neutral. Good afternoon.

**JUSTIN BRADY:** Good afternoon. Chairwoman, Senators, my name is Justin Brady, J-u-s-t-i-n B-r-a-d-y. I appear before you today as the registered lobbyist for the Nebraska Realtors Association in that bold position of neutral, neutral mainly because they meet tomorrow. And they-- we had a preliminary-- they as in the realtors meet tomorrow to review bills. We have preliminary discussions with some of them that indicated that they historically have supported increasing the doc stamp so long as it goes to the Affordable Housing Trust Fund. They see that nexus and connection. That's something that they've done in the past. They support it. As Senator Wayne mentioned, their one concern was raised to make sure that it was continuing to be spread out evenly throughout the state, that we didn't end up with a disproportionate amount of the funds being spent in one part of the city or other. I appreciate him indicating that he's willing to look at clarifying to make sure you still start with dividing it a third, a third, a third, or it's really 30 percent each, but. So with that, with that clarification, and anything else if you have any questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** Thank you. There any questions for Mr. Brady? Yes, Senator Friesen.

**FRIESEN:** Thank you, Senator Linehan. So when we-- you look at the doc stamp fees and-- and they're okay with as long as it's put back into the Affordable Housing Trust Fund.

**JUSTIN BRADY:** Yes.

**FRIESEN:** So sales of commercial properties and those types of things, again, what do they have to do, I guess, with residential when you're-- or ag land? You're increasing the doc stamp fee but headed back towards the residential ownership, which is-- just explain, I guess, why they won't support any other times we've tried to raise the doc stamp fee to do property tax relief, which basically goes to all residents and makes housing more affordable.

**JUSTIN BRADY:** Well, that's a very fair question. It's something we discussed with them that they have, like I said, historically support it for the doc stamp. And you're right. They have opposed it to go to property tax relief. They've opposed it to go to any other projects. Even some of the projects currently listed at the time, they came in and said, you know, that's not really where the money should go. And I promise you somebody from them or myself will be back here on-- I believe you have a bill, I believe Senator Briese has a bill that-- and I would anticipate they'll oppose it. Their-- their stance has been they see the nexus between that and affordable housing. I also understand there was the discussion as if you do this at the million-dollar level you're disproportionately probably taxing ag and commercial properties more than you would residential. Sure, there are houses in the state that are over a million but not proportionally. And that's something that, you know, that we've talked about and we'll know more and tomorrow. But, you know, whether or not you eliminate the million-dollar threshold, instead of going up a dollar, do you go up 50 cents on all property? Is enough-- I mean, to get to the same dollar amount that Senator Wayne is looking to raise, that's-- that's another option that we could just use the system we have. I'd say that the one argument would be is, yes, commercial would pay it but also commercial relies on more residents showing up to use their businesses. Ag farmers rely on more people showing up in those stores to purchase their crops or products. So there is-- there still is a nexus with all of them connected. But it is something they have raised.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**FRIESEN:** There-- there-- there is a connection there. You're right. When I-- you look at the doc stamp fees and the way they've been currently distributed, they do go to a variety of different things and it's not just affordable housing. But would you say, and we've talked a lot about affordable housing and making housing more affordable for people so they can-- they can own a home.

**JUSTIN BRADY:** Uh-huh.

**FRIESEN:** Do you-- would you say property taxes are one big detriment to being able to own a home these days?

**JUSTIN BRADY:** I would say they're a detriment to purchasing large tracts of land. Yes. I don't know that the-- a entry-level home is necessarily, that's-- that's the hindrance factor. It's more--

**FRIESEN:** So residential property taxes are not too high?

**JUSTIN BRADY:** I did not say that, Senator.

**FRIESEN:** I thought that's what I heard. All right. I mean that's fine. Thank you.

**LINEHAN:** Yes, Senator McCollister.

**McCOLLISTER:** Yeah, thank you, Senator Linehan. The documentary stamp tax, does that apply to farm ground, for example?

**JUSTIN BRADY:** It starts with the premise that it applies to all property. There are exempt transactions that don't pay the doc stamp. Some, some of them are charity, some of them, as I understand it, a lot of ag land may not pay it because if it's transferred from like a generational, if it's transferred inside a family corporation, that the doc stamp is not paid. But you start with the premise that it is paid on all property.

**McCOLLISTER:** There's no tax on selling of this kind on machinery or anything of that-- that sort, is there?

**JUSTIN BRADY:** Not that I'm aware of, no.

**McCOLLISTER:** OK. Thank you very much.

**JUSTIN BRADY:** Uh-huh.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** Are there questions from the committee? So just a clarification: So if you inherit farm or you inherit your mom's house then there's no doc stamp,--

**JUSTIN BRADY:** Correct.

**LINEHAN:** --because you didn't pay anything.

**JUSTIN BRADY:** Right.

**LINEHAN:** OK. All right. These are just done where you actually have a financial [INAUDIBLE] .

**JUSTIN BRADY:** Yeah. When-- some day when I win the lottery and go buy Senator Friesen's farm, then I'll have to pay it.

**LINEHAN:** OK. We all wish you the best of luck.

**JUSTIN BRADY:** Thanks.

**LINEHAN:** Oh, I'm sorry.

**BRIESE:** Sorry about that.

**LINEHAN:** Senator Briese.

**BRIESE:** Thank you. Just one question.

**JUSTIN BRADY:** Uh-huh.

**BRIESE:** And I could look this up too. But how does our doc stamp fee compare to surrounding states? Do they have a similar structure or-- ?

**JUSTIN BRADY:** You know, Senator, I don't know. I'd-- I will look it up and get back to you, but I don't know--

**BRIESE:** That-- that's all right.

**JUSTIN BRADY:** --where it sits. Uh-huh.

**BRIESE:** [INAUDIBLE] . Thanks.

**JUSTIN BRADY:** Yes.

**LINEHAN:** Probably would be helpful if we knew that, so--

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**JUSTIN BRADY:** OK.

**LINEHAN:** --I'll take you for your word.

**JUSTIN BRADY:** All right.

**LINEHAN:** Any other questions? Thank you very much,--

**JUSTIN BRADY:** Thank you.

**LINEHAN:** --Mr. Brady. Anyone else in the neutral position on LB86?

**CHRIS LAMBERTY:** Good afternoon. My name is Chris Lamberty, C-h-r-i-s L-a-m-b-e-r-t-y, 5700 R Street, Lincoln, Nebraska. I'm the executive director of the Lincoln Housing Authority here in Lincoln. I'm also here representing the Nebraska Chapter of the National Association of Housing and Redevelopment Officials, Nebraska NAHRO, which represents over a hundred public housing authorities throughout the state of Nebraska. We, the housing authorities across state, use trust fund dollars as part of developing new affordable housing. There's a significant need for affordable housing across the state and so we strongly support increased funding for the Affordable Housing Trust Fund. I'm here in neutral only because, similar to the letter that you received from the Affordable Housing Developers Association, we have some questions about what the language regarding blighted areas and targeting additional-- some additional percentage would mean, how that would work, how that would complicate the allocation for the Department of Economic Development. We're concerned about their ability to get the money allocated in a-- in a reasonable way and we're concerned about protecting the allocation across all Congressional districts so it's shared throughout the state.

**LINEHAN:** Thank you.

**CHRIS LAMBERTY:** I would take any questions.

**LINEHAN:** Questions from the committee? I guess we don't. Thank you very much for being here. Are there others wanting to testify in the neutral position? Don't see any, so letters for the record for LB86: proponents, James Goddard, Nebraska Appleseed; opponents, none; neutral, I'm sorry, Justin-- Matthew Cavanaugh, Nebraska Housing Developers Association. Would you like to close?

**WAYNE:** Just briefly. There is some language we obviously have to work on and just to clarify to make sure the housing trust funds run

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

smoothly. But I will tell this committee this is in my top three of a priority bill this year. So I-- I appreciate the early hearing because I know there's issues we've got to work out, make sure there's no more concerns. But this is a way for us to start a pilot prog-- program, if that's what you want to call it, and let's see over the time of five or ten years did this have an impact. Did this have an impact as a targeted approach to specific areas across Nebraska to develop affordable housing? We have a lot of different, across the country, trial and errors, but this seems to be the one that could really work because of how small these areas are. And how the local organization, political organization, subdivision has to declare it extremely blighted. And once that we get those constraints about where it's at there's monies and dollars flowing to that area to create the American dream, which is oftentimes based on a fundamental asset of a home. Yesterday in the World-Herald there was a lot of article-- or a big celebration about east Omaha and the new affordable housing they're building. Every one of those projects are rentals. And I'm OK with rentals. That's not a bad thing. I like the development. But if we're going to take it to the next level where there's true assets and wealth building in our lower income and middle income parts of the state, it comes through asset building. And this is a critical asset for those people to build their lives and their children's lives and grandchildren's lives around. So I would ask all of you to read it over, send me com-- comments and concerns, and we'll put all the drafted language together and we'll continue to have dialogue. But this is my top priority in my legis-- in my legislation is affordable housing, particularly in key areas.

**LINEHAN:** Thank you. Yes, Senator Briese.

**BRIESE:** Thank you. Thank you, Senator Wayne, for bringing this. What percentage did you have in mind here where we-- you left it blank?

**WAYNE:** Well,--

**BRIESE:** What are you after?

**WAYNE:** --I, you know, I was thinking 3 percent and then we had conversations around 5. I started off at 3 but then inside of our office we all huddled up and we said, you know, Senator Briese might think it's too low, Senator Friesen might think it's too high. It doesn't really matter, in my opinion, if I don't build the consensus of the committee.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**BRIESE:** OK.

**WAYNE:** That's just a reality.

**BRIESE:** OK.

**WAYNE:** It's that important to me.

**BRIESE:** OK. Some folks have expressed some concern about dedicating a certain percentage to extremely blighted and how that plays out with the need to spread it across, you know, 30 percent, 30 percent, 30 percent, if I understood them correctly. Do you share any of those concerns?

**WAYNE:** I do share those concerns and that's why I'm open to the idea of creating a new extremely blighted, substandard, or whatever you want to call it, trust fund within the Housing Trust Fund or-- or a separate fund. That way it's clear if we-- if there are too many concerns about how it navigates or how it gets dedicated, that we'll just set up a separate fund that deals with affordable housing in those key areas. And we know, based off the fiscal note, \$1.3 million will go into that one and we don't have to worry about messing with the other one as far as how it gets distributed. So everything's on the table to fixing those problems. I just want to make sure it's fixed into the floor so we can start providing more tools, not only for our builders and our developers, for-- but for people who are first-time home buyers.

**BRIESE:** Thank you.

**WAYNE:** Thank you.

**LINEHAN:** Senator McCollister.

**McCOLLISTER:** Yeah, thank you, Senator Linehan. Just so I understand how this flows, when-- when we apply the stamp, it goes to the Affordable Housing Trust Fund and then they redistribute the funds into those three other funds,--

**WAYNE:** So--

**McCOLLISTER:** -- [INAUDIBLE] funds.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**WAYNE:** --part of it goes to Affordable Housing Trust Fund, part of it goes to-- 50 cents goes to the county, 25 cents goes to behavioral health, and 25 cents goes to--

**McCOLLISTER:** Homeless shelter.

**WAYNE:** --yeah. And then Site and Building Fund gets 25 cents too. So-- so-- so \$1.95 currently goes into the Affordable House Housing Trust out of the \$2.25 that we do-- or \$2.50 we do right now. [INAUDIBLE] .

**McCOLLISTER:** As the bill is written, this would generate about \$1.3 million, correct?

**WAYNE:** Yes.

**McCOLLISTER:** Who determines where these-- these funds-- where they use the money?

**WAYNE:** Department of Economic Development currently does. They apply for grants and there's different mechanisms there. But we can dictate how they do it via statute. We just didn't put that in because I didn't want to tinker too much with the Housing Trust Fund. I mean, that was the real reason: leave it as is, just make a percentage go somewhere. I figured that would be easy but there are some concerns and maybe we need to separ out-- separate out our own trust fund.

**McCOLLISTER:** But the way the bill's written, it has to go to blighted areas.

**WAYNE:** Extremely blighted, not just-- not just-- the reason I didn't use a typical TIF definition is that's too broad.

**McCOLLISTER:** Understand.

**WAYNE:** Like for Omaha, that would be if you were downtown and lived completely, standing at ConAgra Park, you would-- everything you see would apply for miles. And same as like North Platte and everywhere. There's just TIF that we can question whether it's extreme blighted. But I don't want to question or argue with the local political subdivision. But I know if we add both factors, high unemployment and poverty, in, which is a definition of extremely blighted, that's such a small carve out they can't designate anywhere else but those areas.

**McCOLLISTER:** Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**WAYNE:** Thank you.

**McCOLLISTER:** Thank you, Senator Linehan.

**LINEHAN:** Thank you, Senator McCollister. Senator Friesen.

**FRIESEN:** Thank you, Senator Linehan. So how many-- how many houses do you think sell for over a million dollars in Nebraska?

**WAYNE:** The ones I drive around in Omaha, probably a lot-- I don't know. I mean I don't know outside of Omaha. I'm where-- I know what I know.

**FRIESEN:** I'm just curious. I mean I've rarely seen homes listed for over a million, but I know they're out there. I mean, I-- I don't doubt that. But you didn't just intentionally try to target farmland, did you?

**WAYNE:** No, no, no. No, actually I didn't think about farmland at all, because in my drafting this-- I don't want to say that 'cause--

**FRIESEN:** That's OK.

**WAYNE:** -- [INAUDIBLE] . I used to think a home was separate from the farmland. That's a whole conversation we can get into. But, no, the thought was a million-dollar home, because there isn't a whole lot-- lot of them, but it's-- again, I'm trying to figure out a way to key in on the money and know exactly where that goes, instead of many of our programs, where they're so big and wide,--

**FRIESEN:** Right.

**WAYNE:** --we really don't know where they go.

**FRIESEN:** So when it comes to the-- the blighted and substandard, a concern I'd have, like to use that in the rural areas where we do have some extreme poverty at times and some very, very poor housing, you might say, but in the smaller towns it's scattered amongst very nice homes. It's not-- we don't have neighborhoods, so to speak. And so whenever we've, in small communities, tried to even get Community Development Block Grant funds, we can't designate a spot that is blighted so we don't qualify for those funds usually. So I mean if-- if in maybe second class, if-- change some standards there so that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

wouldn't maybe have to be whole neighborhoods that were declared blighted. It could be you get down to specific homes.

**WAYNE:** Well, underneath the map that you guys have before you, right now it's Hastings, Kearney. Most of them are in cities. The outlier is Thurston. Thurston, Thurston County, but that's because they're all one census tract, 'cause census tracts are-- are off of population. And that's how we came up with these numbers to make sure it wasn't all over Omaha, makes sure it wasn't all-- we saw that Hastings meets the definition in some parts and so does Kearney, Grand Island. And so that's why we try to keep it real small. And the-- let me say this for the record too. Florence, which is one of the historically old parts, oldest parts of Omaha, I have many people who are currently renting their house from the government. Their property taxes are that high. While that's extremely important to me, while I want to find a solution to that, this bill has nothing to do with that. That's a different tool in a different box. While I hope to solve some problems with some of the smaller towns, they-- they currently don't fit in this definition, primarily because we're using census tracts. And if we can come up with another tool for them, I have no problem. I was just literally trying to find out the best way we can target money that we know where it goes and then in four or five years we can see if this works or not.

**FRIESEN:** More of a pilot program.

**WAYNE:** Correct.

**FRIESEN:** OK. Thanks.

**LINEHAN:** Senator-- thank you, Senator Friesen. Senator Crawford.

**CRAWFORD:** Thank you, Chairwoman Linehan. And thank you, Senator Wayne. Just in our notes, it talks about the fact that currently there's a priority for properties located in enterprise zones, which would also be a somewhat need-based designation. What do you think is the overlap between enterprise zones and the areas that would be extremely blighted?

**WAYNE:** So all the areas that are currently extre-- well, will be extremely blighted if local decides would be within an enterprise zone. But an enterprise zone is much bigger. And if we have only \$1.3 million or \$1.8 million, there's not enough to go around if we keep it big, if developers are doing houses and those kind of thing. I was

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Revenue Committee January 25, 2019

just trying to make it small enough and better and targeted enough. So that's the issue with the enterprise zone. I am bringing a bill, I think before for this committee, incorporating oppor-- opportunity zones into enterprise zones, so they're the same, which I think will develop some of the things you're talking about. But it won't have the same constraints as this one. This is a very targeted approach.

**CRAWFORD:** OK.

**WAYNE:** But it's just bigger. That's the issue why we didn't go with them.

**CRAWFORD:** And the city or community has to-- or county has to designate this--

**WAYNE:** A municipality.

**CRAWFORD:** Municipality,--

**WAYNE:** Yes.

**CRAWFORD:** --OK, has to designate this. So-- and do we have-- we don't have any that have designated them yet. Is that correct?

**WAYNE:** No. This whole concept of-- of extremely blighted was introduced last year on actually Stinner's bill, who's in the audience saying I need to hurry up. And so nobody's actually done it yet, but the process is similar to what you do currently for extreme blighted for TIF projects. And if cities are confused, we'll be-- we can add language to that to tell them how to do it, which would be copied from another section.

**CRAWFORD:** Thank you.

**LINEHAN:** Other questions from the committee? I just have one more. And so right now it's not in statute how the money is spent. You're saying the administration or Economic Development decides how it's the 25, 25, 25? Or is it in statute?

**WAYNE:** When I was--

**LINEHAN:** Or could you just see--

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**WAYNE:** --when I was reading the-- reading it for my introduction, when we were gathering how it's currently spent, I can't remember if I was looking at a statute or a regulation.

**LINEHAN:** OK. Could you just let us know?

**WAYNE:** I'll find out.

**LINEHAN:** OK. Any other questions? All right. Thank you,--

**WAYNE:** Thank you.

**LINEHAN:** --Senator Wayne, very much.

**WAYNE:** You guys have a great day.

**LINEHAN:** Thank you. I read these in, right? OK. So with that, we close the hearing on LB86 and we'll open the hearing on LB4. Good afternoon, Chairman Stinner.

**STINNER:** Good afternoon.

**LINEHAN:** Welcome.

**STINNER:** Good afternoon, Senator Linehan and the Revenue Committee members. For the record, my name is John, J-o-h-n, Stinner, S-t-i-n-n-e-r, and I represent District 48, all of Scotts Bluff County. LB4 would change filing fees for appeals or petitions to the Tax Equalization and Review Commission based on the value of parcels of real estate and allow for mileage and expense reimbursement for commissioners. The fees under LB4 would be \$40 if the taxable value of the parcel is less than \$200,000 [SIC]; \$50 if the taxable value of the parcel is at least \$250,000 but less than \$500,000; \$60 if the taxable value of the parcel is at least \$500,000 but less than \$1 million; and \$85 if the taxable value of the parcel was at least \$1 million. For any other appeal or petition filed with the commission, filing fees would be \$40. Next I'd like to give you a little background with the commission. It has two primary functions. One of the functions is to conduct a statewide equalization where they review assessed-to-sales ratios for each class and subclass of real property. The second is to hear appeals of individual property valuation protests. I'd like to point out that there is no filing fees required for an appeal by a county assessor, the Tax Commissioner or Property Tax Administrator acting in his or her official capacity, or a county board of equalization acting in its official capacity. The second

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Revenue Committee January 25, 2019

component to this legislation is to authorize the expense and mileage reimbursement for commissioners. From 1996 to 2003, the law, and I'll repeat, 77-2004 provided for mileage and living expenses to reimburse. The idea was to accommodate commissioners from the 3rd Congressional District who may live hundreds of miles away. Since 2003 no commissioner has been appointed who lived more than 92 miles from the State Office Building. Obviously, when you live in Scotts Bluff it's a long way, so. But prior to the change, one commissioner had been from St. Paul and another commissioner had been from Chadron. By allowing for expense and mileage reimbursements, the state can ensure that equal representation from across the state is encouraged and there is equity in pay to the commissioner from the 3rd Congressional District. The fiscal note for this bill should be pretty close to revenue neutral, slanted to the positive side. The estimated revenue impact would be \$45,925, with \$39,280-- \$268 in expenses. Printed out a break sheet-- breakdown of where these revenues and expenses would be coming from. Lastly, I'd like to briefly mention an amendment I present for your consideration, AM23, which should have-- you should also have with you. The original draft of this bill was supposed to include a repealer, but there was an error made during the drafting. The repealer would remove a redundant notification requirement for the commission. Rules of civil procedure, which the court follows, requires that interested parties are notified of the hearing and proceedings. By repealing section 77-5015.01, this would revert the commission back to the rules of civil procedure. However, the commission is currently required to notify interested parties before it's appraised-- apprised of who that is, leading to a redundant process and inefficient use of resources for the state and interested parties. Rob Hotz is here from the commission to provide you with the detail on the bill. And I'd be happy to try to answer any questions. And as you should understand, that this is mostly General Funds. Ninety-five percent of this court, Administrative Court, is provided General Funds. Obviously, when they came to me with the plea, hey, we need to have travel, I'm trying to get the income to make that work. And I think it's important that-- that we have trav-- travel expenses. Third District's a big district. We want to have opportunities for everybody and want to have quality people to show up. So that's the whole idea behind the bill.

**LINEHAN:** Thank you. Yes.

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Revenue Committee January 25, 2019

**McCOLLISTER:** Thank you, Senator Linehan. Senator Stinner, under this arrangement those people in western Nebraska wouldn't be disadvantaged like they are now. Isn't that correct?

**STINNER:** That's-- that-- that's the whole idea of this thing is to try to bring in some equity.

**McCOLLISTER:** Well, the current reimbursement rate for senators is along the current status quo situation with some of the TERC commissioners. Isn't that right?

**STINNER:** The reim-- we do not have--

**McCOLLISTER:** It's--

**STINNER:** --TERC does not get reimbursed.

**McCOLLISTER:** I know. I'm talking about state senators.

**STINNER:** State senators.

**McCOLLISTER:** And their reimbursement rate only has a mileage based on 50 miles outside of the state capital.

**STINNER:** There-- there is a certain amount of distance that you get reimbursed for something, and then a certain amount of distance you get reimbursed for something else, but that's per diem I think.

**McCOLLISTER:** That is per diem.

**STINNER:** So mileage-wise, I think you have to be over 50 miles. Is that what it is,--

**McCOLLISTER:** Well,--

**STINNER:** --before you get reimbursed for mileage?

**McCOLLISTER:** --I'll talk about it off the mike, but I've got--

**STINNER:** To tell you the truth,--

**McCOLLISTER:** --I've got a plan to--

**STINNER:** --I live so far away, it's not a-- not an issue with me.

**McCOLLISTER:** I got it. Thank you.

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Revenue Committee January 25, 2019

**LINEHAN:** Thank you, Senator McCollister. Are there other questions from the committee? OK, we-- seeing none, will you still be here to close?

**STINNER:** I-- I'm going to stick around to see if I do need to close.

**LINEHAN:** Oh.

**STINNER:** I may waive it.

**LINEHAN:** OK. Thank you very much.

**STINNER:** Thank you.

**LINEHAN:** Do we have proponents for LB4? Hi. Go ahead.

**ROB HOTZ:** Senator Linehan and members of the Revenue Committee, good afternoon. My name is Rob Hotz, R-o-b H-o-t-z. I am a commissioner with the Tax Equalization and Review Commission, known as TERC. Thank you for your time and attention this afternoon. And thank you also to Senator Stinner for his ongoing work on these issues and for introducing LB4. LB4 would first change the appeal filing fee structure that has been in place and has been unchanged for more than two decades, since the beginning of the commission back in about 1996. Under current law, the fee for every appeal filed with the commission is \$25 regardless the assessed value of the property. LB4 proposes to change the filing fee structure to address a number of criteria. First, the longstanding filing fee of \$25 would be increased by an inflationary adjustment making the minimum filing fee \$40 rather than \$25. Second, the fee structure would be modified to address regressivity where lower valued parcels would have a lower filing fee and higher valued parcels a higher filing fee. And third, the highly-- highest filing fee would be more commensurate with the filing fees in the district courts in comparable civil actions. Finally, the percentage of the commission's budget paid by General Fund taxpayers would be reduced from approximately 95 percent to approximately 90 percent. In other words, the commission's budget is paid right now: about 5 percent is the filing fees and 95 percent is covered by the General Fund sales and income taxpayers regardless of whether they use the process. The result of the modified four-tiered fee structure as proposed in LB4 would be an overall increase in cash fund revenue to the commission of approximately \$45,000, as indicated in the fiscal note to the bill. I would note that the fiscal note needed to be revised because of the other part of the bill. There was a change in

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

the mileage reimbursement for the state up to 58 cents per mile, so that your fiscal note should show that revision. LB4 also proposes to provide mileage reimbursements to commissioners who travel each day from home to our hearing rooms in Lincoln. This kind of mileage reimbursement is to be distinguished from the typical reimbursements that state employees receive when they travel away from the agency's main offices. The difference is in this important detail. TERC consists of one commissioner from each of the three Congressional districts where each commissioner is required by statute to live within the contract--Congressional district during their term and while serving. It's important to note in this context that the commission schedules hearings nearly every work day of the year and the commissioners work and are paid as full-time employees. Most of our hearings are held in Lincoln where the offices of the commission are located and where our hearing room-- hearing rooms are. The commissioners are required to continue living in their respective Congressional districts during the entire terms of their appointments. It should be also noted that each commissioner is paid the same salary regardless of where they each live. One long-term result of not providing this mileage reimbursement where we are at the status quo right now is that it becomes more difficult to attract qualified persons, as Senator Stinner has pointed out, the farther they live away from Lincoln. We anticipated this problem two years ago when the commissioner from the 3rd Congressional District retired. Her replacement is now our colleague from Grand Island, which is the farthest any commissioner has lived from Lincoln since the reimburse-- reimbursement statute that was previously in place was repealed in 2002. There's also the issue of parity as between the commissioners, I-- I-- I noted just briefly earlier. I would add as a personal note that my home is in Lincoln. I'm the commissioner from the 1st Congressional District. LB4 would have little effect on me. That's why I'm here advocating for this for my colleagues. But even though my colleagues and I receive the same salary, their travel expenses each day are significantly higher than mine. And looking forward to attract someone to come from farther from Grand Island, that's a tough sled. We haven't been able to do that very effectively since 2002, when this was repealed. Therefore, we respectfully request that mileage reimbursements be given serious consideration now for current parity between the commissioners and so that more persons from outstate, particularly from western Nebraska, would have the incentive and the means to consider serving in the future. As Senator Stinner mentioned, there has been an amendment that we've been trying to actually get through the committee for several years. It's-- it's a repealer

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

section. Shame on us. About eight years ago the commission asked for this language and we got it. Unintended consequences have proved the language to be very unworkable and just cause hardship to both the taxpayers and to the commission. So we're asking for a repeal of 5015.01. Be happy to answer any questions that you might have. Senator McCollister, I noted that you had some questions and some things. If-- if I can try to help answer, be happy to.

**McCOLLISTER:** It's another issue I wish to raise with Senator Stinner later.

**ROB HOTZ:** All right. Thank you.

**LINEHAN:** Thank you. Are there questions from the committee? Senator Briese.

**BRIESE:** Thank you, Senator. Thank you for being here. Can I ask what your compensation is now, the salary?

**ROB HOTZ:** Our salary is determined by the Governor. Right now our salary is just in the neighborhood of \$100,000.

**BRIESE:** OK. How critical is diverse geographical representation on your board? Is it essential that we have somebody from the 3rd notwithstanding the statute?

**ROB HOTZ:** In terms of being adjudicators, we don't represent anyone so there isn't that kind of representational motivation. In terms of having people from various parts of the state so that they can bring to the mix some knowledge and experience about Nebraska generally, it's helpful. I think that as a matter of-- I'm originally from Grand Island. If-- you know, the commissioners have all been from east, Grand Island and eastward for a good time now. And in terms of just having a broad spectrum of the knowledge and experience of Nebraskans, I think it's a good idea to try to facilitate this with the reimbursements.

**BRIESE:** And do you feel commissioners' appearance in person is essential to what you do? Are there alternatives to actually being there, being in Lincoln for the hearings?

**ROB HOTZ:** Notwithstanding Senator Erdman's bill that he dropped on day nine, I believe, the-- it is very important just in any adjudicative context where you're determining when someone is under oath and there is disputed testimony, it's pretty important to be able to have that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

witness right there with you, live, in the same room, so that you can make some judgments and decide what weight to give to the evidence that you've received.

**BRIESE:** OK.

**ROB HOTZ:** Oftentimes that evidence is disputed. There are different points of view, different opinions. It's very helpful to be in the same room with that person.

**BRIESE:** OK. Thank you.

**LINEHAN:** Other questions from the committee? I have one. Can you-- it was in your testimony and I just wasn't-- I didn't write it down. You said how much of the funding for this board comes out of general revenue.

**ROB HOTZ:** Yes, Senator Linehan. Right now approximately 95 percent of the commission's budget is funded from General Fund and 5 percent from the fee structure that come from these filing fees. This change would change that to 90 percent/10 percent approximately. Of course, both of these numbers are fungible because we wouldn't re-- the commissioners don't come to Lincoln every day. If they can stay home and work that-- and that's effective, if we don't have hearings, they won't be need-- they won't need to be reimbursed. And we also-- we can't predict how many filing fees we're going to have from year to year. It varies significantly.

**LINEHAN:** How many-- how many days do you have hearings?

**ROB HOTZ:** We schedule hearings nearly every day on the calendar throughout the year. We're full time. We come in every day. If a commissioner can work at home, connect in and work on orders from home or work on research on orders, that's efficient to be able to do that. We do that. So the commissioner from Grand Island or the commissioner from Omaha sometimes will do that. I would add that since we've had a moratorium, as it were, from the Appropriations Committee to cut our travel budget to go outstate, as we used to go more, we've been encouraging-- and I say that [LAUGH] positively, of course. What one thing we have done to try to squeeze the dollar harder is the commissioner-- well, today Commissioner Keetle is in Omaha doing hearings and he's not getting paid travel to do it because he's from Omaha. So all the folks from Omaha, the county officials and the taxpayers are in Omaha today doing hearings. Commissioner Kuhn same

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

thing, Grand Island, he's from Grand Island. We found a place where he can get a room there in Grand Island and--

**LINEHAN:** So you can--

**ROB HOTZ:** --we're not paying for any travel for anyone to do that.

**LINEHAN:** So does there just have to be one commissioner there to have a hearing? I've never been to one of these hearings.

**ROB HOTZ:** OK. There are two types of appeal hearings. One is single commissioner hearings which is-- has been authorized by statute since--

**LINEHAN:** OK.

**ROB HOTZ:** --2011. The other is where we have what I call a panel. And typically, we do that with two commissioners. There are three total commissioners.

**LINEHAN:** Do you-- do you recall, were you on, were you serving in this position in 2002?

**ROB HOTZ:** No.

**LINEHAN:** OK. All right. Any other questions? Yes, Senator McCollister.

**McCOLLISTER:** [INAUDIBLE] a quick question. How many commissioners are there?

**ROB HOTZ:** Three.

**McCOLLISTER:** Totally.

**ROB HOTZ:** Yes. The commission started in '96 with three. We had four for a number of years and we're back to three again since 2011.

**McCOLLISTER:** And you have some vacancies now?

**ROB HOTZ:** No.

**McCOLLISTER:** OK. Thank you.

**ROB HOTZ:** Yes, sir.

**LINEHAN:** Other questions? OK. Thank you very much.

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Revenue Committee January 25, 2019

**ROB HOTZ:** Thank you.

**LINEHAN:** Other proponents.

**JON CANNON:** Madam Chairwoman, distinguished members of the Revenue Committee, good afternoon. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I am the deputy director of the Nebraska Association of County Officials and we appear here today in support of LB4. Just going to make some general observations. First, I'll start off with the observation that it's 398 miles from Lincoln to Sioux County, Nebraska, the-- the furthest northwest corner of the state. To the extent that LB4 would authorize travel for any hearing or authorize miles reimbursement for any hearing or activity of the commission, we would certainly support the ability for the commission to make that journey westward, whether it's as a single commissioner hearing or whether it's as a panel. For these sorts of hearings I will note that you've got typically three persons from the county that are going to be making that journey to Lincoln currently because of the travel moratorium. You've got the county attorney, who has to represent the county as a legal officer for the county. You've got the county assessor, who's the person that likely set the value on that parcel. And you typically have one county board member, since that's the-- the organization that had approved those values set by the assessor. And the taxpayer, too, has to make that journey into Lincoln. Currently, with the, the effects of the mora-- moratorium, what that does is it creates a disincentive for the taxpayer to show up at the hearings in Lincoln and it creates a burden for all those county officials for the counties. To the extent, again, that there's a reimbursement for mileage for any hearing that the commissioner-- that the commission may have, that's certainly going to be something that we're in favor of. Senator Briese, you had asked if-- if Commissioner Hotz had thought that it was essential to have someone from the 3rd Congressional District. In my experience, having worked with county officials for a while now, there's a common refrain that I hear from both taxpayers and county officials and that is that a lot of people on this end of the state believe that the state ends around Grand Island. And certainly you know, that that certainly would seem to be the case. All of our commissioners are basically within 90 miles of Lincoln. I've traveled to other parts of the state, out to western Nebraska. I've traveled to northeast Nebraska, just about every county that there is, and I know that there's a deep appreciation when someone from the state makes the effort and takes the time to go out to that-- their part of the state. They don't feel like they're forgotten anymore. And to the extent that this committee

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

can authorize that sort of travel, I think it's all to the good. I believe you also had asked-- asked, Senator Briese, if there are alternatives to personal appearance. LB707 was dropped by Senator Erdman on the tenth day of bill introduction. We're certainly-- we-- we're reviewing all these things. I suspect that we'll probably have a position on that in favor of it. And to the extent that we're talking about travel, you know, we would certainly advocate for the lifting of any travel moratoriums as well. To the extent that the General Fund budget can fund the commission's expenses a little bit less and leaving a little bit more money for them to be able to travel, we'd be in favor of that. And so to wrap up, we would certainly encourage that you pat-- that you advance LB4. And by-- with that, I'd be happy to answer any questions you might have.

**LINEHAN:** Thank you, Mr. Cannon. Are there questions from the committee? Seeing none, thank you very much.

**JON CANNON:** Thank you.

**LINEHAN:** Are there other proponents? Are there any opponents wishing to testify? Is there anyone wishing to testify in the neutral position? Senator Stinner, would you like to close?

**STINNER:** [INAUDIBLE] .

**LINEHAN:** Thank you. Way to win over hearts. There are no letters for the record for LB4. So with that, the hearing on LB4 will come to a close. We will now open the hearing for LB thir-- LB13. Senator Carol Blood. Hello, Senator.

**BLOOD:** Good afternoon, Senator Linehan.

**LINEHAN:** Good afternoon.

**BLOOD:** And good afternoon, Chairman Linehan, and to the entire Revenue Committee. My name is Senator Carol Blood and I represent District 3. My name is spelled C-a-r-o-l B, as in boy, l-o-o-d, as in dog. And District 3 is western Bellevue and southeastern Papillion. Today I'm here to share LB13, our breast is best bill. This is a bill that exempts breast pumps, associated tubing, breast pump collection/storage supplies, and breast pads from sales tax, and also ensures that mothers that are breast-feeding in public or private location are exempt from Nebraska's public indecency laws. For some reason, breast-feeding is one of the topics that still manages to stir

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

controversy. Slowly, states are passing laws to protect nursing moms. As most of you know, all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands have laws that specifically allow women to breast-feed in any public or private location. Thirty states, the District of Columbia, Puerto Rico, and the Virgin Islands exempt breast-feeding from-- from public indecency laws. Nebraska is not 1 of those 30 states and I find that concerning. The laws across the United States are, frankly, a patchwork. I believe that needs to change. breast-feeding may not be the right choice for all mothers, but it is most definitely the best choice for all babies. As I'm sure you know, the ACA requires most insurance plans to include coverage of lactation support products and services. Health professionals and public health officials promote breast-feeding to improve infant health. Both mothers and children benefit from breast milk. Breast milk contains antibodies that protect infants from bacteria and viruses. Breast-fed children have fewer ear, respiratory, and urinary tract infections, and actually have diarrhea less often. Infants who are exclusively breast-fed usually have fewer healthcare costs, prescriptions, and hospitalizations, resulting in a lower total-- total medical-- in a lower total medical care cost compared to never breast-fed infants. Breast-feeding also provides long-term positive effects for the mother, including an earlier return to pre-pregnancy weight and a reduced risk of premenopausal breast cancer and osteoporosis. Based on our research, we believe lowering the cost of breast-feeding supplies to the consumer by making them tax exempt is going to save the state and its citizens between \$331 and \$471 per infant in healthcare costs. More women are-- breast-feeding are also going to keep insurance premiums at bay. I point all of this out because I'm sure you did a double take, as I did, when you saw the fiscal note for this bill. I'd first like to say that I take issue with some of the numbers the Department of Revenue has come up with. One of the most puzzling things about those numbers is that the loss of revenue jumps from \$100,000 from fiscal year 2019 to '20 to fiscal year 2020-21. It jumps by nearly \$40,000 again for fiscal year 2020 to '21, and fiscal 2021 to '22 it continues to go up. I think I'm-- my pages are out of order and I apologize for that. So on a very basic level, this trend is going in the opposite direction from what we know how-- about how many people will be buying these materials or even have the opportunity to purchase the breast-feeding supplies that are exempt under LB13. Birth rates in the United States and in Nebraska are trending downwards, but based on that fiscal note it's showing upward trend in births. So either they know something about what's going on behind closed doors or we can look at what the facts are. And the facts are showing that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

the birth rates are going down. So from 2014 to 2017 the birth rates were down by about 500 per year and nationally we saw a 30-year low in 2017. So secondly, the Department of Revenue claims in its portion of the fiscal note that roughly 10 percent of new mothers will not purchase or rent breast-feeding supplies. We believe, despite the massive-- the massive positive effects of breast-feeding, that the number of women who won't take advantage of these supplies is going to be much higher. And there are many breast-feeding moms who use the breast exclusively and never use a pump, such as my oldest daughter. In addition to that, according to the Centers for Disease Control and Prevention, 81 percent of mothers start breast-feeding immediately after birth, but only about 22 percent of those moms are still breast-feeding six months later. That will further drag down the fiscal note, even if both of those numbers climb a bit once a woman realizes that they will be taking less of a hit in the pocketbook. You may be aware that Nebraska went through a period not too long ago where we faltered when it came to supporting our breast-feeding moms. As a result, there have been a variety of successful efforts in our medical community and at the state level to move Nebraska forward to embrace the breast-feeding community. The bottom line is that breast-feeding is a beautiful and natural act. What can be more important than providing nourishment to Nebraska's next generation? These mothers are building a healthier tomorrow for Nebraskans and so eliminating sales tax on breast pumps, associated tubing, storage bags, and breast pads is a small price to pay to ensure a healthier tomorrow. This is especially true when you consider that a prescription provided breast pump is already covered under the ACA and by Medicaid. However, breast pads are not covered by an insurance, by any insurance, and are an absolute necessity, especially for Nebraska moms who must go back into the work force. It's not a luxury; it's a necessity, much like the food we purchase from the grocery store. And I'd like to remind everyone that Nebraska does not tax groceries. And in that same spirit, we can come together to also protect our families with this initiative. I've always found it to be an interesting dichotomy that we are very vocal when we refer to Nebraska as a pro-life state, but we don't blink an eye when a mother must go back to work after only a few weeks of bonding with their child, unless Senator Crawford's bill gets passed. It's an accepted expectation among many policymakers and, frankly, we can do better in that area as well. And when a mother is nourishing that child, we all want to know that when that mom is breast-feeding in a place where she has a right to be that she need not fear because our antiquated laws might result in someone being offended and asking that she be cited for public

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

indecent because they were able to see her exposed breast. A breast is no different than an arm or a leg or a foot. Mary fed Jesus. The Pope encourages mothers to feed their hungry, crying children in the Sistine Chapel during Mass because it is a beautiful and natural expression of love and bonding. As policymakers, we need to be sure that our legislation supports this natural act because it is what is best for Nebraska's newest generation. What a wonderful bipartisan statement we can make when we show our mothers that we see them, we hear them, and we appreciate them for providing nourishment, love, and care for Nebraska's babies. I would really appreciate your support on voting this bill out of committee and on to the floor for debate. I know that the rule of thumb has always been that if there's a fiscal note or it takes away from revenue you can plan on your bills not getting out of committee. I just want you to take a step back and think about the human aspect of this bill. We're really talking about pennies when it comes to the entire budget. We're making an invaluable statement to Nebraska families that is worth so much, much more. I appreciate your time today and I'd be happy to answer any questions you may have.

**LINEHAN:** Thank you, Senator. Are there questions of the committee?  
Senator Briese.

**BRIESE:** Thank you, Senator. And thank you, Senator Blood, for being here. Are breast-feeding mothers subject to our public indecency statute?

**BLOOD:** Yes. So we allow them to feed anywhere that they have the legal right to be, be it public or private property. But should someone come by and say, I'm offended by-- I've seen that woman's breast, they can ask that that woman be cited for public indecency. And so we would insert that they would not be included in the public indecency law to keep ne'er-do-wells from doing silliness like that.

**BRIESE:** As I read the language of this current statute, I don't really see that it would apply.

**BLOOD:** I can talk with you outside the room and I'll-- can show you some information from NCSL that actually just came out about a week ago. And again, we're still listed as not having that exception. And so, yes, they have the right to breast-feed wherever they like. But again, it's not where they have the right to be; it's who's offended where-- when they have with--

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**BRIESE:** OK.

**BLOOD:** It's who's offended when they are where they have the legal right to be.

**BRIESE:** Sure. And-- and I'm not saying I disagree with what you're promoting here and--

**BLOOD:** No, and I hear you. I--

**BRIESE:** -- [INAUDIBLE]. But has any--

**BLOOD:** We went round and round about that too.

**BRIESE:** --has anyone ever been prosecuted under this statute for breast-feeding under the--

**BLOOD:** You know, I don't know.

**BRIESE:** --public indecency statute?

**BLOOD:** I--

**BRIESE:** Maybe we'll hear from someone.

**BLOOD:** Yeah. I'm not aware of any, but there's been a lot of things that have happened on our end of the state that have really pushed us to pursue this because we feel that that is something that could potentially happen, again, based on some incidents that happened on our end of the state.

**BRIESE:** OK. One other question if I may. What do other states do as far as sales tax exemptions?

**BLOOD:** I think I have that information. New Jersey, Maryland, and Louisiana, and I think it's interesting that New Jersey passed it, 39-1; Maryland passed it, full house; Louisiana it was a little bit harder. But all three passed it with great enthusiasm.

**BRIESE:** Three other states exempt this equipment--

**BLOOD:** Yes.

**BRIESE:** -- [INAUDIBLE] . OK. Thank you.

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Revenue Committee January 25, 2019

**LINEHAN:** Are they-- yes, Senator Lindstrom.

**LINDSTROM:** Thank you, Senator Linehan. Thank you, Senator Blood. I was curious, do any nonprofits provide any of the breast-feeding equipment, the pads, pumps, anything like that?

**BLOOD:** I-- I think probably not pads. I-- I have a lot of great people I think are going to testify today. I know there are organizations that allow you to rent and share breast pumps.

**LINDSTROM:** OK.

**BLOOD:** Everybody wants mothers to be successful.

**LINDSTROM:** Yeah.

**BLOOD:** And so again that would affect and make the percentage go down even more on the fiscal note. So, yes, there is. In fact, one of the things that Nebraska's done that's really fantastic is they also have milk banks as well. So if indeed you were do-- to lose your supply, there's other mothers that are willing to step in and help you nourish that baby, which is a wonderful thing. So, yes, there are lots of organizations but not enough.

**LINDSTROM:** Thank you.

**LINEHAN:** Other questions of the committee? On the fiscal note, is-- is part of the reason it jumps almost \$100,000 is because it won't-- would-- it wouldn't take-- wouldn't be in effect for the first biennium?

**BLOOD:** That's not how it was explained to us.

**LINEHAN:** OK.

**BLOOD:** So--

**LINEHAN:** All right. Well, then I would agree that there's something a little-- I'd be interested in further explanation, too, because it's a significant jump up that's it's hard to--

**BLOOD:** And-- and I'm not saying that-- that there won't be a fiscal note. I certainly am not trying to imply that.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** No, no, I'm not saying that. But what you said, if I heard you correctly, was it's hard to explain why we go up \$100,000,--

**BLOOD:** Right.

**LINEHAN:** --because we're not going to have--

**BLOOD:** No.

**LINEHAN:** --double baby births.

**BLOOD:** I--

**LINEHAN:** It'd be good but [INAUDIBLE] .

**BLOOD:** --I think we need to play more romantic music or something and increase that. I don't know.

**LINEHAN:** OK. Other questions? OK. Thank you very much. Are there proponents for LB13? Welcome. Hi.

**JESSICA McCLURE:** Hi. My name is Jessica McClure, spelled J-e-s-s-i-c-a M-c-C-l-u-r-e. And I want to pre-apologize if I cough into the mike. Breast-feeding my daughter was really important to me, but due to a C-section and about 40 pounds worth of water weight I had a really hard time breast-feeding. So a breast pump was actually medically necessary for me. I had to have one or it just didn't work. The insurance company sent me a breast pump. Great. That's nice, right? It was a piece of garbage. It didn't work. I had to buy myself a second breast pump. That breast pump retailed at \$320, and the quality really matters or it just doesn't work. And with all the added expenses from healthcare, C-section cost, new baby, having a tax break on that purchase would have been fantastic. We had to supplement with formula. We could have bought a couple weeks' worth of formula with that money. And we were on one income, so it really did matter to have an extra \$35. And so I would ask, that's a lot of tax relief when you're living paycheck to paycheck, so please do consider this. And I also support the exempting the breast-feeding pump from public indecency. My husband was working 12-hour shifts at this time at night. I had no option but to breast-feed in public spaces and it's very challenging to do that by yourself. And you know what? It would have been just, I guess, a nice peace of mind knowing that I wasn't going to have someone call and report me for feeding my child in public. And so with

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

that, just like to be a champion for healthy babies in the state. And please, I encourage you to support this bill.

**LINEHAN:** Thank you very much. Are there questions from the committee? Seeing none, thank you very much.

**JESSICA McCLURE:** Thanks.

**LINDSTROM:** Other proponents.

**SOFIA JAWED-WESSEL:** Hello. Thank you to the Revenue Committee members and Chairperson Linehan for your time and service today. My name is Dr. Sofia Jawed-Wessel, S-o-f-i-a J-a-w-e-d-hyphen-W-e-s-s-e-l. I reside at 2002 North 53rd Street in Omaha. I'm an associate professor in the School of Health and Kinesiology at UNO. I come before you as an expert in public health, gender, and social and behavioral science. I am speaking today in support of Senator Blood's legislative bill. But the testimony today-- that I give today does not reflect any official position of the University of Nebraska, just to be clear. If you speak to any public health practitioner, they'll always tell you the importance of prevention. I'm proud that my field is always present in the fight for opportunities that increase the public's ability to adopt behaviors that will prevent negative health outcomes. For seven years I've taught a course that's specifically on this topic where I'm teaching future practitioners how they can help populations adopt behaviors, right? And every year at some point in the semester they begin to realize that no matter how hard we work, the barriers just win and there's no amount of education that can help certain populations adopt certain behaviors. And breast-feeding happens to be one of those, particularly for working mothers. It's just too difficult sometimes and the barriers cannot be overcome. I consider it our society's duty to make sure every mother who wants to give her child the best source of prevention and positive health be able to do so as easily as possible. According to the vast majority of research, and Senator Blood mentioned some of this already so I won't reiterate too much, but returning to work after maternity leave is when that breast-feeding relationship is most vulnerable, because most women are returning at 6 to 8 weeks and it takes 12 weeks for that milk supply to really build up. And so with this, one of the points that really struck me with this bill was that it would allow working mothers to access breast pumps that they need to continue that breast-feeding relationship, to get breast-feeding pads and all the other accessories that fall apart all the time and that you need to purchase over and over again during that postpartum period. So, you know, you're looking

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

at a price tag of \$150 to \$300 just for the breast pump. The previous individual also mentioned that. And every dollar does matter there and the quality does absolutely matter. I have two children myself and with my first child I was not able to purchase the breast pump that my midwife had suggested and it had a significant impact in my ability to-- to nurse after I returned to work. But more importantly though I think it's important that we understand that by removing that sales tax on these accessories and the pumps and removing breast-feeding from the public indecency laws we're making a strong statement about the most significant barrier for new mothers, which is the stigma and lack of social support for breast-feeding. It's a difficult barrier for us to chip away at and this is an opportunity where we can actually do just that. I consider myself an outspoken, confident woman and a strong supporter of breast-feeding because of many of its health benefits that, once again, Senator Blood listed for us. I do research on how to help moms breast-feed, how to support them. But when I had my babies I had the same issues. I would take stock of who-- who was in the room. I look around and see who was watching me before I decided whether to feed my crying baby. Even I wasn't exempt from that stigma. I see this bill as an opportunity for our state to show moms that we collectively support them doing what we all know is best for their babies. No one in the U.S. has been prosecuted for indecent exposure arising from a public breast-feeding incident, but that doesn't mean it hasn't been attempted, and most moms don't know that. What they remember in that moment their baby is crying at Hy-Vee or that coffee shop is that it's entirely possible somebody will do that, and that can stop them from actually breast-feeding. And I don't think any of us really want that. And this is-- I debated whether I was going to even share this, but [INAUDIBLE] that's something that has happened to me personally in the workplace in Nebraska where I was at a public health conference amongst lots of public health supporters and I chose to nurse my three-month-old baby who was with me at the time, because it was an all-day event. And my boss got an e-mail from an individual who said that, you know, they're fine with breast-feeding, they support it, but they just want to remind me that if they wanted to cite me for public indecency they could. And I have that e-mail and I'm happy to share that with all of you if you would like to see it. But it was really upsetting for me and I had to look to see because I was like, I thought we already were protected by this. And when this bill came up I thought the same thing. And then I remembered, oh no, that wasn't the case. So I just wanted to let you all know. Thank you.

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Revenue Committee January 25, 2019

**LINEHAN:** Thank you. Are there questions from the senators?

**SOFIA JAWED-WESSEL:** Thank you for your time.

**LINEHAN:** Thank you. Well, I actually--

**SOFIA JAWED-WESSEL:** Yes.

**LINEHAN:** I'm sorry. I have, I wrote down--

**SOFIA JAWED-WESSEL:** Yes.

**LINEHAN:** --a question here. Do you know the percentage of moms who are so-- or I don't expect you to have this right but I think you need to probably find this-- the percentage of mothers in Nebraska who are still breast-feeding at six months, nine months, and a year?

**SOFIA JAWED-WESSEL:** I can absolutely get you that information. As-- like as a scientist, I cannot give you like a number if I don't know the exact number. But--

**LINEHAN:** OK.

**SOFIA JAWED-WESSEL:** --it drops pretty significantly at three months and then continues to for six months. But that biggest indicator is going to be if they're working or not. And if they go back to work is when we start to see it slip away.

**LINEHAN:** I just think that would help us.

**SOFIA JAWED-WESSEL:** Yeah. Absolutely.

**LINEHAN:** OK.

**SOFIA JAWED-WESSEL:** I'd be happy to e-mail you. Uh-huh.

**LINEHAN:** Thank you very much for being here. Proponents? Thank you for all doing a great job of moving to the front. It's very nice.

**ANDI CURRY GRUBB:** Good afternoon, Chairperson Linehan and members of the Revenue Committee. My name is Andi Curry Grubb. It's A-n-d-i C-u-r-r-y G-r-u-b-b. I am the state executive director for Planned Parenthood in Nebraska and I am here today as both a leader of Planned Parenthood and a mom to voice my support for LB13. As a leader of Planned Parenthood, I support this bill because we believe fundamentally in people's right to choose how and when to parent. Our

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Revenue Committee January 25, 2019

vision statement requires us to advocate for communities where every person has the opportunity to lead a healthy and meaningful life. Ensuring that mothers can feed their children in the way that is best for mother and baby is something we at Planned Parenthood must give voice to. In order to ensure that all choice-- choices are as accessible as possible, we believe in the removal of barriers that could prevent people from making the choice that is best for them, their body, and their child. This bill is a great start in doing that. I also support this bill as a mom. When I was pregnant, I decided that what was best for me, my body, and my child was to breast-feed. The choice came with challenges, as it seems any child-rearing choices do. One was choosing supplies. I was rather shocked to learn how expensive they can get. While I wanted the best for my child, I knew that the Cadillac of breast pumps was a little out of reach for us. As you've heard, quality really does make a difference. I did also receive a pump from my insurance that was very low quality and I did have to purchase one on my own. I was not able to purchase the most expensive one, and I personally believe that that did have an impact on my ability to breast-feed my child for the length of time I wanted to. Exempting these supplies from sales tax I do believe would have helped in some measure when I was making these decisions. Later for me came a decision about feeding in public. As a somewhat modest person, I appreciated the breast cover that someone gave me as a gift at one of my baby showers, but of course those first couple tries my opinionated baby decided she wanted to be a part of the action and had no interest in being blocked by this layer of fabric. The dilemma that I went through was one that's very common to breast-feeding moms. I was comfortable feeding my daughter uncovered in public, but I knew that people around me might not be comfortable. Ultimately, I decided that I was not going to let other people dictate how and when I fed my child. After all, this is the most historically natural form of nutrition that humans have, so what on earth could be-- could there be to be ashamed of? Unfortunately for some, the discomfort of others ends up winning. In fact, in 2011 the Surgeon General's Call to Action to Support breast-feeding listed embarrassment as one of the barriers women face. When you dig in you realize it is primarily the discomfort of others that causes the embarrassment. For example, it states when women have breast-fed in public places, many mothers have been asked to stop breast-feeding or to leave. Such situations make women feel embarrassed and fearful of being stigmatized by people around them when they breast-feed. I've attached that report with some of the other barriers included in the Surgeon General's Call to Action. I believe that exempting breast-feeding from public indecency would be

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

one great step in reducing the stigma and eliminating this barrier. Thank you, Senator Blood, for introducing this bill and thank you all for listening today.

**LINEHAN:** Thank you very much. Are there questions from the committee? Seeing none, thank you for being here.

**ANDI CURRY GRUBB:** Thank you.

**LINEHAN:** Other proponents? Welcome.

**DANIELLE SAVINGTON:** Thank you. Good afternoon, Chairwoman Linehan and Committee. Thank you for giving me the opportunity to appear today as a member of Nebraska's second house. I really enjoy it so I thank you. My name is Danielle Savington. That's spelled D-a-n-i-e-l-l-e S-a-v-i-n-g-t-o-n, and I am a resident of Legislative District 14 in Sarpy County. And no-- no disrespect, Senator Blood, but when you say breast-feeding was a beautiful thing, that was not my experience, and anybody who's ever met my children would understand. [LAUGHTER] My youngest child was born on the day-- day two of the bar exam that I had sat for and he came out fighting, as one might expect. And nursing covers, blankets, sweaters, you name it, he was not about that business. If he heard a sound, he heard a noise, he would unlatch, pull the blanket off and demand to see what was going on. And that was just when he was an infant. When we picture breast-feeding mothers we picture the dewy fresh-born baby, the placid, swaddled, comfortable, quiet, serene picture. And that might be the case for a week or two. But anybody who's ever tried nursing an eight-month-old knows that's just not the reality. They hear things going on around them, they want to be participatory in all of that. My kid just got a little bit earlier of a start. So I wanted to talk with that frame of reference to how the public indecency laws really do impact nursing moms. And while it is true that no one's been prosecuted for that in Nebraska, to our knowledge, the statute does apply. The statute specifically says in 28-806 subsection (1)(b) that any exposure of the genitals of the body done with the intent to affront or alarm any person. What does affront mean? Affront is so broad. Are you affronted if I use a swear word in public? Are you affronted if you see my kneecap? What is affront? Well, the printout that I gave to you indicates some of what Nebraska residents consider to be affronting. The other day Senator Blood posted on her Facebook page an encouragement for people to show support for this bill, and she received some mixed reactions, including one from a David Dramse who equated nursing a baby with taking a pee in public and wanted to know could he do that too. He

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Revenue Committee January 25, 2019

said he'd rather not have his young boys exposed to bare breasts. Credit to David Dramse, that was somewhat moderate of a response. A little while later in those pages that I gave you, on page 5 is a response to a news report from December 28 of 2018 that regarded an Omaha woman who had felt offended when people complained because she was nursing in an Omaha mall. Gail Milroy Roh said that nobody wants to watch and if a man whips it out he goes to jail. Where are the morals these days? On page 9, Bruce Evans says maybe next time I'll just whip my, and he uses an expletive for the male anatomy, and say, hey, it needs air. On page 10, Chris Thompson says wish I could show my dot dot dot dot in public. And Chuck Bronson says that's right, keep them things under cover; if you want to act like a caveman, go to the zoo. On each one of those, and I only highlight a few of those that are most egregious to me, those individuals are entitled to feel affront by a woman feeding her child. That affront can result in a 911 call which, in Nebraska, law enforcement must respond to. Which means our taxpaying dollars are going to pay law enforcement officials to go out to wherever this location is and investigate this oh so heinous crime of a woman feeding her child. We want to talk tax revenue and saving money, that right there costs Nebraskans money if police officers are forced to respond to some pearl clutcher who's upset that they had to see the curve of a woman's breast as she fed a child. Ultimately, whether or not this does happen with frequency, the threat of it is enough. I had my first child at 20 years old, an age when the woman's body isn't even fully developed enough to give birth with any great strength and empowerment. We know that the younger a mother the-- the less likely her birth is to go without hitches and it's not as great for the child. I'm not a doctor so I can't explain that with great medical terminology. But at 20 years old, if any one of those people had made a comment to me like that, it probably would have been the last time I breast-fed. Which is why, at 20 years old, I crouched in bathrooms over public toilets juggling my child to try to nurse her. Now by the time the law exam, bar exam baby came along, I had less cares to give and was more likely to be willing to-- to nurse around people who had this experience. But ultimately, I think it's really important to recognize that in Nebraska we do have these people that have this reaction to people who are participating in the healthiest manner of feeding their child that there could possibly be. Thank you. I'm happy to answer any questions.

**LINEHAN:** Thank you. Questions?

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Revenue Committee January 25, 2019

**DANIELLE SAVINGTON:** Thank you.

**LINEHAN:** Seeing none, thank you very much.

**SCOUT RICHTERS:** Hello. My name is Scout Richters. That's S-c-o-u-t R-i-c-h-t-e-r-s. I am legal and policy counsel with the ACLU of Nebraska. I wanted to thank Senator Blood for bringing this legislation. And I am circulating written testimony, but I'll just briefly summarize that now. So over the last few years we have really dedicated a lot of time to ensuring that when women decide to breast-feed they know their rights and are supported in their decision to do so at work and at school and also while in public. And we feel that LB13 is consistent with statewide and nationwide efforts to really support breast-feeding women. Additionally, LB13 would really help to address the financial barriers, such that more women who do choose to breast-feed can simultaneously care for their families while being able to work and go to school and participate fully in society. So we are in full support of LB13 because it makes clear that women who do choose to breast-feed are-- are not punished financially or criminally for their decisions. So I am happy to answer any questions.

**LINEHAN:** Thank you very much.

**SCOUT RICHTERS:** Thank you.

**LINEHAN:** Do we have any questions from the committee?

**BRIESE:** I do.

**LINEHAN:** Yes, Senator Briese.

**BRIESE:** Thank you. Thank you, Senator. Thank you for being here. As far as the sales tax exemption on this equipment, can you make any generalizations as to who the beneficiaries of an exemption would be: low-income, middle-income, higher income folks? Who-- who utilizes this equipment?

**SCOUT RICHTERS:** That is a really good question. I-- I'll be happy to kind of do a little bit more research and get that information to you. We do know that low-income women do face unique barriers to pumping just because this-- this equipment is expensive. So I think it would definitely make a difference there.

**BRIESE:** OK. Thank you.

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Revenue Committee January 25, 2019

**SCOUT RICHTERS:** Thank you.

**LINEHAN:** Yes, Senator McCollister.

**McCOLLISTER:** Yeah, thank you, Senator Linehan. A breast-feeding pump,--

**SCOUT RICHTERS:** Uh-huh.

**McCOLLISTER:** -- a typical one would use for three to six months. Correct?

**SCOUT RICHTERS:** Yeah, or longer I would say. Uh-huh.

**McCOLLISTER:** Is the machine good for any other purpose?

**SCOUT RICHTERS:** That is a good question. I do not have any children, so that is a good question that I can look into.

**McCOLLISTER:** Do mothers that no longer need a breast-feeding pump, do they donate those, those machines anywhere that you know of?

**SCOUT RICHTERS:** Not that I am aware of, but that I think would be a really unique solution to this problem. But I don't know that off the top of my head, so.

**McCOLLISTER:** Thank you.

**LINEHAN:** Thank you, Senator McCollister. Other questions? Seeing none,--

**SCOUT RICHTERS:** Thank you.

**LINEHAN:** --thank you very much. Other proponents. OK. Are there any opponents? Is there anyone willing-- wanting, excuse me, not willing, wanting to testify in the neutral position? Senator Blood, would you like to close?

**BLOOD:** Thank you. And I think you have letters of support.

**LINEHAN:** Right. I'll read them at the end.

**BLOOD:** So I actually do have some of the answers to the questions that you asked. Senator Linehan, you're asking how long Nebraska infants

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Revenue Committee January 25, 2019

are exclusively breast-fed. So 46.5 percent of infants at three months, and 20.2 percent at six months, which is sad.

**LINEHAN:** But it-- and it probably drops-- that's-- so, I just--

**BLOOD:** Yeah, it's pretty consistent from 6 months to 12 months. If you're successful to six months, you can usually be successful for the end game.

**LINEHAN:** And those numbers are-- do you know if that's what the Fiscal Office used?

**BLOOD:** I do believe that that is part of what they used. We had a confusing conversation,--

**LINEHAN:** OK.

**BLOOD:** --to be really frank. But the-- the information avail-- was available on the CDC and they told me that they did utilize the CDC.

**LINEHAN:** So, OK. All right.

**BLOOD:** And then--

**LINEHAN:** I'm sorry.

**BLOOD:** --Senator McCollister had the question in reference to can breast pumps be used for any other purpose. If your child pulls it out of your purse or something and plays with it would be the only thing, but it has no other purpose. And-- and they really suggest that you not share breast pumps. As you know, anytime there's any kind of fluid involved there are going to be-- can be concerns. And so they do suggest that mothers not share breast pumps, but you can still rent and utilize breast pumps that have been used by other people. And then who buys breast pumps and what are their demographic? So again, Medicaid and ACA, so those that are insured, get their breast pumps from their insurance companies, except for the smaller businesses. Because in Nebraska any business that has like 50 employees and under, the insurance laws-- rules usually change. And then Medicaid covers breast pumps. So the people that would-- this would benefit the most are the people that aren't insured who could really use the break. And I-- I really thank the women who came forward and spoke because a lot of them bared their souls to you today. And what I like best about it is that we are normalizing something that should have been normalized a long time ago. I was raised not knowing that you should be

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Revenue Committee January 25, 2019

embarrassed. And I remember with my second child, for those of you that are old enough to remember, I breast-fed in the middle of Peony Park and I never really thought about it. I just thought I have a hungry baby. It's hot. I'm not going to go back in the car. I have other children with me that I had to watch. It was time to feed the baby. But unfortunately, here it is 30 years later and we still have women that have been stigmatized. And-- and you heard some of the comments. I did not know, by the way, that my Facebook feed was going to be read aloud to you today, but it gives you a really good example of the reactions that we get on this stuff. And so, unfortunately and fortunately, there's really two bills basically here in one bill and so Revenue got stuck with both of them. So I'm-- I'm-- I'm "pleaing" to this committee to remember that there are two separate issues, that I'm very motivated and very flexible. Before you vote, if you're voting no, talk to me and let's negotiate because most definitely the one does not-- part of the bill does not have a fiscal note at all. And there are other things we can do to maybe make this more palatable. So give me that opportunity so we can move this forward and get this done. But I appreciate the fact that you're all so willing to listen today. I appreciate the women that came forward and-- and shared their knowledge with you. And there's one more thing I want to respond to. We do hear so often that when a mother breast-feeds her child she should cover up in public with a blanket. I will encourage women to do that when every person that says that eats their dinner with a blanket on their head. So with that, I thank you for your time and I'd be happy to answer any additional questions you may have.

**LINEHAN:** Thank you, Senator Blood. Do we have any additional questions? OK. Thank you very much for being here.

**BLOOD:** Thank you for your time.

**LINEHAN:** And I do have letters for the record. Proponents: Kathleen Uhrmacher, Women's Foundation; Ann Seacrest, MilkWorks; Dennis Hastings, Omaha Tribal Historical Research Project; Dr. Richard Azizkhan, Children's Hospital and Medical Center; Liz Lyons, Children's Hospital and Medical Center; Britt Thedinger, Nebraska Medical Association; Dr. Adi Pour, Friends of Public Health; Tiffany Joekel, Women's Fund of Omaha; Andrea Slatkin-- Shloekin [SIC], OneWorld Community; Amy Bennek [SIC], Health Center Association Nebraska; Scott [SIC] Richters, ACLU of Nebraska; Marion Miner, Nebraska Catholic Conference; Jessica Furmanski, Nebraska's WIC Association; Lyndie Christensen, Lincoln; Jessie McClure, excuse me,

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

Jessica McClure, Lincoln; Dr. Lea Pounds, Omaha; Mo Neal, Lincoln; Carmen Smith, Lincoln; Paula Bohaty, Lincoln; Rayna Collins, Lincoln; Cynthia Hartley, Lincoln; Erika Finch, Omaha; Krystal Nelson, Firth; Pamela McDonald, Omaha; Kacie Ware, Omaha; Sarah Zuckerman, Lincoln; Cathy Smith, Bellevue; Melody Vaccaro, Lincoln; Gina Frank; Ashlee Young; and Ann Anderson. Opponents: none. In neutral position: Platte Institute.

**BLOOD:** Wow!

**LINEHAN:** With that, I will call the hearing on LB13 to a close. Thank you, Senator Blood. And we will open on-- open on LB170. Senator Hunt, LB170. Good afternoon.

**HUNT:** Hi everybody. I have some materials to distribute.

**LINEHAN:** [INAUDIBLE] . Good afternoon.

**HUNT:** Good afternoon.

**LINEHAN:** You can go ahead.

**HUNT:** Thank you, Senator Linehan and the esteemed members of the Revenue Committee. I don't envy some of the decisions you'll have to make in this committee and I'm just really grateful to be able to come before you today and share my bill with you. This is my first hearing on any of my bills ever so this is sure to be a really memorable day for me. So be--

**LINEHAN:** Oh, yes, you have to spell your name.

**HUNT:** Yeah, ask me questions but please just be a little gentle. I would really appreciate it. So I'm Senator Megan Hunt, M-e-g-a-n H-u-n-t, and I represent District 8, which includes the neighborhoods of Dundee and Benson in midtown Omaha. Today I'm presenting you with LB170. This legislation would exempt menstrual hygiene products, such as pads, tampons, menstrual cups, and other comparable products, from state sales and use taxes. First, I'd like to thank some key members in this movement to recognize this issue of access to menstrual hygiene products: Senator Mike McDonnell, who worked last session to bring this issue forward, and Senators Adam Morfeld, Patty Pansing Brooks, Carol Blood, and Ernie Chambers for cosponsoring this bill. A few years ago I got into this because I started organizing a menstrual product drive during the holiday season for shelters in the Omaha area. When I started talking to leaders in our communities about what

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Revenue Committee January 25, 2019

was missing or falling through the cracks in terms of supporting low-income women, I was not surprised to learn that products like tampons and pads are among the things most requested by women in need. But I was surprised to learn how hard they are to come by for those who need them. Dealing with a monthly period can be particularly troublesome for homeless people because pads are in short supply in shelters and people aren't often given enough for their needs. Sometimes they're rationed, sometimes when you need them they don't have any left, that kind of thing. So this is really about dignity to me and it's about addressing a problem that no person should have to deal with. I'm proud to have worked on this pressing issue in the private sector on the local level, but I believe it's time for us to take the lead and address this statewide. People who cannot afford the hygiene products they need often resort to using towels, newspapers, dirty clothing, rags, whatever they have to create some form of protection when they have their periods. Exacerbating the threat of infection, many people who do not have access to menstrual products also do not have access to showers or laundry and must continue to wear the same undergarments that haven't been cleaned since their last cycle. So this is a concern for public health as well. Even if they are able to get supplies, these products are often rationed and people aren't prepared when they need them. Access to menstrual products has proven to be limited for vulnerable populations. Currently the cost of these products are not included in health insurance and flexible spending accounts nor in public benefit programs such as SNAP, Women, Infants and Children, WIC, benefits. Many shelters in Nebraska distribute tampons and pads, along with toothpaste and shampoo, but menstrual products are also harder to source from donors because of the stigma attached to them. A lot of people are a lot more happy to donate soap than they are a box of tampons and sort of, you know, we have a theme going here in this committee today about social stigma around women's health and I think that there's no need for that. To many of us a tax on a box of tampons might not be significant but to many people living paycheck to paycheck it can be really burdensome or even prohibitive. The sales tax on these items doesn't amount to much, but when you're trying to figure out if you can give your kid milk money or if you can even get lunch for yourself then it is impactful in a very significant way. And I think Nebraska should join the other ten states that have repealed the tampon tax and demonstrate that the Legislature recognizes the existence of these issues impacting our women in low-income communities, and is willing to work in good faith to fix them. It's worth noting, I want to say for the for the bod-- for the committee here and also for some people who may be here to

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

testify, that some arguments regarding the taxation of feminine hygiene products seem to imply that tampons are subject to their own tax, like we kind of colloquially call it the tampon tax, but that's not correct. In no state, including Nebraska, are tampons subject to a special or unique tax. This is just a question about whether feminine hygiene products should be included in the state sales tax base. So I just wanted to clarify that. So we're not discussing this tax on just a specific item because that's a little bit misleading. I, like all of you, am a proponent of sound fiscal policies and the fiscal note might be a little daunting at first glance. It has a fiscal note of about \$1.5 million. That's also-- that's why I've also introduced LB162, which will impose a tax on tanning services. A 2016 report from the Nebraska Department of Revenue estimated that the imposition of such a tax would generate \$1.3 million in revenues for the state. So that would make up about 82 percent of the lost revenue from this bill. And in the hearing for that bill, I can explain a little bit more about how I think those policies can work together. Yeah. The loss on tax revenue I think will be minimal because the sales tax money will likely be spent elsewhere too. Finally, I'd like to bring your attention to the amendment that I'm proposing for this bill. This amendment changes the term "feminine hygiene products" to "menstrual hygiene product" to make it a little bit less ambiguous and to provide clarity. Additionally, it removes language that differentiates between menstrual hygiene products and grooming products, because it's unnecessary to mention those items when we specify menstrual hygiene instead of feminine hygiene. When we talk about feminine, you know, what is that? Is that soap? Is that toothpaste? Women use that. So we change the language in the bill just to be very, very clear. This amendment simply makes the bill more succinct and uncomplicated. Colleagues, menstrual products are indispensable, necessary, and vital for the health, well-being, and full participation of women and girls in all aspects of society. Lack of accessibility to such products can cause physical infection and disease. These products are necessities, not luxuries, and I think it's time our tax code reflected that reality in Nebraska. Thank you and I'm happy to answer any questions you have.

**LINEHAN:** Thank you, Senator Hunt. Do the senators have question?  
Senator Friesen.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**FRIESEN:** Thank you, Senator Linehan. One question I guess when you talk about the "receipts from the sale, storage, use," so storage cabinets?

**HUNT:** Can you tell me the-- where that is in the bill so I can look at it?

**FRIESEN:** It's-- it's even in your amendment, Section 4 in the new language also. It just says "receipts from sale, storage." The storage is what I'm questioning I guess.

**HUNT:** I don't know. That was originally in, in the bill. And so I think it might-- my guess is maybe that has to do with other things in the-- in the code that may refer to other things. But I-- I don't think that that refers to menstrual hygiene products. But I-- but I can find out for sure and let you know--

**FRIESEN:** OK.

**HUNT:** --because I think that language was originally in the statute.

**FRIESEN:** Thank you.

**HUNT:** Uh-huh.

**LINEHAN:** Other questions from the committee? Thank you, Senator Friesen. I'm sorry. Senator Lindstrom.

**LINDSTROM:** Thank you. So under the-- Thank you, Chairwoman Linehan. And thank you for being here. Welcome to Revenue Committee, [INAUDIBLE].

**HUNT:** I love it here. You guys are great.

**LINDSTROM:** So with the fiscal note, I just want to make sure, so this fiscal note represents the feminine hygiene products versus--

**HUNT:** Yes.

**LINDSTROM:** --menstrual. So--

**HUNT:** Yes. Or I think-- I think that the fiscal note is meant to reflect just pads, tampons, cups, stuff like that.

**LINDSTROM:** OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**HUNT:** It doesn't-- the change of the language doesn't impact the fiscal note.

**LINDSTROM:** OK. That was my question.

**HUNT:** It's just to make the bill more clear.

**LINDSTROM:** OK. That was my question.

**HUNT:** Uh-huh.

**LINDSTROM:** Thank you.

**HUNT:** So it doesn't reflect like soap and shampoo and stuff like that.

**LINDSTROM:** Yeah. I was actually thinking it might go down if it was just using [INAUDIBLE] .

**HUNT:** Yeah, I wish.

**LINDSTROM:** Thank you.

**HUNT:** Yeah.

**LINEHAN:** Other questions from the committee? Thank you, Senator Lindstrom. I'm sorry. Other questions? OK. Will you stay to-- oh, did you? I'm sorry. Were you going to stay to close?

**HUNT:** Yes.

**LINEHAN:** OK. Thank you.

**HUNT:** Thank you.

**LINEHAN:** Proponents.

**JENNIFER DAY:** Good afternoon, Senators and Revenue Committee members. Thank you for giving us the time to speak today. My name is Jen Day, spelled J- e- n D- a- y, and I'm a resident of District 49 at 15708 Redwood Street in Omaha. I'm here to-- today to discuss my support for LB170, to ensure the dignity of women and girls in Nebraska and to ensure the fairness of tax burden. In 2012 I was the mother of a new baby and had just opened my own business. Money was tight and we budgeted every dollar of what we had down to the penny. There were many days of eating peanut butter and jelly sandwiches or Spaghettios in order to stretch every dollar. Additionally, I have suffered from

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

very heavy bleeding for my entire menstruating life. A tampon-- a tampon or pad that would last a typical woman an entire day would need to be replaced after an hour or so. There were days where I had to go without one because we simply couldn't afford them and it ruined many pieces of clothing. But I had no other option. Rushing to the restroom in the middle of the day because you have bled through your pants is not only disruptive but terribly embarrassing. Additionally, as a sibling of a middle school educator, I've heard many stories of young girls being embarrassed in front of their classmates because they did not have access to menstrual products and have bled through onto their clothing and, further, onto their seats. The embarrassment these girls have suffered in being mocked or laughed at, as the janitor has to come into the room to clean their seat, is heartbreaking. Menstrual products are absolutely not a luxury and should never be treated as such. They are a necessity of life for women and girls to be able to get through the day with dignity. Lastly, to categorize menstrual products as a nonnecessity is unfairly shifting economic burden in a clearly gendered way. This is unconscionable. And that for reasons stated above, these items are a necessity for those who have periods and, therefore, more tax burden is put on the shoulders of only those who menstruate, i.e., Nebraska women and girls. Many states have moved to exempt menstrual products from sales tax because they understand that they are necessary hygiene products, not a luxury. After crunching very basic numbers-- which it sounds like my numbers are a little different than what you have on your fiscal note, because I just used basic census data and then percentages based off of like a \$10 box of tampons once a month, taxed at 5.5 percent-- I discovered that women and girls contribute approximately more than \$3 million a year in taxes that their male counterparts do not. There is no gender-specific product that is a necessity for men that is taxed in this same way. Over the course of the 40 years that a woman typically menstruates, this results in over \$120 million in taxes paid by women and girls only. There are many ways to resolve this disparity, but the first step is to make menstrual products exempt from sales tax. Thank you for taking the time to listen and for your consideration and I hope you will support LB170.

**LINEHAN:** Thank you, Ms. Day. Are there questions from the committee? Seeing none, thank you very much.

**JENNIFER DAY:** Thank you.

**LINEHAN:** Proponents?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**CLAIRE WIEBE:** Good afternoon. Good afternoon, Chairperson Linehan and members of the Revenue Committee. My name is Claire Wiebe, C-l-a-i-r-e W-i-e-b-e, and I am here today both as a young woman and as-- in my role as the policy chair for the Nebraska Young Democrats in order to support LB170. Each year the Nebraska Young Democrats partner with businesses across our state to hold a period product drive. As we've heard before, many Nebraskans struggle to afford menstrual products and especially those in crisis situations or living in poverty. This year the Young Democrats were able to donate two carloads of menstrual products to the Women's Center for Advancement in Omaha for their clients who are experiencing domestic violence, abuse, and trafficking. This drive is really important to us because it represents community members coming together for a common cause: supporting a population who otherwise experiences barriers to purchasing these essential products. The sales tax on menstrual products represents a burden on all young people who menstruate. Many of us need to buy menstrual products at least once a month and a typical box of tampons can cost anywhere from \$7 to 15 dollars. Over our lifetimes, this adds up to a huge amount of money spent on a monthly necessity. And for young people in particular, this cost represents even more of a burden. Many of us already struggle with the cost of rent, student loans, car payments, bills, and groceries, and sometimes our budgets are very, very tight. Those of us who menstruate also consider the extra cost of menstrual products into our budgets. In addition, when we consider the fact that many young people are in college and have really low incomes or infrequent incomes, the additional financial burden to access menstrual products creates undue stress. Purchasing these products is not a choice; it's a requirement for half the population to stay healthy and to stay safe. When the state taxes tampons as nonnecessities, we're being told that menstruation, which is our basic biology, is a deviation from the norm. By lifting the sales tax, the Legislature could send a strong message to young people across the state that no matter who you are you deserve access to the basic necessities that allow you to live a happy and healthy life here. LB170 is a common-sense way for the Nebraska Legislature to support young people and demonstrate a commitment to gender equity. It helps to ensure that all Nebraskans are able to purchase the products they need to live healthy and happy lives. Thank you so much for your time and I urge you to support LB170.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** Thank you, Ms. Wiebe. Are there questions from the committee? Seeing none, thank you very much for your testimony.

**CLAIRE WIEBE:** Thank you.

**LINEHAN:** Other proponents?

**KAREN BELL-DANCY:** Good afternoon.

**LINEHAN:** Good afternoon.

**KAREN BELL-DANCY:** I am Karen Bell-Dancy, K-a-r-e-n B-e-l-l-hyphen-D-a-n-c-y, and I serve as executive director of the YWCA Lincoln. Chairperson Linehan and members of the Revenue Committee, the mission of the YWCA of Lincoln is dedicated to the elimination of racism, empowering women, and promoting peace, justice, freedom, and dignity for all. We believe in gender equality and are concerned with the essentials of health for women. The YWCA of Lincoln supports LB170, introduced by Senator Megan Hunt, because exempting feminine hygiene products from its sales tax will benefit many women of Nebraska. These products should not be considered luxury items, and the existing tax is regressive on essential items pertaining to women's healthcare. Menstruation is biological and feminine hygiene is not a choice. There is no comparable tax for people that do not experience this biological function. Periods should not be political. If we are dedicated to help others have equity then we must be aware of the challenges that they face. When women cannot afford these necessities or are not educated on proper healthcare, unclean feminine hygiene products and practices can cause serious health problems. Tampons and other menstrual products are basic, unavoidable necessities for those who menstruate. We see them as medical products and believe they should be made tax exempt so Nebraska's tax policy no longer penalize people who menstruate. At the YWCA of Lincoln, we continue to advocate for reducing barriers for women and girls and the elimination of racism in Nebraska, and this work includes advocating for our state to meet the basic needs of women. We thank Senator Hunt for introducing this legislation and asked the committee to vote LB170 out to reduce barriers toward gender equity. Thank you.

**LINEHAN:** Are there questions from the committee? Seeing none, thank you very much.

**KAREN BELL-DANCY:** Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** Other proponents?

**MEG MIKOLAJCZYK:** Good afternoon, Chairman--

**LINEHAN:** Good afternoon.

**MEG MIKOLAJCZYK:** --Chairperson Linehan and members of the committee. My name is Meg Mikolajczyk, M-e-g M-i-k-o-l-a-j-c-z-y-k, and I'm the deputy director for Planned Parenthood here in Nebraska. As you probably know, Planned Parenthood is a sexual and reproductive healthcare provider that provided services to almost 8,500 Nebraskans last year. And although we do have male patients, about 11 percent of our patient base are male, most of our patients and the general population we serve menstruate monthly as part of their normal reproductive healthcare or health process. Planned Parenthood in Nebraska supports LB170 because Nebraskans should not be penalized under our tax laws simply because they menstruate. Planned Parenthood recognizes some of the criticism that has surrounded efforts across the country to exclude menstrual hygiene products from the state sales tax: Is the quarter saved each month on tampons really a victory for gender equity? And we would say resoundingly, yes, it is. At Planned Parenthood we respect and honor all people and we think that this is a great bill that seeks to do the same. I have some pieces in my testimony that I think other folks have covered, so you've got it if you want to read it. But I just want to make sure I also get in that reproductive health rights are basic human rights, and that includes the right to access and afford menstrual hygiene supplies and products. This issue disproportionately affects low-income people, and tampons and pads cannot be purchased through government assistant programs and are among the most requested items at shelters and food banks. One study which I've included with my testimony showed that nearly two-thirds of women were unable to afford menstrual hygiene products during the previous year, and this legislation works to correct that. Exempting menstrual hygiene-- hygiene products from sales tax certainly does not destroy all systems of oppression perpetuating gender inequity, but passing this legislation would demonstrate that the Legislature recognizes the existence of those systems and is willing to work to dismantle them. So thank you, Senator Hunt. Thank you, Senator Hunt, for bringing this legislation and for supporting Nebraska women. Thank you to the committee.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** Thank you. Are there questions from the committee? Seeing none, thank you very much. Other proponents. Can I just ask how many more are going to testify today? Thank you. Hi.

**KENNA BARNES:** Hello. Good afternoon, Chairperson Linehan and members of Rev-- the Revenue Committee. My name is Kenna Barnes, that's K-e-n-n-a B-a-r-n-e-s, and I'm here to show support for LB170. As a full-time student and worker, my schedule is filled with various activities. Sometimes that includes menstruation. I know that most of you have never had to deal with a monthly period, but let me tell you something. It's a pain, literally and figuratively. I am fortunate enough to have the stability to purchase the necessary supplies to deal with my period, but not everybody does. To amplify the inconvenience of menstruating with sales tax for people experiencing homelessness and general poverty is inconsiderate. The average person who menstruates-- menstruates has a period for almost seven years of their lifetime. That's seven years of discomfort while simply trying to participate in the work force and in daily life. That's upwards to \$2,000 over a lifetime. To tax this item as a luxury when it's clearly a necessity is discriminate-- discriminatory, in my opinion. If it were up to me, menstrual products would be available to those who need them at no cost. Unfortunately, I'm not sitting in one of your chairs yet. We have an opportunity to lead the way in this country to putting our principles in equality and respect in statute. So I urge you to move this bill forward for the good of your constituents and the state of Nebraska as a whole. Thank you.

**LINEHAN:** Thank you. Are there questions from the committee? Seeing none, thank you.

**SCOUT RICHTERS:** Hello. My name is Scout Richters, S-c-o-u-t R-i-c-h-t-e-r-s. I am legal and policy counsel with ACLU of Nebraska. We want to extend our gratitude to Senator Hunt and the cosponsors of the bill for bringing this legislation. Really what it comes down to is a sales tax on menstrual supplies is just one of the ways that people who menstruate are-- one of the ways that women and people who menstruate are financially punished-- punished for their biology. For example, we know the pay disparities between women, especially women of color, and their white male counterparts. And the fact is, is that forgoing tampons, pads, or other supplies is simply not an option for the vast majority of those who experience periods. These are not luxury items but are necessities that are needed to be able to function in society. So we just wanted to reiterate our support for

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

this bill and thank Senator Hunt. And I would be happy to answer any questions.

**LINEHAN:** Thank you. Are there any questions from the committee? Seeing none, thank you very much.

**SCOUT RICHTERS:** Thank you.

**LINEHAN:** Other proponents. Opponents. Any opponents? Anyone testifying in a neutral capacity? Senator Hunt, would you like to close?

**HUNT:** Thank you all again. Thank you, Chairwoman Linehan. And I want to extend my gratitude again to all the people behind me who drove here today to support me and to support this legislation. It's really unforgettable and it's really special to me. I wanted to address, I-- I had some time over [INAUDIBLE] look about what you said, Senator Friesen, about the word "storage" in that amendment. I would be totally amenable to changing that just to make sure that doesn't cause any confusing-- confusion in statute for other businesses that provide storage and things like that. I wouldn't want there to be any confusion or unintended consequences because of that language. So thank you for bringing that to my attention. I just want to point out that on the state level we have 103 sales that are already exempt from sales and use taxes. On the national level, removing this tax is also a growing movement. In 2016, Connecticut, Illinois, New York moved to eliminate their tax on menstrual products. In 2017 Florida did it. Republican states are doing this. Democratic states are doing this. This is something we're seeing nationwide that there's support for. I believe these products should be exempt from sales and use tax because they're a necessity. They're a medical necessity. There are, like I said, there's 103 specific categories of sales that are exempt from sales and use taxes, and many of them are intended to make our state more business friendly. Some of them are intended to provide relief to our farmers and agricultural workers, and others, like food and medicine and medicinal equipment, are exempt because they're viewed as necessities. And these products are necessities for hundreds of thousands of Nebraskans and I believe they should be legally categorized as such. On the macroeconomic level, the fiscal impact of this is so small. And there are so many other bills that we're going to be debating on the floor this year that will bring more revenue to Nebraska that are going to get their time. So I think that it would be right for the people of Nebraska to move this to-- to advance this. Thank you so much.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 25, 2019

**LINEHAN:** Thank you.

**HUNT:** Any more questions for me?

**LINEHAN:** Questions from the committee? No. Thank you very much.

**HUNT:** Thank you all.

**LINEHAN:** Good job.

**HUNT:** Thanks.

**LINEHAN:** Letters for the record. Proponents: Scout Richters, she was here I think; Kathleen Uhrmacher, Women's Foundation of Lincoln and Lancaster County; Corinne Peterson, Nebraska Wesleyan Gender Advocacy Place; Tiffany Joekel, Women's Fund of Omaha; Karen Bell-Dancy, she was here too; Paul Romero, Omaha; Marrienne Williams, Lincoln; Shannon Jackson, Omaha; Sarah Zuckerman, Lincoln; Wellesley Michael, Omaha; Mikayla Findlay, Lincoln; Sydney Butler, Lincoln; Brenda Gallarado, sorry about that, Lincoln; Hannah Young, Omaha; Lyndie Nader, Lincoln; Lysette Garcia, Omaha; Charlotte Guthrie. Opponents: none. In neutral: Platte Institute. So with that, I'd call the hearing on LB170 to a close. And it's Friday afternoon. Have a good weekend.