

BRANDT: All right, everybody, welcome to the Natural Resources Committee. I am Senator Tom Brandt from Plymouth, Nebraska, representing the 32nd District, and I serve as chair of the committee. The committee will take up the bills in the order posted. The public hearing-- this public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify, but 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 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 five-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 will have one minute remaining, and the red light indicates you need to wrap up your final thought and stop. 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 just part of the process, as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room; such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written positions-- comments on a bill to be included in the record must be submitted by 8 a.m. on the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. 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 the committee members with us today introduce themselves, starting on my left.

CONRAD: Hi, I'm Senator Danielle Conrad.

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HUGHES: I'm Senator Jana Hughes, District 24: Seward, York, Polk and a little bit of Butler County.

DeKAY: Barry DeKay, District 40, representing Holt, Knox, Cedar, Antelope, northern part of Pierce, and northern part of district-- Dixon County.

BRANDT: OK. Going to my right.

JUAREZ: Thank you. I am Senator Margo Juarez, District 5, representing south Omaha.

RAYBOULD: I'm Senator Jane Raybould, Legislative District 28, which is Lincoln.

MOSER: Mike Moser, District 22. Includes Platte County and parts of Stanton County.

BRANDT: OK. Also assisting the committee today-- to my right is our legal counsel, Cyndi Lamm, and on my far left is our committee clerk, Sally Schultz. Our pages for the committee today are Emma Jones-- raise your hand, Emma-- junior at the University of Nebraska-Lincoln, and Kathryn, a junior and environmental studies major at the University of Nebraska-Lincoln. So with that, I think we're ready to begin. Welcome, Senator Jacobsen, to the Natural Resources Committee. You may begin.

JACOBSON: Thank you, Chairman Brandt and members of the Natural Resources Committee. My name is Mike Jacobson, M-i-k-e J-a-c-o-b-s-o-n, and I represent District 42. Let me first say, I'm impressed that you're all here. You've got a full slate, except for, for Senator Clouse. I can tell you, Revenue is missing one member right now, but I will get back over there before too long. Today, I'm here to introduce LB38. This bill addresses updates needed to the Geog-- Geologists Regulation Act by streamlining processes, modernizing provisions and cutting unnecessary red tape. This bill makes necessary-- makes necessary revisions to modernize outdated terms, streamline licensure requirements and improve administrative practices. Key changes include: reducing the required geologic experience for licensure from five years to four years, aligning Nebraska with national standards; adding a licensure pathway for individuals and exempt fields such as academics to become licensed voluntarily; allowing qualif-- qualified, non-licensed geologists to serve as education board members, addressing the limited pool of candidates while maintaining standards and allowing for different

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expertise on the board. This includes faculty members of the university. Also removing outdated requirements such as printing licensure rosters, and updating language to reflect computer-based testing for examinations. These changes provide straightforward updates to align the act with current times, improving efficiency, reducing unneeded barriers. With that, I would end my testimony and entertain any questions. I would also mention that there was-- I had circulated an, an amendment that, that you have before you. That amendment would simply be to-- they have to-- they have five members on their board, currently; they would all mature at the same time. The amendment would, would allow them to stagger their board members so that they would have one leaving each year, and so you'd be elected to a five-year term and it would be rotating. With that, I'd entertain any questions.

BRANDT: OK, let's see if we have any questions. Senator Raybould.

RAYBOULD: Thank you, Senator Jacobsen. It's really a, a joy to see you in the hot seat today. So I'm just kind of curious, how did this all come about with these changes, and who assisted you in recommending it?

JACOBSON: Well-- sure. Well, this is your Legislature in action. So I have a constituent that lives in Maxwell who's a geologist, and, and wanted to see this change, and called my office and called me this, this summer. And so, we went to work on it right away, and this was actually the first bill that we worked on, and, and-- so we kind of worked on it through the summer, and so, I-- it's a, it's a pretty simple bill, and I appreciate the committee scheduling it-- chairman, for scheduling it early. And I would hope this one can get to the floor and we could, we could get it done. It's-- as you can see, it's primarily just updating it. The true-- Senator Conrad, how many times you heard this? We're-- it's just a clean-up bill, OK? But this one really is.

RAYBOULD: OK. Thank you.

BRANDT: Any other questions? OK. You'll stick around to close?

JACOBSON: Yes, I think depending on the timing, I need to get back. Senator von Gillern has got to-- needs me to step in for him in a while. But I think I'll be able to--

BRANDT: OK. Well, let's see what we've got here.

JACOBSON: --stay to close. That's what I thought. Thank you very much.

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BRANDT: You bet. Proponents, please come up.

CONRAD: Thank you.

BRANDT: Welcome to the Natural Resources Committee.

JEFFREY SEYMOUR: Thank you. Good afternoon, Senators. My name is Jeffrey Seymour. That's spelled J-e-f-f-r-e-y S-e-y-m-o-u-r, but you may call me Jeff. I work for Omaha Public Power District. However, today I am here representing the Nebraska Board of Geologists, on which I currently serve as the vice chairperson. I am a licensed professional geologist in the state of Nebraska, and my license number is G-0377. The Nebraska Board of Geologists is testifying in support of LB38, which will enact proposed changes to the Geologists Regulation Act. The Geologists Regulation Act was enacted in 1998; the act provides for the certification and licensure of professional geologists in Nebraska whose activities may affect public health, safety and welfare. There are approximately 300 licensed professional geologists, and approximately 60 to 65 businesses that carry a certificate of authorization, meaning that they employ geologists and prepare geologic reports. The Geologists Regulation Act was previously revised in 2013 with the passage of LB91. Senator Jacobson did an adequate job summarizing the major changes being proposed to the act, and so I will not repeat those here. You may also refer to the information sheet you were provided, titled "Summary of Revisions to the Geologists Regulation Act - LB38," for a more comprehensive list of proposed changes. The Nebraska Board of Geologists is committed to licensing as many competent geologists as possible. We do not represent a significant barrier to entry by providing multiple pathways for which to qualify for licensure. We thank Senator Jacobson for sponsoring this bill, and at this time I'm happy to answer any questions. Thank you for your time and consideration.

BRANDT: Well, let's see if we have some questions here. So, I guess-- as a geologist for Omaha Public Power District, what, what are your duties?

JEFFREY SEYMOUR: Well, in my current role, I do not perform any geologic work for OPPD. I'm currently an environmental auditor for the company.

BRANDT: So, the membership that you represent-- I see we've got 300 licenses out there in the state of Nebraska. Predominantly in a rural state like Nebraska, what do the-- what would be the main jobs that your members would, would perform?

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JEFFREY SEYMOUR: I would say many of them are probably working in the consulting industry for either environmental companies or geologic exploration companies, that type of work.

BRANDT: OK. I don't see any other questions here, so, thank you for your testimony.

JEFFREY SEYMOUR: All right. Thank you.

BRANDT: Next proponent. Any more proponents? Opponents. Any opponents? Neutral capacity. Anybody to testify in the neutral capacity? Senator Jacobson, would you like to close?

JACOBSON: Well, that went faster than I thought it would, knowing the make-up of this committee.

BRANDT: Well, if you're on the right committee, this is what happens.

JACOBSON: Well, I learned a long time ago, once you made the sale, you need to quit selling. So the only thing I would ask you to do is-- the Speaker's looking for bills to get sent to the floor, so, I would hope that you would look favorably upon this bill and maybe exec on it today, kick it to the floor and we can move this on down the road. So, thank you very much, and I'd stand for any questions you might have for me.

BRANDT: OK. Are there any questions? I don't see any.

JACOBSON: All right. Thank you.

BRANDT: Before we close this, LB38 had-- for comments, zero proponents, zero opponents, and two in the neutral capacity. So, that closes our hearing on LB38, and we'll move to LB91.

MOSER: Kind of losing our crowd.

BRANDT: Yeah, that was a lot of geological action. Welcome, Senator DeKay. You may begin.

DeKAY: Thank you. Good afternoon, Chairman Brandt and members of the Natural Resources Committee. For the record, my name is Senator Barry DeKay. I represent District 40 in northeast Nebraska. And I am here today to introduce LB91. LB91 would amend Section 70-650.01 to eliminate two words in statute that could require a public power district or public power and irrigation district to return ownership of an electric distribution system back to the requesting city or

village without cost. This bill addresses a very narrow set of circumstances when a municipal system surrender or lost its electric service area, and is requesting its return. Simply stated, LB91 will reinforce the existing process used when a municipality requests a return of their electric service from a public power district or a public power and irrigation district, and second, it will eliminate potential risks to power district that exist under current statute. Over the history of our state's all-public power model, there are times when a municipal utilities have asked a power district to take over the responsibility of providing electric service to their town. This can be done for a number of reasons. Transferring service may increase efficiencies, lowering costs. Towns may be in need of expensive upgrades or repairs, and it makes sense for a public power district to take over service. 70-650 and 70-650.01 outline a process that occurs when this transition occurs. After electric service transfers from one entity to another, the statutes make it clear that a municipal system can, in the future, request service back, and a power district is required to return the electric service back to the municipal system. 70-650 states that the municipality must pay the power district a sum that is fair and reasonable, including reasonable severance damages, when this transition occurs. 70-650.01, however, outlines a process that occur without any cost to the municipality. The underlying issue here is that we can have a situation where a power district takes over providing electric service to a town, pays off any debt incurred, if any debt incurred in the first place, make significant upgrades, and then, at a later date, the town could take the system back at no cost. LB91 would eliminate this risk to the power district. Of note, 70-650 is a statute that is most relevant and is used by utilities and municipalities through this process, not 70-650.01. 70-650 details a process for the municipal system, and the electric supplier can come to an agreement on a cost that is fair and reasonable, and we are not asking for any changes to this well-established process. In closing, I did reach out to the League of Municipalities during the interim about this change; they indicated to me that they would likely be neutral toward this change. I also expect someone from NREA to testify after me, to further outline this proposed change and help answer any questions. I believe this is a small, non-controversial and much-needed change to the statute. I would try to answer any questions. Thank you.

BRANDT: OK, let's see what we've got. Any questions? You must have done a good job. Thank you. Proponents? Whoever gets there first. Welcome.

DAVID JARECKE: Thank you, Senator. And good afternoon, Chairman Brandt and committee members. My name is David Jarecke, D-a-v-i-d J-a-r-e-c-k-e. I'm a partner with Blankenau Wilmoth Jarecke, and today I'm here to testify in support of LB91 on, on behalf of the Nebraska Rural Electric Association and its membership. As Senator DeKay stated in his opening statement, LB91 is a very narrowly-focused bill, and is only necessary to eliminate this archaic provision as it might relate to a city or village that seeks to reacquire the electric infrastructure located within its boundaries. First, a, a simple analogy might be useful. In 1963, when this statute was last amended, the village sold a 1963 truck to the PPD for \$10,000. The PPD took out a loan to purchase that truck. The PPD maintained that truck, and then, years later, traded it in for a new truck. Subsequently, they traded in that truck, bought a replacement truck, and here we find ourselves in 2025, and the PPD now owns a brand new 2025 truck that is worth \$350,000. This new truck serves that same village. In this example, the PPD has no, no debt on that 2025 truck. And theoretically, under this statute, the village could say, "Give us back our truck." That's what we're seeking to avoid. So, this concept-- again, it's going to be very narrowly-used, if ever, but, but-- very narrowly. And the statute would only apply when four factors are present: the village would have had to previously transferred ownership of the electric system to the PPD; the PPD would own and operate that electric system within the village; the PPD has no debt associated with that electric system; and for the village seeks to now reacquire that electric system from the PPD. All four of those have to be present before this could occur. That set of facts is uncommon. The purpose of this bill is not to solve a problem, but rather to avoid one. In general, the PPDs do not utilize a debt structure in, in acquiring these assets. When they do acquire debt, it's going to be on a much broader nature. To better understand why this bill is necessary, several years ago, when the village of Pilger was totally destroyed by a tornado, Stanton Public Power District reconstructed that entire electric system. And that village remains in the same rate today as the other villages served by Stanton PPD. That reconstruction occurred without Stanton PPD taking out any new or additional debt for this reconstruction. Therefore, theoretically, Pilger could reacquire those assets without cost, and pay no costs, or pay-- make no payment to Stanton PPD. Therefore-- again, the sole purpose of this bill is to permit a public power district to invest millions of dollars into these communities, to rebuild that infrastructure, and avoid the risk of surrendering those assets without paying. If a, if a town or village seeks to reacquire the electric system, they may do so. Senator DeKay just outlined the

methodology set forth in just the immediately prior statutes, 70-650. So that is unchanged. But this bill will eliminate these two words "without cost," to-- again, avoid confusion or potential conflict and to clarify that those assets could be required with the payment of fair and reasonable cost. That concludes my testimony. I'd be happy to answer any questions.

BRANDT: All right. Questions? Senator Juarez.

JUAREZ: So, I would like to know, if you're going to try to sell your entity, like, back to a city or town, would you be trying to get a little bit of profit margin on your sale, or would you be just trying to cover your costs when you sell an entity like this? What would not-- what's normal for doing a transaction like that?

DAVID JARECKE: Sure. That's a good question, Senator. And just to clarify a little bit of your question, the-- it wouldn't be selling the entity for sale, but just the infrastructure. The truck, if you will, be it my example, but-- the poles, the lines, the transformers located with that immu-- community, again, to the extent that those were purchased initially by the surrounding PPD-- again, obviously with payment to the village-- the village could reacquire that infrastructure, those assets, but they would pay the fair, reasonable cost, meaning essentially the depreciated value. So whatever those poles, transformers and that structure is worth today is what the village would be required to pay. Which might be-- I think where your question is going-- a lot more than they sold the original for. But that's why I utilized that 1963 example of the truck. To the extent we've replaced every pole, replaced every conductor, replaced every transformer, now, maybe it's worth more. We're not trying to make a profit, but we certainly are trying to capture those costs.

JUAREZ: So are there actually, like, appraisers who would be able to help--

DAVID JARECKE: Yes.

JUAREZ: --a village who is trying to come up with the price? You know, if there was any kind of problems in negotiating the sale price.

DAVID JARECKE: Absolutely. That's, again, an excellent question. And what we-- what is more likely-- and Lincoln is an excellent example-- to the extent that Lincoln expands its service territory by annexation, they-- Norris Public Power is the surrounding district that surrounds Lincoln. And like when Lincoln frequently annexes and

expands its territory into Norris' territory, and then exactly what you're asking is what happens in that instance. If the two parties can't agree, an appraiser is brought on board to determine the fair market value of those assets. And ultimately, that's what LES would pay Norris for those assets.

JUAREZ: OK. Thank you.

BRANDT: OK. Other questions? Senator Moser.

MOSER: So some cities own their distribution, some cities have a utility provide power, and then they just get a commission on the sales?

DAVID JARECKE: Yeah. Senator, to your question, the vast majority of the towns and villages out there still do own their infrastructure. Some-- and it tends to be the very small villages, the 50 to 100 person communities who, who no longer have any ability whatsoever to maintain those assets or even, you know, kind of understand what those assets are-- it's within those very small villages that they've surrendered those assets to the, to the local PPD. But it is a small percentage. I don't want to mislead you.

MOSER: Do those-- do some of those cities own the distribution and everything, but they have the utility operate it for a percentage of the sales, or something?

DAVID JARECKE: It-- again, yes. And again, that's very common. And I'll use Norris again as an example. Hickman, for example, which is obviously a rather large community, recently entered into a lease agreement for Norris to operate that system. Hickman still owns it; Norris will operate it and pay Hickman to maintain and operate that system, a lease fee associated with that. But again, so it's communities that tend to be much smaller than even Hickman, where they say, we're just going to sell it to you, you guys take care of it.

MOSER: The Power Review Board referees transfers of service area between utilities, but they can't regulate from city to utility, or utility to city?

DAVID JARECKE: Again, an excellent question. So, as it relates to the service area, the Power Review Board has exclusive jurisdiction over that question. So, to the extent the city is surrendering both its assets and that underlying service area, that would have to be approved by the Power Review Board. But the Power Review Board does not get involved in the, the pricing, if you will, of those assets.

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MOSER: Thank you.

BRANDT: OK. Any other questions? I guess I've got one. Has this situation ever happened? With your fire truck there, on the front?

DAVID JARECKE: Once, kind of. The city of York, many years ago-- 1982. 1982, York-- so, York is served by NPPD presently, today. In 1982, York was reacquiring its assets from NPPD. Of course, Consumers was, was the entity that preceded NPPD. The history is not clear to me, but I'm going to presume that Consumers bought those assets from York once upon a time. In 1982, York said we want our, our assets back. And there was litigation, and there's a reported court case of NPPD vs. York. But, truth be told, if you read the case, all they fought over was the valuation, and whether or not a particular substation was to be included within those assets. And ultimately, that's what the case clarifies. But to your question, it was utilized in 1982, but not since, that I can find.

BRANDT: OK. All right. That looks like all the questions. Thank you.

DAVID JARECKE: Thank you.

BRANDT: Yep. Next proponent. Any more proponents? Opponents. Any opponents? Neutral capacity. Welcome.

LASH CHAFFIN: Good afternoon. The-- my name is Lash, L-a-s-h, Chaffin, C-h-a-f-f-i-n. I represent the League of Nebraska Municipalities. And I just want to state that the, the League is legitimately neutral on this statutory change. And trust me, I will not be sneaking around, calling your cell phones in about ten minutes, saying I really didn't mean it. The, the, the history of this, very quickly, is-- the Rural Electric Association shared this concept with me either October or November, and my initial reaction was, yeah, we got to oppose this. And, and, and then Senator DeKay shared it with us, I don't know, several weeks ago, which I appreciate very much. So I-- I've done a lot of research. I've read the cases. I think there are actually two instances where this statute might have been used. Although, as, as Mr. Jarecke pointed out, it was kind of not direct. In both cases, it was sort of a side deal. So, it's-- I think it really-- I don't know that there's a lot of litigation, or even application of this particular statute. That said, you know, don't go down a rabbit hole on this, because there are multiple statutes that could come into play if a city or village wanted to take control of their electric system. This is just one taken in isolation, and I think the four conditions that, that were outlined by a previous speaker out-- I mean, they,

they summarize it all. There may not, in fact, even be a situation where this could come into play at all. There, there probably is, but it's going to be pretty narrow. Most of the cities already own the system, so this statute wouldn't apply to begin with. In most of the villages, even they-- they don't remember they own it, but they do, in fact, own it, which is a separate issue from the, from the service territory. So I think this is a pretty narrow, narrow statute that I think, in 1965, this might have made a lot of sense. And I did read-- again, I read the court cases, I read a couple of history of public power sort of books to kind of figure out why this statute even existed, and how it related to-- there's two-- there's at least two other statutes. There's one specific for Douglas County, and then there's one dealing with when a, when a utilities has some-- has, has some debt. So, there, there are other statutes. And I think the, the footprint of public power has changed a lot from 1960. I mean, in, in 1960 or 1962, '63, whenever this came into play, you know, there were still conflicts out there with private utilities wanting to run, run the utility. So I think the state set up this, this fabric and mechanism to create the public power system, and it was still-- it was still sort of evolving at that point. And what we've got today is a series of power districts, cities, various kinds of power districts that operate interchangeably with contracts and agreements and, and a variety of mechanisms that make it, make it work. And elected officials have just gotten together and made this thing work. So even in today's world, I think a, a statute like this would be very difficult to, to work with, because I think the bigger issue would be a breach of contract. And so there's, there's other issues at play. So I think if, if this-- if those two words are giving the power district some consternation at this point, I think the, the League will remain neutral, so. But I will certainly answer any questions.

BRANDT: OK. Let's see what we've got. Questions? Questions? You must have done a good job.

LASH CHAFFIN: Thank you.

BRANDT: Just a scenario. And usually, these-- I've got a lot of small towns and villages that, that still maintain their own electrical department, they finally lose their electrician, these assets get so decrepit. Can that village force the local power district to take-- let's say they've run their, their system into the ground. Can they force, like, Norris Public Power to come in and take their system over?

LASH CHAFFIN: That's an interesting question. The-- you know, complete-- the complete opposite of-- I don't know. I'd have to-- you know, I would be with-- I, I don't know. I don't know that that's ever come up. My guess is-- I shouldn't guess, but I'm going to anyway. My guess is no, they can't force Norris to do that. You know, although that said, the-- I, I do think there are probably other suitors, you know, the city of Beatrice or somebody, in theory, could run--

BRANDT: Yeah.

LASH CHAFFIN: --run a, a small system outside of the-- there. Or Fairbury. I mean, Fairbury-- actually, OK, that's a good example. Fairbury already runs 4 or 5 villages.

BRANDT: Fairbury, Fairbury is a very unique power utility.

LASH CHAFFIN: They are.

BRANDT: They're the only ones in the state like that that I'm aware of.

LASH CHAFFIN: Well, no, North Platte serves Hershey. Syracuse serves some places. Nebraska City serves multiple places. So it's not-- it's, it's unusual, but I don't know that-- but Fairbury serve-- does serve-- I think they serve 5 or 6. They serve Western, I think, and--

BRANDT: But they have about 70 miles of line--

LASH CHAFFIN: They do.

BRANDT: --serving farms, and weaving their way around the state.

LASH CHAFFIN: They, they do.

BRANDT: Yeah. So.

LASH CHAFFIN: Yeah, the public power footprint is-- it's not, it's not homogeneous. It-- it's a little different in every, every place. But as a-- you know, that's a great question, Senator. And someday, that's going to come up. But I hope if that question comes up, lot, lots of people who care about the issue can get together and find resolution in a way that benefits Nebraska.

BRANDT: Absolutely. OK. That looks like all the questions we've got for you. Thank you. And Senator DeKay waived his closing. He had to go introduce a bill in Judiciary. For the record, we had no literature on

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this one. So, it was no letters of support, opposition or neutral. And that will close our hearing for LB91, and we'll move to LB167.

CLOUSE: Thank you, Senator Brandt, and fellow senators on the Natural Resources Committee. LB167 is-- oh, my name is Stan Clouse, S-t-a-n C-l-o-u-s-e. I'm representing District 37. LB167 is-- it's a bill that extends the Reduction and Recycling Act that was originally passed in 1979, and Senator Raybould and I talk about that. These are fees that are applied to retailers and manufacturers, and-- for a lot of different things. And it goes into a recycling and reduction and recycling cash fund, which is overseen by the Department of Environment and Energy. And then, from that fund, then they distribute grants and so forth to different agencies across the state. Some of them actually, from my district, consi-- about 600,000 in grants for a skid loader, compost turner, different things that are involved with recycling. This statute has a-- a, an end date that it always has to come before the Legislature to get renewed. And so, what this bill is-- it's set to expire, as set for another term; this bill just says we're going to extend this number another five years, or something along those lines, for the, the date to extend this. And it also has an E clause on it. So if we're looking for one to be on the floor next week, this might be a good bill to take to that. The e-clause is simply because we'll be reaching the point where it expires, and so the e-clause would just simply say, you know, we need to extend this. Has a lot of good uses, a lot of-- I think \$3.1 million has been into the fund last year, and I think Senator Raybould would-- fees like \$175 per \$1 million of gross sales. And there are other agencies that contribute to this, not just the, the wholesale-- or, the grocers, but there are others that contribute to it, too. And so this is just simply authorizing the extension of that, and the use of that fund to help with litter and recycling. So, with that, I'd entertain any questions that you may have.

BRANDT: Senator Raybould.

RAYBOULD: Thank you, Senator Clouse. Is it always for five-year renewals? Not maybe, like, ten, or--

CLOUSE: I, I can't, I can't tell you exactly. I know that I have some testifiers that are going to come up speak to that. But yeah, that would be a good question. I don't, I don't know why we set it to sunset. Probably just to make sure we review it.

RAYBOULD: OK. Thank you.

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BRANDT: I think, Senator Moser, did you have a question?

MOSER: She asked my question.

BRANDT: Senator, Senator Juarez.

JUAREZ: So, I'm curious to find out how does one learn about the grants? Where do you go to find out about--

CLOUSE: It, it's through--

JUAREZ: --that information?

CLOUSE: Yeah, it's, it's through the Department of Environment and Energy. And so, a lot of those groups that are looking for grant applications, that's where they would look for those. I think most of those that would use this-- typically what you'd see is recycling centers or things of that nature in various communities so that they would know where to look for that, through the Department of Economic-- or, excuse me, Energy and Environment [SIC]. Any other questions?

BRANDT: I see no more questions. Will you stick around to close?

CLOUSE: I will. Thank you.

BRANDT: OK. We're going to go to proponents.

MOSER: You would think they could do that for ten years.

RAYBOULD: Yeah.

MOSER: Five years goes pretty fast.

JUAREZ: Yeah.

KIMBERLY CARROLL STEWARD: Good afternoon, Chairperson and members of the Natural Resource Committee. My name is Kimberly Carroll Steward. It's K-i-m-b-e-r-l-y C-a-r-r-o-l-l space, no hyphen, Steward, S-t-e-w-a-r-d. I serve as the executive director of the Nebraska Recycling Council, and I am here today to testify in support of LB167, which seeks to extend the sunset date for the Nebraska Litter Reduction and Recycling Act. This act was originally passed in 1979 to establish a funding to support litter reduction and recycling programs across our state. This program provides essential grants to public and private entities, including schools, municipalities, nonprofit organizations, as well as for-profit businesses, to implement projects

that reduce litter, promote recycling and advance sustainable materials management education. Historically, the Nebraska legislator has-- legislation has supported and recognized the importance of this program with both LB1001 in 2016 and LB163 in 2023, affirming support of the broader Nebraska Department of Environment and Energy funding system, or NDEE, within which this grant or these funds are housed and reside. I've included some direct quotes from these final reports of both of those bills in the material provided on that last page. Since 2020, through 2024, my organization has been collecting and compiling data into an ArcGIS map; you'll see some images of those maps in your packet as well. And we have found that we-- as of those four day-- or those four years, 2020 to 2024, we've awarded \$16.6 million across 338 grants statewide-- which is figure 1-- with \$4.6 million and some change-- figure 2 and table 1-- awarded to constituents on this committee and in your districts. So I've broken down that figure so you have a bigger picture, but as well as a table that it breaks down into each of your individual districts. These are specifically benefiting your constituents, and these grants have funded public awareness campaigns, waste reduction programs, community cleanup events, and educational initiatives that foster long-term environmental stewardship through lasting behavior change. By continuing to support these efforts, the grants program plays a crucial role in improving waste management practices, driving economic benefit-- recycling actually is a much bigger benefit than would be going to the landfill, so it helps to drive the economic factor as well-- and promotes environmental responsibility throughout Nebraska. So I urge your support of LB167 to ensure the continued success of these impactful programs. The other item I handed out there, that booklet, is a direct result of our grant my organization received last year. It's a municipality guide to creating recycling centers and systems in their community. So our organization does a lot of kind of on-the-ground work with communities that want to establish recycling programs. And we are-- I think one of the questions was how do you find out about those grants? We're one of the organizations that sends that information out to the rest of the state as well. So with that-- I think I also-- one more thing. I did include another QR code, so if you want to go into our map and look at the actual projects that were funded within your district, if you want to dive into that a little deeper. That QR code will take you there and you can explore it, reach out and have any questions, or have your staff reach out; I can definitely pull any information that you'll need. So, any questions for me?

BRANDT: OK, let's see what we've got. Senator Juarez.

JUAREZ: OK. I'd like to know on-- do you actually have speakers that you can provide to groups about recycling?

KIMBERLY CARROLL STEWARD: We do. So, yeah, that's actually one of our grant-funded activities. So, we'll have communities reach out to us, municipalities reach out to us, sometimes businesses, we'll go out to as well, that-- we'll let them know what, what are you looking for? What do you need? What's your assistance? Is it informational? But yeah, we'll send out staff, we'll do talks, we'll help them walk through it. We've done, in the past, waste sorts. So, if you're just kind of figuring out what do you even have that you're trying to kind of divert-- yes, yeah, we do all that. So we just-- contact us. We kind of try to be a hub in a wheel a little bit sometimes, and help connect all those pieces to make the system really efficient.

JUAREZ: I think that sometimes it disappoints me when I go to a, you know, like, a group event, and I see that they're not recycling, you know, and-- I mean, I'm big on recycling. I'm not a good compost person, I'll tell you that. But I am-- I really make efforts to try to recycle. And I actually have a purse and a briefcase made out of recycled rubber, and it's pretty stylish. So I just-- I'm glad that you guys are doing that effort, and I definitely want to be supportive of you in your outreach, too. So, thank you for being here.

KIMBERLY CARROLL STEWARD: Thank you.

BRANDT: OK. Other questions? Senator Raybould.

RAYBOULD: So, I'm just kind of curious. I, I hear and read a lot about recycling, and I see a lot of municipalities all across the United States are really starting to embrace organic composting and, and really getting big on it. And that means you have another trash receptacle for organic stuff. How, how does that play in your whole, whole scope of education? Because I just see a little page on it.

KIMBERLY CARROLL STEWARD: Yeah. Yeah. So our organization does both recycling and organics, and so, this grant does fund that as well. The way we've structured it is we actually apply for and receive, hopefully continuing, a grants for both recycling and compost efforts. And so, we do some of the same thing when we have people that want to start a compost, we can reach out to some of the folks that are already doing some good things and get them started with that, or we can go out and do presentations, and we're really trying to-- I know this next coming year and in the future, we want to help get some more backyard composting, because that's direct impact that you can make in

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your community without even having a big infrastructure or having that big cost of investment that comes with a larger-scale facility. But yes, yeah, we do both of those.

BRANDT: So, there is no fiscal note on this. I assume your agency is 100% funded by outside funds or a dedicated revenue stream? Senator Clouse mentioned the grocery industry.

KIMBERLY CARROLL STEWARD: Yes. So we are largely funded by the grants, and then our additional funding, I'm trying to-- I wish I would have looked up the percentages for you. Our additional funding comes from membership. So we are a member-based nonprofit, and so we have other businesses, other entities that buy into our membership and support us in that way. Largely grant-funded, though.

BRANDT: So, I'm from a, a rural area. A lot of my towns have a roll-off that has like 3 or 4 compartments in it for cardboard and cans and glass and paper. Are-- is everybody a member of the Nebraska Recycling Council, or they have to get membership in this? I mean is every small town in the state that does this-- are they members of this group?

KIMBERLY CARROLL STEWARD: They are not. No. So we-- membership is kind of a separate thing. We do a lot of our services we provide at no cost, and that's why we can offset it with the-- the grant can help pay for that, and then pay for staff time, and then members have an additional-- so, if they wanted to do something deeper, like a waste sort, or a waste characterization thing, that would be a member service. But no, we, we don't enforce making people be members. We love when they join, obviously. But no. We do have some communities that are, but more or less I would say it-- municipality-wise, a lot of them are not members, we just kind of do the service because we have the grant funding to support that.

BRANDT: Senator Moser.

MOSER: So you're a nonprofit that receives money from the state? And other people could apply to the state for funds. Do you work as subletting group to extend grants to people? Or you just advise them how to get grants too?

KIMBERLY CARROLL STEWARD: Yes. So, not through this grant program. We also have a grant through NET, Nebraska Environmental Trust, and that one does allow us to do a, a pass-through is kind of what you're asking about. The NET grant, we do have a pass-through grant with it,

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but not with this NDEE grant. Not with the Department of Environment and Energy.

BRANDT: Yes.

MOSER: Mr. Chairman, can I ask Senator Raybould a question?

BRANDT: Technically, tech-- you can ask the introducer a question.

KIMBERLY CARROLL STEWARD: You can pass it.

BRANDT: That probably-- [INAUDIBLE] can probably [INAUDIBLE]--

MOSER: I'll rephrase-- I'll rephrase it so it doesn't put you on the spot.

BRANDT: That's how we've done it in the past.

MOSER: So, do some people, some businesses generate enough cardboard to be able to get rid of their cardboard without having to pay to have it hauled away here? I mean, does cardboard have any value to big-volume retailers nowadays, or is it always a cost that you have to cover to get rid of it?

KIMBERLY CARROLL STEWARD: I think in the current system, there's always going to be some cost. I mean, always-- I'll go back up. All waste is always going to have a cost. So when something reaches the end of life, there's a cost to it. It's where it's getting paid into. And so, cardboard is always going to have an economic benefit, because you're not going to have to then pull virgin material to make new material. And so, you're always going to recap some of that, it's just where in the system that recap is going to occur. Does that make sense?

MOSER: We had a recycler in Columbus that was taking cardboard, and then they stopped.

KIMBERLY CARROLL STEWARD: Yes. Yeah.

MOSER: But yet, I see big bales of cardboard leaving the big box stores.

KIMBERLY CARROLL STEWARD: Yeah. Yeah.

MOSER: Just curious, you know, if those needs are being met by recyclers.

KIMBERLY CARROLL STEWARD: And-- yeah. I will say, especially in our rural parts of our state, getting that volume is what you're talking about. You need to be able to get that volume. And so, another thing that we try to promote and help connect is what we call hub-and-spoke model. And so that's where we have a, a hub of that can kind of collect and hold that volume, with all the spokes being smaller communities around that, that can bring them in there. And so that's one of the things we're moving forward; the project just started a few years ago, but we still are getting momentum with it, because it does help. It's-- it gets really expensive when you can't get that volume. And so, if we can connect the points and make that hub-and-spoke system work, then we can get those volumes. The cost goes down for everyone.

MOSER: OK. Thank you.

KIMBERLY CARROLL STEWARD: Yeah. Yeah.

RAYBOULD: I'm happy to answer the question. I love talking about recycling.

BRANDT: Senator-- Senator-- Senator--

MOSER: Thank you for answering that question.

BRANDT: Senator Raybould. And the reason we have to do it this way is we can't ask each other questions. And for the transcript, it has to be very clear who's asking the questions. So, Senator Raybould, you can ask your question.

RAYBOULD: So I love talking trash. And I love recycling, especially because it's something that we're really proud of as a company. So our company-- in the Lincoln stores, we recycle 275 tons of cardboard a month. So, that's a lot. And cardboard, if it's baled, or if it's loose cardboard, it's traded on the Chicago Exchange. It's a commodity. So the price varies. And so, some months we will be, actually, working with our hauler who comes to the stores and picks up the big bales of cardboard; they haul it to Omaha International Paper Company; and, depending upon the price of cardboard on the commodities market, we make money. But the big value is we divert it from the landfill--

KIMBERLY CARROLL STEWARD: Yes, yes.

RAYBOULD: --which is huge. Otherwise, that would cost us money and the landfill fees to do that. The important thing is, it's really, you

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know, being a good steward of our environment. Businesses love it, because we can make money. There's some months when the price plummets and we actually have to pay not only the hauling fee but additional costs, depending upon what the, what the market controls. So but the bottom line is it's really important to continue to do this. We're really proud of that record. And other, other small businesses do it as well, and I know-- you know, Senator Clouse and Kearney, they, they do a great job of handling that. And other smaller communities or cities across Nebraska do a good job of offering that opportunity, too.

BRANDT: OK. Any questions over here? Last question. What's the next frontier in recycling? I mean, we've had cardboard, tin and glass. Is it electronics, or where-- where are we headed, as a state?

KIMBERLY CARROLL STEWARD: As a state-- so what I've actually been seeing a lot of-- and we're kind of starting to talk in-house about-- is the end-of-life of windmill, and the blades, turbine blades, as well as solar. And so, we're starting to see that one. Fabrics and textiles is another one that we're coming up, and on the kind of community level, there's a lot of interest in electronics. And so, I think those are the three big ones that we're kind of watching. We also have batteries, which is coming through right as we speak, currently. So I'm looking at some eye contact there. But that was another one that I think we will see continue. I don't think batteries are going to go anywhere, especially as we get more into those embedded devices and all of that as well. But those-- that would be my-- from what I'm seeing, kind of hearing from our folks that are calling in and asking, those are the, the big categories.

BRANDT: All right. Senator Hughes, did you have a question? You had your hand up.

HUGHES: I do not have a question. I was just mentioning that I might be bringing a lithium ion battery bill. That will come to this committee.

BRANDT: All right. Thank you for--

KIMBERLY CARROLL STEWARD: Just a teaser.

HUGHES: That will be the next thing.

BRANDT: Thank you for that information.

HUGHES: Stay tuned, right? Stay tuned.

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BRANDT: Well, I, I don't see any more questions. Thank you for your testimony.

KIMBERLY CARROLL STEWARD: Yes, thank you.

BRANDT: OK. Next proponent. Welcome.

BLAIR MacDONALD: Thank you, Chairman Brandt. Ooh, feels good to say. And members of the Natural Resources Committee. My name is Blair MacDonald, spelled B-l-a-i-r M-a-c-D-o-n-a-l-d, and I'm appearing as a registered lobbyist on behalf of the Nebraska Beverage Association in support of LB167. The Nebraska Beverage Association has been representing the non-alcoholic beverage industry and local distributors of Coca-Cola, Pepsi and Keurig Dr. Pepper in this state for more than eight decades. Back in 1978, there was a ballot initiative that would have turned Nebraska into a bottle deposit state, like Iowa and Vermont. The initiative did not pass, but the beverage industry promised to work with the local recycling entities like Keep Nebraska Beautiful to come up with a solution to support and fund local recycling efforts. The next year, in 1979, the Nebraska Beverage Association brought the bill to create the Nebraska Litter Reduction and Recycling Fund. The litter fee is collected by the Department of Revenue for the purpose of funding local recycling and recycling education programs through the grant program at the Department of Environment and Energy. The fee is collected from various wholesalers, manufacturers and retailers of certain products, including soft drinks. In 2023, Nebraska businesses paid \$3.1 million in fees into the litter fund. We don't have the 2024 numbers yet to bring that to the committee to have that as a part of our discussion today, but the beverage industry, along with our retail, hospitality and grocery partners, have continued to support paying the fees to fund local recycling and recycling education projects. Every five years, we continue that commitment by bringing the bill to extend the sunset date. We want to continue to see local municipalities, schools and nonprofits receiving these funds to promote and improve community recycling programs. Grants are awarded to both public and private entities. In calendar year 2024, 51 litter reduction and recycling grants were awarded, totaling \$2.6 million. The grants are awarded in three different categories: public education, which received over \$1.7 million; cleanup, which received \$106,000; and recycling, which received \$727,000. And in 2025, the Department of Environment and Energy is projecting to distribute \$2.7 million in grant funding. Over the last few months, we've had conversations with individuals with the Nebraska Recycling Council and Keep Nebraska and Keep Omaha Beautiful to learn more about ways to potentially further improve the grant

application process and the reporting requirements for the program. We've also met with Interim Director Valentine at the Department of Environment and Energy, and individuals on her team. Obviously, the department is most likely going to be undertaking a merger with the Department of Natural Resources, but we are hoping to continue those-- having those discussions on ways to improve and ease the use of the grant funds. We look forward to continuing those discussions after this session, but first, we need to extend the sunset. For these reasons, the Nebraska Beverage Association supports LB167 to extend the litter reduction and recycling fund, and I'm happy to answer any questions you may have.

BRANDT: Let's see if we have any questions. Senator Conrad.

CONRAD: Thank you, Mr. Chair. Thank you, Blair, for being here. And thank you for the historical context. I was not aware of that, and learned a lot, actually. Quick-- I was going to pose this question to any testifier, or perhaps even Senator Clouse. It was touched upon by some colleagues earlier. Is it necessary to retain the five-year sunset at all? Should it be extended to a different metric? Or, knowing that we can't bind future legislators, should we just knock it out? And if people want to make changes or eliminate the program in the future, they can. I understand sunsets can be helpful or clarifying so that projects don't get on autopilot.

BLAIR MacDONALD: Mmhmm.

CONRAD: But do you have any thoughts on the mechanics of the program design?

BLAIR MacDONALD: Well, you know, back in the late '70s, this was started as a pilot program. Certainly, this was the, you know, the wild, wild west of recycling back in the '70s and '80s, but-- so it was created as a pilot program. We have kind of kept the, the five-year sunset date as a way to-- our intention-- well, not my intention back in 1979-- but the intention behind it was to continue to make sure that we actually take a look at the program and how it is actually working. We didn't put that in a statutory requirement to do some type of, you know, specific waste characterization study, or audit of the program itself. But that is-- that was the initial idea behind the five-year sunset date. You know, this fund, be as it is a cash fund, has been swept many times by many governors. It was swept by Governor Heineman. It was swept in 2017 and 2018 by Governor Ricketts to the tune of \$1.2 million. And Governor Pillen tried to sweep \$1.5 million out of this fund last year. So, to that extent, the

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sunset date is a bit handy, I guess, in terms of having this discussion about ongoing funding. That's part of the reason why we've made more of an effort in the past few months to have these discussions with the Department of Environment and Energy and with our recycling partners as to how could we help to spend down the money quicker, so that there is less funds in the-- money sitting in the fund to be swept, and, and ways in which we could just continue to get more money out the door to recycling projects. So, that's kind of why we have continued the five-year process. Actually, in the merger bill that Senator Brandt has, has introduced, there is a sunset extension of this fund in that as well. It's only until 2027, so that would only be a two-year, so we-- but we have had those discussions to-- right before the session started-- about the dates, and the program, and extension and ways in which we could perhaps improve it.

CONRAD: Thank you. Thank you so much. Thank you, Mr. Chair.

BRANDT: OK. Senator Moser.

MOSER: Is there someone from the state that's going to testify today?

BLAIR MacDONALD: I don't believe so.

MOSER: Well, if we have a lot of money in the account, maybe we shouldn't charge so much in fees. Rather than looking how to blow it, just don't charge the businesses quite so much to support it.

BLAIR MacDONALD: To that extent, Senator Moser, if I can answer, we don't mind paying the fees. It's that we just simply want them to go to the intended purpose of the fund. We want them to go to recycling.

MOSER: I think everybody pays fees though, I-- this is the paperwork reduction littering fund or whatever that I get a bill for 25 bucks. I have to fill out a form in triplicate to save on recycling and spend 25 bucks. You would think-- you would think they'd do it online and charge \$15 or something, and not generate as much paper shred, but.

BLAIR MacDONALD: Well, it's based on-- the businesses that are specifically assessed this fee, it's based on the amount of product sold. And so that, at the--

MOSER: By retail sales, what they report on their sales tax?

BLAIR MacDONALD: Or what they distribute. Mmhmm.

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MOSER: Well, I'm paying 25 bucks. If you can figure that out, good for you.

BRANDT: OK. Any other questions?

JUAREZ: I have a question, please.

BRANDT: Yes, Senator Juarez.

JUAREZ: So, since-- being a new freshman here and the governor's sweeping funds-- that is appalling to me. So does that mean that you didn't get the funds back?

BLAIR MacDONALD: Correct. But in the last time it was done, in the, in the Ricketts administration, the, the money was out the door. It was swept into another fund. I think it was the General Fund; it could have been Cash Reserves, though. Don't quote me on it.

JUAREZ: Interesting to know. Thank you.

BRANDT: OK. I think. Wait, Senator Hughes.

HUGHES: At the last minute. Thanks for coming in, Blair. So, the sweeping of funds and getting money out. If there's no money in there because it's been sent out to people, there's nothing to sweep. So, yes, let's focus on that. And I know-- I am-- I've-- I was raised by a recycler; I haul my recycling here into Lincoln every couple of weeks, and I'm mad because now I have to go to North Star to dump it off instead of where I used to go. But it's OK. Seward has lost-- my communities have lost recycling sites. So this is a-- I think it's a very big issue, and we've got to get-- if we have the money, get it out to being used for recycling. So thanks for bringing--

BLAIR MacDONALD: We agree.

HUGHES: --that up, and keep working toward that.

BRANDT: OK. I think that's it. Thank you.

BLAIR MacDONALD: Thank you.

BRANDT: Next proponent.

CHRISTIE ABDUL-GREENE: Good afternoon.

BRANDT: Good afternoon.

CHRISTIE ABDUL-GREENE: My name is Christie Abdul-Greene. It's C-h-r-i-s-t-i-e A-b-d-u-l-G-r-e-e-n-e. I always love that I threw that hyphen in there. Thank you for allowing me to be here, Chairperson Brandt, Senator Clouse, and the Natural Resource Committee. I'm not going to directly read my testimony because a lot of what Kim has shared and Blair has shared is similar, but. I'm with Keep Omaha Beautiful; I'm the executive director, and we are a recipient of these funds. For 2025, we'll receive a total of about \$190,000 through this grant process. And these money-- this money is essential to our organization. We have about a \$950,000 budget. A lot of our funding comes from private donors, family foundations, other city contracts. But I guess what I want to share with you today is how are these funds used, like what's happening on the ground. And so, we service Omaha and the Omaha metro area mainly, but we work closely with Keep Nebraska affiliates that are in a lot of smaller communities across the state, and in Lincoln. And so, if you look here, we have kind of four categories that we applied for funding. And so, one is school-based educational programming, and so we go into schools and we work with teachers, K -12, and come in and we'll actually teach kids both in school, after school, at summer camps, and really talk to them about a lot of things related to the environment, but specifically about recycling solid waste and organics. And it is fun, because the kids will come and say they told their parents they need to recycle and they set up their recycling at home. And so, you know, through that education of those kids, a lot of times they'll bring that home to their families. So school-based education programming is one that we really do. And then, one of the things that we really realized is that, if we can teach the educators, we can reach a lot more kids. And so, we have started where we do curriculum-based education for teachers. So we'll go into OPS; we're starting a program with Ralston, in different places, but it also can be early childhood development, and we'll go in and literally teach those teachers about nature-based education, how to, you know, recycle in the classroom. They can do projects. It's a very hands-on. And then, another piece is public education and activity-based learning. So you can see that we have the three sort of different types of compost-- Hefty ReNew is a program and we have in Omaha-- I think in Lincoln-- recycling, and then, you can actually dump your liquids. And so, when we go out and we have events and booths, then at our fundraiser every year we set these up, and really can have conversations with people about, no, that-- don't, don't put that in the trash; we can, you know, compost that, we can recycle that, which creates all sorts of fun conversations, and we have games around it. So we do a lot with public education. I think one of you asked about requests from, like, businesses, to come in and

do that education, and we are seeing more of that. Speaking of being able to use the funds, we're limited on what we receive and what we-- how we can serve the community. So, you know, more-- more and more corporations and businesses, small businesses, organizations are wanting to recycle, but they just don't know what to do or how to start. And unfortunately, it's not consistent across the state, which does create a lot of challenges. And even within Omaha, if your recycling goes to Firststar Fiber versus another company, you can't recycle the same items. And so, if you live in one place and work in another-- so we do a lot of education around that. And we created-- if you look on the second-to-the-last page-- we've worked with the city of Omaha to create the Omaha Recycling Guide and Firststar Fiber. And so, this is an online tool where people can put in any sort of product, they can select multiple languages, it'll translate it in multiple languages, and they can put in, you know, any sort of thing. I would encourage you to try it, and it's fun, and then it'll tell you, like, this should go in the orange bag, this can go in your curbside recycling, this needs to go into the trash. And so it gives you options. And we're really working on also, like, reducing what people use in the first place. You know, reducing single-use plastics. It's not just about the recycling, but how do we change behavior and not just continuously use the single-use plastic. And then lastly, I think some-- one of the things that's most fun, you will have fun doing it. If you have kids or grandkids, they'll have fun. But there are some QR codes at the end that show our recycling video. So it takes you through, like, what happens at the recycling plant. There's a little bird, he flies you through. And so we use that a lot in classrooms too, and in public, and just-- and this is all been supported through the NDEE funds over the year. And so it really is essential to the work that we're doing. The majority of this goes to funding our staff, along with all the other funds that we get privately, and it helps support a portion of that. And so I just wanted to share that and really let you know that we support the extension of this. It's, it's essential for the work we do.

BRANDT: OK. Let's see if we have any questions. Senator Juarez.

JUAREZ: Thank you. So, I'd like to know what-- how could we get more facilities to help with recycling, for example, of Styrofoam? Because I've gone to that facility that's North Omaha, it's--

CHRISTIE ABDUL-GREENE: Plastilite?

JUAREZ: --almost by the Mormon Bridge, right?

CHRISTIE ABDUL-GREENE: Yep. Mmhmm.

JUAREZ: My gosh. That's a big drive to go clear across town to do that. But I did it, you know? And there is so-- there is stuff outside the bins.

CHRISTIE ABDUL-GREENE: Yeah.

JUAREZ: You know? And I just think we need to have more areas where we can go and, for example, recycle Styrofoam.

CHRISTIE ABDUL-GREENE: So the great thing about Styrofoam-- if you have the big, bulky-- it's like your TV is coming in a packet of Styrofoam, Plastilite is a good place to take it. But anything like your food containers that are Styrofoam, stuff you're getting maybe in your Amazon boxes that are Styrofoam, those can all go in that orange bag in Omaha; it can go right into your curbside recycling. So all of your, like, plastic wrap and all of that stuff can-- and I don't know if Lincoln has the orange program-- oh, such a bummer. Well, anyway. And so, it's an amazing program because we-- I mean, in our family, we usually have half a bag of trash a week, and we have-- our recycling is full.

JUAREZ: Yeah, that's--

CHRISTIE ABDUL-GREENE: --and so, you know, there-- so, you can do it from your curbside.

JUAREZ: OK. Just got to buy the orange bag.

CHRISTIE ABDUL-GREENE: You have to buy the orange bag. It's called Hefty ReNew.

BRANDT: Any other questions? Seeing none.

CHRISTIE ABDUL-GREENE: Thank you.

BRANDT: Thank you for your testimony. Next proponent. Good afternoon.

ANSLEY FELLERS: Good afternoon. Thank you, Chairman Brandt, and members of the committee. My name is Ansley Fellers, A-n-s-l-e-y F-e-l-l-e-r-s, and I'm here on behalf of the Nebraska Grocery Industry Association and the Nebraska Retail Federation, testifying in support of LB167 to extend the sunset date for the Nebraska Litter Reduction and Recycling Act. Thanks to Senator Clouse for bringing this bill to extend this 40-year-old program. We're just here to remind folks this

is not a tax increase. Our retail and manufacturing members pay litter reduction fees, which are then used to fund various public education and recycling initiatives, as you've heard. This, in addition to private efforts like offering and encouraging reusable bags, reducing packaging amounts and sizes, and consumer education about the usability and usefulness of different types of packaging are all part of a proactive, concerted effort to decrease waste. We would also like the Legislature to ensure these funds are being pushed out and used for their intended purpose. I just wanted to mention, because there was a, a question about the next frontier in recycling, and I tend to talk about this everywhere I go-- I mentioned it at DEE, and the last testifier said it-- Firststar Fiber in Omaha is a pyrolysis plant. It's one of the only plants in the nation that can take hard-to-recycle plastics. So I just would like the committee to, to know and maybe visit with Dale, who owns that plant. One thing the testifiers previously didn't tell you is that recycling is really hard. And so I don't-- I think people underestimate that so many things are not just something that can be, you know, placed in the bin and recycled easily. Dale is taking those really tough-to-recycle things like Tide containers and milk cartons that would otherwise have to be scrubbed out, and turning them into, like Trex, like decking and things like that. So it's a really good interesting plant. We're doing all we can. The Hefty energy bag program [SIC] is a, is a good one, and these are all just kind of "proaffic"-- proactive efforts to pre-empt government mandates like EPR and things like that. So, thank you.

BRANDT: OK. Let's see if we have questions. Got off easy.

ANSLEY FELLERS: Thank you.

BRANDT: Thank you. Next proponent. Welcome back.

LASH CHAFFIN: Thank you. Good afternoon. My name is Lash, L-a-s-h, Chaffin, C-h-a-f-f-i-n, the staff member at the League of Nebraska Municipalities, and I would like to offer the League's support for the extension of the sunset on, on-- pursuant to LB167. This fund is-- there's, there's two state-funded-- well, business-funded recycling funds. One-- this is the one that would-- that originated as part of the bottle bill in the '70s, then there's a second one that came about in 1989-1990 when the, when the EPA mandated that everybody have a-- all trash need to go to a licensed landfill. And the funds are very, very similar, but they have slightly different recipients and slightly different eligible uses. And this happens to be the older of the two funds, and it-- and this fund has put a lot of money into the hands of people who are really trying to do a good job over the years. And, and

it-- and as near as I can tell-- and I've also researched this a little bit, I think there's-- the testifier from the Beverage Association got it right. The bottle bill was controversial, and I, I think the sunset was part of the agreement. And, and, you know, the, the League-- I'm-- I don't want to upset that agreement. If that agreement still is something that keeps us going, that, that, that is important. So I think that's the purpose for the sunset as near as I can tell. But, you know, this has been a great fund over the years and it's funded a lot of projects. And, and I think this fund, compared to the other one, is interesting in that it funds a lot more educational opportunities than, than the, the other fund-- OK, the funding-- OK, the \$1.25-- the, the other fund's got the \$1.25 per ton tax and the, the business tax, and the tire tax. That one, it's, it's-- it has some similar uses, but they're slightly, they're slightly, slightly different. And, as far as getting the money into the hands of recipients, I would say, Department of Environmental-- Department of Environment-- well, NDEE, which it's really hard to-- I still go by 3 or 4 names ago. And it's going to get very complex if they, if they had another agency. They-- they're awesome at getting the word out to potential grant recipients. I mean, I think literally cities get numb hearing about the dates that the, the two-- the two due dates for the recycling fund. So, so they do get the word out there. Now, you know, people may ignore that, but I, I don't-- I don't think they do. I think the-- in particular, the-- this fund is one that I think the money does turn over quickly, and-- it's been my observation. It doesn't sit very long, but it does sit, because sometimes contracts take time, but it-- the-- these two funds dealing with litter and recycling, yeah, they turn over fast. There, there's a big need for them. There's a big interest in the funds. People are, people are interested in it. And as, as Ms. Fellers indicated, recycling's hard. Recycling is not easy. Recycling is expensive, it's not easy, and just because something gets thrown in a bin doesn't mean it becomes a product. It's-- there's a lot of steps that-- you know, our country has done a great job of-- the, the recycling groups have had numerous speakers over the years talking about how the United States handles recycling, and we've done a great job of getting people to recycle. What we haven't taught people is to buy recycled goods. And so there-- it's, it's difficult. And it can be-- it can be done, but it-- there are people who are interested in it, and these funds do go to, to the Nebraska Beautiful affiliates, the recycling association, you know, just everyone. This is, this-- these have been great funds. So we would certainly support extending this particular sunset.

BRANDT: OK. Let's see if we have any questions.

LASH CHAFFIN: Thank you.

BRANDT: I guess I've got one.

LASH CHAFFIN: Oh, sure.

BRANDT: And, and I don't know if you're maybe the guy to answer this, maybe not. What percent of the recycling has to go to the landfill?

LASH CHAFFIN: I don't, I don't know. Well, it-- you know, you know, I think Senator Raybould hit on to something. Recycle-- recyclables are pure, hard capitalism. They are-- they're a market, you know? And the, the price of-- and, and if we get somebody from the recycling council, they could probably give you an hour-long discussion of recycling prices. And someday, your bag of card-- your thing of-- bale of cardboard, it is worthless. It is, it is-- you're paying to keep that thing behind your building. And other days, it becomes quite valuable. So, I mean, recyclables do make their way to the landfill. Then, there's, there's, there's, there's other side issues as well. Not every piece of plastic, not every piece of cardboard is identical. Certain users who want to use the end product may have expectations of the cleanli-- there might be a product that you make out of recycled cardboard that you could use the dirtiest, oiliest, greasiest cardboard in the world. Then there might be another one that expects almost pristine cardboard. So, it somewhat depends on the-- there's a lot of variables. That's all I'm saying. It somewhat depends on the end use, you know, kind of-- sometimes the forgotten part of the entire recycling chain is the end use.

BRANDT: All right. Thank you.

LASH CHAFFIN: Thank you.

BRANDT: Any more proponents? Any opponents? Opponents? Anyone in the neutral capacity? Senator Clouse, you're welcome to close.

CLOUSE: Yes, thank you. The only thing that I would really add is with the e-clause; that really wasn't discussed much. And, and I'd ask what happens if we don't do the e-clause. And all that simply would do when we reach that cutoff date, then you'd quit paying in until some future date when it's reestablished. So, the e-clause just makes sure that we have that continuation from that date. And so, that's one point I wanted to bring up. That's why we have the e-clause piece in there. A couple other items. With the cardboard recycling, that question was asked. We have a pretty detailed and complex recycling facility in Kearney. Our cardboard is baled up and our supervisor watches the

market on not only cardboard, but glass, things like that. And one of the justifications we use as the city of Kearney is the landfill cost. You know, when you're starting putting new cells in your landfill, and with the environmental regulations associated with landfills, the least you can put in there and how you mitigate what goes in there, the better off you're going to be, and it saves us a lot of cost. So we've shown the value of recycling in, in there. I don't have the numbers, so don't anybody ask me, but over the years we've shown those numbers to be very profitable, or at least break even on recycling versus the landfill and those types of things. Some other things that when we talk about what do some of these grants go to? I can think of a couple we've had in Kearney. Now, whether they were approved by grant or not, we have a big contractor, so people throw gallons of paint away, and they might have a little bit in there. This compactor squishes it and compacts it, and then the fluid comes out; then, they're able to recycle the metal and they, they always have the fluids. It's, it's, it's pretty neat when you look at it. They've also talked about glass recycling that make it such a fine component. You could actually use it on some walks instead of gravel, or some of those types of things. So, a lot of things that, that we've been looking at in Kearney over the years on how you can utilize the recycling. So the point that I do want to leave you with is the importance of the e-clause. If you don't feel it's important, this is what happens if we don't. So, any questions for me?

BRANDT: OK, Let's see.

CLOUSE: Thank you for your time.

BRANDT: I see, see no questions. We had seven proponents on comments, no opponents, and no neutral. And with that, we'll close the hearing on LB167 and the hearing today for Natural Resources.