

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee January 25, 2024
Rough Draft

BREWER: Good afternoon and welcome to the Government, Military and Veterans Affairs Committee. I am Senator Tom Brewer, representing the 43rd Legislative District and I serve as Chair of this committee. The committee will be taking up bills in the order they're posted on the agenda. Our hearing today is your public part of the legislative process and this is your opportunity to express your positions on proposed legislation before us. Committee members may come and go during the hearing. It's just part of the process. They have bills to introduce in another committee. So I know we have several different folks that are doing that. I ask that you abide by the following procedures. Please turn off or silence any electronic devices. Please remember that the forward chairs have been designated for the next up to do presentations. Introducing senators will make their initial comments, followed by proponents, opponents, and those in the neutral. Closing remarks are reserved for the introducing senator. If you're planning to testify, please fill out one of the green testifier sheets that's on the back table. When you fill out the green sheet, please print and make it legible. This will be the-- what we use for the official record. And then when you come forward, turn in your green sheets to the committee clerk. If you want to record your presence here but not testify, the gold sheets in back are for that. If you have any handouts, we ask that you provide at least 12 copies. If you don't have 12 copies, we can have one of the pages help you to get additional copies. When you come up to testify, please speak clearly into the microphone, state your name, and then spell both your first and last name for the record. We're using the light system today for all testifiers. Let's see, how many are here to testify on the first bill, LB936? OK. We're going to go with 3 minutes. If we need more, we'll just ask you questions and, and dig it out of you one way or the other. We'll use a light system so you'll get the amber light with a minute to go, and then the red light, and then there will be an audible alarm also. So just understand once those go off, if there's additional information we'll just ask for questions. No display of support or opposition to the bills vocal or otherwise will be allowed from the audience. Committee members with us here today will introduce themselves starting on my right with Senator Raybould.

RAYBOULD: Good afternoon, everyone. I'm Jane Raybould from Legislative District 28, which is the center of the city of Lincoln.

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

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AGUILAR: Hi, I'm Ray Aguilar, District 35, Grand Island.

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

HALLORAN: Good afternoon. Steve Halloran, District 33: Adams, Kearney, and Phelps County. And by the way, we're the heart of central Nebraska.

BREWER: Dick Clark, legal counsel; Julie Condon is the committee clerk; and the Vice Chair is Senator Sanders. And with that, let me flip over the page here. I got some pages to introduce. All right. Kristen, raise your hand back there, she is a political science major at UNL, a senior from North Platte; and Cameron, and he is a political science/history major at UNL, senior also from Omaha. With that, we will invite Senator Bostar up to introduce LB936. Senator Bostar, welcome to the Government Committee.

BOSTAR: Thank you and good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Eliot Bostar. That's E-l-i-o-t B-o-s-t-a-r, and I represent Legislative District 29. I'm here today to present LB936, a bill repealing amusement licenses issued by county boards. Nebraska statute states any roadhouse, dance hall, carnival, show, amusement park, or other place of public amusement outside city limits requires a license from a county board. A roadhouse is defined as a place where any 2 of the following take place: eating, drinking, and/or dancing. LB936 repeals a separate but overall similar license for pool halls and bowling alleys. In fiscal year 2022-23, Lancaster County issued only 6 amusement licenses. The fee to issue these licenses is set by statute at \$10, and the applicant must also pay for 2 weeks of notices in the newspaper before a county board can vote to approve them. For pool halls and bowling alleys, the fee is \$10 per table or lane for the first 3, then \$5 each after that. The current state statute on amusement licenses is largely outdated law from the 1930s that predates modern liquor licensing and other regulations. For example, the current definition of roadhouse seems to apply to any restaurants serving alcohol, which are already regulated by the standard liquor licensing process. Similarly, carnival rides and amusement park rides are now regulated by the State Fire Marshal under the Nebraska Amusement Ride Act, which was adopted in 1987. Now, repealing these licenses could possibly leave some events unregulated if they do not serve alcohol, do not have rides, and do not use any of the public right of way. Essentially, sober gatherings on private property. It is unclear why these gatherings should be regulated. The current process

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is duplicative and confusing, with a number of applicants unsure of whether or not they need an amusement license. For example, a strict reading of the definition of roadhouse suggests that nearly every restaurant, wedding venue, or other event space outside of city limits is required to have an amusement license, which does not seem to be current practice. Additionally, the broad term of place of public amusement is undefined. Many amusement licenses are processed alongside a special designated license or SDL liquor license, meaning the applicant has to apply for 2 licenses for the same event. The amusement license already requires a longer legal notice than liquor licenses, 2 weeks versus 1 week, which adds to the confusion. LB936 seeks to repeal the outdated and, often, burdensome licensing requirements in current statute. And I urge the committee to advance this legislation and be happy to answer any questions you may have.

BREWER: Thank you, Senator Bostar. I see that there doesn't, doesn't seem to be a lot of opposition to this bill. We haven't got everybody in the room here yet, but who brought you the bill or how did you get the idea on this?

BOSTAR: It-- and I, I think we might actually have someone that can-- that can speak to this, but Lancaster County effectively brought me the bill. There was-- it's my understanding that there was some question of whether or not the county was spending more money processing and hearing these licenses than the \$10 fee could recoup. And I believe the conversation started around, should this fee be higher in order to actually pay for the service that the county was doing? And I think that led to an examination of what we're actually talking about and the very, very clear and obvious result being that we should get rid of these.

BREWER: OK. All right. Questions for Senator Bostar? Yes, Senator Halloran.

HALLORAN: Thank you, Chairman Brewer. Thank you, Senator Bostar. Technically, the Capitol Building is not-- does not qualify as being-- or would it?

BOSTAR: Amusing.

HALLORAN: Well, no, that's--

BREWER: Definitely not.

RAYBOULD: It's entertainment, but.

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LOWE: [INAUDIBLE]

HALLORAN: Well, OK, you guys just took away my punch line.

BOSTAR: I apologize, Senator.

HALLORAN: No, you're fine.

BREWER: All right. Any other questions for Senator Bostar? All right, you'll stay-- oh, yes, Senator Raybould.

RAYBOULD: You know, Senator Bostar, how do the pumpkin patches fall into it? They would not have to get that \$10 fee if, if we approve this. Correct?

BOSTAR: If--

RAYBOULD: They don't have any rides, hay rides.

BOSTAR: If they were-- if something was a ride they, they would or if they had food and, potentially, dancing then they would, or food and drink they would or drink and dancing they would. Now, do they? I don't think so. But a strict reading of the statute would suggest that they, under the law, should apply for these. And that doesn't seem to make a lot of sense.

RAYBOULD: OK. Thank you.

BREWER: All right. Any additional questions?

HALLORAN: It's an amusing bill. I'll--

BREWER: All right.

BOSTAR: Thank you.

BREWER: You'll stick around for close?

BOSTAR: I wouldn't miss it.

BREWER: No, we wouldn't want you to miss it. All right. Proponents? First come up. Well, welcome back to the Government Committee.

NICOLE FOX: Good afternoon, Senator-- or Chairman Brewer, members of the Government, Military and Veterans Affairs Committee. I'm Nicole Fox, N-i-c-o-l-e F-o-x, with the Platte Institute, director of

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Government Relations. And I'm here to testify in favor of LB936. And I thank some of these gentlemen behind me for letting me skip in front, since I do have to get over to Revenue to testify on a bill. LB936 is a very simple bill, it repeals 11 sections of statutes in Chapter 23. These sections are statutes that grant the counties the ability to deny licensing or to license pool halls and bowling alleys outside of the city limits. It does the same for certain roadhouses, dance halls, carnivals, and amusement-- and amusement parks. Aside from outdated language and the fact that virtually all of these sections of statute were first created in either 1913 or 1931, they were likely part of the prohibition-era movements to limit the locations where alcohol could be consumed and, as Senator Bostar indicated, they are-- it's a duplicative license and it makes no fiscal sense. LB936 is an example of being proactive in evaluating regulations that may no longer be relevant. Since these laws are antiquated and serve little purpose, we're happy to support full repeal. Any questions?

BREWER: All right. Thank you. Questions?

NICOLE FOX: All right.

BREWER: All right. So you're saying that Senator Bostar has a good bill?

NICOLE FOX: Yes.

BREWER: OK. Thank you.

NICOLE FOX: A very good bill.

BREWER: All right. Any additional proponents? Jon, welcome back to the Government Committee.

JON CANNON: Thank you, Chairman Brewer, members of the Government, Military and Veterans Affairs Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of the Nebraska Association of County Officials. You may have heard of us referred to as NACO from time to time, here to testify today in very happy support of LB936. Thanks to Senator Bostar for bringing this to our attention, because when he did we looked at each other in the office and said, people actually do that. We-- when-- we weren't, we weren't aware of exactly what evil was trying to be prohibited by having these sorts of things issued and so we did a very quick and dirty survey yesterday. We got 59 responses from, from the counties. Less than a couple of dozen of these things have been issued in the last 5 years. And, and most of

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them have come from 2 counties in particular. I won't say which ones. One of them is represented by a senator in this room, but I'm not going to get into that. By virtue of the fact that this is something that is observed more often in the breach, we think this is unnecessarily duplicative and, and could easily be removed from our statutes. And I don't think anyone would, would notice or cry about them being gone. I'm happy to take any questions.

BREWER: All right. Thank you for your testimony. Questions for Jon? All right. We'll mark another one down for Bostar.

JON CANNON: Thank you.

BREWER: All right. Additional proponents to LB936? Welcome to the Government Committee.

MATT HANSEN: Thank you. Good afternoon, Chairman Brewer and members of the committee. My name is Matt Hansen, M-a-t-t H-a-n-s-e-n, and I'm the Lancaster County Clerk. And I'm testifying in support today on behalf of my office, as well as on behalf of the Lancaster County Board of Commissioners. The current amusement license requirements do cause a lot of confusion with applicants and potential applicants in our office as many of the terms are undefined. For context, last year, Lancaster County issued 7 total amusement licenses: 2 were for music, music performances, 2 were for different races or runs, there was a farm tour, a craft fair, and a fundraising dinner. I don't think these are the type of events that the statute originally envisioned regulating. Additionally, it's probably safe to say that there are other events that do happen in our counties that are substantially similar and have not needed to apply for these licenses. Given the types of events, as well as the limited number that do apply, I think it's safe to repeal these requirements, which would eliminate an often confusing requirement for the public looking to host an event on private property. In working with applicants, people are often surprised that the license exists in the first place. And there are cases where it's not exactly clear whether a license is technically required. For example, last summer our office was asked whether a bicycle race needed an amusement license, and there simply was not a clear answer-- a clear way for our office to give an immediate answer. Because a place of public amusement is undefined, there's not a good way to say that's a public amusement. Ultimately, that organization did choose to apply and that was one of the licenses the board granted. In processing these licenses, my office needs to work with the applicant as well as coordinate with several other departments,

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including the sheriff, engineering, planning, health department, and sometimes the county attorney. This is in addition to providing customer service to the applicant and preparing the materials themselves for the county board meetings. It's a fair amount of staff time across several departments, and a lot of paperwork for the applicant to track for each license. I think eliminating these licenses would be-- end a confusing requirement for our constituents, while leaving in place protections with clearer licenses like liquor licenses. This would reduce the paperwork and red tape for people looking to host events, and I would urge your support of LB936.

BREWER: Thank you, Matt. OK. Questions? Senator Lowe.

LOWE: So is it good working with a 3-minute time limit now, now that you're out of office here?

MATT HANSEN: Yeah, I was--

LOWE: Right on time.

MATT HANSEN: --right on time. I think I did 2 minutes.

SANDERS: You did.

BREWER: I know, you, you did great on time. And the other thing that's noticeable is, and you see that a lot, is people who finish in the Legislature, they come back and they look younger and happier and I don't know why that is. [LAUGHTER]

SANDERS: Look at his smile.

MATT HANSEN: I'm definitely one of those things. Yes.

BREWER: OK. Yes, Senator Sanders.

SANDERS: Thank you, Chairman Brewer. Does this license connect any way the city to if there's an event that it prompts, maybe, road closure or police services that need to be part of that entertainment that's going on at that point or I just don't want--

MATT HANSEN: Right.

SANDERS: --I want to make sure it doesn't tie into city services that might be needed when they apply for this.

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MATT HANSEN: So I can't speak for every county, but our county has a special events permit that they've created via resolution that basically says if you want to close down a road or use a road for parking or have a, you know, race on a road, you know, marathons, whatnot, you go through that place and coordinate with the engineer and sheriff. At least in our county, that would still be in place. If you're planning on using the public right of way for, you know, a race or parking you would still have to kind of get approval from the sheriff and the-- or recommendations from the sheriff and engineer and approval from the county board.

SANDERS: Thank you. Thank you, Mr. Chair.

BREWER: All right. Additional questions? Senator Lowe.

LOWE: So a bike race, you brought up. So is there any kind of-- what do they need to do then to fulfill your requirements for a bike race through the county?

MATT HANSEN: Yeah, in that case, it's largely-- it's largely just sharing their route with the county engineer and county sheriff and making sure the roads are actually going to be open those days that, you know, they're not planned for maintenance or things of that nature. And usually, you know, with-- there's-- we just worked with a, a, a race not that long ago and it's, you know, just the route. Are the roads going to be open? Are there traffic the sheriff needs to be aware of? You know, generally people who are interested in hosting that will take feedback and change the route and it works out pretty smoothly.

LOWE: So no fees or anything are involved, it's just--

MATT HANSEN: I believe that might be-- no fees on that one.

LOWE: All right.

BREWER: Got it. All right. Any additional questions? All right, Matt, thank you for your testimony.

MATT HANSEN: Thank you.

BREWER: OK. We are still on LB936 proponents. Anyone else out there? All right, we'll go to opponents? Those in the neutral? All right. Senator Bostar, come on back. I think you hit a home run.

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BOSTAR: Thank you, Chairman Brewer, members of the committee. And, and, yeah, just to kind of follow up. Senator Sanders, it's, you know, if you want to access the public right of way, there's, there's other things you need to do. So this doesn't-- repealing this doesn't just give individuals free reign to close streets and what other, other, you know, things they might want to do. This feels like a commonsense bill that I hope will be supported broadly. My intention would be, if it can exist this session is to make this a consent bill. With that, I'd be happy to answer any final questions. And I appreciate your time and attention to this matter.

BREWER: All right. Any questions for Senator Bostar? Yes, Senator Raybould.

RAYBOULD: Well, maybe it's a check. What do we have to do to make it a consent bill because I, I don't think we practiced that last year did we?

BREWER: Well, no, we didn't. So what will happen, his bill meets the criteria. There's, there's no one in opposition, no one spoke in opposition, so I'll put a list together of bills like that and then submit them to the Speaker and ask that-- and I think he's looking at 2 consent calendars so we'll try and get as much as we can on the first. So then we might fix up on the second, too. But it's a perfect candidate for it, so. One more time around and no questions. All right. Well, thank you for presenting--

BOSTAR: Thank you all very much.

BREWER: --LB936. There are-- there's 1 letter in proponent, zero opponents, and zero in the neutral. And then we'll close our hearing on LB936, and we'll get set for our next bill, LB938, and invite Senator Brandt on up. Senator Brandt, welcome to the Government Committee.

BRANDT: Well, good afternoon, Senator Brewer and members of the Government Committee. I'm Senator Tom Brandt, T-o-m B-r-a-n-d-t. I represent Legislative District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. Today, I'm introducing LB938, which would make updates to the County Purchasing Act. This proposal makes changes to the threshold values for competitive bids, informal bids, and open market bids, taking into consideration inflation and economic changes. The last time these were updated was 2018. These threshold changes would be: one, increasing the minimum

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threshold required for competitive bids from the current \$50,000 to \$70,000. And the handout that we handed out will track a lot of these numbers as we go through. Then another increase in 2029 to \$90,000. And, finally, an increase in 2034 to \$110,000. As an aside here, a competitive bid is one that they currently have to get 3 bids for as a county board. Second one, increasing the minimum threshold required for informal bids from the current \$10,000 to \$50,000 range, increasing at \$15,000 to \$70,000, and then increasing it by \$20,000 in 2029 and again in 2034. An informal bid would be, maybe they only get 2 bids on something instead of the required 3. And then the third one would be increasing the maximum bid for open market purchases from \$10,000 to \$15,000 by another \$5,000 in 2029 and another \$5,000 in 2034. And in open market purchases, you just tell your county highway superintendent to go down and buy something without a competitive bid. It also makes changes to the selling of surplus county property and obsolete mobile equipment. And these changes would be increasing the surplus property sales amount from \$2,500 to \$3,500, and raising it again in 2029 to \$4,500 and, finally, to \$6,000 in 2034. And on mobile equipment will increase from \$5,000 to \$7,000, then from 9-- then increase to \$9,000 in 2029 and \$12,000 in 2034. An example, the, the county yard's got some junk sitting around there and Halloran comes in there and he offers them, you know, \$3,000 for it. Under the new guidelines, they can just sell it to him. Otherwise, they got to get [INAUDIBLE], I believe, and these guys behind me, you've got a couple county commissioners that will-- that will clarify this. Otherwise, I believe the, the sheriff has to have a sheriff sale. You got to have 3 bidders there. And, you know, this just streamlines things. Mobile equipment, basically, you know, you've got an old dump truck or something sitting there in the weeds and somebody comes in and makes you an offer on it. It's within this range and then your commissioners or your county highway superintendent can just sell the equipment. This would allow a county not to cancel a public auction where only 1 or 2 people show up when 3 are required. This proposal also outlines circumstances under which competitive bidding may be waived ensuring flexibility in response to emergencies or when substantial cost savings can be realized through special purchases or auctions. An example of this would be if a road grader were up for auction on BigIron, which is an online auction site, a county board may pass a resolution stating that they can bid up to an agreed amount for the equipment. In conclusion, the proposed changes to the Nebraska County Purchasing Act represent a thoughtful and pragmatic approach to modernizing the county's purchasing procedures. The updated thresholds and flexibility in procurement processes will contribute to increased

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efficiency, transparency, and responsible financial management within Nebraska's counties. Following me will be county commissioners that can better explain how this will help them. I would also like to note that we talked with the Nebraska Press Association today on some concerns that they have with the posting of bids by the county, and we agree with their changes and will be happy to work with the Press Association and the committee to make that happen. With that, I would end my opening and be happy to answer any questions the committee may have.

BREWER: All right. Thank you for that opening. Now if you want to do those changes, then are you going to want us to do a committee amendment to the bill then or would that be on the floor or how would you--

BRANDT: Well, the, the only little tweak here that, that I just kind of found out today, and, and maybe Mr. Cannon can address that, today, when you go to the back of the newspaper you've got all those legals. And, obviously, the Press Association likes having all the legalese in the newspaper as opposed to posting it on the county website. So there may be a possibility of a very small tweak to this to cover that.

BREWER: Well, the reason I bring it up is, is you, too, depending on how things shake out the rest of the day here might be a good candidate for a consent calendar.

BRANDT: Oh, this would be an excellent candidate for a consent calendar.

BREWER: Thanks for putting those words in my mouth. But we just-- it gets a little more complicated as we go into amendments.

BRANDT: Yes. Yes. And in the bill itself, there are some definitions, some language in there, and, and maybe Mr. Cannon can address that when he gets up here, on, on an emergency-- on the Open Meetings Act how they can have an emergency meeting. Your highway superintendent comes in and says, hey, there's this, this 5-year-old road grader we think we can get bought for \$100,000. And then the board can pass a resolution with 5-days notice on their website and, obviously, couldn't get it into the weekly newspaper at that point. That's about the only situation that I saw in going through the bill that they might find an exception with and, and they might be able to work with us on that. And we'll follow up on that.

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BREWER: Yeah, there might be a way of digitally getting that information out, too, that might, might suffice. So--

BRANDT: Yep.

BREWER: --we'll see. All right. Questions for Senator Brandt? All right. You'll stick around for close?

BRANDT: Yeah, I'll stick around.

BREWER: Thank you. All right. First proponent. Welcome back to the Government Committee.

MARK SCHOENROCK: Thank you, Senator Brewer. Good afternoon, senators of the Government, Military and Veterans Affairs Committee. My name is Mark Schoenrock, M-a-r-k S-c-h-o-e-n-r-o-c-k. I am testifying today in support of LB938. I was born and raised in Jefferson County and served our country as an officer of the United States Army for over 40 years. I led the logistical support of United States combat forces, including the supply, maintenance, transportation, and service of the combat force. So the subject of this bill is a topic with which I'm very familiar. Upon returning home to Nebraska in 2015, I became a Jefferson County Commissioner and was also elected as the Nebraska Association of County Officials Southeast Director representing the 17 counties of southeast Nebraska. The costs of all inputs required for the administration of county government have increased significantly in recent years to include equipment, parts, fuel, personnel, insurance, and services of all kinds. The 93 counties in Nebraska county government must procure all of these to provide the essential services to our citizens that reside in county government. The proposed legislation modifies the levels for competitive sealed bidding, informal bids, and purchases in the open market which much better match the market conditions that we face every day. The proposed legislation makes other adjustments as well, which will greatly aid the administration of county government. Please support this need legis-- needed legislation. Thank you. And, again, my name is Commissioner Mark Schoenrock.

BREWER: All right. Thank you, Mark. And thank you for your service.

MARK SCHOENROCK: Thank you.

BREWER: I thought I was long in the tooth at 36, 40 years, that's a-- that's a lot, a lot of your life to wear the uniform. All right, so if we go by kind of the intro that Senator Brandt did and the numbers and

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the scale, this all kind of clicks to where it makes sense and those numbers are reasonable?

MARK SCHOENROCK: It does. Yeah. It does. You know, as I stated, Senator, in my testimony, the cost of all those inputs have increased significantly. You know, we're all paying that, whether it's individuals, families, county government, state government, etcetera. And so with those levels increased, as Senator Brandt has proposed in this bill, it is very synonymous with what we're actually seeing in the marketplace.

BREWER: All right. Excellent. OK. Questions for Mark? All right.

MARK SCHOENROCK: OK.

BREWER: You can get out of here.

MARK SCHOENROCK: Yeah. Thank you.

BREWER: Easy. All right. Next up for LB938. Welcome to the Government Committee.

DARRELL ZABROCKI: Thank you, Chairman Brewer and members of the committee. My name is Darrell, D-a-r-r-e-l-l, Zabrocki, Z-a-b-r-o-c-k-i, and I am here to testify in support of LB938. And I'd like to thank Senator Brandt for introducing this bill on behalf of the counties. I was elected to the Sewer County Board in 2020, and we all remember the supply chain issues of 2020. And when we needed new equipment or even parts, they were virtually impossible to obtain. Waiting lists were long, especially for the heavy equipment counties use every day to maintain roads and to clear snow. When we would see the equipment we needed at an auction, it was a challenge to move quickly enough to buy it. To follow the requirement of the County Purchasing Act, we had to publish notice of a special purchase of at least five days prior, state the item to be considered, and invite informal quotes. In Seward County, we are fortunate to be able to publish in the Seward County Independent, which is a weekly paper, and to the Lincoln Journal Star, which is a daily paper. But many counties do not have a daily paper. And by the time a weekly publication comes out, these items are more than likely already sold. LB938 updates the process that was adopted in 1985 so the counties could clearly make purchases at auctions. Thank you for your time. Would take any questions.

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BREWER: All right. Thank you for your testimony. Let's see if we have questions for you. Questions? Just one quick one. So if you're-- if you go to a sale of BigIron, or whoever it might be, and you see something that you need there, that's a, a informal bid or a competitive bid? How is that if you're at an auction and you see something you need and you want to get it?

DARRELL ZABROCKI: As it stands right now, I don't think we could buy it without, you know, going through the formal--

BREWER: Through a bidding process.

DARRELL ZABROCKI: --process. If we have this legislation, I think we can make on a site-- on-site decision that if this particular piece of equipment meets our needs we can pull the trigger and buy it. So therein lies, I think, one of the good ideas that comes forth with this legislation.

BREWER: Nope, that's perfect. That's, that's the way I thought it was and want to thank you for confirming that. All right. One more time. All right. Well, thank you for your testimony.

DARRELL ZABROCKI: Thank you, Senator.

BREWER: OK. Additional proponents for LB938?

CARL GROTELUESCHEN: [INAUDIBLE]

BREWER: Yeah, well, we'll make it work.

CARL GROTELUESCHEN: Thank you.

BREWER: All right. Welcome to the Government Committee.

CARL GROTELUESCHEN: Thank you. Good afternoon, Senator Brewer. And the rest of your Government Committee, good afternoon. My name is Carl Grotelueschen, C-a-r-l G-r-o-t-e-l-u-e-s-c-h-e-n. I am Colfax County Commissioner from District 2 in Colfax County. First of all, I like to say thank you to Senator Brandt for introducing LB938 on behalf of our Nebraska counties. I've been a Colfax County Commissioner for 5 years. My experience with the county purchasing in today's climate of high prices consumes too much time with the current Purchasing Act with its restrictive dollar amounts. Prices have increased and availability has changed over the last few years. We've had-- we're having to competitively bid prices that fall under the \$50,000 threshold. We

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want to ensure that the public knows how their tax dollars are being spent, but we recognize that things cost more today. We want to be good stewards of taxpayers' time and dollars by not going through the full competitive bidding process for items that can be purchased informally. I support the changes to the special purchase provision so that it's clear that counties can buy at auction and dispose of surplus property at online or live auctions. I appreciate the time and effort that Senator Brandt has devoted to updating the Nebraska [SIC] Purchasing Act to get it current in today's business climate. I encourage the legislator-- Legislature to support this bill to improve our counties' ability to function in a more effective and fiscally responsible manner. I'd be happy to take questions and make comments on purchase-- on current purchasing situations that we have encountered. Thank you. Carl Grotelueschen.

BREWER: All right. Thank you, Carl. Let's see if we don't have some questions for you. Questions?

SANDERS: Thank you.

BREWER: All right. Thank you for your testimony. Thanks for making the trip. We appreciate it.

CARL GROTELUESCHEN: You're very welcome.

BREWER: All right. Additional proponents? I had a hunch you'd be coming back to see us. All right. Welcome back.

JON CANNON: Thank you, Chairman Brewer, members of the Government, Military and Veterans affairs Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of the Nebraska Association of County Officials, also known as NACO, here to testify in support of LB938. I want to thank Senator Brandt, in particular, for having brought this bill forward. This is something that was brought to the NACO Board last October as one of our legislative priorities. And Senator Brandt was gracious enough to carry this bill on our behalf. And I, I seem to recall that, that he said it just made sense. And we think so, too. The reasons for that we have a County Purchasing Act in the first place are sound, but we did build in flexibility for those-- either those low-cost or those routine purchases that, that counties have to make. And so the, the changes that you-- that you see here, primarily, as far as prices are concerned, but also the ability to have-- bid on things at auction are really designed to meet that flexibility. You know, certainly in the modern environment you'll see

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that, like you had said, Senator Brewer, when BigIron has something we don't really always have the time to, you know, post it, put the notice out in the papers and all that sort of thing. And so that flexibility is necessary for us to really bring that value back home for our taxpayers. You heard from the county commissioners. I don't need to belabor the points that they already all made. I will mention that I, I pick the county commissioners whose names are the most difficult to spell, or at least I had to learn how to spell them myself when I was first introduced to them. You know, I think Senator Brandt had mentioned earlier that we probably need an amendment to satisfy some of the concerns from the Press Association. We fully support that. We want to make sure that notice when necessary is, is, you know, able to be had. And one thing I, I do want to mention, if you have never observed the bidding process or the claims paying process in your home counties, I would certainly invite you to do so, because it is one of those things that it takes time. And not-- and, and we don't have any quarrel with that, but it is-- it is one of the things that is very particular to county government. I mean, you go to a county board meeting, they're spending most of the meeting paying claims. And, you know, this gives us the flexibility to do that in a better and more, more of a city's fashion. And so I urge your support, and I'm happy to take any questions you might have.

BREWER: All right. Thank you, Jon. Let's see if we got any questions for you. Questions for Jon Cannon? All right. Thank you for your testimony.

JON CANNON: Thank you, sir.

BREWER: Any additional proponents to LB938? Is there anybody here in the neutral? Anybody here in opposition? All right. Senator Brandt, come on back.

BRANDT: So I would like to thank Mark, Darrell, and Carl without saying their last names for driving up here today and taking the time. I've got 5 county commissions that I regularly speak in front of. And these guys do the work and they put the time in and they care about the counties and they really care about getting a good deal for their taxpayers. And in a lot of these counties, 85% of it is about bridges and roads. And those are very expensive. And gravel isn't getting any cheaper and equipment's not getting any cheaper. A new Cat road grader right now is \$400,000. So these numbers were last updated in 2018 and the new numbers were arrived at using CPI. Where should they be today? Where should they be 5 years from now? And that's kind of how they

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arrived at these numbers. And with that, thank you for your consideration.

BREWER: All right. Well, thank you for your, your testimony on-- and bringing this bill. Obviously, it's a well-received bill. See if we got any questions? Yes, Senator Halloran.

HALLORAN: Just for clarification, it only takes one dissenting vote for a nonconsent calendar.

BREWER: Would probably be true.

BRANDT: Yes, that is, is true.

BREWER: All right. Any other questions? All right. Thank you.

BRANDT: Yeah.

BREWER: That will close our hearing on LB938. We have 3 proponents, no opponents, and none in the neutral. And we will swap to our next bill. So the next bill up is LB940. And we are-- we're going to have Senator Dorn give an opening on LB940. Senator Dorn, whenever you're ready.

DORN: OK. Thank you. Good afternoon, members of the Government, Military and Veterans Affairs Committee. My name is Myron Dorn, M-y-r-o-n D-o-r-n. I represent District 30. I'm here today to present LB940, which addresses an issue raised by an audit of Gage County by the State Auditor's Office. During the audit-- and, and Gage County has had-- the last several years they've had the State Auditor do the audit for Gage County because they have-- the original one they had from Gage County retired and they haven't been able to hire anybody else. The State Auditor reviewed payments made to a nonprofit organization who provided services to survivors of sexual assault and domestic violence. The auditor raised the issue that state statute does not specifically state these types of payments can be made. I reached out to State Auditor Mike Foley and the auditor who raised the concern, Jeff Schreier, we met, and the Auditor's Office drafted the language you see in LB940. I want to thank Mike Foley, Jeff Schreier, and the legal counsel from the Auditor's Office for the willingness to address this issue and work on language in LB940. Their cooperation is much appreciated. Simply put, the bill permits, it does not require, a county to enter into agreements with nonprofit organizations that provide services for sexual assault victims and domestic abuse survivors. It is permissive. It grants a statutory authority for a county to make these payments if they so choose. The bill is really

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that simple. Jeff Schreier from the State Auditor's Office is here to testify, along with some other representative organizations who would, again, be eligible to receive these funds as they had in the past. I would ask the committee to give favorable consideration to LB940 and thank you. And this-- Hope Crisis is based out of Fairbury, who handles several counties down there, they reached out to me, once Gage County, when the audit was done by the state, they raised the concern about that organization or that type of organization being able to allocate county funds to or public funds to. All this does, basically, is now put it in statute so that is an eligible entity. So really appreciate State Auditor Mike Foley helping with this so that we can clarify some of that or, or put that in there so it's now something that they've been doing in the past that now doesn't raise a-- I call it to call a red flag when they do the audit.

BREWER: Oh, thank you for your explanation. You took it and made it so you could understand it.

DORN: Yeah.

BREWER: Because if you read the bill, it doesn't flow quite as smooth as your explanation there.

DORN: No, not quite as smooth. Well, Barry DeKay brought up the comment this morning. It was some of those questions in Judiciary dumbed down. I mean, some of the answers dumbed down so he could understand them. And that's me, too, sometimes. We have to be able to explain them. All-- this, this doesn't require Gage County or any county to allocate those funds, but it now lists, along with the other organizations, it lists them in the statute that they are eligible.

BREWER: Excellent. All right. Let's see if we have any questions. Questions for Senator Dorn? All right. You'll stick around for close?

DORN: Yes.

BREWER: All right. Thank you. So we will start with proponents to LB940. Welcome back to the Government Committee.

MARK SCHOENROCK: Thank you, Senator Brewer. Senators, once again, good afternoon. I'm going to skip the first part of my testimony that you have in front of you there, and I'll go right to the heart of the matter. LB940 was introduced by Senator Dorn of District 30 and sponsored by Senator Brandt of District 32 and--

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BREWER: Can, can we have you, even though you're back a second time, can we do the spelling of name?

MARK SCHOENROCK: Oh, I'm sorry, I've got that line. Sorry. My name is Mark Schoenrock, M-a-r-k S-c-h-o-e-n-r-o-c-k. Thank you. We're grateful to Senator Dorn and Senator Brandt for their support of this bill. And as Senator Dorn stated, the issue was raised at a recent Gage County audit by the State Auditor. But I might add also that other counties have had the similar findings from the State Auditor regarding county payments to nonprofits. Senator Dorn met with the State Auditor, Mike Foley, and his staff. After much conversation, the legal counsel for the State Auditor drafted this language, which is addressed in LB940. We're very grateful for their support of this vital legislation. LB940 is basically to clarify that counties and units of local government can provide funds to local nonprofits for their community. Jefferson County, among many others, agreed to enter into a memorandum of understanding for the 2023-2024 year to support these entities. The passage of LB940 will alleviate any apprehension and continuing to substantively partner with many nonprofit entities who support our constituents in a variety of ways, including our very own Hope Crisis Center, which is headquartered in Fairbury, serving our constituents who are affected by domestic and/or sexual violence in a multicounty area of southeast Nebraska. We, as county commissioners, believe in the missions of these nonprofit organizations as they improve the lives of our fellow Nebraskans daily. They help families and sometimes they even save lives. Please support this needed legislation and we appreciate each of you for your service here in this committee, and I'd be happy to take any questions.

BREWER: All right. Thank you for the testimony. See if we got any questions for you. Questions?

MARK SCHOENROCK: OK. Thank you.

BREWER: All right. Thank you again. OK, still looking at proponents to LB940. Welcome to the Government Committee.

JEFF SCHREIER: Good afternoon, Chairman Brewer and members of the committee. My name is Jeff Schreier, J-e-f-f S-c-h-r-e-i-e-r. I'm an audit manager for the Auditor of Public Accounts, and I'm appearing on behalf of Auditor Foley in our office in support of LB940. To start, I would like to point out that the APA tries to avoid taking a position on policy matters unless, of course, a particular issue has a direct

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impact upon our operations and ability to examine the handling and expenditure of public funds. This is necessary to maintain auditor independence, which is fundamental to everything we do. With LB940, the APA support is not based on policy. Whether or not it's a good idea to pursue this particular course of action, again, that is not for us to decide. Rather, our support is in recognition of the fact that a political subdivision is taking proper action with the assistance of Senator Dorn to acquire clear statutory authority to expend public funds on something that is deemed important to its community. As some of you may be aware, the APA follows government auditing standards when performing financial audits. In addition to requiring auditor independence, these mandatory auditing standards direct us to test for an auditee's compliance with laws, rules, regulations, contracts, and grant agreements. Unlike the Attorney General's Office, we do not issue legal Opinions or offer legal advice. But, but determining such compliance is essential to the audit process nonetheless. We approach this obligatory testing of compliance, being acutely aware of the fact that both the Nebraska Supreme Court and the Attorney General have emphasized the strict legislative parameters within which this state's political subdivisions must operate. The court has said that political subdivisions are a creation of statute and only have the powers granted to them by the Legislature. When any doubt exist as to those powers, such doubt must be resolved against, against the grant of those powers. With this judicial guidance in mind, whenever the APA audits a political subdivision, one of the first things we ask when testing a, a particular expenditure is what is the statutory authority for this payment? We always try to figure that out ourselves. If unable to do so, we will then ask the auditee to direct us to the applicable statute. If it can, that concern is put to rest. However, if the auditee also comes up with nothing, an audit finding is likely to result. LB940 grew out of the APA's audit of Gage County. As was noted, one of the payments we selected for testing was a payment to Hope Crisis Center and we could not find the necessary statutory authority. For the record, nobody doubts the importance of or the need for such services. But as explained already, we are barred from taking policy concerns into consideration. When it comes to donations of public funds, in particular, no matter the purpose, we are guided by the Nebraska Supreme Court, in a case involving a public power district payment to a charitable organization. The court concluded that in the absence of express statutory authorization, the court found that the district was without authority to make these contributions. We explained our concerns to the Gage County officials,

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and they expressed their intention to seek a legislative remedy to this issue, which is something we support wholeheartedly. In conclusion, our office supports this bill and we appreciate Senator Dorn for introducing this.

BREWER: All right.

JEFF SCHREIER: I would answer any questions.

BREWER: Let's see if we have any questions for you. Questions? All right. Thank you for your testimony. You got-- you got a lot in those pages.

JEFF SCHREIER: I did. I tried to read fast.

BREWER: Well, and you did fine. I, I-- you probably come in thinking 5 minutes and I shorted you to 3.

JEFF SCHREIER: I did. I saw that.

BREWER: Well, you made up the time. Well done. All right. I see you back there snapping a whip and bringing them forward.

JON CANNON: If only I could do that at home, sir.

BREWER: Jon-- Jon, welcome back to the Government Committee.

HALLORAN: I would be careful.

JON CANNON: Chairman Brewer, members of the Government, Military and Veterans Affairs Committee, my name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of Nebraska Association of County Officials, also known as NACO, here to testify today in support of LB940. Thanks to Senator Dorn for bringing this bill. As a former Gage County supervisor, he understands exactly what counties have to go through, you know, as far as what they can and cannot do. And so we certainly appreciate him bringing this bill that would provide us with the legislative authority to, you know, essentially provide a public good. And I'll get to that in just a second. We generally support public-private partnerships. We think those are good things, especially when they can deliver services more nimbly or more cost effectively than, than government does. This is a public good. And, and generally speaking, one of the tests as to whether or not something is a public good, is if it's a service that the county would-- is, is a relief from otherwise providing. And, and this is one

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of those things that in over history you've seen these sorts of shelters or these sorts of organizations being supported at the county level and to the extent that this is, again, clearly, in my opinion, fits within the definition of a public good is something that having the authority to make donations to these sorts of things is exactly what our taxpayers would expect. And, certainly, we, we appreciate the authority being extended through this bill. Happy to take any questions you may have.

BREWER: All right. Thank you. Let's see if we have questions. Questions? Questions? All right. Seeing none, Jon, thank you for coming and testifying.

JON CANNON: Thank you, sir.

BREWER: OK. Additional proponents? Welcome to the Government Committee.

CHRISTON MacTAGGART: Good afternoon, Senator Brewer, members of the committee. My name is Christon MacTaggart, C-h-r-i-s-t-o-n, last name M-a-c-T-a-g-g-a-r-t. I am the executive director of the Nebraska Coalition to End Sexual and Domestic Violence. We are testifying in support of LB940 on behalf of our 20 member programs. We are the support agency for the 20 programs across the state that provide statutorily mandated crisis intervention, support, and prevention services to survivors of domestic violence, sexual violence, and human trafficking. Collectively, they cover all 93 counties. They-- these programs are-- well, the statutorily mandated services are outlined in Nebraska's Protection from Domestic Abuse Act. And these programs are funded through state and federal grants, donations, fundraising, some state general funds, and for many of them through county funds or funds from their local government. This-- so this bill directly impacts their ability to retain county funds now and in the future. Hope Crisis Center is one of the programs that you've heard mentioned. They are one of our member programs. And every county in Nebraska, these programs are the primary referral source for law enforcement and prosecutors when working with domestic abuse, stalking, sexual violence. They provide legal advocacy, they assist with protection orders, and they help survivors plan for their safety every day based on those relationships and those referrals. Because of that, we also know that victim outcomes are better. A significant body of research supports that victims referred to community-based advocacy agencies by the criminal system report fewer mental health impacts and fear and higher rates of ability to leave abusive partners and be involved in

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system intervention, such as prosecution. It also impacts homeless or unhoused individuals due to domestic violence and, effectively, helps lower counties' costs by partnering with community-based domestic and sexual violence advocacy programs. So these funds are especially crucial for some of our programs as we've continued to see increases in services, especially since 2020, with about 10 to 15% increases in victims and children served every year. In 2023, this meant that around 50,600 shelter nights were provided and over 14,000 survivors were served across the state. Additionally, things like rising costs due to inflation means that programs are often over budgets for basic things like shelter, gas, utilities at the same time as they're also receiving cuts in some of their federal funding sources. So this will help alleviate potential additional cuts through the county, which could be-- which would impact their ability to provide that support. So for all of these reasons, the solution to ensuring county funding to the programs continues will help allow them to maintain services. And we appreciate Senator Dorn being willing to move forward with this bill. We thank you for your consideration of it. I'm happy to answer any questions that you may have.

BREWER: All right. Thank you for your testimony. Let's see if we have any questions for you. Questions? Questions? All right.

CHRISTON MacTAGGART: All right. Thank you.

BREWER: Thank you again. OK. Any additional proponents to LB940? All right. Anybody here in opposition? Anybody here in the neutral? All right. Senator Dorn, come on back. Now, I don't want to appear as though I'm coaching you here, but you had 23 letters in support, none in opposition, and none of the neutral. You had great testifiers with good documented testimony and nobody in opposition and nobody in the neutral. I would if I was you recommend that I do a letter referring this as a consent calendar item.

DORN: Thank you.

BREWER: But you can do whatever you want.

DORN: No. Thank you very much. That is a goal of ours, and we sure will have that work done and forwarded to you. I just wanted to-- all I want to do is thank everybody for coming and testifying and presenting in front of the committee and stuff. So thank you, guys, for taking the time and thank you for listening.

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BREWER: All right. Let's see if we have any questions before we let you go here.

LOWE: First of all, it's got to come out of committee.

BREWER: Yeah, yeah, it's got to come out of committee. I forgot, we-- that's all right. We'll pick a day when he's not here. All right. With that, we'll close out again. 23 letters in support, none in opposition, and none in the neutral. That will close our hearing on LB940 and we'll get reset for LB1103. Take your time, Ray, we're ahead of schedule here. OK, we'll go to LB1103 now. Ray, whenever you're ready, go ahead and kick her off.

AGUILAR: Good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. For the record, my name is Ray Aguilar, spelled R-a-y A-g-u-i-l-a-r, and I represent District 35. I'm here before you today to introduce LB1103. The bill expands upon the Nebraska Tourism Commission's existing innovative Tourism Grant Program to authorize the use of grants to reduce total bid prices for Nebraska locations to be chosen as event sites. The bill also requires at least 35% of grants be awarded to communities or organizations and counties with less than 100,000 residents to ensure that the grant program reaches the entire state. Currently, Grand Island is an attractor of youth livestock shows held at Fonner Park. These shows bring thousands of out-of-state visitors and tourism dollars to central Nebraska. For Grand Island, this is the equivalent of the College World Series in Omaha or the Husker home games in Lincoln. Our business and sales tax revenue are greatly impacted when one of these shows are in town. The Grand Island facilities are owned by Fonner Park, a nonprofit organization, and the livestock shows are run by the Grand Island Livestock Complex Authority, or GILCA, another nonprofit made up of representatives of the Nebraska State Fair, Fonner Park, Chamber of Commerce, and Convention and Visitors Bureau. GILCA's mission is to promote year-round use of world class livestock show facilities at Fonner Park. Unfortunately, these livestock shows are growing increasingly more competitive to land. Our competitors include facilities in Iowa, Texas, Oklahoma, Missouri, and Kentucky. These facilities are often state owned, which means they can arbitrarily lower the costs by putting on the livestock shows to gain a competitive advantage in the bidding process. As a nonprofit, GILCA does not have that luxury and has scrambled in recent years to cut costs and look for dollars elsewhere to offer competitive prices in their bids. We have world-class facilities at Fonner Park and we are well known in the livestock show industry. I do not want to see us

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fall behind because of how Fonner Park is owned and operated. LB1103 is an avenue whereby the Tourism Commission can expand upon its mission to attract increased visitors, which result in greater tourism revenue and economic gain throughout the state. And I stress "throughout" in that statement. I would like to work with the Commission on this goal to make sure that our livestock shows continue to come to Nebraska and we keep our businesses and community thriving. A representative from GILCA is here to testify as of the details of the show, how these shows and how the competitive bidding process operates. I also wanted to note that I met with the Tourism Commission earlier this week and had a productive conversation moving towards a mutual understanding of where this program needs to be and whether the bill is needed to accomplish that. I look forward to continuing that conversation. Thank you for your consideration of this bill, and I'd be happy to try to answer any questions you have.

BREWER: All right. Thank you, Senator Aguilar. Let's see if we got any questions for you before we go to the-- to the proponents. All right. You'll stick around for close? OK. We need proponents to LB1103. Come on up. Welcome to the Government Committee.

BRAD MELLEMA: Thank you, Chairman Brewer, Senators. Thank you for the opportunity to come and talk with you today. Senator Halloran, I'll concede your comment about your district being one of the most beautiful in, in the state if you'll concede that we are, in fact, Nebraska's favorite island.

HALLORAN: I will concede.

BRAD MELLEMA: Very good. Thank you. Thank you, Senator Aguilar, for bringing this, this forward to the committee here. The Nebraska Tourism Commission is an important and vital partner to us at the county level from across the state.

BREWER: Could I have you state and spell your name?

BRAD MELLEMA: Brad Mellema, B-r-a-d M-e-l-l-e-m-a, director of Grand Island Convention and Visitors Bureau.

BREWER: Thank you.

BRAD MELLEMA: Again, our partners at State Tourism are vital to the activities that we do at the county level to attract people to our particular part of the community, as it is for communities from across Nebraska. As such, they have some very successful grant programs.

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There's 2 programs that they offer at the county level or for events, businesses or-- businesses, nonprofits to apply for, for events across the state. One of those is what is called a Community Impact Grant. Those are what are, I would say, are larger dollar events. That they've successfully helped finance various components of those to come to Nebraska. Examples might be ones that you've heard of, like the Olympic swim trials coming to Omaha, or the international equine compositions-- competitions that are held at the CHI Center. Wonderful events and, rightfully, supported by the Tourism Commission to, to get those events here. That particular grant program allows us to basically be reimbursed dollar for dollar between 25 and \$250,000 for marketing or advertising those events. OK. As Senator Aguilar pointed out, when we get a livestock show, it's not something that we advertise. If we get the show, the people come. And so our thing is to be competitive with dollars. And so we need to maybe think about not advertising to Kansas or Iowa that we're going to have these events, but to use those to help potentially with facility costs, bid fees, or those types of things that would attract those events here. And they're every bit as impactful in many ways as some of the large events that I just described earlier. And so, again, we've been working with the Commission very closely on this, this particular topic. There seems to be an openness to, to identify this particular issue and help us to maybe look at the way tourism has changed or evolved since perhaps these grant programs were established some number of years ago. And so that's the, the main purpose that I wanted to bring and bring some clarity to you to understand how the business that we do in Hall County, maybe is a little different than some of the business that we might find and some of where these dollars have predominantly gone to in the past. And so I will close my comments at this point and entertain any questions that people might have.

BREWER: Let's run through real quick kind of your, your major ticket items. OK, so you got State Fair, you got-- you got Fonner Park and activities that come with that. You also-- don't you have the National 4-H Shooting Championships?

BRAD MELLEMA: We do. So just some example, rightly so, the, the National 4-H Shooting Sports Championships are held. That particular event, for example, is a 5-day event where 700-plus young people come from over 30 states, 35 states to Grand Island to compete at the Heartland Public Shooting Park and at Fonner Park. OK? So that's another example. We wouldn't necessarily advertise that on TV for people to come watch it, because when you get the event the participants show up and 700 plus your families, you're talking, 3,000

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to 5000 people in our community over time. And so it's just a wonderful way to do events. Husker Harvest Days are other things that we're involved with. Of course, we mentioned the Nebraska State Fair, the Sandhill Crane Migration. We do big events very well in our community, and many of them don't meet the criteria set out in this Impact Grant. I've been in my position 11 years, and I just can't find a way to utilize and leverage these funds and so we're-- that's why we're asking the Commission to consider making, making this change.

BREWER: No, hey, and everybody coming to Grand Island stops to fuel and, and all the things that it takes to get to Grand Island so, indirectly, it, it benefits--

BRAD MELLEMA: Right.

BREWER: --the state, so.

BRAD MELLEMA: Yeah, this is statewide. There's a lot of wonderful facilities across the state, and so many of our communities have opportunities to do the very same thing and maybe can utilize these funds in the same way.

BREWER: Got you. All right. See if we got some questions. Questions? Questions? All right. Thank you for your testimony.

BRAD MELLEMA: Thank you.

BREWER: All right. So we're on proponents for LB1103. Welcome to the Government Committee.

JANA SITTLER: Good afternoon, Chairman Brewer and committee members. It's a pleasure to be here. My name is Jana Sittler, J-a-n-a S-i-t-t-l-e-r, and I am the manager of the Grand Island Livestock Complex Authority. So I work, specifically, with the bidding of all of the particular events that come to the campus out at Fonner Park for the hosting by the Grand Island Livestock Complex (Authority), or GILCA. One of the things that I wanted to speak to, is we-- I am directly charged with the bidding process. So one of the things that I have to do is figure out a way to make sure that these are attractive activities on a financial perspective, as well as amenities that are provided to these organizations that are coming in. So these are very much national organizations, national events that are coming in. But at the same time, we have a lot of competitors in other states, as Mr. Mellema addressed, that are going to be in direct competition with us and continue to be in more direct competition with us. We're a very

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sought-after facility. People like the location, people like the facility, people like what we do. But at the same time, there is many other options that can host those same types of events within a fairly small radius of us. And also maybe provide additional amenities or abilities to be able to serve them in a better fashion. So one of the things that I have to work with is not only making sure that we're financially competitive with them, but to make sure the facilities are competitive. Many of these competitors are addressing their issues with new facilities, brand new facilities, places like Denver, Colorado, where the National Western Stock Show is held. Louisville, Kentucky, where the North American International Livestock Expo is held. The Kansas City location where American Royal is held. Those are all our direct competitors, and they're all working on new facilities and major upgrades. And in addition to that, they also receive direct financial budget lines and appropriations from their state entities. So one of the things that I don't have the luxury of working with is that. But they do. So they-- that puts us in an even further direct competitive situation with them. So one of the things that I would like to address is that we do need the support to be able to provide not only the marketing and outreach services that we have to do, but also just maintaining and making the facility attractive through being competitive with our funding. So I appreciate your consideration. Thank you, Senator Aguilar, for your work. And I would urge the committee to move this along and advance. I will take any questions.

BREWER: All right. Thank you. A question for you. When the flooding happened out there, were you guys able to kind of reset and rebuild after all of that without, you know, holding up the ability to move forward on other stuff or did it--

JANA SITTLER: That-- there-- that is being addressed and that is being working on currently. That will be something that will continue to be addressed and, and worked on so it's not an impediment to what we're trying to do. That is a partnership with the State Fair and with Fonner Park to make sure that that is addressed, because it directly impacts my work as well and the events that we have there. But, yes, that is something that is continuing to be worked on.

BREWER: All right. Let's see if we have questions. Questions? Yes, Senator Raybould.

RAYBOULD: Thank you for coming--

JANA SITTLER: Yeah.

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RAYBOULD: --to testify. Can you tell me, were you able to apply for and qualify for ARPA funds when the pandemic hit? And I'm sure a lot of your events had to be shut down.

JANA SITTLER: Yeah, they're-- the ARPA funds, not necessarily for the events that we're hosting. But there were things for the campus that were able to be applied for and applied, but not for my events, specifically.

RAYBOULD: And I just want to share with you, I hear the same concerns from the Lancaster County Event Center, now known as Sandhills (Global) Event Center, saying, like, we're, we're competing to get these national conventions like-- well, the U.S High School Rodeo Championships. And, and they're doing the same thing, like our facilities just need to be upgraded to allow us to be competitive. And so this piece of legislation would-- would it give preferential treatment to those under the population of 100,000? Is that correct?

JANA SITTLER: That's what I understand. Yes. And so by the location that we're-- we are sitting in that would be of assistance to us. And we don't have-- even though we have the amenities and the ability to be able to serve the populace that comes in-- and we're looking at sometimes 4,000 to 5,000 visitors that come in for one event. And they'll run anywhere from 3 to 10 days at a time. So I have-- you know, we have, you know, a, a pretty good attraction when people do come in. But yeah, we-- yeah. So I would say that. Yes.

RAYBOULD: Do you know, is there any fiscal note attached to this bill or maybe that's a question for Senator Aguilar?

JANA SITTLER: That would probably be a question for Senator Aguilar if I can defer to him.

RAYBOULD: OK. Thank you very much.

JANA SITTLER: Yeah. Thank you.

BREWER: All right. Any other questions? All right. Thank you for your testimony.

JANA SITTLER: Yeah. Thank you.

BREWER: OK. Any additional proponents for LB1103? Anybody here in opposition? Anybody here in the neutral? Oh, you're in opposition?

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JOHN RICKS: Nope. Neutral.

BREWER: Neutral. Come on up then. All right. Welcome to the Government Committee.

JOHN RICKS: Thank you, sir. Good afternoon, Senator-- Chairman Brewer and committee members. My name is John Ricks, J-o-h-n R-i-c-k-s, and I'm executive director of the Nebraska Tourism Commission, also known as Visit Nebraska. I'm here today to provide additional information that affects, or I would guess a better word would be to inform LB1103. There have been numerous conversations about expanding the definition of marketing in our existing grant program. Specifically, as we've talked today, the Community Impact Grant effort. As been-- you know, has been talked about, we recently met with the senator and staff, as well as supporters of the proposal, and one of our board members and chair of our marketing committee, John Chapo. We believe that we're in agreement about broadening the definition of marketing to include assisting applicants with costs for bid fees, venue rentals, and host fees to reduce-- to reduce expenses faced when destinations and organizations in Nebraska are recruiting these events. Just a real quick history. Our grant programs, and this was established long before I was here, our grant programs have traditionally covered consumer-facing marketing efforts designed to bring people to the state, including advertising of all types, photography and video production, costs for creating content, websites, and on and on and on. But it's become apparent there are certain kinds of events that are more business-to-business efforts, where marketing for them simply doesn't include consumer-facing promotion, but requires funds to pitch when and then conduct the events that showcase their communities. You've already heard today about livestock shows in Grand Island, and we've also been working with Sports Nebraska, a cooperative group of 14 convention and visitor bureaus across the state who work year-round to attract sporting events of all kinds. The marketing efforts of Sports Nebraska members also focus more on the business-to-business aspect of things, where support is needed to learn about and then pitch and then successfully conduct these events here in the state. Because of this industry need, we've already been working on changes to our grant program. In fact, our board just yesterday approved the creation of a business-to-business marketing segment to provide the support that we've been talking about, becoming effective with our next grant cycle that is going to be announced October 20-- October 24. Our grant programs have always been flexible enough for make-- to make adjustments to without changes in legislation so we can react quickly

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what's going on in the marketplace because the tourism industry is, is, is changing very rapidly and it's very competitive as you heard today. In other words, we're already making these changes based on industry input and are excited to see the results in the future. In our meeting with Senator Aguilar's office on Tuesday, we discussed the need to work together further to define the guidelines that organizations can use when applying for Community Impact Grants in the future. Beyond the bid prices, there's, there's a lot of other things. But we agreed that we have enough time before the next grant cycle is opened in October to determine these criteria. We're confident that the addition of business-to-business support will increase the chances for Nebraska locations across the state to be chosen as event sites in the future. I'd be more than happy to answer any questions that you may have.

BREWER: All right. Thank you, John. Let's see if we have questions for you? Questions for John? Yes, Senator Raybould.

RAYBOULD: So the grants would come from the Nebraska Tourism Commission?

JOHN RICKS: Yes, and we presently have 2 grant programs. And the Community Impact Grant is from 25 to \$250,000, and there's a lesser one from 0 to \$25,000, which actually most places to use for marketing. That's, that's our way that we can help seed smaller communities for little events and things. And it works really well. So the programs are really all in place. And I guess the, the, the way I can explain this best is that Nebraska's tourism industry is waking up. We're kind of waking a sleeping giant here. And when that happens, in my 38 years of experience now is, other segments like sports, livestock shows, they say, hey, we have thousands of people coming here, too. How are you helping me? And traditionally, most of the, the grant funds and other things have been really focused. And this is not only here, in other states, too, on marketing efforts, bringing people, promotion. So I think that-- we're really excited about this. I think it, it shows that the industry is, is maturing more, that we have more needs to fund these segments and that these changes will help livestock shows, Sports Nebraska, and everything else into the future. Yeah.

RAYBOULD: So currently with the grant programs in place, what percentage of those grants go to, I guess, municipalities of less than 100,000?

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JOHN RICKS: I, I wish I had those figures. I can get-- I can get them for you. I mean--

RAYBOULD: Because I know they're saying 35%, like, how did they land on 35%?

JOHN RICKS: Yeah, I-- you'd have to ask the senator on that. But, but the thing is, is that we-- the grant program is really used because it's very simple. Our guidelines are very simple. You don't have to worry about being a grant writer. You know, I, I was in the wonderful world of CARES Act grant writing, and that's just frustrating. All you really need is a pencil and a pen and a couple pieces of paper to make these to, to, to, you know, apply for these grants. So we like that flexibility and things. We can get you the answer to those questions. But I can tell you that we do grant dollars from-- there could be a small community out there who just ask for a thousand bucks, and we can do that. There's communities that are bigger, you know, there's there's organizations in bigger communities, like Mr. Mellema was talking before with the Olympic trials, they got \$250,000 a year and everything in between. And now I think that with these changes, we'll have the ability to help out a lot of organizations. The thing that pops into my mind, for example, Scottsbluff, Gering with U.S. cycling gravel race last year. I know how much that cost. I've talked to them. This program could have saved them-- they had to stick about 100 thousands of these kinds of dollars into it, and dollar for dollar we could save them \$50,000 right off the top. So those are the kinds of things we're looking for and, I think, this is the kind of thing that we can use open-- opening this up. Yeah.

RAYBOULD: Thank you.

BREWER: All right. Any additional questions? All right. Thank you for your testimony. OK. We're on neutral testifiers for LB1103. Any additional? All right, then we'll invite Ray back up to close. All right, Ray, welcome back to your Government Committee.

AGUILAR: Thank you. Thank you. Let me start off by saying that I look forward to continuing to work with the Commission. I'm really pleased to hear that they're expanding their thinking as far as other areas besides sports and things like that to look into and have grants. We feel real strong that we need this legislation in order to take care of the communities out there like Hastings, Kearney, Grand Island, North Platte, the, the cities that don't always get the attention with

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the big grants going out so much to the bigger cities, Lincoln and Omaha. Nothing against Lincoln and Omaha.

RAYBOULD: I know. I know.

AGUILAR: But that's just a fact of life. It happens, and we're doing everything we can to work our way back into the ball game, if you will.

BREWER: Well, let's see if we got any questions for you, Ray. Questions for Ray on LB1103? Yes, Senator Raybould.

RAYBOULD: I was curious, how did you land on the 35%?

AGUILAR: The whole-- the whole purpose of that is trying to get a fair share for outstate Nebraska.

RAYBOULD: But it-- but this piece of-- currently, with existing legislation, Hastings can apply, Scottsbluff, Gering can apply. There's nothing that prohibits them from applying. I guess it's-- does the Commission--

AGUILAR: It obviously--

RAYBOULD: --make the decision on, like, that's [INAUDIBLE]? Yeah, that sounds great. Gravel grinding, that's awesome for cyclists. People love that stuff. So you would think that they would qualify for funding just based on the, the great project that they present to the tourism board. Right? So there's nothing that says they can't apply now, and they probably do apply now.

AGUILAR: And that's what we're hoping for, without a doubt.

RAYBOULD: But I guess I, I get concerned where you put restrictions at 35% off the top always go towards this. And there might be, you know, 10 times more, more worthwhile use.

AGUILAR: That-- that's a minimum of 35%.

RAYBOULD: A minimum. OK. Yeah.

BREWER: OK. Any additional questions?

RAYBOULD: No. Thank you.

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BREWER: All right. Well, with that, we will-- let's see, read in-- so we have no letters on LB1103. So that will close on LB1103 and we'll take a short break here to reset the room for an Exec.

RAYBOULD: OK.