

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee March 20, 2024

**LINEHAN:** --public hearing. My name is Lou Ann Linehan, and I serve as Chair of committee. I'm from Elkhorn, Nebraska and represent Legislative District 39. The committee will take up the bills in the order that they are posted outside the hearing room. Our hearing today is your-- part of your legislative process. This is your opportunity to express your position on the proposed legislation before us today. We do ask that you limit handouts. If you are 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 8 a.m. the day of the hearing. Letters emailed to a senator or staff member will not be part of the permanent record. If you are unable to attend and testify at a public hearing due to a disabil-- [RECORDER MALFUNCTION]-- introducer, proponents, opponents, neutrals, and closing remarks. If you will be testifying, please complete the green form and hand it to mit-- committee clerk when you come up to testify. If your remarks were reflected in previous testimony or if you would like your position to be known but do not wish to testify, please sign the white form at the back of the room and it will be included in the official record. Now we'll have the committee members introduce themselves, starting at my far right.

**KAUTH:** Kathleen Kauth, LD 31.

**von GILLERN:** Brad von Gillern, Legislative District 4.

**ALBRECHT:** Joni Albrecht, District 17.

**DUNGAN:** George Dungan, District 26

**MEYER:** Fred Meyer, District 41.

**LINEHAN:** To my immediate left is legal counsel Charles Hamilton. And to my left at the far end of the table is committee clerk Tomas Weekly. We have pages today. Can you stand up, please? Thank you. I can see you. Hi. It's Molly, who's at UNL. And she's studying political science. Senators-- I don't think they will, but they might come and go during their hearing, though I think it's going to be short, so probably not. Please refrain from applause or other indications of support or opposition, for our audience, two of you. 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 is a

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critical part of our state government. So with that, we will start. Welcome. I assure you, a empty room is a very good sign.

[LAUGHTER]

**SARAH SCOTT:** Good afternoon, Chairperson Linehan and members of the Revenue Committee. My name is Sarah Scott, S-a-r-a-h S-c-o-t-t. I was appointed by Governor Pillen to serve as the property tax administrator on Febru-- February 14. I appreciate the Governor's trust in extending this opportunity to me and look forward to serving Nebraskans in this capacity. I believe that you have a copy of my resume. I would like to share a bit more about my background. I am from Cozad and graduated from the University of Nebraska at Kearney, majoring in business with an emphasis in finance. After graduation, I worked at a bank in Gothenburg where I gained some experience with appraisal and real estate. That experience led me to accept a position with the Department of Revenue Property Assessment Division, where I started my career at the department in a boots-on-the ground capacity, learning about mass appraisal and the statutory framework that county assessors work under. During my tenure at the department, I have gained a tremendous amount of experience, some of which includes presenting numerous educational sessions to county officials to convey statutory changes and assessment best practices. I have led the division's racial studies, crafting processes to best fulfill our statutory obligation to measure assessment performance. I have provided analysis to the executive and legislative branches for use in crafting the policy decisions that impact property assessment and taxation. Finally, I have appeared before this committee on occasion over the years to provide technical testimony to the property tax issues being considered. The role of the Property Assessment Division in Nebraska Revised Statute 77-702 is to execute faithfully the property tax laws of the state of Nebraska, provide for efficient, updated methods and systems of property tax reporting, enforcement, and related activities, and to continually seek improvements in its system of, of administration. I believe that my experience puts me in a position to fulfill this role successfully and lead my fellow public servants in the Property Assessment Division enforcing property tax policy. There is a significant challenge before you in the remainder of this biennium. It is my hope that the Property Assessment Division will be a resource to this committee, the Legislature, and to all property tax state-- stakeholders as you continue to work together to reduce the property tax burden of Ne-- Nebraskans. Thank you for your consideration today.

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**LINEHAN:** Thank you very much. Do we have any questions from the committee? Seeing none. Thank you very much. Are there anyone wanting to testify as a proponent?

**JIM KAMM:** Thank you, Chairwoman Linehan, distinguished members of the Revenue Committee. For the record, my name is Jim Kamm, J-i-m K-a-m-m. I'm the tax commissioner for the state of Nebraska. I'm here today to testify in support of the appointment of Sarah Scott as the state's property tax administrator. I know you're busy. I'll be brief. But as Sarah mentioned, she's been employed by the Department of Revenue in the Property Assessment Division, or PAD, since 2008. Prior to being appointed by Governor Pillen, she had most recently served as PAD's field operations manager out of our North Platte regional office. Sarah is a well-respected and accomplished DoR and state employee, as evidenced by the following awards and accomplishments. She was a DoR employee of the year in 2015, Tax Commissioner Award recipient in 2017, and a Governor's Leadership Academy graduate in 2021. Sarah's not here to blow her own horn, so I will for her. Sarah will provide strong collaborative leadership within both PAD and the DoR, and I'm confident she will build positive, open lines of communication with the 93 county assessors across our great state. In conclusion, I appear before you today in my role as a tax commissioner in full support of the Governor's appointment of Sarah Scott as PTA. Appreciate everybody's time and consideration today. And thank you for your service.

**LINEHAN:** Thank you very much. Are there questions from the committee? Senator Albrecht.

**ALBRECHT:** Thank you. Just have a quick one. So you said that she's not in North Platte now. Will she be working out of your office here in Lincoln?

**JIM KAMM:** Actually, Sarah is going to continue to live in North Platte. But since she's been appointed, she spends two days a week here in Lincoln with us. So she comes in and spends two days a week with us. It's really a great service to our outstate folks to have somebody in North Platte. Plus, I believe she's been in Cherry County and Valentine. She's been, she's been in-- she'll be in York tomorrow. She's all over the state. But no, we're going to continue to allow her to live in North Platte but come to Lincoln a couple of days a week. So thank you for that question, Senator.

**LINEHAN:** Thank you, Senator Albrecht. Senator Dungan.

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**DUNGAN:** Thank you, Chair Linehan. And thank you for being here. Always appreciate you coming in. This might be a really dumb question, and I apologize, but I-- we always hear about how property taxes are local taxes from the county. What are the job duties of the property tax administrator for the state?

**JIM KAMM:** Yeah. And I would sum that up and-- you know, Senator, I'm still fairly new in my tenure here, but it's really to, most importantly, interface with the 93 county assessors across our state to make sure that things are done evenly and equitably across the state. So we don't want folks in one county treating their dry land values different than somebody in the next county. So it's really to act as that liaison between the assessors and the Department of Revenue, provide education. Sarah's in charge of a number of state liaisons that are a resource, a training resource, and an ongoing resource during the course of the week so the county assessors can, can move through this. I, I see, I see Mr. Cannon behind me here, but I think I've heard that 25-- 1/4 to 1/3 of our county assessors are going to turn over in the next several years. So having that constant, steady influence with somebody like Sarah having the experience to provide that kind of leadership and input to our county assessors is very important.

**DUNGAN:** Thank you. I appreciate that. It sounds like she'll do a great job. Appreciate it.

**LINEHAN:** Thank you, Senator Dungan. Senator von Gillern.

**von GILLERN:** Yeah. Thank you, Commissioner Kamm. And thank you, Senator Dungan, for asking one of the questions I wanted to ask. Appreciate that-- add, add clarity to the role. For additional clarity, what does the org chart look like in, in, in your world and, and where does Ms. Scott fit into that org chart now?

**JIM KAMM:** Absolutely.

**von GILLERN:** Or will she?

**JIM KAMM:** So reporting up through me and I-- you're going to put me on the spot here a little bit, Senator, but we have obviously Sarah Scott that runs our Property Assessment Division. I have a director that runs the Lottery and Charitable Gaming Division. I have a chief deputy who basically oversees our policy section, which is all the legislative statute and working and providing a resource to folks both on the front end and back end of that. And we have compliance

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director, which, to sum it up, they, they really run our collections area and our, our, our auditing function, which we have a lot of work to do on that. And then the final position that reports up directly to me would be our operations director who manages all of our, our taxpayer assistance and then all of our, our-- all of our IT stuff. So I've really got five folks who report up directly through me. And then Sarah will be one of those five--

**VON GILLERN:** OK. Thank you.

**JIM KAMM:** --so.

**LINEHAN:** Thank you, Senator von Gillern. Are there other questions from the committee? Seeing none. Thank you very much for being here today.

**JIM KAMM:** Thank you, Chairwoman. Yup.

**LINEHAN:** Are there other proponents? Good afternoon.

**JON CANNON:** Good afternoon, Chairwoman Linehan, 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 the Nebraska Association of County Officials. You may have heard us referred to as NACO from time to time. Here today to testify in very strong support of Ms. Scott's appointment as the property tax administrator of the great state of Nebraska. I certainly appreciate the Governor having appointed her to this role. When there was an interim, you know, she was probably one of the people identified as, as the most likely candidate to be the new property tax administrator for our state. I had the privilege of working with Sarah when I was working at the Department of Revenue for a number of years. That probably seemed like decades to her. But I will tell you that her, her competency in the field of, of property assessment is without peer. I'd like to say that we can't wait to start working with her, but we've already-- we already have. And she reached out to us the moment that the interim tag was taken off. We've, we've successfully established that rapport. To answer your question, Senator Dungan, in a little bit-- with a little bit more depth. You know, one of the main roles of the property tax administrator is when it comes to the annual equalization meeting of the Tax Equalization Review Commission. What the, what the property tax administrator does is, is compiles all the statistics that I've done a very poor job of explaining to this committee over the years. She compiles all the statistics relating to values across the state into what's called a report and opinion. She provides a report and

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opinion for all 93 counties to TERC. And then during the annual equalization meeting, she's there to answer questions of TERC and, and kind of take-- step them through, you know, here's why things are, are being done the way that they're done. And again, you know, to echo what, what Tax Commissioner Kamm had said, she provides the, the uniformity that we, we would expect in the administration of property assessment across the state. And so, again, we're in very strong support of Ms. Scott as the property tax administrator. Can't-- cannot wait to, you know, have that, that confirmed for her. And I'm happy to take any questions you may have.

**LINEHAN:** Thank you very much for being here. Senator Albrecht.

**ALBRECHT:** Thank you, Chair. She had-- somebody had mentioned that you think 25% of your assessors are going to be retiring soon.

**JON CANNON:** That is very, very likely. The, the demographic shift that we've been seeing across county government is it, it's, it's kind of a wave that's been crashing against us for probably the last two or three election cycles.

**ALBRECHT:** So let me ask you a question: would you see the state of Nebraska ever having to take that over, as we did speak in the Governors meetings throughout the summer and the fall?

**JON CANNON:** Yeah. It's-- you know, it, it's one of those things that we're fairly agnostic about, you know. So as far as a political position, I don't have one. Other states do it. In Kansas, they appoint state appraisers throughout the state. We did something like that many, many years ago where we had the state assumption of, of county assessment offices. The way it was-- I, I have a lot of opinions about it. The way it was implemented probably did not lend itself to a complete-- completely successful implementation of that program. And so I, I, I would have some suggestions as to if, if that's the direction the state wanted to go, how you would you-- you would go about doing it. There's a lot of stuff that would, that would-- we would have to work through in order to make that a reality.

**ALBRECHT:** Thank you.

**JON CANNON:** Yes, ma'am.

**LINEHAN:** Thank you, Senator Albrecht. Any other questions? I appreciate that, Senator Albrecht. So can you get us a list of just who you-- because I do think it's a lot easier to do things like

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that. I kind of remember that was under Nelson. Didn't they try to do something under Governor Nelson and it blew up?

**JON CANNON:** Yes, ma'am.

**LINEHAN:** I think to do something like that-- and I do think it might be a good idea-- you should do it over a number of years. And it would seem like maybe, if you want to do that, you could do it when the position opens up instead of trying to do it all, like, in a short timeframe. So maybe that would be a good LR for Senator Albrecht to have this summer.

**ALBRECHT:** I, I might be too late in putting the LR in. I think there's already--

**DUNGAN:** Got a couple days. Monday, I think.

**LINEHAN:** No. You got a couple days.

**DUNGAN:** Yeah. Still time.

**LINEHAN:** Senator Meyer.

**MEYER:** Yes. Thank you, Chairman. Along those lines there, in-- I guess, in my opinion, a state-run office would be a little bit more consistent from county to county on values. And I'll give you-- I'll give you an example, personal example: wetland reserve program ground. In one county, the permanent government easement is a factor. In the next county, it's just-- it's-- there's no val-- that mean-- it's, it's, it's discounted 100%. So there's no, there's no consistency in that-- and maybe I'm talking to you two folks as well. It's just miles apart. They don't-- in, in, in one county, it's a factor; in the other county, it's not. And that's something that probably needs to be fixed. And I don't know if statutorily it's something this group needs to do, but-- and that's just one example. And it, it, it's similar to what happened here in Lancaster County with our lower end housing assessments where the permanent easement that was on the record, that that property could only be used for a certain purpose, was basically thrown out the window and then assessed at full value, which has caused serious harm here in Lincoln to those establishments. And I'm not sure what our legislative remedy is going to be, but there is inconsistencies across the state in a number of areas. And that's just two that I can think of, so. With that, I guess-- I'm, I'm not sure if I'm addressing that too, but I, I, I would see some value in a statewide assessment program where

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everybody is trained by the same people, uses the same rule book, and, and goes forward, so. That's my \$0.02 worth.

**JON CANNON:** Much appreciated, Senator.

**LINEHAN:** So now Senator Meyer has volunteered to join Senator Albrecht.

[LAUGHTER]

**JON CANNON:** And, and Chairman-- Chairwoman Linehan, you will notice that I am not volunteering for anything.

**LINEHAN:** I know, but you will because you wouldn't want to be [INAUDIBLE], would you? OK. Anything else from the committee? Thank you all for being here.

**JON CANNON:** Thank you.

**LINEHAN:** Best of luck.