

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee August 2, 2024

BREWER: Good morning and welcome to the Government, Military and Veterans Affairs Committee. I'm Senator Tom Brewer, representing the 43rd Legislative District, and I will serve as the Chair of this committee. The committee will take up the bills in the order they are posted on the agenda. Today, it is just LB56. Our hearing is your public part of the legislative process, this is your opportunity to express your position on proposed legislation before us. Committee members may come and go during the hearing. This is just part of the process of bills in other committees, or at least Wayne does. I ask that you abide by the following procedures to expedite today's meeting. First off, turn off all of your electronic or cell devices. The introducing senator will make the initial statement, followed by proponents, opponents, and those in the neutral. Closing remarks are reserved for the introducing senator. If you're planning to testify today, please pick up a green sheet and fill it out clearly, legibly, and be prepared to turn it in when you come forward. If you do not wish to testify but want to have a record of your presence here in the meeting, there will be a gold sheet at the back table for you to fill out. This will put it in the official record that you were part of today's hearing. If you have handouts, we'd ask that you provide 12 copies. If you don't have 12 copies, let us know and we'll have the page make more copies. When you come to testify, please speak clearly into the microphone and state your first and last name, then spell them. We're using the light system today. For all testifiers, we will use the 5-minute time period for today's hearing. The yellow light will give you a 1-minute warning and a red light when you're done. No displays of support or opposition for the bill, vocal or otherwise, will be allowed. Committee members with us today, I will start on my right with Senator Hunt.

HUNT: I'm Senator Hunt and I represent the northern part of midtown Omaha.

HALLORAN: Good morning, I'm Senator Steve Halloran representing District 33.

LOWE: John Lowe, District 37.

AGUILAR: Ray Aguilar, District 35.

SANDERS: Good morning. Rita Sanders, District 45.

BREWER: And Senator Sanders is the Vice Chair for this committee. To my left is Dick Clark, the committee clerk-- committee counsel, and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee August 2, 2024

Julie Condon on my right is committee clerk. And where is Krista? Krista back there will serve as our page today. Senator Wayne, you have the opportunity here to be the last Government testifier that we have and the last person that I get to Chair a committee for.

WAYNE: Thank you, Chairman Brewer. My name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e, and I represent Legislative District 13, which is north Omaha and north Douglas County. I brought this bill a couple of years ago to this committee. The room was completely full. But this year, I, I don't see that same. Part of the property tax relief package is, I think, we should put everything on the table. And we have counties that are providing full-time wages, full-time benefits, and sometimes even a, a truck-- pickup truck to go check out on county roads on a daily basis. Typically, these are part-time jobs and some people are making as much as \$55,000 to \$60,000 plus benefits. So just putting everything on the table so we can see everything when we talk about property tax relief. And with that, I'll answer any questions.

BREWER: Well, as the Chair, my first question is, do you want us to Exec on this bill?

WAYNE: Only if there's votes to get it out.

BREWER: That'd be one way to find out. All right. Questions for Senator Wayne? Yes, Senator Hunt.

HUNT: Thank you, Chairman Brewer. Senator Wayne, can you say what this bill does?

WAYNE: It will eliminate-- oh, not eliminate-- it would reduce any political official could only get on a part-time basis two times our salaries. If it's a full-time job, three times the value of our salary. So \$36,000 or \$24,000.

HUNT: Thank you.

BREWER: All right. Additional questions for Senator Wayne? All right, now, if I remember right, you're stacked--

WAYNE: I'm in Revenue. Yeah.

BREWER: --so you won't be closing.

WAYNE: No, I will not.

BREWER: All right.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee August 2, 2024

WAYNE: Thank you.

BREWER: All right. We will begin with proponents to LB56. LB56 proponents? And then we'll go to opponents to LB56.

LOWE: Flip a coin.

BREWER: Come on up.

AGUILAR: Don't fight.

BREWER: Welcome back to the Government Committee.

BETH BAZYN FERRELL: Thank you. Good morning, Chairman Brewer and members of the committee. For the record, my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials. I'm appearing in opposition to the bill. For nearly 50 years, NACO has done a salary study prior to when county boards set salaries for the term of office. So every 4 years. Our idea with that is to give county boards some range and some thoughts about how they want to set salaries. We include things like population, valuation, benefits. So the county boards can look at what the surrounding counties are doing. What counties similar, you know, comparables are doing for setting salaries for their county board members. The reason that we had started doing that was because there was a bill like this that set salaries for county board members and we wanted to maintain our word again, local control and to, you know, give some, some background for county boards when they look at, at setting salaries. The process for setting salaries is set out in the constitution and statute for counties. The constitutional part of it says that salaries can't be increased or decreased during the term of office. There's case law that has created some-- a little bit of flexibility in that, for example, if the salary resolution says this is the base salary and it will be adjusted by the CPI at the beginning of each year, things like that are acceptable. There's also little flexibility as far as boards that are on staggered terms like county boards because, otherwise, there's no way to set a term that would, you know, work for everyone that's staggered. The resolutions have to be adopted by January 15 of the year prior to when the term of office starts, so that everyone who's running for the office knows what the salary is, and the filing fees can be set based on that salary. In addition to that, last year the Legislature enacted legislation that actually came before this committee as LB1358. Then it was adopted as LB1300. And it said that county board salaries cannot exceed the cumulative CPI since the last time salaries were set unless there's a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee August 2, 2024

vote of the people-- oh, plus 1%, unless there's a vote of the people, they can't be changed more than once every 2 years. So there are already a lot of safeguards and limitations in place for what county official salaries, county board salaries can be. The issue of whether county board members serve on a full-time or part-time basis, there's nothing in statute that defines whether county boards are full time or part time. They're kind of like all of you, you're sort of on call 24/7. It's not just the actual county board meetings where they're working, just like you're not just working when you're, you know, here at the committee hearings or up on the floor. There are a lot of other things that go into it, other hearings and meetings and, you know, inspections and all sorts of different things. So that's something that we would look at with this bill as it's written. We would make a suggestion that-- I know Senator Wayne couched this in terms of property tax relief and that's, you know, certainly something to be considered. But maybe it's time to look at senators' salaries instead of looking at, you know, county board and other political subdivision salaries. And maybe then if those are increased to where they need to be, maybe that would be the time to look at tying official salaries to those, so. I'd be happy to take questions.

BREWER: All right. Thank you, Beth. Let's see, Senator Wayne referenced using of a pickup, 50 grand, things like this. When he is talking about this, is this a lot of counties that do this or is this a handful? Do you know the counties that he's referencing on this?

BETH BAZYN FERRELL: I know of one county that does provide pickups or did in the past. I don't know if they still do. And those are counties where they're intended to use those to go out and look at the roads within their district. I, I don't know what the other limitations are on that for the use of that. I assume there would be tax implications if they use it outside of their county duties.

BREWER: All right. And, oh, let's see, if we're, we're talking county wages, that's decided by the county board. So we're getting into that local control issue.

BETH BAZYN FERRELL: It is.

BREWER: All right. Let's see what questions we have. Questions for Beth? Questions? Oh, over here. Sorry.

LOWE: Thank you. Just to make this go on a little bit longer. Part-time, full-time counties, how many county board members are full time? How many of the counties have full-time members?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee August 2, 2024

BETH BAZYN FERRELL: It's something that's not defined in statute, what's full time and part time. So there's, there's not really a good answer to that. When you look at, like, retirement statutes and that only applies to-- it doesn't apply to the largest counties for that. For example, it says: all elected officials are employees. And then for purposes of determining what the number of hours are to contribute required contribution, it has to be 50%. But it's really sort of you'd have to connect a lot of the dots to get to that point to say that, you know, and that would only apply to retirement. So there's really not a, a definition in statute.

LOWE: OK. The largest county by population, not by size.

BETH BAZYN FERRELL: By population.

LOWE: OK.

BETH BAZYN FERRELL: Yeah.

LOWE: Thanks, Beth.

BREWER: If we were to look at all 93 counties, who would have the highest salary of, of the counties, do you know?

BETH BAZYN FERRELL: Douglas County would, I believe Sarpy and Lancaster would probably be close for second and third. And then it would, you know, decrease from there.

BREWER: OK. All right. Additional questions? All right. Thank you for your testimony. Oh, OK, next opponent to LB56. So, Christy, just for the record, how many years were you the legal counsel to the Government Committee?

CHRISTY ABRAHAM: 14, 2 glorious years under Senator Aguilar. The best 2 years. Can we all agree with that?

AGUILAR: Two of the best years of your life.

CHRISTY ABRAHAM: That's right. Absolutely.

BREWER: All right. Whenever you're ready.

CHRISTY ABRAHAM: Thank you, Senator Brewer and members of the Government Committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m. I'm here representing the League of Nebraska Municipalities. I want to thank the committee for your time on this.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee August 2, 2024

Beth sort of previewed what I was going to say. I think as this committee remembers well, you heard a bill last year, LB1300. Senator McDonnell brought that bill to you. And it was a bill to sort of limit salaries for certain political subdivisions, including municipalities. This committee, along with the League, worked on a compromise with Senator McDonnell that Beth mentioned. And that was for Omaha and Lincoln, their salaries can only increase by CPI plus 1%, or they can go to a vote of the people if the mayor or the city council determines they want to have more of a salary increase than that. So we feel like this committee has sort of made their compromise on municipalities. So we would just ask that, maybe, municipalities not be included in this bill. I think under the provisions of LB56, really only one municipality would be implicated. I don't think that there is any other municipality that pays more than \$24,000 a year for their city council members. Certainly, as many of you know from your own communities, cities of the first class, second class, and villages don't come anywhere close to \$24,000 a year paying their city council members. So we appreciate Senator Wayne bringing this bill. We just ask that municipalities be excluded if you decide to advance it since this committee has already worked on that issue last year and that bill had passed. So I'm happy to take any questions.

BREWER: All right. Thank you. Let's see if we have questions. Questions for Christy? All right, so, Dick, you've got 8 years to get to the 14-year mark?

DICK CLARK: I don't know if I'll ever reach the same summit that Ms. Abraham reached.

CHRISTY ABRAHAM: I think you have done miraculous things in the short years you've been here so no comparison.

BREWER: All right. Well, thank you for your--

CHRISTY ABRAHAM: Thank you, Senator.

BREWER: --testimony.

CHRISTY ABRAHAM: Appreciate it.

BREWER: OK. Additional opponents to LB56? All right. So we will go to those in the neutral? All right. Well, with that, I will read in our letters. We have no proponents, 2 opponents, and zero in the neutral position. With that, we will close our hearing on LB56.