

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee February 27, 2026  
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**SANDERS:** Welcome and good afternoon. Good-- to the Government, Military, Veterans Affairs Committee. I am Senator Sanders from Bellevue, representing District 45, and I serve as the chair of this committee. The purpose of the public hearing is an information-gathering endeavor in which senators on the committee are seeking information about the proposed legislation that they do not know or have not thought about. It allows individuals representing themselves or a group to share their unique perspective on a proposed measure. It also serves as record about the proposal for future historical and legal purposes. A key component of the process is the ability for senators to engage directly with testifiers, to ask questions, elicit clarification on information provided. The committee will take up bills in the order posted. If you are planning to testify today, please fill out the green testifier sheet for each bill that you are testifying on. These are on the back table of the room. Be sure to print and clearly fill out completely, the form completely. When it is your turn to come forward testify-- to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but you would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak, speak clearly into the microphone, tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally, by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer, if they wish to give one. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute remaining, and the red light indicates your time has ended, and an audible alarm will sound. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard; it is a part of the process, as senators have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have any handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. If you do not have enough copies, the page will make sufficient copies for you. Please note that thumb drives, CDs, DVDs, oversized documents, books, lists of signatures, and similar will be accepted as-- will not be accepted as exhibit-- exhibits for the record. Please silence

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or turn off your cell phones. You may see committee members using their electronic devices to access more information. Verbal outbursts or applause are not permitted in the hearing room; such behavior may cause for you to ask to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable website-- the only acceptable method of submission is via the website [www.legislature.nebraska.gov](http://www.legislature.nebraska.gov). [SIC] Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I will now have committee members with us today introduce themselves, starting on my far right.

**GUERECA:** Good afternoon. I'm Dunixi Guereca. I represent Legislative District 7, which is downtown and south Omaha.

**ANDERSEN:** Good afternoon. I'm Senator Bob Andersen from District 49, which is northwest Sarpy County and Omaha.

**LONOWSKI:** I'm Dan Lonowski, District 33, which is Adams County, Kearney County, and rural Phelps County.

**WORDEKEMPER:** Dave Wordekemper, District 15: Dodge County, western Douglas County.

**SANDERS:** Senator Bob Andersen is the vice chair of the committee. Also our-- assisting the committee today is our legal counsel Dick Clark on my right, and committee clerk on my far left, Julie Cash. We also have with us today three pages. They are Luke Perry from Gretna, who's a freshman at UNO and majoring in history and political science. We also have Grace Harper from Loveland, Colorado, who is a junior at UNL and majoring in political science. We also have today Joel Henson from Lincoln, who is a junior at UNL and majoring in political science and advertising, advertising in public relations. Thank you very much for all those that are here today. We will now go ahead and open our hearing on LB1002. I believe you are standing in, sitting in for Senator Cavanaugh. Welcome to the Government Committee.

**MARGARET BUCK:** Thank you. Chair Sanders and members of the Government, Military and Veterans Affairs Committee, I'm Margaret Buck, M-a-r-g-a-r-e-t B-u-c-k. I am legislative aide

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for Senator Machaela Cavanaugh, here to introduce this bill on her behalf. LB102 [SIC] is a bill that was brought to us by the Nebraska Accountability and Disclosure Commission. It will increase late filing fees that they collect by a straightforward inflationary factor. It's been 25 years since NADC late fees were changed. In that time, everything has gone up by a price factor of two, so a \$10 item in 1999 would cost us \$20 today. LB1002 is a means to address this. Current statute allows the NADC to charge late filing fees of \$25 per day, up to a maximum of \$750. The commission has the authority to reduce or waive late fees under certain circumstances, and that authority is untouched by this bill. LB1002 doubles these fees to \$50 a day, not to exceed \$1,500. There are some late filing fees that are structured differently. For example, for an out-of-state contribution report, the current late fees are set at \$100 a day for the first 10 days, then an additional 1 percent of the contribution amount, not to exceed 10 percent of the contribution. Again, these fees are 25 years old, and LB1002 doubles the-- doubles that to \$100 a day-- from \$100 a day to \$200 a day. The remaining 1 percent language is unchanged. There's one fee that is not doubled under LB1002; that's the filing fee for committee statements of organization. The current filing fee is \$100. This bill increases that to \$150. There's a good reason why that fee isn't doubled, because it was last increased in 2007. Since that time, the inflationary factor is closer to 55 percent. So, regardless of the fee in question, all the increases proposed in LB1002 are in line with inflation. The final part of LB1002 is the addition of principals to those subject to late filing fees. As the law stands today, lobbyists are subject to late fees for their required filings. Principals, however, are not. Principals, even more so than lobbyists, are trying to influence legislation in Nebraska; lobbyists are simply the tools that principals use to do the work. If we truly want transparency, want the citizens of Nebraska to know who is trying to influence legislation, principals should be held to the required reporting standard. The law already requires principals to report, but the NADC has no means to compel that other than sending a letter just reminding them that it's overdue. By holding principals to the same late filing fees as lobbyists, they hope to increase their level of reporting. The best part about LB1002 is the fiscal note: it doesn't cost money, it brings in money. The Accountability and Disclosure Commission will generate more cash fund receipts. That means they can reduce their General Fund reliance. We all want general funds going out. Times are tough, and LB1002 is part of the

solution. Maybe a small part, but still a part. That's all I've got, so thank you for your time and consideration.

**SANDERS:** Thank you, Margaret Buck. Great job. I know we can't ask you any questions, so we'll do the proponents and opponents. But will you stay in case we need closing?

**MARGARET BUCK:** I'll hang around, but I'm not going to close.

**SANDERS:** OK. Thank you very much. Are there any proponents on LB1002? Good afternoon. Welcome.

**SCOTT DANIGOLE:** Good afternoon, Chairman Sanders, members of the Government Committee. My name is Scott Danigole, that's S-c-o-t-t D-a-n-i-g-o-l-e. I'm the executive director of the Nebraska Accountability and Disclosure Commission. I'm appearing on behalf of the commission in support of LB1002, and I'd like to thank Senator Machaela Cavanaugh for bringing this legislation. In 1999, the Legislature passed LB416. That bill moderately increased the late filing fees charged by the NADC. That was 25 years ago. As you heard Margaret Buck testify, what cost a dollar in 1999 now costs \$2. There has been about 200% inflation. LB1002 doubles the late filing fees the commission can impose from \$25 per day with a max of \$750 to \$50 per day with a maximum of \$1,500. In addition to, to increasing the late fees, LB1002 adds principals to the filers who may face late filing fees. Currently, lobbyists who file such late filings, they are subject to fees, but principals are not. There's currently an excess of 150 principals with overdue filings. We, as an agency, have no means to compel these filings; our only current resource is to send a letter reminding them that they're filing is late and see if they'll file. We feel it's important to encourage and maintain disclosure regarding who's paying to impact the work of the Legislature. That's one of the core reasons the Accountability and Disclosure Commission exists: to provide this kind of information to the citizens, citizens of Nebraska. You can see from the fiscal note that the NADC estimates an increase in cash fund receipts from LB1002. Our estimate isn't a true doubling of what we currently receive. Our assumption is that higher fees will end up resulting with more timely filings, so there will be fewer fees, but what we would collect can be greater. Our estimate is about \$30,000 per year of increased cash fund receipts, and that is a conservative estimate. We have no way to, to estimate what the filing fees that would come in from principals will be. As we look forward

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to the future, the NADC would reduce its General Fund request in the budget process so that our cash fund receipts are fully expended each year. If you have any questions, I'd be happy to answer them.

**SANDERS:** Check and see if there are any questions from the committee. Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman, and thank you, Mr. Danigole, for being here. In the, in the fiscal note, it says that the current late filing fee receipts are about thirty-- about \$60,000.

**SCOTT DANIGOLE:** Correct.

**ANDERSEN:** So, why does the fiscal note say 30, if, if currently-- it's going to go up, or projected to go up. But it's currently at 60, why is the fiscal note not 60 or above that?

**SCOTT DANIGOLE:** Just like the law of supply and demand, if you have a higher price for something, you assume the utilization will be lower. If suddenly we're saying our fees have changed and now the minimum is \$50 a day, we believe filers are going to be more aware and say, oh, I'm going to get my filing in on time so I don't have any fees. Some will still be late, but we think there will be more compliance with the timeliness.

**ANDERSEN:** Is there, is there a grace period? Just out of curiosity.

**SCOTT DANIGOLE:** No, there's not. We do have certain situations under which we can provide waivers. If there have been no late filing fees in the previous two years, if a, a campaign has not expended or received more than \$5,000.

**ANDERSEN:** OK. Thank you.

**SANDERS:** Any other questions? Senator Lonowski.

**LONOWSKI:** Thank you, Chair Sanders.

**SANDERS:** Senator Cavanaugh had a look on his face. Sorry.

**LONOWSKI:** And thank you for being here, Mr. Donegal [PHONETIC]. Can you explain who all is included in the principals that you're talking about?

**SCOTT DANIGOLE:** The principals, they-- obviously, that's someone who would be hiring a lobbyist to work on behalf of them for a particular issue. We actually have a definition of principals in, in the act itself, and that will give a very good explanation.

**LONOWSKI:** I did see it somewhere. It just said principals who are hiring lobbyists, but I just wondered if that was the corporation themselves, or?

**SCOTT DANIGOLE:** It, it'd be a corporation. It could be an organization.

**LONOWSKI:** OK. OK. I'm good with that. Thank you.

**SCOTT DANIGOLE:** Thank you.

**SANDERS:** Any other questions? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. I, I was a little confused. I appreciate Senator Andersen's conversation, Mr. Anadol [PHONETIC]. So, I'm reading the, the fiscal note, as Senator Andersen pointed out. It shows revenue of \$30,000. Shouldn't it-- if it's going to be a decrease in revenue from \$60,000, shouldn't it show a \$30,000 decrease in the revenue as opposed to a \$30,000-- because the fiscal note reads as though we're going to increase revenue by \$30,000, but what you're saying is currently it's 60, it's going to go down to 30. So, isn't that a loss of revenue?

**SCOTT DANIGOLE:** No, we believe it would be an increase of \$30,000. So, if you're looking at the fiscal note, you'll see the top line of the fiscal note that's a negative \$30,000--

**J. CAVANAUGH:** Yeah.

**SCOTT DANIGOLE:** --that's general funds on the expenditure side. The second line is cash funds, and it shows a positive \$30,000. So, our anticipation is we'll bring in \$30,000 of gen-- of cash funds. What we'll end up doing is reducing our general funds by

\$30,000 and using the additional \$30,000 of cash funds in their place.

**J. CAVANAUGH:** So, you-- what you're saying, then, is the amount that the fees will, will generate goes from \$60,000 to \$90,000?

**SCOTT DANIGOLE:** Correct.

**J. CAVANAUGH:** OK.

**SCOTT DANIGOLE:** It-- that-- it's the net increase. It's, it's the relative change.

**J. CAVANAUGH:** That's the part I was confused about, because I think you did say that you think the increase will require-- will cause more compliance and therefore decrease the amount.

**SCOTT DANIGOLE:** We believe it'll decrease the number of late filings, but the overall-- we believe there will be an overall increase in the dollars collected.

**J. CAVANAUGH:** OK, now I'm with you. Thank you.

**SANDERS:** Any other questions from the committee? See none. You're going to stick around because you have to be [INAUDIBLE].

**SCOTT DANIGOLE:** Yeah, I will. Thank you for your time.

**SANDERS:** Thank you very much. Any other proponents on LB1002? Any opponents on LB1002? Good afternoon.

**KENT ROBERT:** Good afternoon, Senator Sanders, members of the Government, Military and Veterans Affairs Committee. My name is Kent Rogert, K-e-n-t R-o-g-e-r-t, and I'm here in opposition to LB1002 today on behalf of my firm and its clients and others that we've had conversations with this session. I respectfully don't have a problem with the increase in the, in the fees. The, the increase in the caps is where we're here-- I'm here in opposition today. You heard Ms. Buck say that when the Accountability Enclosures [SIC] Commission finds out that they-- that somebody has missed their filing, they send them a letter and that's their only repercussion. I don't know if you guys have sent anything in the mail lately, but it takes sometimes a couple of weeks, and if they haven't figured out that they missed the filing for maybe a couple weeks before that, most

people get made aware that they are late on their filing when you're already at the maximum penalty. And so, most, most times, I've ever had a, a client that got in trouble with that, they're already in the hole \$750; this would take them up to \$1,500. So, the, the increase from \$25 to \$50 doesn't bother me, but the increase in the maximum does bother me, unless we took a little more of a grace period like you'd asked earlier, to try and make, make that accession, so. That's all I had, and I respect Director Donegal [PHONETIC] for wanting to keep the pockets full at the NADC. I understand that's-- it's, it's hard to make ends meet today, so. I'd answer any questions if I could.

**SANDERS:** Are there any questions from the committee? See none.

**KENT ROBERT:** Thank you.

**SANDERS:** Thank you very much. Any other opponents on LB1002? Any neutral testimony on LB1002? We'll go ahead and close on position-- the position comments for the hearing record on LB1002: 4 proponents, 1 opponent, and 1 in the neutral. And we'll go ahead and close, and we'll go ahead and open on LB1017. Welcome, Senator Raybould.

**RAYBOULD:** Good afternoon, Chair Sanders, and members of the Government, Military and Veterans Affairs Committee. My name is Jane Raybould, J-a-n-e R-a-y-b-o-u-l-d, and I represent Legislative District 28, which, as you may know, is central Lincoln. I have to tell you that so many people have come before me to talk about campaign finance reform. I can think of Sue Crawford and Carol Blood, and I have come before you-- this is my fourth time-- to talk about campaign finance reform. And I really appreciate their efforts, but it's not just all the state senators; it's working with the League of Women Voters, Common Cause, Civic Nebraska, just to name a few, who recognize how important it is. I think by now you all may know how much I love research, numbers, and facts, and honesty. Did you know that Nebraska is only one of five states in the entire United States that has unlimited-- meaning no restrictions-- on contributions from individuals, state parties, and PACs, with absolutely no prohibitions on corporate or union contributions? The other four states that have unlimited on all these categories are Alabama, Oregon, Utah, and Virginia. The one handout that I have given you shows the states that surround Nebraska and what they currently require of individuals, state party, PAC contributions, corporate contributions, and union contributions.

I point out that early because, if you take a look at it, there's really only two states that jump right out at you, and it's Iowa, but we actually beat Iowa, and not in a good way. We beat Iowa in that we have unlimited contributions from corporations-- for corporations. For full disclosure, I have been a student of campaign finance reform before I even held political office. I have given out Jane Mayer's book *Dark Money* for Christmas gifts as long as that book has been published. If you love political history, if you love political campaigns, it is a fascinating history of campaign funding, and a fascinating read. It includes the rise of the Koch brothers and their enormous wealth and influence. It also includes many of the U.S. Supreme Court cases that have ultimately ended up with *Citizens United* in 2010, allowing corporations to provide unlimited campaign contributions based on the First Amendment free speech protections. However, in federal races, there are still restrictions. In *Citizen [SIC] United v. Federal Election Commission*, it ruled, and I quote, "independent expenditures, including those made by corporations, do not give rise to corruption or the appearance of corruption." Hmm. So, we've had about 15 years since that, and we've seen a lot of things that we need to review and revisit. Senator Carol Blood, as I mentioned before, during her time in the Legislature, worked on some quite good bills that were bipartisan in spirit because it evened the playing field across all parties. It impacts both sides. I really do not mean any disrespect, but to bluntly state the obvious, recent elections have most definitely given rise to the appearance of putting your financial thumb on the scale. For example, in Lincoln, the last Lincoln mayoral race, where the majority contributors are one company, one family, and one U.S. Senator. Other more recent disturbing is our last governor's race, and I truly do not to disparage, disparage our governor. However, when you look at the face value and the optics of the transaction that I'll talk about, it shows that the funding levels in the governor's race, race reached new highs, but also showed that one family made the largest contribution to the winning candidate that turned around and then appointed one of the major contributors to fill an open U.S. Senate seat. Some folks just say, oh, well, that's just the nature of politics. But I want to just read you some of the words from the League of Women Voters who have been really at the forefront on studying Nebraska money in politics. So, this is what they say. So often, we Nebraskans find ourselves comfortably ranking in the middle tier of various state-to-state comparisons, the only exception being Cornhusker football. We like to think that we may not be the very best, but we're not the worst either. The one big

exception is regulation of money in politics. If politicians in other states did what is entirely legal and commonly practiced in Nebraska, they would be behind bars. Most states, as well as the federal government, have criminalized what we in the Cornhusker state have legalized and normalized. In their report, they talk about the Nebraska state legislative races in 2016. They found a high correlation between the amount of money a candidate raised and winning. On average, winners raise twice as much as the losers, with most of the money coming from large donations, primarily from non-individuals. Clearly, big money was the winning ticket in 2016. 70 percent of all money raised came from fewer than 526 donors. So, when we focus on the comparison between Nebraska campaign's finance laws and surrounding states of Colorado, Iowa, Kansas, Missouri, South Dakota, and Wyoming, the central finding was that Nebraska is highly unregulated compared to our neighbors. I have been so truly honored to have run and won races for county board, city council, and state Legislature. I was also on the ticket in a statewide race as lieutenant governor in 2014, and another statewide federal race in 2018 for U.S. Senate. There's just no way to sugarcoat it. We all know it, we all see it, we all use it. Money is the fuel that moves the political dial and funds your message. I have also had the privilege of traveling all over the country with U.S. Democratic women senators, meeting with the high-dollar donors that fund federal races. And no, for the record, I never met George Soros, so. Wherever I have traveled, the amazing women senators spoke about issues that they were passionate about to the crowds that came to hear us. Being only a candidate and not a seated U.S. senator, I was-- I normally got to speak last or speak very little. But I would say that all the senators were absolutely correct on the issues they were championing and advocating for. But regardless of how the issues at hand would help move our country forward, until there is real campaign finance reform, these issues will not overcome any hugely funded campaigns by corporations. And when I would say that, that is when I get thunderous applause from all the people that attended, because they all recognize-- people all over the United States recognize fundamentally that there is so much influence of money tied to which candidates win. And so, just yesterday, some of you may have gone to the luncheon that the optometrists sponsored. And I sat at the table, and they were saying, well, you know, how's the session going? What are you working on? And I mentioned I was going to be here before you today talking about campaign finance reform, and the whole table lit up. They were so excited. Oh my gosh, we need campaign finance reform. That's a reaction that I have everywhere I go,

when we talk about campaign finance reform. It's a completely nonpartisan, bipartisan effort recognizing that this is exactly what we need to be doing and focusing on. And, of course, the point, again, is that money and more money is influencing the outcome of so many races. When I've been on the campaign trail-- and I say this kind of jokingly-- I also share this observation. I've also heard from many colleagues who fear of being primaried if they don't toe the line and represent their party bona fides. I have spoken with qualified Republican candidates, often targeted for being a RINO, or in my case, a DINO, and who have lost their races because of overwhelming contributions, primarily from a single family. And there's one handout that I want to reference for you. It talks about Arizona, and about a hopeful situation that happened in Arizona in 2022. And of course, it's by Jane Mayer, who wrote about dark money. It says a, a rare win in the fight against dark money, and it talks about a referendum that was put before the voters, and it wasn't the first time, it was the fourth time, and so we've seen that happen. Oftentimes, when a ballot initiative-- there's issues that get it tossed out, and then they have to, to go ahead and, and do that again. But what they found is that more than 15% of the total spent on federal races, according to the Times, Arizona Times, has been contributed by billionaires, of whom there were fewer than 800 nationwide. Because contributions are often transferred from one shell group to another before reaching the group that actually spends the money, the original donors are often-- often remain untraceable. We'll talk about that in the next bill that I'm introducing. And they, they-- the Arizona bill that-- they talked about other related reform, campaign finance reform measures that were successful that also raised the, the idea of dark money, donors not being recognized in Alaska, Montana, and Maine were unidentified. And it didn't come as any surprise that the, the majority of those in opposition to this Arizona bill were some of the wealthiest and most power-- powerful dark money groups. But despite all the deep-pocketed finance for this referendum, it sailed through, winning more than 70 percent of Arizona voters. And, you know, people were concerned about it, but they wanted to point out this took four times, four attempts for us to get this passed. And afterwards, there were some people that were very concerned that, you know, this is going to make sure that those people who've made contributions, they're going to get targeted, they're going to be subject to harassment. But there was a very clear opt-out provision enabling them to specify that they don't want their compute-- contributions to a non-profit to be spent on political advertising. So, they can go to that nonprofit, it

just can't be spent on advertising. This gives donors the option of supporting the causes while avoiding having their identities disclosed. And so, that is just one success story, recent success story. But this is interesting about Arizona, that if you donate \$50 or more to any candidate, you do have to report that. And in Nebraska, that is at \$250. OK, so that brings us here today, asking you to consider LB1017 as a small step in the right direction towards transparency and sensibility in funding limitations that cut both ways. Here is what LB1017 does. It establishes limits on contributions of no more than \$3,500 during an election period. In Colorado, on that handout, you can see it's \$625. So, that is substantial compared to some of the other states. We're trying to mirror and match what the federal races, campaign races, do. You'll see that there is a definition of election period in the bill, and as I have come to learn-- and I hope Gavin with Common Cause will also reiterate this-- that it, it would not accomplish the intent of this bill. My intent was to establish the limit per election so that it closely aligns with federal contribution limits as possible. So, in a federal race, you can contribute a certain amount, up to a certain amount for the primary, and up to certain amount for the general election. That is what I was trying to accomplish. So, I apologize if it's a little confusing. If the committee advances LB17 [SIC], I would ask that you strike periods so that isn't limited to the year of the election, but for each election. So, my ask is that it would be wonderful, as one of my last pieces of legislation, that somehow you could get it advanced to General-- the General File. I understand well that if it's not a priority, it'll come back. Another, another senator hopefully will bring this forward. It may seem that these caps are pretty harsh, as I mentioned, but we've been used to the wild, wild west of unlimited funding. But that's why I provided you the handout showing in the state of Colorado, they limit it to \$625 statewide, \$200 as a legislative candidate. Kansas limits it to \$2,000 for a statewide candidate, \$1,000 for a senate candidate, and \$500 for a house candidate per election. What I see in those numbers is that if you curb the influence of money on both sides, you can still get your message out. It's up to the candidate to work extra hard to do that. I know when I was running for U.S. Senate, the limit was \$2,700 for the primary from an individual and \$2,700 for the general; those numbers have been revised to reflect 2024 and 2026 election. It doesn't seem like that big of amount, but it does work at the federal level, and it can work at our state level, too. So, thank you so much for your time, and I'd be happy to answer any questions.

**SANDERS:** Thank you very much, Senator Raybould. Let's see from the committee, if there are any questions. Senator Andersen.

**ANDERSEN:** Thanks, Chairwoman, and thanks for being here, Senator Raybould. I got a couple of different questions. Thanks for the conversation. I know we had the same conversation last session as well. What are your thoughts on those who would say that making the limitations actually limits somebody's first amendment right?

**RAYBOULD:** So, you know, that was one of the concerns at-- in the Arizona referendum, and that was discussed, but it was widely rebuked by not only the voters, but all those that have been championing this change. You can still clearly make contributions in Arizona. You can still clearly make contributions in our state of Nebraska. So-- and the other states that have made this same type of campaign finance reform, I have not seen or heard any issues that have felt that their First Amendment right, freedom of speech, has been in, in-- impacted or impaired. And I have some closing remarks, and I'll quote Justice Antonin Scalia about his thoughts on that, who is a very conservative U.S. Supreme Court justice.

**ANDERSEN:** OK. Another question. Say somebody's going to run against the distinguished Senator Cavanaugh in his district. As an accomplished lawyer, he's got to have a-- be a rich guy. This is a-- somebody that doesn't have any money, right? Just a working man, blue collar. Getting donations helps to level the playing field as far as campaigning between the rich guy and the poor guy. Would this not limit that and stop the leveling of the playing field by donations from other people?

**RAYBOULD:** I mean, that's a really fair question. In-- there's nothing in this legislation that would restrict an individual from self-funding their campaign, and I know that we, we actually saw that in the last governor's race. There was one candidate who exclusively self-funded at large amounts, but you saw that that candidate was not successful. And I think of another race that comes to mind: Pete Ricketts, Senator Ricketts, when he ran for the first time for U.S. Senate against Senator Ben Nelson, he outspent Senator Nelson 3:1, and in that race, he resoundingly lost by maybe-- I think it was 16 percent of vote discrepancy in our state of Nebraska where we know that Republican voter registration is way in the lead of any Democratic registration or independent, you know? Republicans

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have about a 221,000 registered Republican voters head start on a lot of these statewide races. So, yes, that, I would say-- I don't want to think of that as a loophole, but certainly you should have the right to, to self-fund as much as your family will permit you to, so.

**ANDERSEN:** How do you-- how do you define a person? It-- it's-- it calls a person in here. Is that-- I mean, because the, the onus is on the individual campaign, right? So, do a person-- does that include out-of-state money coming in? Is that a PAC somewhere else? Is that considered a person, or?

**RAYBOULD:** Well, in the state of Nebraska, you can have unlimited contributions from anyone outside the state of Nebraska. The only prohibition would be any-- someone who is a resident of a foreign country. That is the same restriction on federal races as well. So, yes. And so--

**ANDERSEN:** This would not affect money coming in from out of state, though.

**RAYBOULD:** That is correct. It would not affect money coming from out of state. But the good news is that would-- it would limit it compared to what it, it is now, unlimited.

**ANDERSEN:** Yeah. Some of it's out of control, depending on where you, where you run. You see the full gamut talking to different senators that they're, you know, for a legislative district race, some places it was, you know, \$40,000 raised, and some places in hundreds of thousands of dollars raised. Yeah. So, there's got to be a-- I appreciate you bringing it. I think it's a great discussion to have.

**RAYBOULD:** Yeah. Thank you so much.

**SANDERS:** Any other questions? Senator Wordekemper.

**WORDEKEMPER:** Thank you for bringing this. In other states, do they limit the candidates' amounts that they can put towards their campaign?

**RAYBOULD:** You know, I don't know the answer to that, but I have a feeling Gavin with Common Cause knows that answer.

**WORDEKEMPER:** OK. Thank you.

**SANDERS:** Any other questions from the committee? See none. Thank you very much.

**RAYBOULD:** I'll stay for close

**SANDERS:** I'm made sure you were going to stay for--

**RAYBOULD:** Close.

**SANDERS:** --closing and opening. Are there any other-- are there any proponents on LB1017? Welcome.

**GAVIN GEIS:** Good afternoon, Senator Sanders, members of the Government, Military and Veterans Affairs Committee. My name is Gavin Geis, and that's spelled G-a-v-i-n G-e-i-s, and I am the executive director for Common Cause Nebraska, and we are in clear support of this legislation. We have been in support of campaign contribution caps for going on decades now, so this is not my, my first foray into this topic. I will not-- I will try not to retread ground that the opening covered very, very well, but I will cover some additional topics. As someone who's interested in campaign finance, the numbers here, the data here is always very interesting, and I would encourage you to flip to the second page in the packet I handed out, because that first page is, is a lot of what Senator Raybould covered. But looking at this-- and I realize an error I made in my calculations, I will say up front. I, I set it at a \$3,000 cap, it's a \$3,500 cap. So, that's my error, but it does not impact the outcomes all that much. So, what I did is I went through and looked at the 2024 campaigns in terms of spending. And overall, what you found when you added up-- you added up all the money contributed to campaigns in 2024, it was about \$14,700,000 given to candidate campaigns. Now, that's taking out contributions from the candidate to their own campaign, because this bill would not cover that. That's also taking out the contributions we saw from ballot initiatives to candidate campaigns, because that was a wholly different subject; really wasn't to do with candidate campaigns themselves. So, I took those out. But overall, if you take those out, it's a \$14 million dollars donated to candidates everywhere, right? Across the state. It could be the state elections, local elections, all the stuff covered by the NADC. The majority, the vast majority of individual contributions were under that \$3,500 limit. And like I said, I said \$3,000 in my calculation, but it-- that would mean just even more fell under that \$3,500. So, when we're talking about setting a limit here,

what we're not talking about is limiting most donors. We are not. We are talking about limiting a very slim elite class of donors who give a lot of money. When you look at-- and this-- the bottom chart here is the one that is interesting in this regard. When you look that, what you see is that there are about 15,000 donations under that \$3,500, and there are only 800 on the other side of it. So, you have 800 big, powerful donors giving more than this limit, and 15,000 giving less than that limit. So, we wouldn't be limiting most people in any regard. It's also important to note here just how much money we're talking about. Those, those giving under \$3,500, they gave about \$7 million, so they are keeping on par with the folks giving more than \$3,500. So, it-- we're-- it's about an equal split, those giving more and giving less. The important part is how many donations it takes for an average person to live up to a big mega-donor. If you are a mega-donor, you are giving at least 20 times the amount than an average Nebraskan is. That means that 15,000 Nebraskans have to get together and contribute to out-- to counter those of the biggest donors in Nebraska. There is just-- the data shows it clearly. The people with the money here are punching way above their weight, they're having much larger of an impact on our elections than the average person, and I think that should matter to us. I think I should matter in our elections. I see my red light. I will stop there, but I am of course happy to answer any questions folks have.

**SANDERS:** Thank you, certainly. For your testimony. Are there any questions for Mr. Geis? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Thanks for being here, Mr. Geis. So, what-- do you have a response to the question about freedom of speech being curtailed by putting a limit on it?

**GAVIN GEIS:** Yes. Yeah, absolutely, absolutely.

**J. CAVANAUGH:** What's the response?

**GAVIN GEIS:** My, my response is, it is. It is a curtailment of freedom of speech. It is. But we have time and again said it's OK-- it's not an absolute right. There are times when the court has said it is fine to limit speech within regards. And the Supreme Court, from my interpretation of all of their campaign finance law, has been very aggressive in defending free speech. And they themselves have said this is an OK limitation on free speech because of the impact we see from big donors, because of

the influence they wield, and because of quid pro quo opportunity. When someone's giving you \$100,000, one person giving you a \$100,000, that's an impact. You're going to pick up the phone. And the, the court has seen that clearly. Even as in other oppor-- opportunities, I've seen them take the wrong course and say that, right, let's let spending run wild. In this area, they've, they've said it's perfectly fine. So, I think yes, there is a free speech component, but I do think it's well within our rights, and I think it is smart for us to, to limit it that way.

**J. CAVANAUGH:** Yeah. And despite maybe popular belief, the fact that I do have a law degree, I-- I'm not incredibly wealthy. I was a public defender before I got here, and I don't know if you guys know this, but this job pays \$12,000 a year. But-- so, yeah, in terms-- I, I always think of it like the person who gives \$100,000, they're-- they are-- have the same speech I do, but when they, they can speak at \$100,000 and I can speak it \$100. And so, is that not swamping my, my speech?

**GAVIN GEIS:** And I think that's-- I think the, the data plays that out, right? When we see that big donors in Nebraska have 20 times the influence the small donors do, they are getting-- those average folks who are giving even \$200, even \$1,000 are getting swamped out by the biggest donors. It's what we're seeing in our own elections, it's not theoretical. The data shows us that's what's happening.

**J. CAVANAUGH:** And this wouldn't limit their ability to still go knock on doors for the candidate that they prefer, or make phone calls, or--

**GAVIN GEIS:** Absolutely. Nor would it stop them from giving at the limit, right? They could still contribute to campaigns and have a major-- \$3,500 is not a small donation. I can't give \$3,500. Most Nebraskans cannot give \$3,500. They are giving \$50, they are giving \$100. They are not giving at what would now be the cap under this law. They would be limited, but not truly in the way that most Nebraskans are already limited.

**J. CAVANAUGH:** And in terms of the, like, self-financing part of it, I mean, I guess nobody-- you can self-finance in basically any election anyway, right?

**GAVIN GEIS:** Yes. They-- I mean, the court has said that that is an absolute-- because it is your personal choice for your personal campaign, there is no influence, right? Your, your influence on yourself is what it is, no matter whether you give yourself \$100,000 or not, right? There's no-- you're not going to pick up your own phone calls more likely once you give yourself a donation. It's just not how that works That's why the courts allowed for these caps, because there's the influence in the donation. Self-financing doesn't lead to that problem.

**J. CAVANAUGH:** And this doesn't address ballot initiatives, right?

**GAVIN GEIS:** No, nor can it. Nor can it. We can't put caps on ballot initiatives because, again, there is no quid pro quo. If I give a ballot initiative \$100,000, they can't change policy for me. They don't have that impact in that situation. It's the voters that are having a say, not the campaign. So, the court has said there's no quid, no quid pro quo when it comes to the exchange of power in a ballot initiative situation.

**J. CAVANAUGH:** OK. Thank you.

**GAVIN GEIS:** Of course.

**SANDERS:** Any other questions? Senator Guereca.

**GUERECA:** Thank you, Madam Chair. Thank you, Mr. Geis, for being here. Do you have the total number of contributions in the 2024 cycle under the \$3,500 and the total, total number above \$3,500?

**GAVIN GEIS:** So, individual contributions to, to candidates?

**GUERECA:** Not the total-- not the total number of cont-- the total amount.

**GAVIN GEIS:** The total amount. Oh, above and below?

**GUERECA:** Yes.

**GAVIN GEIS:** It is remarkably-- it's interesting in how similar it is. It's basically 70-- 7,500,000 on both sides. So, they are balanced in that way, but then not balanced because one side is only \$800 and the other side is \$15,000.

**GUERECA:** Sure. Sure. Thank you, sir.

**GAVIN GEIS:** Of course.

**SANDERS:** Any other questions from the committee? Senator Wordekemper.

**WORDEKEMPER:** Thank you for being here. I'll ask you the same question I asked Senator [INAUDIBLE]. Is there anybody that limits an individual that's running for office campaign amount he can throw in?

**GAVIN GEIS:** No.

**WORDEKEMPER:** OK.

**GAVIN GEIS:** The, the, the courts haven't allowed that, and so no states do it.

**WORDEKEMPER:** All right. All right, thank you.

**GAVIN GEIS:** Of course.

**WORDEKEMPER:** And then, the other clarification. On your handout,--

**GAVIN GEIS:** Yes.

**WORDEKEMPER:** --the second page that you had you're referring to, this does not include-- I'll say my contributions to my campaign, right?

**GAVIN GEIS:** Correct.

**WORDEKEMPER:** This is outside donors for [INAUDIBLE]? OK. Thank you. OK, thank you.

**GAVIN GEIS:** Exactly. Yeah, no, no, no-- and no, no to yourself. You're right.

**WORDEKEMPER:** OK.

**SANDERS:** Any other questions from the committee? See none. Thank you very much. Oh.

**GUERECA:** Quick one.

**SANDERS:** Senator Guereca.

**GUERECA:** Are these-- the, the, the second page, the--

**GAVIN GEIS:** Yes.

**GUERECA:** --do these, do these numbers-- are these individual, or does it include corporations and PACs?

**GAVIN GEIS:** This is any donor to a, a candidate.

**GUERECA:** Gotcha.

**GAVIN GEIS:** And that individuals under state law includes all of that.

**GUERECA:** Perfect. Thanks.

**SANDERS:** OK. Any other questions? See none. Thank you very much for your testimony.

**GAVIN GEIS:** Thank you.

**SANDERS:** Any other proponents on LB1017? Good afternoon. Welcome.

**KATE HIGH:** Hi. I'll give everybody a chance to get the handout. I don't want them to miss the handouts. Good afternoon, Senators. My name is Kate High, and you spell it K-a-t-e H-i-g-h. I'm here today in favor of LB1017, and I just want to say thank you for the opportunity to speak before you. I live in Lincoln, but most of my life has been in rural Nebraska, Madison and Boone counties. After 30 years with the Department of Health and Human Services, in retirement, I've undertaken a long-term study of money in politics, focusing on the Unicameral. I would like to share with you some of what I have uncovered. I hope you all have the handouts by now; I will be referring to them in my testimony. On page 1 shows the results of a Pew Research study which found most Americans want less money in politics. I, I-- when-- I teach classes, and every once in a while when I start, I start the class out, how many of you would like just-- would just like more money in politics? And nobody ever raises their hand. I believe most of us common-sense Nebraskans would agree

with that. LB1017 would accomplish that. One of the major findings in my research is that Nebraska is an outlier when it comes to campaign finance. Nebraska law does a very good job regulating who can vote, how they can vote, and election security. We can take well-deserved pride in how our elections are run. But when it come to regulating the money used to finance campaign, that is an area that needs a very good job. We could do a better job. Who can vote, how they can vote, and election security. Well, we can take well-deserved pride in how our elections are run, but when it comes to regulating the money used to finance campaigns, that's an area that needs improvement. We are less secure in that area. Most states have a-- have laws in place that limin-- that limit campaign contributions, but not Nebraska. One of the central questions in my research has been, do unlimited political contributions affect the outcome of Unicameral elections, and if so, how? This is what I have found so far. First of all, money equals winning. Not every time, but most of the time, money is the ticket to a successful campaign. Since 2016, when I began my research, it has been running about two-thirds to three-quarters of the time the candidate who raised the most won flat-out. In the 2024 election, it jumped to 87 percent. Money determines the outcome of unicameral elections more than political party, whether incumbent or challenger, male or female, or positions on issues. Second, winners get their money from big money contributors, lobbyists or big facilitators, linking big money to candidates. And third, big money equals corporations, political action committees, and a few individual donors. At the bottom of the page, this chart shows the total amount raised by Unicameral candidates over the past six elections. On the right side is the average amount raised by-- per candidate. Note the steep increase between the '22 and '24 elections. Also, the average raised has been more than doubled in 10 years. That's much faster than the rate of inflation. And then, just to note, if the candidate did not raise or spend \$5,000, they're not in this list, because they don't have to make reports. On the next page, the chart compares Nebraska contributions to state legislatures with our neighboring states. I think Senator Raybould has gone through this. I won't-- I will, I will have to stop now, but if you'd like to ask me more questions, I would like to give you a case study on how this all plays out.

**SANDERS:** Thank you, Ms. High. We'll see if there are any questions from the committee. Senator Guereca.

**GUERECA:** Could you tell me about the case study you were about to tell us about?

**KATE HIGH:** Well, thank you very much. Thank you for that question. Because Nebraska allows unlimited donations, a small group of highly-influential dollar, dollar donors have been able to control the outcome of the majority of [INAUDIBLE] races. A cap on donations would change that dynamic. In 2024, just 59 big money contributors out of thousands of smaller contributors contributed just a little over half of the money donated. I would like to just say that money is not on its own, just an issue. There's another issue, and that's donations coming in from foreign sources. It's my understanding that there is no law in Nebraska law that, that prohibits donations from foreign sources that I've been able to find out. There is none. There's a federal law, but there is no state law that prevents this. And I'd like to give you a case study of how this plays itself out. 23 states banned foreign contributions altogether. There has been considerable interest of late about ensuring that only qualified U.S. citizens are able to vote, and I support that entirely. The Nebraska Constitution requires candidates and voters to be U.S. citizens. But there is no requirement for donors, and-- donors and-- and donors determine the outcome of elections. We know the amount that's donated determines the outcome of the-- of elections and subsequent future legislation. This oversight isn't magnified by no limit. Let's look at a particular case, and I want to talk about it. I'm just going to pick on this company, it's Reynolds American Incorporated, or RAI. RAI is wholly-owned by a foreign company, British American Tobacco. It says American on it, but it's not American, it's, it's, it's a foreign corporation, and, and it is the second-largest tobacco company in the U.S. RA's-- RAI's donations and lobbying expenses last year totaled \$170,000, and I have a list of those donations. This is just one example how a foreign-owned company can win big every day, but Nebraskans lose every day. This is why-- this is where the committee could and should take action. This is the result of unlimited donations as it "relots"-- as it relates to RAI. Nebraska is only one of three states that has not raised the cigarette tax since 2002, making it one of the longest-standing lowest rates in the nation. Every year, Nebraska spends \$900 in taxes per household on smoking-related costs, such as healthcare and loss of productivity. If you do the math, there are about 800,000 households in Nebraska, according to Wikipedia. That translates to about \$720 million. That's a lot of money in my book. 2,500 deaths in Nebraska were attributed to smoking in just 2023. I'm from a small town,

Albion. That's greater than Albion. That's losing, like, the town of Albion every year based on tobacco, and it's greater than the population of 34 counties in Nebraska. I don't think we can lose-- I don't think we can afford to lose people like this. It is entirely legal in Nebraska for a foreign-owned tobacco company to reap the benefit of unlimited donations at the expense of everyday Nebraskans. The committee could and should put a stop to this. The bottom line, the disconnect between voters and big money "contributings"-- contributors is widening. Big money has taken control of the legislative process. The frustration comes out in the initiative process, which even now is being undermined by the Unicameral. Recent examples, I don't have to tell you, it's minimum wage, public schools, and marijuana. LB1017, capping contributions across the board would be a win-win for Nebraska. It has the potential to more clearly align voters and donors. You, the senators, would not be so preoccupied with raising money. We would reduce foreign influence, and unnecessary and expensive initiative efforts reduce overall pressure for you, the senators, to conform to big money interests. And finally, this bill would align Nebraska with campaign contribution limits, whether the states and the federal level. And I'm sorry I went on so long, but thank you for that question.

**SANDERS:** Let's see if there are any other questions for you from the committee. See none. Thank you very much for your testimony. Are there any other proponents on LB1017? Any opponents on LB1017? Any testimony in the neutral on LB1017? Welcome back.

**SCOTT DANIGOLE:** Thank you, Chairwoman Sanders, members of the committee. Again, my name is Scott Danigole. It's S-c-o-t-t D-a-n-i-g-o-l-e. I'm the executive director of the Nebraska Accountability and Disclosure Commission, and I'm appearing on behalf of the commission in a neutral capacity on LB1017. Beginning January 2, 2027, LB1017 prohibits a candidate committee from accepting contributions of more than \$3,500 during an election period. Starting January 1 of 2029 and every two years thereafter, that limit is to be adjusted by the change in the consumer price index. The inflationary adjustment in LB1017 is in line with limitations for federal candidates that the-- that FEC has implemented. However, under the FEC, contributions are limited to \$3,500 per election rather than calendar year. So, I'm mirroring what Senator Raybould mentioned. Under Section 2 sub (3) of the bill, "election period" is defined as the calendar year. This is the same

definition currently in the Nebraska Political and Accountability Disclosure Act, Section 49-1455. If the intent of LB1017 is a limitation per election, primary, general, or special, the language would need to be amended to be per election rather than election period. Section 49-1416 already defines "election" as a primary, general, special, or other election held in the state, or a convention or caucus of a political party held in the state to nominate a candidate, and so on. I'd be happy to answer any questions that you may have.

**SANDERS:** Are there any questions from the committee? Got off easy this one.

**SCOTT DANIGOLE:** Thank you.

**SANDERS:** Thank you very much for your testimony. Any other testimony in the neutral? If not, we'll go ahead and have Senator Raybould to close. Position comments for the hearing record: proponents 15, opponents 3, and 0 in the neutral.

**RAYBOULD:** Thank you so much again for your attention to this issue. I do want to thank Gavin Geis and Kate High. They are the real experts on campaign finance reform, campaign laws, and I do want to thank Mr. Danigole for his testimony and some corrections. I just want to share one story with you. When I was campaigning in 2018 for the U.S. Senate seat, my cousin, Senator Paul Schumacher, who's my cousin, as you know, was a state senator from Columbus. I remember I said, hey, Paul, can you just throw me a fundraiser in Columbus? And he said no. He goes, I'm up for re-election, and he goes, I can't be affiliated with you. And I said OK. So, I've never let him live that down. But he was afraid, like many wonderful Republicans are afraid of being primaried for just what they think or maybe-- well, and as we all know that Senator Schumacher, if you knew him, he was really an outside-the-box thinker. But I mean, I hate to see that great people get penalized for the fact that someone who has a lot more money than that candidate or the candidate can really campaign and earn would get-- would lose out for their good years of service. I, I often quote the League of Women Voters, and I'm sure Ms. High had her handiwork in preparing the-- one of the reports. But the report says the core findings of this report are a clarion call for deep systemic change. It says, but let's not get ahead of ourselves in our current highly-polarized, monetized state of the state; even the smallest of incremental changes in campaign finance regulation

have as much chance as the Doane Tigers against the Cornhuskers at Memorial Stadium. It is clear as a cloudless sky in the Sandhills our state senators who found electoral success under the current campaign finance laws have been unable to muster even the slightest enthusiasm toward changing a system that has worked so well to their advantage. The one thing I know we mentioned is the initiative process, and I also see that as deeply flawed. I know during paid sick leave and raise the wage, minimum wage, we saw that a lot the out-of-state funding was primarily from two main sources, and totaled at times \$1.7 million and, and \$2.3 million, which was about 80 percent of all the fundraising. So, we recognize that those, the ballot initiatives, are not subject to these type of restrictions, as they shouldn't be. But it, it gives you pause when you see where all that money is coming from. And so, the very last thought. We talked about free speech, and free speech is settled law. And I just want to leave you with this quote from Supreme Court Justice Antonin Scalia, who as we know is a very conservative-- who was a very "concertive"-- conservative justice. He says, "requiring people to stand up in public for their political acts fosters civic courage, without which Democracy is doomed. For my part, I do not look forward to a society which, thanks to the Supreme Court, campaigns anonymously, hidden from public scrutiny and protected from [the] accountability of criticism. This does not resemble the Home of the Brave." So, thank you all very much. I ask for your support, and ask you-- once we get you the amended language on election, election period corrected, I ask that you exec it out of general-- for General File.

**SANDERS:** Thank you. Let's see if there are any last-minute questions to ask. Senator Lonowski.

**LONOWSKI:** Thank you, Chair Sanders. Thank you, Senator Raybould. I'm going to ask you to use your memory skills here. Can you, can you remember what the biggest donation you received was?

**RAYBOULD:** Let's see, probably-- I have been very fortunate on all my local races to have, I can say, be credited with raising the least amount of money. And it's not because I self-funded it, it's because I out-walked and out-worked everybody, walked and knocked on more doors. Plus, I had so many volunteers from the Nebraska Democratic Women's Caucus to Young Democrats, just out and about. But on the federal race, I think the most I got was from my brother, which was that-- back then, \$2,700. And my brother said, I can give you more money. And I said, no, you

can't; you can't give me more money for a federal race. So, that was probably the largest dollar amount that I got from one individual.

**LONOWSKI:** So-- OK, so if I were rich, I could give myself as much money as I want.

**RAYBOULD:** Correct.

**LONOWSKI:** But if my dad and mom were rich, they couldn't.

**RAYBOULD:** They could not.

**LONOWSKI:** OK. Can you, can you kind of see where that might be a big disadvantage for the average Joe that wants to run the race, but he can't take some larger contributions?

**RAYBOULD:** But if you're competing against the wealthier Rick, you know, he would have-- be subject to those same limitations. His parents can't give him that--

**LONOWSKI:** I understand. Yeah, there's two-- I get it. There's two sides.

**RAYBOULD:** Yeah. But the, the point that we've seen with a lot of races, it's-- although we know money is-- helps you get your message out. But if you work hard and we walk and knock, and that's we tell all legislators as they run for a, a state-- to Nebraska State Legislature, you have to walk, you have knock. And every single one of you, I know, had to do a lot of that. And I can tell you, over the 16 years I've been doing it, I have walked and knocked a lot, and so that really gets the message out. But yeah, I can see where it could be a disadvantage. But my very first race, I ran against a nine-year Republican incumbent to win the seat on Lancaster County Board. I outworked. I outworked him. Plain and simple.

**LONOWSKI:** All right.

**RAYBOULD:** Outworked him. I didn't necessarily out-raise him, but I outworked him, clearly.

**LONOWSKI:** Thank you.

**RAYBOULD:** You bet.

**SANDERS:** Any other questions from the committee? See none. Thank you very much. We'll now-- we'll close on LB1017, and we'll now open on LB1018.

**RAYBOULD:** OK. Good afternoon, Chair Sanders, and members of the Government, Military and Veterans Affairs Committee. My name is Jane Raybould, J-a-n-e R-a-y-b-o-u-l-d, and I represent Legislative District 28. I am here to introduce LB1018, which would prohibit a ballot question committee from making expenditures in, in support of or in opposition to the nomination or election of a candidate, and it would prohibit a candidate committee from expending goods, materials, services, or facilities on behalf of a ballot question committee. LB1018 is a simple bill to close a loophole in our campaign finance laws. This loophole was brought to my attention in the 2024 election cycle when television ads about ballot initiatives ran and were paid for by candidate committees. Many people reached out to my office, called me and emailed me asking how was that legal? I really didn't have an answer. Can a candidate spend money from their campaign committee to run an ad that doesn't make any reference to them, and is closely about a single issue that voters will see on their ballots? After reaching out to NADC, we learned that there is no clear prohibition on a candidate committee paying for ballot question advertising. This bill is in no way intended to admonish the individuals who paid for those ads, not at all, and you can see on the list how much money we're talking about. They simply found the loophole in the law. If you're wondering, like I was, why wouldn't the ballot committee just run their own ads? They do it all-- in-- all the time. The only reason I could find for that is that there is a discounted rate for candidates, making those dollars stretch farther. So, what kind of money are we talking about? I've shared a handout with the specific ballot committees and candidate committees and the totals. Across all five candidate committees and two ballot questions, the total funds intermingled was \$6 million, or \$6,865,341.25. Candidate committees should not be a pass-through for savings on ballot committee issues. It artificially inflates what candidates raise and spend for their own races, it puts at risk the discounted rates offered to candidate committees for advertising, and it is not in the spirit of our campaign finance laws. I encourage the committee to advance LB1018 and find a way to pass it this year to close this loophole in the law. Thank you for your time. I'm happy to answer your questions, but I do know there are some experts behind me.

**SANDERS:** Thank you, Senator Raybould. Are there any questions from the committee? See none. Thank you very much.

**RAYBOULD:** Thank you.

**SANDERS:** Are there any proponents on LB1018? It's like we're at a train station. Apologize. Welcome back.

**GAVIN GEIS:** Hello again, Chair Sanders, members of the Government, Military and Veterans Affairs Committee. My name is Gavin Geis, that is spelled G-a-v-i-n G-e-i-s, and I am the executive director for Common Cause Nebraska. We are here in support of LB1018 for the very reason that Senator Raybould laid out. We saw this happen. We watched with interest as this happened in 2024 during the cycle, and I was very curious as to how this was allowed and how it goes about. The short answer is a federal law. There's a federal law. The Federal Election Campaign Act of 1971 requires broadcasters to give candidates what's called the lowest unit rate when it comes to advertising in the 60-day period prior to a general, and the 45-day period to a primary. So, there are these windows that the federal government has set up to say candidates deserve the lowest rate possible that you're giving to advertisers during that period. And only candidates, because this was focused on giving candidates access to air time so they can educate the public on their campaigns. So, they're, they're entitled to this lowest rate, and that's exactly what happened in Nebraska. Candidates knew about this, and ballot questions took advantage of it. That sets up an odd scenario, right? It sets up an odd scenario where the reporting on this is very strange. If I did not know how any of this worked, if I wasn't familiar with NADC reporting and saw this for the first time, I'd be very confused as to why five-- was it \$5 million? No, sorry, that's too much. \$3 million went into a campaign for regents, that went to advertising for a different campaign. It basically sets up a very confusing system of reporting under how our system works right now. I also think it sets up bizarre incentives for campaigns and candidates to work together. It gives candidates a lot of power when it comes to being pathways to discounted funding-- discounted air time for ballot question campaigns. This is only the first time we've seen it, so we haven't seen the broadest excesses of it, but I think we're going to keep seeing this again and again, now that we know that it's there. It would be foolish to be a ballot campaign and not take advantage of this, to not work with the candidate to get you the discount. I think this is only going to

become more prevalent, and I think the scenarios with candidates, ballot campaigns working together to get discounted rates is just going to lead to some very bizarre working relationships and bizarre outcomes. And since we know it is a problem now, we can cut it off at the knees and make sure it doesn't happen anymore, add clarity, add clarity to campaign finance reporting and ensure just this doesn't go on. It doesn't make sense. It's not the way it's supposed to work. So we are in full support of LB1018. Thank you.

**SANDERS:** Thank you. Let's see if there are any questions from the committee. Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Thank you for being here, Mr. Geis.

**GAVIN GEIS:** Yes.

**J. CAVANAUGH:** If we passed LB1017, would we need to pass LB1018?

**GAVIN GEIS:** Good, good question. I-- let me, let me think about that. Would you need to-- no, it would certainly limit the ability, wouldn't it? But it would-- let's see-- ballot question-- yeah. It would, it would stop that. It would, it would stop it, because you only could give them-- you could still give them \$3,500, but you only get \$3,500 worth of air time,--

**J. CAVANAUGH:** Yeah.

**GAVIN GEIS:** --which is not a lot.

**J. CAVANAUGH:** No.

**GAVIN GEIS:** So yes, that--

**J. CAVANAUGH:** [INAUDIBLE].

**GAVIN GEIS:** You could solve two birds, one stone with LB1017, you're right.

**J. CAVANAUGH:** All right. Thanks.

**SANDERS:** Any other questions from the committee? Senator Lonowski.

**LONOWSKI:** Thank you, Chair Sanders. Thanks, Mr. Geis, for bringing this. Can you explain this to me? So, as we look down, you talked a little bit about Mr. Scheer.

**GAVIN GEIS:** Mm-hmm.

**LONOWSKI:** So, \$3.2 million was put into his account, and then he sent it out. Is that correct?

**GAVIN GEIS:** And then he contracted with the networks to buy the airtime and got the discounted rate,--

**LONOWSKI:** And then that's a--

**GAVIN GEIS:** --and then ran-- but ran the ads that were produced by the ballot committee.

**LONOWSKI:** And then that's a-- I take Mr. Schafer and Ms. Storer gave that amount to that ballot initiative?

**GAVIN GEIS:** And the different-- they get-- they spot ad time at different points. These are all different ad buy-- basically, the cam-- the ballot campaigns giving this money to the campaigns, then the campaigns buying the ad time and running the ad that was produced by the ballot committee. So, it was just money passed through and purchased for ad airtime.

**LONOWSKI:** OK. So, is that the same on the top ones, then? Like, \$1.5 million?

**GAVIN GEIS:** Yeah, it was, it was the same for, for all of them. They all did the same thing. Just both sides of the-- both sides did it in the ballot-- the abortion.

**LONOWSKI:** I assume, though [INAUDIBLE] Miss Spivey, it wasn't her money, right?

**GAVIN GEIS:** No.

**LONOWSKI:** Like, it went to her account, and then--

**GAVIN GEIS:** Exactly.

**LONOWSKI:** She could write a check, or--

**GAVIN GEIS:** Yep. The ballot the, ballot committee gave it to her, she bought the airtime, and-- yes.

**LONOWSKI:** OK.

**GAVIN GEIS:** That's how it worked.

**LONOWSKI:** Yeah, OK. I get it.

**GAVIN GEIS:** Of course.

**LONOWSKI:** Yep. Thanks.

**ANDERSEN:** I got a question.

**SANDERS:** Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman. Do, do they-- with the NADC, when they do this, do they actually file the difference and say they didn't add for project 434 or whatever? Does it say that, or?

**GAVIN GEIS:** It, it shows basically the pass-through. It shows the contribution, and then maybe they-- you know, I will refer to the NADC and, and what the reporting comes back around. That's a very good question of how does it show up on the end. I know for sure, right, they, they show the money came in, they show money going out, but I don't know if it then reflects back to the ballot committee as it probably should as a contribution in some ways itself. So, it's a-- it's confusing. It just creates this weird scenario where none of it really makes sense.

**ANDERSEN:** Thanks.

**SANDERS:** So, I, I have, have a quick question. So, at the end of the commercial, there's usually a disclaimer, "paid for by." So, who--

**GAVIN GEIS:** It was paid for by the candidate.

**SANDERS:** OK.

**GAVIN GEIS:** Yes. Because they--

**SANDERS:** Senator Lonowski.

**LONOWSKI:** Yep. One more. So, Mr. Geis, it's my understanding, what would this bill do, then? Allow only \$3,500 to go at a time, or?

**GAVIN GEIS:** If you pass LB1017-- it-- LB1018 would just say, if the money came into a ballot committee, it's got to spend the money on ballot committee things. You can't take that money, give it to a candidate. And the same thing for candidates: candidate can't their money and give it to a ballot committee. It would silo--

**LONOWSKI:** OK.

**GAVIN GEIS:** It would silo the money into the respective campaigns.

**LONOWSKI:** OK.

**SANDERS:** Any other questions from the committee? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you. And maybe this is another question for NADC, but-- so, Jim Scheer got \$3.2 million from some ballot question committee.

**GAVIN GEIS:** Mm-hmm.

**J. CAVANAUGH:** Ballot question committees, do they have to report every-- where all the dollars come from, or?

**GAVIN GEIS:** Do, do the-- do they-- yes.

**J. CAVANAUGH:** So, they report every dollar that comes in.

**GAVIN GEIS:** They're reporting what's coming in as well.

**J. CAVANAUGH:** And so-- but they-- I'm just trying to think of who, like-- so, you know who all that \$3.2 million came from, even though--

**GAVIN GEIS:** Well, in this scenario, it came from an organization called Common Sense Nebraska, which was not the ballot question committee. It was an intermit-- independent contributor who gave the money to Mr. Scheer, who then used the money to buy airtime for ads produced by the ballot questions committee. So, it was

in coordination, clearly, with the ballot question, although it did not come directly out of the funds of the ballot question. So, it's--

**J. CAVANAUGH:** And do we know who-- what was it called? Common Sense Nebraska?

**GAVIN GEIS:** Common Sense Nebraska.

**J. CAVANAUGH:** So, do we know who put that \$3.2 million into Common Sense Nebraska?

**GAVIN GEIS:** That is a-- that is a good question, and I don't want to speculate. I, I knew last year, but I'm not going to-- I'm not going to throw names out just to throw them out. I'm sorry.

**J. CAVANAUGH:** If I go to the NADC website and I look up Common Sense Nebraska, it'll tell me?

**GAVIN GEIS:** You can find who's-- you can find contributing-- contributions to that organization.

**J. CAVANAUGH:** All right. Thanks.

**SANDERS:** Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman. So, just out of curiosity, I think it was mentioned that you get cheaper air time and everything else as a candidate. Is that the only reason to do this? I mean, that sounds like a lot of work for, for that. Why--

**GAVIN GEIS:** It is.

**ANDERSEN:** --wouldn't they just go-- or do they want the degree of separation of them not supporting the initiative directly, so they use a candidate?

**GAVIN GEIS:** I think it's a bit of both, but it was fairly transparent in that the ads were clearly the ads of the campaign. So, the separation was theoretical in a lot of ways, but the discount's substantial. It's not, it's not a 10-percent, it's a 25-percent. It's, it's enough to want to spend your money that way.

**ANDERSEN:** Hmm. Thank you.

**SANDERS:** Any other questions from the committee? See none. Thank you very much.

**GAVIN GEIS:** You're welcome. Thank you.

**SANDERS:** Any other proponents on LB1018? Any opponents on LB1018? Any testifiers in the neutral on LB1018? Welcome back.

**SCOTT DANIGOLE:** Thank you. Chairwoman Sanders, members of the committee, my name is Scott Danigole. It's S-c-o-t-t D-a-n-i-g-o-l-e. I'm the executive director of the Nebraska Accountability and Disclosure Commission, and I'm here today in a neutral capacity on LB1018. LB1018 adds provisions to expressly prohibit campaign expenditures. First, ballot question committees will be prohibited from making expenditures to influence or attempt to influence the action of voters in assistance or opposition to the nomination or election of candidates. In our opinion, the Nebraska Accountability and Disclosure Act already prohibits a ballot question committee from such expenditures. However, ballot question committees may purchase goods and services from another committee, including a candidate committee. It doesn't appear that this provision would change under LB1018. Second, candidate committees would be prohibited from making expenditures for goods, materials, services, or facilities on behalf of a ballot question committee. This specifically covers expenditures where ballot question committees receive a lower rate on advertisements for the broadcast of advertisements that are produced by a ballot committee-- a ballot question committee, but paid for by the candidate committee. Under the provisions of LB1018, candidate committees are still allowed to express a position or opinion in support or opposition of a ballot question, an initiative, or a referendum petition. Under LB1018, it's our understanding that candidate committees could still make contributions to ballot question committees, just not expenditures on their behalf. These are all policy questions about which the NADC is neutral. We would face minimal costs to reprint some of our brochures and guidelines and educational materials. If there are any questions, I'd be happy to answer them.

**SANDERS:** Any questions from the committee? Senator Lonowski.

**LONOWSKI:** Thank you, Chair Sanders. Thank you again, Mr. Donegal [PHONETIC]. So, one of, one of the people that were-- that testified online, candidates should not be able to spend their campaign funds on ballot initiatives. Would that stop that? I mean, it looks like this wasn't really these people's money, it just went through their account. But would they not be able to then forward that money to the ballot initiative?

**SCOTT DANIGOLE:** It's our understanding that as far as a, a candidate committee, the candidate committee is a representation of the candidate, and that person should have the right to speak their mind on, on how they stand on a ballot question. So, candidate committees, they should be able to, to make public what their feelings are, and they still can make contributions to those committees.

**LONOWSKI:** Thanks for the job you do.

**SANDERS:** Senator Wordekemper.

**WORDEKEMPER:** Thank you for being here. Do other, do other states allow this?

**SCOTT DANIGOLE:** That's a very good question, and I, I really don't know. I can look that up and get back to you.

**WORDEKEMPER:** All right. Thank you.

**SANDERS:** Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. So, I'm trying-- just looking at your website. Can I find out the contributions to Common Sense Nebraska on the website?

**SCOTT DANIGOLE:** All those records are online. It, it may be easiest if you call our office and work with one of the auditors. They can get-- very quickly, they can get to that information. But all the, the reportings, the contributions and expenditures for those committees are online.

**J. CAVANAUGH:** But if Common Sense Nebraska is not a-- is not a ballot question, do they have to file their contributions with you?

**SCOTT DANIGOLE:** If it was an independent expenditure, they would need to.

**J. CAVANAUGH:** OK.

**SCOTT DANIGOLE:** And if they're a committee that's established, they would need to have their filing.

**J. CAVANAUGH:** And so, does this bill limit the independent expenditure contributions to candidates?

**SCOTT DANIGOLE:** This bill does not address independent expenditures whatsoever.

**J. CAVANAUGH:** So, if Common Sense Nebraska was not a ballot initiative, it could still funnel the 2 point-- \$3.2 million to a candidate to do the-- what they did there.

**SCOTT DANIGOLE:** Through independent expenditures, yes. They couldn't contribute to the campaign, but they can make the expenditure on their own.

**J. CAVANAUGH:** Well, so that's my question-- question in this bill is, does this bill limit independent expenditures from paying a-- funneling through a candidate in this capacity, or just ballot initiatives?

**SCOTT DANIGOLE:** It doesn't limit the independent expenditures. So, it's-- the candidate committee is the one that's receiving the lower rate for the advertising time,--

**J. CAVANAUGH:** Right.

**SCOTT DANIGOLE:** --the-- so, the media buy would have to go through the campaign. The independent expenditure doesn't run through the campaign itself. It's separate and of itself.

**J. CAVANAUGH:** Well, that's what I'm asking. Could the independent expenditure give a candidate \$3.2 million and have them then still buy the ads?

**SCOTT DANIGOLE:** The independent expenditure would have to be an expenditure for goods or services. I think what you're talking about is could the-- an independent person give a contribution to the candidate,--

**J. CAVANAUGH:** OK.

**SCOTT DANIGOLE:** --and there wouldn't be a limitation on that.

**J. CAVANAUGH:** So, I guess my question is, this bill would only limit the ballot initiatives themselves from, from funneling through a candidate, or would it make any other limitation besides the ballot initiative itself?

**SCOTT DANIGOLE:** This bill is just the ballot question committees and the candidate committees, yes.

**J. CAVANAUGH:** OK. All right. Thank you.

**SANDERS:** Any other questions? See none. Thank you very much for your testimony.

**SCOTT DANIGOLE:** Thank you. I'd like to congratulate you on finishing your hearings.

**SANDERS:** Oh, you're it! Yes, you were the last testifier. Thank you very much.

**SCOTT DANIGOLE:** Thank you.

**LONOWSKI:** We still got Jane.

**SANDERS:** Oh, well, Jane's going to close.

**RAYBOULD:** Technically, I get to close. But first of all, thank you, Senator Sanders, for your years of service, being our, our chair and then vice chair before that. So, just real quick. So, when I ran for U.S. Senate, we would do ad buys, about \$1.2 million worth of ad buys. And if we would get maybe a 20 percent discount, I don't know, but that would be \$240,000. That's a lot of money. If it was a 10 percent discount, that's \$120,000. That's, that's hard to raise all that money. So, I, I hope you can see that both bills are great in tandem with one another. So, one limits the amount of campaign contributions to a reasonable level that increases, and the other one really tries to make it more restrictive from a, a candidate's committee donating to ballot initiatives. And so, I ask for your careful consideration. These are all small steps in getting us in line with other states all across the United States, and NCSL has the great website where I pulled up all the data for all the states

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in the entire United States, and Nebraska really sticks out like a sore thumb with-- and then I, I promised Senator Guereca I wasn't going to sing "Unlimited," but anyway. It-- you know, we're just across the board, unlimited, no restrictions whatsoever. And we are not the wild, wild west; Nebraska has always been measured, thoughtful, and, and doing things in a fair fashion. So, I ask for your consideration on LB1018, and as well as LB1017. Thank you so much for your time.

**SANDERS:** Let's make sure there aren't any final questions for the final testimony. I see none. We do have position comments for the hearing record on LB1018. 8 proponents, 1 opponent, and zero in the neutral.

**RAYBOULD:** OK, thank you.

**SANDERS:** And this closes our hearing on LB1018. This closes out hearing for the session.

**RAYBOULD:** And my last one too,--

**SANDERS:** You are.

**RAYBOULD:** --for the career. Woohoo!

**LONOWSKI:** Good job.

**RAYBOULD:** Thank you.