

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 16, 2023  
Rough Draft

**von GILLERN:** My name is Brad von Gillern. I'm the senator from west Omaha and Elkhorn area. I represent Legislative District 4 and I serve-- I will serve-- I am Vice Chair of this committee and will serve as the Chair today. The committee will take up bills in order that are posted outside the hearing room. Our hearing today is your public part of the legislative process. This is your opportunity to, to express your position on the proposed legislation before us today. We do ask that you limit or eliminate handouts. If you're unable to attend a public hearing and would like your position stated for the record, you may submit your position and any comments using the Legislature's website by noon the day prior to the hearing. Letters emailed to a senator or staff member will not be a part of the permanent record. If you are unable to attend and testify at a public hearing due to a disability, you may use the Nebraska Legislature's website to submit written testimony in lieu of in-person testimony. To better facilitate today's proceeding, I ask you to follow these procedures. Please turn off all cell phones and electronic devices. The order of testimony is the introducer, proponents, opponents, neutrals and then the closing remarks. If you'll be testifying, please complete the green form and hand it to the committee clerk when you come up to testify. If you have written materials that you'd like to distribute to the committee, please hand them to the page to distribute. We need 11 copies for all committee members and staff. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell your name for the record. Please be concise. It is my request that you limit your testimony to five minutes. We will use the light system: green is four minutes; yellow is one remaining; and red, please wrap up your comments. If there are many-- oh, we won't use that. If your remarks were reflected in previous testimony or if you'd 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. Introducing the staff present today, to my left is research analyst, Charles Hamilton. And to the far left is committee clerk, Tomas Weekly. I will ask the committee members to introduce themselves beginning at my left.

**BRIESE:** Welcome, everyone. Tom Briese. I represent District 41.

**DUNGAN:** George Dungan, District 26, northeast Lincoln.

**LINEHAN:** Lou Ann Linehan, 39.

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**von GILLERN:** Our pages today are Kaitlyn, who's a junior at UNL, correct? Am I-- yep-- and Sophia who is a-- is that Sophia? Now stand up-- is a senior in political science and business law at UNL. Thanks for being here today. Please remember that senators may come and go during our hearing. Apparently there are-- I know that there are several that are out testifying right now-- as they may have bills to introduce in other committees. Refrain from applause or other indications of support or opposition. For our audience, the microphones in the room are not for amplification, but for recording purposes only. Lastly, we use electronic devices to distribute information. Therefore, you may see committee members referencing information on their electronic devices. Be assured that your presence here today and your testimony are important to us and are a critical part of our state government. And with that, I want to make sure I'm covering all of our announcements today. Yeah, with that, we will open testimony on LB370. Welcome, Senator Linehan.

**LINEHAN:** Good afternoon, Vice Chairperson von Gillern and members of the Revenue Committee. I'm Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n, and I'm from Legislative District 39, which is Elkhorn and Waterloo in Douglas County. Today, I am introducing LB370. LB370 will insist in informing taxpayers of their right to claim property tax credit that was passed as part of the Nebraska Property Tax Incentive Act in 2020. In 2020, the Nebraska Legislature passed the Nebraska Property Tax Incentive Act to provide tax relief for those who pay property tax within the state by allowing for a refundable income tax for property taxes paid, as we all know, for your general fund school taxes. LB370 would ensure that all property taxpayers are made aware of this refundable tax credit by including a red slip in their property tax notification that informs the property taxpayer of the existence of the property tax credit and the ability to claim the tax credit. Taxpayers are also informed that they can still file amended return to do so even if they did not claim the tax credit initially. Also, they may receive help from the Department of Revenue if they need assistance, assistance in filing the tax credit. So I have looked at the fiscal notes and I didn't know red paper was so expensive. So maybe what we could do with this instead of having it red, there's already one-- and NACO is here and they're going to testify against the bill, which they give me a heads-up. That's fine. So red paper, evidently pretty expensive so maybe it shouldn't be red, but-- or maybe a compromise would be this: there's already a white slip that I'm guessing the Legislature requested them to do a long time ago. It comes with your property tax statement that says where your money goes

and how much state aid that comes to your school districts, your counties. It's a whole-- it's good information. I don't know how many people read it. So maybe we could just put some kind of an announcement on the slip they already put in there. That would be better than nothing. I don't know. Maybe the red tape is worth the \$7,000. That will be up to the committee. The other thought I had is I think-- I didn't know this. I think even-- I had a CPA do my account-- my taxes last year and I didn't really-- because we're in the middle-- when we do our taxes, it's April 15, which tends to be really busy around here in the short session. So I didn't really look at my taxes last year, but I had a very good firm with a CPA do my taxes and they did not claim the credit right. So I think some of our lack is just people getting used to the system, so.

**von GILLERN:** Very good. Questions from the committee? Yes, Senator Murman.

**MURMAN:** Maybe this will be addressed later-- by the way, when I-- I, I don't look at my taxes as close as I should all the time either. But one thing I do emphasize to them is make sure I get that property tax credit, but-- because it is a big part of it, of course. Are, are a large percentage of these tax-- ones that don't claim credit out-of-state taxpayers-- or landowners?

**LINEHAN:** There's some-- well, first of all, LLCs and pass-throughs got a extension. A lot of them don't-- you know, they ask for an extension and they don't file until October. So we were at 60 percent and then after October, we were at 70 percent. So that took up 10 percent. Then I'm thinking there was a couple of the do-it-yourself tax things that you had to know to look for it. So there are people that use those that found out later and they refiled. Also, if you got a CPA doing them and they make a mistake, I mean, I think it's just a new system and people-- they will get better as we do it more. And yes, the out of state because they don't know about the law and they don't know about the credit so it could be a lot of-- and we have a lot of out-of-state property owners.

**MURMAN:** Thanks.

**von GILLERN:** Any other questions? Yeah, I want to, to affirm both of the comments that you made. I went back and checked mine. They did get it, but I talked to so many people when I was campaigning last year that said that their system didn't. And I actually got some thank you's from folks that went and checked and found out that they hadn't

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gotten it and they were owed it so they went back and refiled. So it's frustrating that-- do you know, Senator Linehan, what the balance was left that was unclaimed last year--

**LINEHAN:** Oh, it would be.

**von GILLERN:** --roughly?

**LINEHAN:** --30 percent of, of \$748 million.

**von GILLERN:** So over 200-- \$200 million.

**LINEHAN:** Right, but-- yes, but again, they've got three-- we can't-- I mean, there's been some things that we should use that money doing something else. But you can't use that money for three years because people have it for three years and come back and claim it. And as word gets around and accountants get smarter, they'll redo a-- they'll redo the filings. And I'm guessing a lot more will know then.

**von GILLERN:** Very good. Thank you.

**LINEHAN:** Thank you.

**von GILLERN:** Proponents for LB370? Any proponents? Seeing none, any opponents to LB370? Good afternoon.

**JON CANNON:** Good afternoon. Vice Chair von Gillern, distinguished members of the Revenue Committee, my name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of NACO here to testify in respectful opposition to LB370. First, as, as I always do, I tend-- I have to thank the introducer of the bill because I like having these discussions, but I especially want to thank Senator Linehan and I think a lot of people in the state and a lot of people that are in this business thought that LB1107 was a singular accomplishment. I mean, for-- and you all know me or most of you know me and my back story. I used to work for the Department of Revenue and, and I was not nearly clever enough. And we would always talk about how do we get direct tax credits to the taxpayer? I said, well, you know, the Uniformity Clause of the Constitution prohibits you doing that sort of thing. And, and, you know, seriously, the refundable income tax credit, I would never have thought about that myself. So, you know-- and Senator Briese, I know that you were heavily involved in that as well. But I really do think that was a singular accomplishment. I think it's something that does provide that direct property tax relief to our citizens. And so that said, as far as reminding people that

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they can claim the credit, they get their property tax statements in December. Most people aren't starting to file for their income taxes until February, March, April. The timing is just a little, a little bit off and so that, that, that creates a problem. The costs-- I mean the-- you know, you've seen the fiscal note. It's not excessive or burdensome, but, but then again, I'm always reminded of the phrase that no single drop believes it's the causes of the flood. The time spent, however, in the office, if you have to stuff an extra thing of, of paper into the property tax statement, that, that is a cost, even though that's not something that you would have reflected in the fiscal note. You know, this is something that is explicitly an income tax and so it's a-- it's technically a state issue and, and you'd be having property taxes spent on a state issue instead of a local issue. But again, we understand the, the intricacy and the involvement between the two and so that's one of the reasons that, frankly, I think Senator Linehan's idea that she brought up in their opening is, is actually pretty sound. And we already have that slip of paper that we're sending out that says, here's the amount of state aid that goes to each political subdivision in your county. You know-- and frankly, I think, you know, it's a long slip of paper. You can turn it on its side. You could, you could have it in a, a-- and I always get these to confused-- portrait or landscape mode, whichever the one is the, the one that's going across. And, and frankly, you know, put in red, you know, hey, you have the option of claiming your property tax credit. Please remember to do so. I, I, I think that would be-- that would actually work out pretty well. And one thing I do want to mention, you know, the counties are-- we are trying to help promote this as best we can. I, I couldn't tell you-- I certainly couldn't tell you that every county treasurer, but the majority of them, I think, they've got a little thing on the counter that says, you know, hey, by the way, just remember to hold on to your property tax statement because you can claim a refundable income tax credit for school and community taxes paid. One other thing I'd, I'd like to offer as a possibility-- and again, I used to work for the Department of Revenue. I do not want to sell out my friends at the Department of Revenue if I have any left after, after my testimony today. So NACO owns a software company and we, we do the property tax savings for 90 counties and so we've got a majority of the counties in the state. We certainly work with, you know, Douglas, Lancaster and Sarpy, the big three remaining. As a, as a company, our software company prepares a list that we send to the Department of Revenue that says here are all the people across the state that have paid property taxes in the prior year. And that is a list that's available to the Department of Revenue. We, we prepare

that for them for the 90 counties that we have. The other three counties do the same thing. The Department of Revenue has the list of people that have actually claim the credit. And so it should be-- it seems to me it should be pretty easy to take this list minus that list and you know who did not claim the credit. You know who did not-- who paid property taxes, but did not claim it. It seems to me that's something that can be programmed for. And again, because I don't want to volunteer anything for my, my friends-- maybe former friends at the Department of Revenue, you know, frankly, our software company-- I mean, we could do that if we had the list of the people that have paid the property tax-- or pardon me, claimed the refundable income tax credit. Now, there might be an issue about confidential taxpayer information going to a private company and I get that. But there, there are ways that we can target the people that we want to get the information to without taking a more scattershot approach. Again, I think Senator Linehan's idea of taking a statement that most people are kind of glossing over in the first place and converting that into something that is a focused message, I'm certainly-- I think that sounds like a sound idea and I'd be happy to discuss that further. And I'm just about out of time so I'd be happy to take any questions.

**von GILLERN:** Questions from the committee? Yes, Senator Dungan.

**DUNGAN:** Thank you, Vice Chairman von Gillern, and thank you for being here today on this snowy day. I know it's not easy for everybody. So it sounds like to me-- and correct me if I'm wrong-- that you're not opposed to the idea of making sure people are notified about this. It's more or less the execution that you have an issue with in the current iteration of this.

**JON CANNON:** Sure. Yeah and, and again, there's, there's not a problem with making sure that people are able to claim the refundable income tax credit. You know, and I've said this before in front of this committee, my predecessor said why-- you know, when LB1107 passed, he said, my gosh, we're not going to have to talk about property tax for a few years. Well, that wasn't true. But by the same token, that was a big deal. It was an important step. We celebrated at NACO and frankly, it's something that, you know, we want to make sure that people are taking advantage of it so that they understand that the state is chipping in toward the-- you know, toward direct property tax relief. I mean, it's-- that's not something that we're opposed to. Yeah, but the execution, we'd like-- certainly like to talk about one of the ways that we could-- we can make that happen. And like I said, Senator

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Linehan's idea that she brought up in her, in her opening, that certainly seems like a pretty sound idea to us.

**DUNGAN:** Yeah because my-- the concern that I have, obviously, is that people get a lot of mail that they don't necessarily look at, but I-- that's part of why I like the red slip of paper idea. Not necessarily saying it needs to be red and I understand the cost of that, but I know I open my mailbox and have just tons of things in there that are hard for me to necessarily process and don't always catch my eye. So I think that it would be important to try to find some way to make sure that it's noticeable, but I like your idea that-- going into the information that's already being sent out in red text or something like that.

**JON CANNON:** Well, well, and, and, Senator, the-- I guess the way I would look at it is, you know, we've got that slip of paper. You've got a lot of information on there that says, you know, here's how much the schools received and the cities received, etcetera. And I think I've talked to-- enough people have said that probably isn't paid attention to by the majority of people. And I think a really good idea would be to take that one slip of paper and only have one statement on it that says-- you know, in red that says you're eligible-- by receipt of a property tax statement, you are eligible for a refundable income tax credit. Make sure you hold on to your property tax statement until it's time to file your taxes. I think that would-- I mean, that would-- certainly a blank slip of paper, yay long with the property tax statement, that's certainly going to catch someone's attention.

**DUNGAN:** And because you're already sending out that slip of paper, you think that wouldn't have the same sunk cost into time of doing something additional then?

**JON CANNON:** We're, we're already producing that piece of paper. We're already stuffing it in. So we would just print something else on that piece of paper.

**DUNGAN:** Thank you.

**JON CANNON:** Yes, sir. Thank you.

**von GILLERN:** Other questions? Yes, sir. Senator Bostar.

**BOSTAR:** Thank you, Senator von Gillern. Thank you, Mr. Cannon. So I just-- the objection is that it would be a separate piece of paper?

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**JON CANNON:** So we're, we're just adding on to, you know, to the property tax statement. So you've got property tax statement, then you have the insert that has the, you know, the state funding, the state aid statement. You know, that, that extra piece of paper that we produce, I mean, everything costs something, right? Property tax statement cost, costs something. That extra piece of paper for state aid costs something and then a third thing is going to cost something as well. But if we can combine the two, then that's already a cost that we've already borne. And, and again, I mean, you know, you've seen the fiscal note for it. I think we estimated \$43,000 for the counties that we handle. I think Douglas County had, had theirs. Lancaster County had, had their fiscal note. I mean, you know, is it, is it a lot? Well, no, it's not a lot, but, you know, every little bit counts, so.

**BOSTAR:** So we had a-- we heard a bill last year-- trying to remember the details-- and if I, if I recall correctly, it was to incorporate-- excuse me-- a statement onto the property tax statement that said something like you're owed-- check to see if you owe money for city fees or-- do you recall this?

**JON CANNON:** I do.

**BOSTAR:** And then the-- NACO came in in support. Do you know if that bill is back again this year?

**JON CANNON:** I don't believe it is. I-- and, and ordinarily, we're, we're a little touchy about using the-- essentially the comment section of the property tax statement. I'd, I'd want to revisit that and look at our list and see where we were on that, but-- before I--

**BOSTAR:** You were absolutely in-- NACO was absolutely in support. I recall that very clearly. And in the discussion-- and we had it during that hearing-- we, I think, jointly concluded through our exploration of the subject together that just writing something on the property tax statement to target an audience that perhaps isn't the most vigilant when it comes to perhaps the managing of their documentation is maybe not the most effective approach, right? In that case, it was people who had been mailed something before--

**JON CANNON:** Um-hum.

**BOSTAR:** --who may have missed it. We wanted them to identify on another mailing a line that told them that they should do something



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else. And in that discussion, it was maybe that for that kind of population, this-- that wouldn't be very effective. And my concern, I think, is that if you just put something on the, the property tax statement itself, again, we're talking about people that aren't utilize something they're entitled to. They're busy. They've got things going on. They might not be aware. Is that-- by not having it be something as significant or substantial as a separate piece of paper that's colored differently, you know, are we-- I'm concerned that we're not going to actually get people's attention. And it goes back to this much longer conversation that we had last year.

**JON CANNON:** Sure and your points are well taken, Senator, and I don't disagree with you, which is the coward's way, of course, of saying I agree with you. You know, and again, I don't want to make an offer on behalf of the Department of Revenue. That is definitely not my place. But we do know-- again, we know that the list that we produce as counties that goes to the Department of Revenue that is everyone that's paid a property tax in the state-- that's paid a school property tax or community college property tax in the state. We also know that the Department of Revenue, because they're the ones that are processing it, they have a list of people that have claimed it. I mean, there-- it seems like there's a very easy way of targeting something directly to the people that did not claim the credit to make sure that they receive notice in some way, shape or form. However, the timing, what we're talking about here-- along with the property tax statement, the timing isn't great because you get your property tax statement at the end of December. By law, you're not going to start filing your, your income tax returns until the middle of February at the earliest. And so there's that disconnect there because I can tell you right now, I don't know where my mail from last week is. Mostly because my wife hid it from me, but you know that, that is what it is. So it seems to me that if you, if you targeted something middle of February, early March, you're going to have much, much greater success.

**BOSTAR:** So, so if, for example, the Department of Revenue gave the counties a list to work off of so that they could do their own subtraction in order to figure out who to target and then the counties were required to do a separate mailing to those individuals in those counties, that would be then something that NACO would support?

**JON CANNON:** No, NACO would not support that. That's going to be an additional cost. However--

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**BOSTAR:** I didn't think so.

**JON CANNON:** --I would be delighted, I would be delighted to have us create the list and send it to the state print shop. And well, the state print shop is owned by the state so, you know, who, who bears that cost would make a lot of sense.

**BOSTAR:** Well, there's always a cost.

**JON CANNON:** There always is. Who do we want to bear it?

**BOSTAR:** What if we made it optional? The county could decide whether or not they wanted to give their particular residents the benefit of educating them on the opportunities to save money.

**JON CANNON:** I, I suspect if they are not already running down here right now to say you can't release confidential taxpayer information to the folks at the county-- and we could talk about that-- you know, that certainly might be an objection the department has, but I would be interested in having that conversation.

**BOSTAR:** Sure. All right, thank you very much.

**JON CANNON:** Yes, sir. Thank you.

**von GILLERN:** Other questions from the committee? Mr. Cannon, I have one. And again, as-- I think there's three of us that have spoken that don't do our own taxes so me being one of them, do you-- you don't have to have that physical property tax statement in hand when you file for your income tax credit.

**JON CANNON:** No, sir, you do not.

**von GILLERN:** OK because you were talking about that coming out late in the year, coming out in December, but then you don't file your taxes for several months later. Is that-- I thought you were implying that was a burden.

**JON CANNON:** Oh, no. So if, if what you're trying to do is you're trying to tie the production of the property tax statement to when someone files their taxes, the timing is just off.

**von GILLERN:** Oh, just as a, as a timely reminder.

**JON CANNON:** Right.

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**von GILLERN:** OK. Got it.

**JON CANNON:** So if you wanted to have something in front of someone at the time that they're going to file their taxes--

**von GILLERN:** I'm with you.

**JON CANNON:** Yeah.

**von GILLERN:** OK, thank you.

**JON CANNON:** Yes, sir.

**von GILLERN:** I misunderstood what you were saying, so. OK. Very good. Thanks for being here today.

**JON CANNON:** Yes, sir. Thank you.

**von GILLERN:** Any other opponents regarding LB370? Any neutral testifiers today? We have-- let's see here and we have a special list. LB370, we received comments from the public record: zero proponents, four opponents and zero neutral. Additionally, due to inclement weather and an extension of the deadline for online position comments there may be an additional comment, there may be additional comments added to today's hearing record as an exhibit. So those, those will be posted online. All right, thus ends our hearing on LB370. Senator Linehan waived closing so we will move on to LB704.

**BOSTAR:** It's you.

**MURMAN:** Can we go to the next one?

**von GILLERN:** The next one is you.

**MURMAN:** Yeah, I know, but I don't have my open with me.

**von GILLERN:** Oh, OK. Well, sure. Next one, LB317 is me. Senator Bostar, can I ask you to Chair on my behalf? Please don't leave.

**DUNGAN:** Hey.

**von GILLERN:** You were almost the youngest in the whole group, so.

**BOSTAR:** For the transcribers, this is Eliot Bostar. We are now opening the hearing on LB317. Welcome, Senator von Gillern.

**von GILLERN:** Thank you. Good afternoon, members of the Revenue Committee. For the record, my name is Senator Brad von Gillern, B-r-a-d v-o-n G-i-l-l-e-r-n. LB317 won't take very much time today. It's very simple. It was brought to my attention by the Douglas County Board of Commissions [SIC]. LB317 would provide county assessors more flexibility with property inspections. It would make possible the action of virtual assessments. The intent is to provide savings to counties and taxpayers by cutting unnecessary inspection time and travel costs. State statute requires the county assessor to inspect real property no less than once every six years. Statute is silent as to how this property must be inspected. However, chapter 50 of the Department of Revenue rules and regulations require an in-person inspection for real property. LB317 is not requiring the method for county assessors to assess property. It's merely offering flexibility for those assessors. A letter of support was put forth by the Douglas County Assessor, Walt Peffer, and that's being handed out for your consideration. Pages, please? Thank you. I urge your support of LB317. Happy to answer any questions. Just a quick additional comment on this. This is really to bring the statute and, and apply some real-world scenarios and some tools that we have in our possession today that we didn't have when these statutes were-- obviously were written, tools such as Google Earth and mapping and GIS surveys and those kinds of things, satellite images that, that we all use in our businesses and use in everyday life to do these kinds of activities. So again, it would not mandate the form of inspection to, to be done, but it certainly could offer some efficiencies to those officers that would choose to do so.

**BOSTAR:** Thank you, Senator von Gillern. Are there any questions from Senator Dungan? Senator Dungan.

**DUNGAN:** Thank you, Senator Bostar. Thank you, Senator von Gillern. Genuine question here, these virtual assessments, what do they look like? Are we talking about somebody walking through a property with, like, an iPad and somebody doing-- is it a visual assessment being done sort of virtually or--

**von GILLERN:** Yes.

**DUNGAN:** --utilizing other tools like you've talked about, like Google mapping and things like that?

**von GILLERN:** Yeah, it would-- it's basically any of the tools that-- and the most easy to reference would be online mapping tools and those

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are, you know, the Google Maps-- street view and Google Maps, those kinds of things. And oftentimes an assessor-- you know, visual inspection, particularly in larger metropolitan areas, is the assessor driving by your home to see if there's been an addition installed or, you know, new work being done or those kinds of-- it's-- to my knowledge, I'm not sure that-- I don't know of any experience I've had or anybody I know has had where an assessor has actually entered a home to see what's been done on the interior. So the tools that are available today can certainly be, be availed by those assessors to, to do an accurate assessment of what the property looks like and similar to the means that they would do it physically.

**DUNGAN:** Thank you.

**von GILLERN:** You're welcome.

**BOSTAR:** Thank you, Senator Dungan. Are there any additional questions from Senator Dungan? Seeing none, thank you, Senator von Gillern.

**von GILLERN:** Thank you. I will stay to close.

**BOSTAR:** Thank you. First proponent.

**SEAN KELLEY:** Good afternoon, Senators Bostar, Dungan and Murman. My name is Sean Kelley, S-e-a-n K-e-l-l-e-y, appearing on behalf of the Douglas County Board of Commissioners in support of LB317. We'd just like to publicly thank Senator von Gillern for bringing this piece of legislation. It really emanated from Commissioner P.J. Morgan, who has spent his entire professional life in real estate and for the life of him, could understand in some instances where people in neon jackets had to walk around homes for a statutory requirement. Certainly that makes sense on new construction and, and rehabilitation of some properties, but in limited instances, it's not necessary and that's why we're seeking this piece of legislation and would appreciate you advancing it from committee.

**BOSTAR:** Thank you, Mr. Kelley. Are there any questions from the committee? Seeing none, thank you.

**SEAN KELLEY:** Thank you.

**BOSTAR:** Additional proponents? Welcome.

**JON CANNON:** Welcome, acting Chair Bostar, distinguished members of the Revenue Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the

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executive director of NACO here to testify in support of LB317. Thank you to Senator von Gillern for bringing this. This is certainly something that assessors have been talking about. And frankly, this kind of advance that we're talking about here today is not without its own precedent. I can tell you that many, many years ago that there was a requirement for the assessor to have to go out and inspect every cemetery on an annual basis to make sure the dead had not yet risen. We figured out after a while, you know what? We, we know what's going on. We have the technology to figure out what, what the cemeteries are up to. This is kind of, you know, really along the same trend where we're going to leverage the technology we've had. The technology, technological advances we've had in the last several years for the sorts of online tools you have with, as Senator von Gillern said, Google street view, GIS, aerial photography. There's a thing called pictometry. Those sorts of things that have really made the assessor's job a lot easier if they're allowed to use it. And it's always been kind of a question as to whether or not, you know, is this-- does this fulfill the physical inspection requirement? This makes it explicit. We certainly welcome it. Flexibility is good. And frankly, this benefits not just large counties, but also small counties. In Douglas County, they have, they have an appraisal staff that, that number is pretty high. And, you know, I'll get yelled at when my friend Mike Goodwillie, when he says it's not that high. But they have, they have an appraisal staff. A lot of counties, the smaller counties in particular, they have the assessor and a deputy and they're responsible for examining all the parcels, one-sixth of all the parcels on an annual basis. And so this benefits everyone across the state. We think it's good, good, sound public policy. We're certainly in support and I'd be happy to take any questions the three of you might have.

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

**JON CANNON:** Thank you very much.

**BOSTAR:** Additional proponents? Seeing none, any wishing to testify in opposition? Seeing none, any wishing to testify in a neutral capacity? Seeing none, Senator von Gillern stayed for closing and then waives it.

**von GILLERN:** See if there's any letters.

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**BOSTAR:** There are letters: one proponent, one opponent, zero neutral. And that concludes our hearing on LB317 and Senator von Gillern, you have the controls.

**von GILLERN:** Thank you. We will open our hearing on LB704. Welcome Senator Murman and Senator Briese.

**MURMAN:** Well, I'm back. Sorry about that. Members of Revenue Committee, my name is Dave Murman. I am introducing LB704 on behalf of Nebraska Treasurer's Office, specifically the enable account program. In December 2014, the Achieving a Better Life Experience Act, better known as the ABLE Act, was created on the federal level authorizing individuals with disabilities to open tax-exempt savings accounts to save for disability-related expenses without impacting eligibility for resource-based benefits. The act permits individuals with disabilities to save more than a total of \$2,000 in assets, cash savings, etcetera in their name in a qualified ABLE account. Nebraska's version of the ABLE account is the Enable Savings Plan, which is overseen by the Nebraska Treasurer's Office. It has been very-- it has been a very successful program, but one issue that has come up is if an account holder with no assets besides the enable account, which is often the case for account holders, going through the probate can be cost prohibitive when the balance of an enable account is small. LB704 will allow the money from an enable account with a balance equal to or under \$5,000 to be paid out directly to a named beneficiary upon the death of an account owner. I would be more than willing to answer questions you may have, but there are some testifying behind me-- Stacey Pfeifer, director of the state's Enable Savings Plan, who can answer any questions you might have.

**von GILLERN:** Thank you, Senator Murman. Any questions from the committee? Seeing none, thank you. We'll open for proponent testimony.

**STACY PFEIFER:** Good afternoon, members of the Revenue Committee. My name is Stacy Pfeifer, S-t-a-c-y P-f-e-i-f-e-r I am the director of the Enable Savings Program and I am here today to testify in favor of LB704. And Senator Murman did a great job of giving a little bit of background on the, the ABLE program. Nebraska signed the ABLE program into law in May of 2015 and it's overseen by the Nebraska State Treasurer's Office. As of July 31, 2023, the program has helped individuals with disabilities open 3,354 accounts and holds \$30,000,521 and some change in assets under management. Of these, 2,115 of them are in Nebraska and with \$18 million in assets. The Nebraska Treasurer's Office is honored and humbled to be able to help

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these individuals in this way and we look forward to helping more. And so I have-- this came up in conversations that I've had with account holders. They had a family member pass away. There was not a lot of money in their account and they had no other estate so it was difficult for them to pay an attorney, you know, high fees to get the money out just to put it into an estate to pay out to them. So this was kind of a-- getting rid of a little red tape and making it a little bit easier for those families, especially when they're struggling with the loss of a loved one. And so that is the purpose of this. We did run a few numbers as well. We currently have 1,649 accounts that are at or below \$5,000 or just, just under half. And of those, 1,006 of them are Nebraska residents. So this would be a good thing to help our Nebraska account holders. And this would be similar-- you know, everyday Nebraskans are able to name beneficiaries in their 401(k) accounts, life insurance policies, etcetera and so this would, you know, be similar to that where they can name a beneficiary for it to pay out. And I would be happy to answer any questions that anyone who would have them.

**von GILLERN:** Questions from the committee? Forgive me for not being overly familiar with the bill, some of these individuals are mentally handicapped, correct?

**STACY PFEIFER:** Correct.

**von GILLERN:** How do they, how do they deem their designated beneficiary in that case where they may not be able to make a reasonable--

**STACY PFEIFER:** So people who can't sustain their own account, they have-- generally have a power of attorney or some other sort of authorized individual. And so they would help them to, to deem who that person will be.

**von GILLERN:** And is it-- is there any-- and I know I'm getting off topic of the bill. I'm just-- and I actually know a family that dealt with this a little bit, but is the, is the power of attorney excluded from potentially being the designee, designee or the beneficiary? Because oftentimes it's a family member.

**STACY PFEIFER:** Right, right. Yeah, we don't have--

**von GILLERN:** OK so they could, they could elect themselves.

**STACY PFEIFER:** Correct.



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**von GILLERN:** OK. But again, that's outside of the-- what we're talking about in the bill here today, correct?

**STACY PFEIFER:** Yes.

**von GILLERN:** OK. Any other questions? All right, thank you for being here today, Director.

**STACY PFEIFER:** Thank you.

**von GILLERN:** Any other proponent testimony?

**EDISON McDONALD:** Good afternoon. Hello. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d. I'm here representing the Arc of Nebraska. We are Nebraska's largest membership organization representing people with intellectual and developmental disabilities and their families. We support LB704 as a simple cleanup bill to help people with disabilities be able to save and access employment opportunities. We'd like to thank Senator Murman for bringing the bill. LB704 is addressing Achieving a Better Life Experience accounts, referred to as Enable in Nebraska. The program allows people with a disability to save up for larger qualified purchases related to their disability and not risk losing their benefits. Some of these qualified expenses include education, housing, transportation, employment, training in support, assistive technology, personal support services and healthcare expenses. For many of our members, these accounts are astoundingly beneficial tools. They allow them to contribute towards their own expenses and not have to be dependent upon others for their costs. Without these accounts, many of our members would have a difficult time or be unable to purchase many necessary items and would require government or family expenses. This law was passed in 2014, then updated in 2019, thanks to Senator Murman, to ensure that we made it easier to use these accounts. This bill will help to further open this access as we work to expand smart savings and encourage employment. Part of what we need in this program is that this is part of a national pool and so we want to ensure that we get up to 90,000 accounts nationally. Right now, we only have about 30,000. Hopefully by making this easier, it will help make sure that the program is more sustainable nationally and that we can provide better access to employment. Please move LB704 forward. Any questions?

**von GILLERN:** Thank you. Yes, Senator Kauth.

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**KAUTH:** Thank you, Senator von Gillern. So when you say 30,000, that's not 30,000 in the state.

**EDISON McDONALD:** No, that's national.

**KAUTH:** That's nationally 30,000. OK and so how many are in the state?

**EDISON McDONALD:** So the last testifier just testified, 1,640-- 1,649 are under the \$5,000 limit. And I think she said it was just under half, which--

**STACY PFEIFER:** So they're-- enable has 3,354 accounts. And of that, 2,115 are Nebraska residents.

**KAUTH:** Thank you.

**EDISON McDONALD:** Yeah. So, yeah, and out of that 30,000, that's a really impressive percentage for Nebraska to have.

**von GILLERN:** Thank you. Other questions from the committee? Yes, Senator Bostar.

**BOSTAR:** Thank you, Senator van Gillern, and thank you for your testimony. I don't have a question. I just want to put an apology on the record to the transcribers.

**KAUTH:** What did you do?

**BOSTAR:** They're going to have a hard time figuring out this interaction.

**von GILLERN:** In light of the inclement weather today, we're making a few exceptions on things. Any other questions? Mr. McDonald, thank you for being here today. Any other proponent testimony? Are there any opponents to LB704? Anyone who'd like to testify in the neutral capacity? Seeing none, there are no letters for the record. Senator Murman, would you like to close?

**MURMAN:** Well, I've got to apologize. I don't know as much about the ABLE accounts as I should have-- should, but the ones I'm familiar with, to answer Senator von Gillern's question, the family member is typically the ones that put the money in the account, so. And I just want to mention what the ABLE accounts can be used for. And now I lost it. They can be used for-- well, there's a lot of things, but typically they can be-- the money can be used for practicing job

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skills, safe transportation to work, medical appointments, different courses and classes, daily-- day programs or even providing essential assistance such as help with bathing, dressing, walking, toileting, eating and needed supervision. So the disabled person is limited to \$2,000 in, \$2,000 in assets, but that extra money can be used for some of these things. So with that, I'll take any questions you might have.

**von GILLERN:** Any questions from the committee for Senator Murman? Seeing none, thank you.

**MURMAN:** Thank you.

**von GILLERN:** That will close our testimony on LB704 and will close our Revenue Hearing for the day.