

Transcript Prepared by Clerk of the Legislature Transcribers Office
Executive Board February 12, 2025

HANSEN: All right. Good afternoon, and welcome to the Executive Board. My name is Senator Ben Hansen. I represent the 16th Legislative District in Washington, Burt, Cuming, and parts of Stanton Counties, and I serve as chair of the Executive Board. I would like to invite the members of the committee to introduce themselves, starting on my right with Senator Clements.

CLEMENTS: Rob Clements, District 2.

McKINNEY: Terrell McKinney, District 11.

BALLARD: Beau Ballard, District 21.

IBACH: Teresa Ibach, District 44.

DORN: Myron Dorn, District 30.

ARCH: John Arch, District 14.

HANSEN: Also assisting the committee is our legal counsel, Benson Wallace, our committee clerk, Natalie Schunk, and our committee pages Arnav and Jacob. A few notes about our policies and procedures. Please turn off or silence your cell phones. We will be hearing two bills. We'll be taking them in the order listed on the agenda outside the room. On each of the tables near the doors to the hearing room, you will find green testifier sheets. If you're planning to testify today, please fill one out and hand it to the clerk when you come up to testify. This will help us-- this will help us keep an accurate record of the hearing. If you are not testifying on the microphone but want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets at each entrance, where you may leave your name and other pertinent information. Also, I would note, if you are not testifying but have an online position comment to submit, the Legislature's policy is that all comments for the record must be received by the committee by 8 a.m. the day of the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask, if you do have any handouts, that you please bring 12 copies and give them to the page. We use a light system for testifying. Each testifier will have 3 to 5 minutes to testify, depending on the number of testifiers per bill. When you begin, the light will be green. When the light turns yellow, that means you have one minute left. When the light turns red, it is time to end your testimony, and we'll ask you to wrap up your final thoughts. When you come up to testify, please begin by stating your name clearly into the microphone, and then please spell both your

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first and last name. The hearing on each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. On a side note, the reading of testimony that is not your own is not allowed unless previously approved, and we do have a strict no-prop policy in this committee. So with that, we'll begin today's hearing with LB366, and welcome Senator Riepe. Welcome.

RIEPE: Thank you. Thank you, Chairman Hansen, and members of the Executive Board. My name is Merv Riepe, it's spelled M-e-r-v; the last name is Riepe, and it's R-i-e-p-e. I represent District 12, which is Omaha and the fine little town of Ralston. I'm here to introduce LB366, a bill designed to enhance the Legislature's ability to conduct independent and reliable economic analysis of regulations and government actions that significantly impact Nebraska's economy. This is effectively known as the REINS Act or-- and I quote-- Regulations for the Executive In Need of Scrutiny Act. Rather interesting. LB366 establishes the Legislative Economic Analysis Unit within the Legislature, a chief economic-- economist appointed by the Executive Board. The primary purpose of this unit is to provide independent assessments of regulatory actions, ensuring legislative oversight remains strong, and that we fully understand the economic implications of the rules and regulations proposed by state agencies. Under this legislation, any rule or regulation expected to have an economic impact of \$1 million or more over a five-year period, or significantly affects competition, employment, investment, productivity or innovation will be classified as a major rule or regulation. Once classification as such, it will undergo a regulatory impact analysis conducted by the Legislative Economic Analysis Unit. This analysis will assess costs, benefits, compliance burdens and economic effects, allowing both policymakers and the public to make informed decisions based on data rather than assumptions. LB366 ensures the Legislature has a meaningful opportunity to review major rules before they take effect. A major rule cannot be submitted to the Secretary of State for publication until either: one, the Legislature enacts a law ratifying it, or 60 legislative days have passed without a final vote. This process ensures significant regulatory actions are not implemented without thorough legislative oversight and consideration. Additionally, should an emergency necessitate immediate action, the governor retains the authority to expedite the process-- the implementation of a major rule, but only with a public explanation justifying the urgency and why legislative review is not feasible at

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this time. This legislation also promotes transparency by requiring agencies to submit detailed reports on major regulations, including cost-benefit analysis, job impact projections, and alternative policy options. These reports will be made publicly available, further ensuring Nebraskans understand the reasoning and potential consequences of new regulations. The necessity of LB366 stems from our responsibility as legislators to safeguard Nebraska's economic environment. Regulatory decisions have the power to shape entire industries, influence job markets, and determine the competitiveness of our state. The current system of financial impact estimates produced by the agencies themselves do not inspire confidence in the process. While agencies play a critical role in implementing policies, it has been-- it has-- it's-- it has an opportunity for the Legislature to represent a check on the ability of the agencies to regulate our economy beyond what the Legislature may have intended. By creating the Legislative Economic Analysis Unit, we are equipping ourselves with the tools needed to uphold that responsibility. Similar legislation has been implemented in Florida, Wisconsin, and most recently in Kansas. As for the fiscal note, it is due to a drafting error in Section 2 of the legislation. We intend for the departments to fund through a small remission the legislative economic analysis-- for the Legislative Economic Analysis Unit. However, it turns out that 1% of our sizable state budget is many, many times larger than the anticipated actual cost of implementation. In reality, the amount of-- should have been more along the lines of not 1%, but 1% of 1%. We also remain skeptical that the departments and agencies themselves would need, as always, additional full-time employees. As such, we expect to amend Section 2 to address the financial realities and tap down the fiscal note. However, the estimated-- estimate produced by the Executive Board itself is an adequate reflection of what we anticipate implement cut-- implement-- implementation cost. I urge the Executive Board to support for LB366, and welcome questions. Subject experts will be testifying. Thank you, Mr. Chairman, and committee members.

HANSEN: Thank you, Senator Riepe. Are there any questions from the committee? Yes, Senator Fredrickson.

FREDRICKSON: Thank you, Chair Hansen. Thank you, Senator Riepe, for being here and for bringing this bill. I have a-- just a couple of logistical questions for you. First, being that the Legislative Economic Analysis Unit, with an elected-- the chief economist that's appointed by the Speaker. Would that have to be approved by the Legislature, or confirmed by the Legislature as well? Or just appointed by the Speaker?

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RIEPE: I think the Speaker was-- talked to that. We had a conference on the floor, and the intent would be not that the Speaker would make that appointment, but that this board, the Executive Board--

FREDRICKSON: Executive Board.

RIEPE: --in its entirety would make that. And I think that's important, given our process in Nebraska-- it's, it's a little different than Illinois or some of the other brute speakers that they have.

FREDRICKSON: Sure. My-- a couple, couple other follow-up questions for you. The other is-- it mentions that before a major rule could take effect, it would have to be ratified by the Legislature or within 6-- 60 legislative days. What might happen if a significant rule or regulation is proposed, for example, during the interim, when we're not in session? Do you-- have you-- would that require a special session for the Legislature? Or-- what would that look like exactly?

RIEPE: I th-- I don't know that we've addressed that specifically, but I would assume the governor would be in a position that he would be able to call a special session.

FREDRICKSON: OK. OK. And my final question for you is, can you shed some light on-- so you, you mentioned \$1 million fiscal impact over a five-year period. Help me understand why, why that figure-- what brought you to that figure, specifically?

RIEPE: That's a very good question. This-- Michigan's is \$10 million, so-- a little variance there.

FREDRICKSON: Sure.

RIEPE: And the \$1 million, we struggled a little bit about what number to put in there, and I think that that would certainly one that would be negotiable if that seems too tight, too restrictive. We-- our intent here is to not slow down, only to gain a process that we make sure that we get what we really want and need and can afford, as a state.

FREDRICKSON: Thank you, Senator Riepe.

HANSEN: Speaker Arch.

ARCH: Thank you, Chairman Hansen. I, I do have a couple of questions, and, and just kind of following along with, with Senator Fredrickson's

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thoughts here. Under this legislation, any rule or regulation expected to have an economic impact or significantly affects competition-- it sounds like there is a decision-maker somewhere, before the economist would ever see it, to decide the full economic impact. It sounds like somebody is ca-- is actually categorizing these into a major rule or regulation. Who, who does that?

RIEPE: My sense would be-- and it may be one deity-- detail that we have to resolve, but it seems to me like if the economist is accountable to this Executive Board, we would need to have projects that would come and say, we want the economist to look into this-- I mean, to explore this. So, I think it comes back to the-- and you're right, you have to have someone that's a-- at the final authority, and I think that that's this board.

ARCH: Yeah, before-- I mean, before even, even getting to the point of the economic analysis, somebody's going to set some of these aside and say that, that needs to be analyzed. So, clarifying that would be helpful for us.

RIEPE: OK.

ARCH: The other, the other question that I had was it says a major rule cannot be "submitted to the Secretary of State for publication," and I'm assuming that means final. That means--

RIEPE: Correct.

ARCH: --final, not proposed.

RIEPE: That's right.

ARCH: So, a hearing could take place on a proposed rule or reg, but until-- if it falls into this, then, then that. And my-- and, and my, my mind went as well to interim is so that-- you know, because your statement, we don't intend to stop the process on these things, but, you know, how to handle the interim. Special session is an expensive event, and, and if we're called back into a special session for a rule that perhaps has a \$2 million threshold, it's-- and that tripped the \$1 million threshold, to be called back in for a special session, that's a-- that's another consideration.

RIEPE: I think the \$1 million dollar versus Michigan's \$10 million is something that needs to be discussed and, and agreed to by this board that-- we don't want to come in on special sessions every other week. We don't want to abuse that process, either.

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ARCH: Right. So, there's always--

RIEPE: The number-- and I, I haven't-- and some of the other people coming behind me--

ARCH: Sure.

RIEPE: --might have some opinions or clarifications on that. My own thought is a \$5 million proposal would be acceptable.

ARCH: Yeah. Thank you. Just a follow-up statement here. I, I, I think your, your, your comment about we don't want to be coming in to special session every other week, so-- but these things roll. Rules and regs keep, keep coming out. And so, we could find ourselves in that situation. And then, of course, advance notice is given, and people's schedules are interrupted, and all of that. So, I think further discussion on the, on the interim and what happens with special sessions would be in order.

RIEPE: OK. I think that's fair. I don't think we have that fully addressed, as you pointed out. So, thank you.

HANSEN: Seeing no other questions. See you at closing, I'm assuming.

RIEPE: Thank you, sir.

HANSEN: All right.

RIEPE: Thank you.

HANSEN: We'll take our first testifier in support of LB366.

LAURA EBKE: Chair Hansen and members of the Executive Board, my name's Laura Ebke, that's L-a-u-r-a E-b-k-e. I'm the senior fellow at the Platte Institute, and I'm here in support of LB366. And I thank Senator Riepe for introducing this bill. I will note that I was also asked to call your attention to some written testimony that was separ-- that, that was submitted, I think, from the state chamber and from an ag leaders group. The moniker for this bill is the REINS Act. Senator Riepe told you what that means, it's Regulations from the Executive In Need of Scrutiny. It's not an anti-executive bill, but rather a pro-legislative oversight bill. Remember that, because I'm going to return to that in just a few minutes. The REINS Act would give the Legislature another chance to review laws that impose excessive economic costs due to rate-- related regulations. Now, we all know that when laws are enacted, a fiscal note is created to

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inform us about the financial burden on governing bodies, right? Or, more precisely, taxpayers, through their tax dollars. However, the Legislature seldom receives a thorough analysis of the broader economic impact of legislation once it's passed and sent to agencies for rulemaking. How significantly will compliance costs club-- compliance cost those who are being regulated? How will those expenses be transferred to consumers? What impact will this have on both larger and smaller businesses in the state? These are questions that we think ought to be addressed at least, and that's what LB366 seeks to fix. By creating a Legislative Economic Analysis Unit, the Legislature would create an office that could look at rules and regulations as they're promulgated, and tag those that will have a significant economic impact: \$1 million, over five years. And that \$1 million was chosen, I will note, because Kansas just passed theirs last year, and that was \$1 million. So, we said, "Hey, Kansas do it, we can do it." Those regulations would then be put on hold until the Legislature could re-look at the law they passed, and the rules that went along with it, and decide that the regulations still need it; or, that it's not, effectively creating the opportunity for a legislative re-do. The point is that in this system of separation of powers like ours, the legislative branch is the policymaking branch of government that's accountable to the citizens. Legislatures all delegate powers to the executive, and legislators should ensure that their delegated powers are what they intended. LB366 would aid in that. So finally, returning to this being a pre-- pre-- pro-legislative oversight bill, let me just suggest-- and I'll probably recommend this again next week when I'm here-- Speaker Arch's bill, LB298, is another legislative oversight bill. If this committee decides that strengthen-- strengthening the Legislature's oversight regime is a worthy goal, I suspect that elements of it LB298 and LB366 could be combined to reduce the fiscal notes and achieve the same purpose in a committee bill. So, if you have any questions, I'd be happy to--

HANSEN: Thank you. Are there any questions? Senator Fredrickson?

FREDRICKSON: Thank you, Chair Hansen. Thank you for being here, Ms. Ebke.

LAURA EBKE: Sure.

FREDRICKSON: Question. Can-- are you able to shed any light on, on states who have done this?

LAURA EBKE: Yeah.

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FREDRICKSON: Has it-- has it been [INAUDIBLE] successful? Any, any delays in implementations?

LAURA EBKE: Well, you know, the other, other states are, are different than us because of the nature-- so, Wisconsin has a pretty much full-time legislature, I think. So, that-- so, so the question Senator-- Speaker Arch had about special sessions, I think, is one that we need to address. And, and so, no, we don't want the Legislature coming in to special session for every-- for, for every rule and regulation that, that meets that threshold. So, we probably need to address the language in there. Wisconsin has found-- and they just released a report. I'll be happy to send it to you a little later. They just "reseed"-- released a report on Monday which suggests that while it hasn't reduced legis-- it hasn't reduced regulation numbers, but it has reduced the number of high-dollar regulations. So-- because, because everybody's thinking about it more. And it-- and sometimes you find that, you know, that, that you, you know, that, that you, that you pay attention to the things that you're counting. And so, I think that, that, that just noticing-- notice-- noticing that that's there is an important thing. Florida-- there's multiple-- and some of the, the folks from our national partners may have some more insight into that. Florida has had one for a number of years. So, you know, I think that-- I think that there's a lot of room for us to have increased oversight, whether we call it REINS, or whether we call it something else. I think the, the, the elements of this bill are solid.

FREDRICKSON: Thank you.

HANSEN: Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Ms. Ebke. Regarding the, the baseline appropriation, I do understand that needs to be corrected from--

LAURA EBKE: Yes.

CLEMENTS: --1% to 0.01%.

LAURA EBKE: Right.

CLEMENTS: But I also don't think in, in the Appropriations Committee that we allocated a specific percent through a baseline budget, and especially not for every agency that we have.

LAURA EBKE: Sure.

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CLEMENTS: We have 75 agencies, and some would hardly be involved. So, I would suggest a baseline number to the division or to the department that's going to house this employee as a dollar amount. A percentage isn't appropriate to--

LAURA EBKE: Sure.

CLEMENTS: --the way we budget. Just a comment for-- if you'd be open to a, a change of that nature.

LAURA EBKE: I think, I think that-- I'll speak for Senator Riepe, but I think that-- I think that we would be more than open to looking at how we actually fund that, and what it looks like. Yeah.

CLEMENTS: Thank you. Thank you, Mr. Chairman.

HANSEN: Have any of the other states had any constitutionality issues with this?

LAURA EBKE: Not that I'm aware of.

HANSEN: Separation of powers? Things are not an issue?

LAURA EBKE: No.

HANSEN: OK. Just kind of curious.

LAURA EBKE: Not that I'm aware of. Because when it, when it comes right down to it, the Legislature delegates the power to begin with; delegates the power to the, to the executive branch. And so, so there shouldn't be a constitutional issue from a separation of powers standpoint. You know, they're just reclaiming their delegated powers.

HANSEN: Seeing no other questions. Thank you.

LAURA EBKE: Thank you.

HANSEN: Take our next testifier in support of LB366. Welcome.

KILEEN LINDGREN: Good afternoon. My name is Kileen Lindgren, that's spelled K-i-l-e-e-n L-i-n-d-g-r-e-n, and I'm legal policy manager at Pacific Legal Foundation. PLF is a nonprofit public interest law firm that has brought over 2,400 cases pro bono on behalf of Americans whose constitutional rights have been violated. Of these, 18 are U.S. Supreme Court wins, and these include several related to the issue that brings us here today, separation of-- proper separation of powers. I want to touch on a couple of things. Before I get into that,

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just to respond to a few, few things that have come up. First of all, I think Senator, Senator Clements, your suggestion about how to adjust the, the, the fiscal impact-- the fiscal note in Nebraska is really good. We've worked on this issue in multiple states, and every state is a little different. And so, I think that, you know, that's a perfectly appropriate, appropriate way to think about budgeting. So, just throwing that, throwing that out there. And then, following up a little bit on what was Ms. Ebke said, Kansas did do this reform last year, and has the exact same threshold that Senator Fredrickson brought up. And Florida not only has the same threshold that has been doing this since 2010, and they haven't had any issues, separation of powers or otherwise. So, I just wanted to flag that. And then, following up on Senator Arch's question about, you know, a special session and how, how would things work, you know, in the interim-- I think one of the important things-- while that's obviously something that, you know, unique-- every state is unique in its needs, one of the important things, I think, to think about there is there is an emergency clause here. And I think one of the important things about thinking about legislative oversight and rule-making and things that have the effect of law is that if the Legislature is only meeting for a certain period of time per year, and they're making the law, rules that have the effect of law-- I don't think it's inappropriate to think of those in a similar fashion. And so, if there's an emergency, this gives the governor the power to do something in the interim, but I think it would have to be something, you know, really urgent to bring this-- to-- that-- where you'd really need to bring the Legislature back into special session. So, I'd just like to, to encourage you to think about that, that, you know, these rules have the effect of law, and if lawmakers are in session only for a certain period, I think it's also reasonable to expect agencies to work within that framework. So, just a couple quick points I want to make. So, Articles I, II and III of the United States Constitution, which was ratified in 1787, reflect the framers' understanding that three equal but separate branches of government were necessary to ensure proper checks and balances that protect liberty. So, in their wisdom, the drafters of Nebraska's Constitution did the same thing in 1875, with Article II. So-- and, and, and I think I, I feel safe in saying that I think neither our nation's founders nor Nebraska's could have imagined the, the responsibility that all branches and levels of government have given to administrative agencies. So, some people even refer to this as "the administrative state" or the "fourth branch of government." And I think when we get into the separation of powers issue, we have to really think critically about why that was put into place. And agencies, however necessary, are always tools to carry out

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legislative intent, so they're not lawmakers, and they're not equal to any branch. So, a vote for this bill is a vote to ensure that agencies are performing their proper role as support to actions taken by the people's representatives in the Legislature and in the executive. And they're working on the people's behalf, and actions with a significant fiscal impact on residents' and businesses' needs should be thoroughly vetted and approved by those representatives. And so, I-- this type of legislative oversight is crucial to the proper function of a limited government that's by-- of, by, and for the people.

HANSEN: Miss Lindgren? You've got your red light on, so--

KILEEN LINDGREN: Oh.

HANSEN: --if you could wrap up your thoughts here.

KILEEN LINDGREN: Yes. So just wanted to-- I, I think all of my other notes were already addressed by Ms. Ebke, but I will point out that in 2007, the Nebraska Supreme Court also affirmed that the Legislature shouldn't delegate its lawmaking authority, and it emphasized the issue that's brought us here today. So, please support LB366.

HANSEN: Thank you. Are there any questions from the committee? Speaker Arch.

ARCH: I just-- I, I, I, I have a problem with some of your testimony.

KILEEN LINDGREN: OK.

ARCH: And that has-- and that has-- I don't think that there's any question about oversight of rules and regulations should be a function of the Legislature. I mean, we don't just let it go. But if we have passed a law, and we empower the agency, the administrative branch [SIC] to enact rules and regulations to implement that law, to come back, then, and vote on those rules and regulations is what, is what you're advocating?

KILEEN LINDGREN: Well, the Legislature has enacted a law that the-- that an agency is carrying out. What I-- what we would advocate for, and what I think this bill does, is that any rules that are, you know, part of the required carrying out of that action by the agency, those also have the effect of law, so they should be reviewed by the Legislature, which has set this system in place.

ARCH: A, a process to review rules and regulations.

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KILEEN LINDGREN: Mmhmm.

ARCH: Thank you.

HANSEN: All right. Seeing no other questions. Thank you for coming.

KILEEN LINDGREN: Thank you.

HANSEN: Take our next testifier in support of LB366. Welcome.

JONATHAN WOLFSON: Morning. Or, afternoon. Good afternoon, Chairman Hansen, members of the Executive Board. My name is Jonathan Wolfson, J-o-n-a-t-h-a-n W-o-l-f-s-o-n. I'm the chief legal officer and policy director at the Cicero Action organization. We're a nonprofit that works in states across the country to advocate for reforms to government that advance accountability, transparency and good government. And I'm proud to be here today in support of this legislation. I think that a lot of the questions that have come up are reasonable things to try to think through, about whether or not the specifics of the language on the bill-- I think, Speaker Arch, your question is, is accurate; there are certain things that you, the Legislature, have explicitly delegated authority to the agency. You have oversight. There are ways you can deal with those things that a bill like this may not be necessary for. I think the place that a bill like this is most valuable are those times where you pass a piece of legislation and you think you're clear, but the regulated community comes to the agency and says, "Hey, we're not clear what the Legislature meant when they said this." And so then, they write a regulation. And you didn't tell the legisla-- executive branch to write a regulation; they've decided to do it based on that feedback that they get from the regulated community. And in those circumstances, having an opportunity for those things to have oversight from you, the Legislature, to assure that the Legislature and the executive branch are rowing in the same direction, is really critical. And so, I think that those are the times that you want to make sure that there's some way for you, the Legislature-- whether that is the REINS Act in particular, whether it is a separate committee of the Legislature that's going to review it-- different states take different approaches to that, but I think that the principle of if you have passed a law, but you have not explicitly said, State Department of Education, we want you to do X, and then they are doing that at your discret-- at your direction-- in those circumstances, giving you the ability to come back and review what they're doing before those burdens are imposed on the people of Nebraska, makes a lot of sense. I think one really important piece of

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this legislation, which I find really important and something that Nebraska really does need, is this Legislative Economic Analysis Unit. I think that what's interesting is in your-- in the status quo, most states in the country look at a regulation and they not only evaluate the costs on the state, but they look at the costs on the people of the state. Nebraska doesn't do that. That's not required. They-- it's done under executive orders, but it's not something that's required. So, I think having an office here in the Legislature with an economist who can help you evaluate what are the costs that you're imposing on the citizenry as a result of a regulation that's being imposed is really important and valuable, because doing that cost-benefit analysis, making sure that the benefits of a regulation do outweigh its costs, is really going to be critical to the work you're doing. And last, I'll just mention-- Mr. Chairman, you asked a question about separation of powers. Kentucky did overturn a REINS Act on separation of powers grounds, now their constitution has some very specific things, in part because to override a veto only takes 50% of the Legislature, and so it was under some very specific Kentucky constitutional provisions. So, it wasn't really a separation of powers, but they did have a Supreme Court argument that overturned it. So, I'm happy to answer any questions folks have about this bill, and about the concept of a REINS Act, and of legislative oversight in general. Thank you.

HANSEN: Thank you. Only 50%?

JONATHAN WOLFSON: Yeah.

HANSEN: Geez, I thought ours was bad. All right. Senator Jacobson.

JACOBSON: Thank you, Chairman Hansen. Well, I guess I'm kind of going back to Speaker Arch's earlier question, and I'm, I'm really struggling with how this could actually be implemented. It seems to me that the Legislature is going to pass laws that are going to go to the agencies to be carried out. The agencies know what their capabilities are, they know the other nuances of what's happening within their agency, they're going to release a regulation or rule, and that's going to be implemented. And, if we don't like that rule in the Legislature, we can come back the next year and pass a bill to specifically change it. So, I-- it just seems to me that this is overreach on the part of the Legislature, on the executive branch and the agencies, to try to carry out their job. I, I don't know that I want to be promulgating rules in the Legislature. That's not seemingly our role. It seems that we're, we're to pass laws, and they're supposed to go ahead and promulgate the rules and implement those

rules. And then, like I say, if we don't like them, then it seems to me we change it. What's wrong with that approach?

JONATHAN WOLFSON: So, I think that that is a reasonable approach. You could say in our state we're going to wait and see what the regulations are. But the reality is-- and I don't have an example in front of me, but I'm sure all of you could think of times where you have passed a piece of legislation, assuming you're going in one direction, and then the regulat-- the regulating body has taken it in a very different direction. And to take one of the bills that you are allowed to file in a session and use that to try to correct that may be something that members of the Legislature would prefer they not have to do, and they might prefer to have a way that there's going to be this oversight function that's not just, "Hey, agency, we think you did wrong, but we're going to look at the specific regulation that you've promulgated." I think that there is a philosophical question here. That is, what is the role of the agency, and ought the agency be making policy, or ought the agency be looking for its way to enforce the policy that you, the Legislature, have already made?

JACOBSON: But--

JONATHAN WOLFSON: And if--

JACOBSON: So, so I guess the follow-up question would be-- so, what you're proposing, would the Legislature not have to still meet and deal with that rule that we're having problems with?

JONATHAN WOLFSON: No, it absolutely would. I think under the, the bill that is proposed here by your colleague, the Legislature would have to meet and approve it, but it would be approved before it went into effect, so rather than--

JACOBSON: I understand that. But what's the timing of the approval?

JONATHAN WOLFSON: Well, so as, as it's written in the current bill, it has to be approved within 60 days of them proposing to make it a final.

JACOBSON: Which, which we've figured out already is not, not effective without calling a special session. So, if it has to come in to even a regular session, doesn't that still take a bill or the same effect of a bill to deal with that? And then the Legislature now is promulgating a rule for the agency? Or do we just say, "No, we don't like it, stop it, go come up with something different" and then we go through this dance until we come up with what's acceptable?

JONATHAN WOLFSON: Great question, Senator. So, I think the way that the bill is-- as currently drafted envisions it, the individual-- would not-- it would not be a bill that would come up; that would be effectively an up or down vote on whether or not the regulation as drafted is going to go into effect. And so, it would not be the same as a bill; it wouldn't probably go through committees, it would probably just go straight to the floor, and you would have a floor vote that-- most of the states that have put these on the books have done it that way, where it goes directly to the floor, they have a period of time to do it. In West Virginia, for example, the way they have done it, it looks a little different. Their legislature has to actually approve every regulation, whether it's small, large, indifferent, they have a portion of their legislative session that they take every year, and they look at the regulations that are promulgated, and the legislature decides, are we going to put these on the books or not put them on the books? In Idaho, they have a regulatory sunset every single year, and every single regulation comes up to the legislature. They decide whether or not to keep the regulations on the books. So there's other states that are doing this. I-- I'm with you. There are some logistical challenges, and I will be the first to tell you, while I've testified before the U.S. Congress and told them, "I think the U.S. Congress ought to do this," I think states that have a part-time legislature need to be thoughtful about how you want to do this. I think that having ways for you, the Legislature, to make sure that your will is what is being executed by the executive branch makes a ton of sense. Deciding exactly what that looks like and what the nuances are, I think that's something that you, the Legislature of Nebraska, need to thinking about "How does it work best here?" Whether that means you're going to put them on in a temporary basis, and then spend the first week of your legislative session evaluating these large ones; whether-- as Senator Fredrickson talked about, whether that threshold needs to be higher. Maybe you say, hey, we're going to not look at a \$200,000 regulation, we're going to look at regulations that are \$1 million or \$2 million of cost on the citizenry of the state before we are going to make those the things that we're going to look at. I think all of those things are areas that I would-- I'll tell you, I personally, and I believe the, the sponsor are very happy to have conversations about it. I don't think that the bill as written in front of you is a "this is a take-it-or-leave-it" kind of a set of "negotiatings." But I appreciate your question. I think that you're-- those are the right concerns that people need to talk through on.

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JACOBSON: And my last thing is if-- it seems to me that, with the Unicameral, we do involve the public, and they become our second house. So, that's why we have hearings. So, it would seem out of character for the Legislature to just throw it to the floor, "What do you think?" without any hearings and really thinking through it and getting public input. So, depending on how many are there, it's a whole bunch of new bills that we're going to look at.

JONATHAN WOLFSON: Yeah, I think what I will say to that is that you do have-- and there's a bill in a different committee later today to clarify the process-- there are ways for the public to comment on a regulation as it's being developed in the process. And there's a bill that's, again, in the governance [SIC] committee later this afternoon that's going to talk about trying to strengthen that process. So, there are ways for the public to potentially be involved earlier in the process, before that regulation is promulgated.

JACOBSON: So they would mail in-- or they would write in emails that most would not read, and then we would, we would vote on.

JONATHAN WOLFSON: So the-- with all due respect, the, the agency would be required, legally, to read those and to respond to those comments before they could finalize a regulation.

JACOBSON: OK. Thank you.

HANSEN: Seeing no other questions. Thank you for coming.

JONATHAN WOLFSON: Thank you.

HANSEN: [INAUDIBLE] next testify in support of LB366. Anybody else wishing to testi-- yep.

JOHN GAGE: How you doing?

HANSEN: I'm doing great.

JOHN GAGE: Good. My name is John Gage, that's J-o-h-n G-a-g-e, and I'm the state director for Americans for Prosperity. I'm here on behalf of the thousands of activists across the state to testify in support of LB366. AFP supports this legislation because we believe it can be a key piece in reining in the growth of bureaucracy in our state. This bill ensures that if any new state regulation incurs a major fiscal cost, it must receive legislative approval before taking effect. A recent report from the Mercatus Center found that Nebraska has more than 76,000 regulations on the books. We have more regulations on

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things like health service and K-12 education than the national average. By passing the REINS Act, Nebraska will be keeping in step with neighboring states and the movement nationwide to cut regulations and better governance. Across the country, 22 states have introduced the REINS Act bill just this year. Many of those states are in our region, including Minnesota, Missouri, Ohio, Oklahoma, and Wyoming, among others. Of the states that already have the REINS Act, we're already seeing results. In Florida, where the REINS Act was passed in 2010, the state has seen explosive growth, and is known across the country as a business-friendly environment due to the joint efforts of the legislature to curb bureaucracy using REINS and reform-minded governors. Six months ago, Kansas passed a REINS bill similar to the one in front of this committee, and this law is already being used to pause and review major regulations proposed by the executive branch. For example, the Kansas Department of Wildlife and Parks tried banning out-of-state hunting on public lands. The regulation, instead of taking immediate effect, will now go to the legislature, which will get the opportunity of debating the merits of the proposal and whether it's worth curbing out-of-state tourism and losing the dollars that hunting season brings for the state. I'd also like to point out something I think not many of the other testifiers have brought up so far. As one of the major points of the REINS Act is for major unforeseen regulations that-- not necessarily the law was passed a year or two years ago, but it could be, you know, part of the executive branch using older laws to pass major regulations that Legislature were not expecting. A great example of this would be COVID lockdowns. If you had a REINS Act in place, you would be required to have legislative approval of that for them to go into effect, and basically no state had that. Wisconsin had it, and it allowed the legislature to go after the executive branch for trying to impose lockdowns that were causing a massive burden on the economy. So, I just wanted to mention that. And so, I urge the committee today to support LB366. Thank you.

HANSEN: Thank you. Are there any questions from the committee? Seeing none. Thank you.

JOHN GAGE: Thank you.

HANSEN: Anybody else wishing to testify in support? All right. Seeing none. Is there anybody who wish to testify in opposition to LB366? Anyone in opposition? OK, is there anybody wishing to testify in a neutral capacity to LB366? Welcome.

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KENNY ZOELLER: Good afternoon-- hey, sir. Good afternoon, Chairman Hansen and members of the Executive committee. My name is Kenny Zoeller, that is spelled K-e-n-n-y Z-o-e-l-l-e-r, and I serve as the director of the Governor's Policy Research Office. I'm here today to testify in a neutral capacity on LB366, and I'd like to thank Senator Riepe for introducing this bill and opening the discussion of regulatory reform in Nebraska. Governor Pillen, along with the previous administration, has made cutting red tape and regulations a top priority. In large part thanks to EO 17-04, issued by then-Governor Ricketts and continued by Governor Pillen, Nebraska is now the tenth least-regulated state in the country. From 2017, Nebraska has slashed regulations from over 100,627 restrictions to 76,201 restrictions in roughly 20,000 pages of regulations. While this is a good-- while this is great progress, we can always do more. Earlier today, I emailed a report that contains information regarding code agencies and their regulations, and I have passed out a summary sheet that I'll be referencing. I hope this information can help drive the discussion towards a primary goal of Governor Pillen's, which is cutting unnecessary regulations on Nebraskans. Before diving into the details. It's important to remember that executive branch agencies cannot promulgate rules and regulations without express authority given to it by the legislative branch. Moving on to the item that I passed out, this is a summary of analysis of code agency regulations. On the left-hand side is a listing of the agencies, and in the far right column is the total number of regulations on the books from code agencies. As you can see, there are roughly 2,042 regulations from code agencies. However, 70% of these regulations are required to be on the books due to state or federal law. While we cannot directly control the actions of the federal government to affect the 246 regulations that are required by them, we can collectively control the 1,202 regulations required by state law, and the 594 regulations that have been regulated due to permissive authority. Governor Pillen is committed to taking the next step in deregulating Nebraska. He wants to be the best in the country, and he wants to specifically ensure that we continue to beat Iowa and Oklahoma in our regulation rankings. That is why the governor's recommendation-- that is why that-- it is the governor's recommendation that we collectively work together, focus on identifying statutes that force unnecessary regulations, and work to repeal or make those requirements to promulgate rules and regulations permissive. In closing, we are excited to partner with the Legislature in this endeavor, and I'd be happy to try to answer any questions you might have at this time.

HANSEN: Thank you. Senator Frederickson.

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FREDRICKSON: Thank you, Chair Hansen. Thank you, Kenny, for being here today, for your testimony.

KENNY ZOELLER: Yeah. Of course.

FREDRICKSON: So, I know, I know you're here in the, in the neutral capacity. I'm, I'm curious-- I, I was thinking about some of Senator Jacobs-- Jacobson's questions earlier, and I think that was some compelling questions regarding, you know-- we pass a bill, we, we sort of trust the agencies to kind of promulgate this in their, in their specific way, and then not wanting us to have to vote on that. My understanding of this bill is that we would not be coming back to vote on every single rule or regulation. These are specifically ones that would have a significant fiscal impact on the taxpayers, right?

KENNY ZOELLER: Correct.

FREDRICKSON: So, something that might be promulgated that would maybe increase fees, taxes, whatever reason that, that would be on, on the-- do you have any thoughts specifically on that, and whether or not there should be a bit more checks and balances per se, give it-- given that this can be passed on to Nebraskans in the form of, of a tax increase, for example?

KENNY ZOELLER: Yeah. So, it's a great question. I'll have, have two answers to it. First and foremost, it's always our hope that we don't actually have to promulgate rules and regulations. So, in an ideal world, Nebraska wouldn't have any regulations, the statutes would be clear, and the agencies would then enforce the statutes that you all pass. In the instance where we do have to promulgate rules and regulations-- and something that I do want to point out that's in the existing law-- we are a little bit worried of the potential ill intent of an ill-defined economic impact. So, an example of a-- a reason why we are worried is because an economic impact doesn't necessarily have to be negative to Nebraskans, at least the way we're interpreting it, but if we provide a positive economic impact, that would then have to go through the process, through the Legislature. And an, and an example of this, we have a rule and reg that's currently at the governor's desk that he's ready to approve; it's Title 179 NAC 13 from Department of Environment and Energy. This bill would deregulate and-- deregulate water-- municipalities in terms of their standards for, for different water systems. So currently, we have a higher regulation than the federal government. We're working to deregulate and make sure we provide savings of \$10 to \$20 million to the taxpayers in communities such as Fremont and Norfolk. So, long story short, our

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hope is that we can collectively work together with the legislative branch, and if it's the intent of the Legislature to make sure that we're not passing onerous regulations, then I think some tweaks within this law would be needed to make sure that we're specifically targeting what I would characterize as negative economic impact, and then also make sure that we are specifically focusing on instances that agencies are overregulating with permissive authority and not necessarily regulating with-- that's required by other state law or the federal government.

FREDRICKSON: Thank you.

KENNY ZOELLER: Sorry, that was a long-winded answer.

FREDRICKSON: No, that was, that was, that was helpful. Thank you.

KENNY ZOELLER: Yeah.

HANSEN: Any other questions? Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Mr. Zoeller. I see the bill talks about having a chief economist and an economic analysis unit. What kind of a person or analysis person did you-- was-- has been done in reviewing the regulations you speak of?

KENNY ZOELLER: Yes. So, great question. With the item that I emailed out and passed out, that was done by my office, specifically by Bre Wirth, who put a lot of time and effort into this. But in terms of the existing APA process, each individual department is the ownership of that. And then after me, Jaime Hegr from the Department Health and Human Services, who's frankly the state's foremost experts in the APA process, will be able to testify and provide specifics. But the agency themselves currently provide an economic impact to us, and then also follow EO 17-04, additional requirements that the governor puts on agencies to make sure that we are not using overly prescrip-- or, excuse me, overly regulatory words such as "shall," "must," to make sure that we're limiting the economic impact that we're going to have on Nebraskans, so. Does that answer your question?

CLEMENTS: I mean, I was wondering if you have to have a Ph.D. in economics to do these reviews, or just-- maybe just other agency people would be able to do that.

KENNY ZOELLER: It's-- I-- you know, I don't necessarily want to cross over the line of the separation of powers, since this person would be an employee of the Legislature. However, what I will say is when

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you're doing analysis on rules and regulations, it is very time-consuming, and frankly, very difficult because not every department is necessarily uniform in how they present those items. And furthermore, it's, it's hard to have apples-and-apples comparisons to other states. That's not to say that it's not impossible, but it is very, very time-consuming, so.

CLEMENTS: Thank you.

KENNY ZOELLER: Yep.

HANSEN: Senator Bostar.

BOSTAR: Thank you, Chair Hansen. Thank you, Mr. Zoeller, for being here. You know, we're lawmakers. We are currently not rule-makers. You-- I mean, this, this legislation would make us that, and currently, the executive branch is the ones that have that experience of making rules. What-- I guess I'm interested-- is-- as, you know, representing the executive branch and all of that effort, what would it take for the Legislature to get, frankly, up to speed on rule-making? Because that's, that's what we would have to do in order to effectively evaluate and make decisions on rules that are presented. Just in your opinion. I mean, I understand, but--

KENNY ZOELLER: Yeah. You know, it's my opinion that the members of the Legislature, especially the ones in this room, are very, very capable.

BOSTAR: Well, thanks.

KENNY ZOELLER: So, you guys are-- would be able to get up to speed, frankly, quickly. But the APA process itself that's outlined in statute can be rigorous. So, when I worked in the department, you know, I would say it took me about a year just to get comfortable, and I wouldn't even say I was an expert at that time, and I'm definitely not an expert now, even though I am, through the governor's office, inserted into the APA process. Because there's a number of different items that you have to make sure that we're following that is specifically in law, passed by the Legislature, to ensure that we're providing public input and we're not necessarily overregulating Nebraskans, or taking statutes that are passed that's-- and then abusing the intent of those statutes. So, my understanding of this intent of this bill, since it would be focused on larger-scale economic impacts, it's not necessarily being experts in the rules and regulations process, but rather, it would be experts in Medicaid, or experts in different types of programs to basically ensure is, is this

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the least restrictive way that we can be doing this? So, I think you guys would have that expertise. My only caution is, because we are unique within-- with a Unicameral, the only state that has one-- I would want to make sure that at-- as a citizen, speaking now, I would want to make sure that we are not necessarily clogging up floor time and bill time where you would have to be focused on individual regulations rather than focused on passing additional bills that would help us deregulate.

BOSTAR: Thank you.

KENNY ZOELLER: Yeah.

HANSEN: Seeing no other questions. Thank you for being here. Anybody else wish to testify in a neutral capacity? Welcome.

JAIME HEGR: Good afternoon, Chairman Hansen, and members of the Executive Board. My name is Jaime Hegr, J-a-i-m-e H-e-g-r, and I am the agency compliance and privacy officer for the Department of Health and Human Services, and I am here to testify in the neutral capacity on LB366. LB366 requires legislative ratification of regulations drafted by the agency. The bill is unclear on how this new process will interact with the current process outlined in the Administrative Procedures Act, also known as the APA. The bill requires new regulation to be classified as either a major or non-major regulation, and the Legislature must then ratify any new or amended major regulation before the regulation can be filed with the Secretary of State. The current draft of the bill is unclear where the reg-- excuse me-- where the ratification process falls within the current regulatory promulgation process. In addition, the bill does not address the APA requirement for the governor's approval of regulations. It is unclear under the bill when a regulation officially becomes law. Under the bill as drafted, a major rule may be forwarded to the Secretary of State after the expiration of 60 legislative days without a final legislative vote on the regulation. However, the bill does not address a course of action should the Legislature disapprove of the regulation. The requirements of the bill to obtain legislative ratification will delay the effective date of the regulation, and could lead to noncompliance. The current APA regulatory process can be lengthy, and waiting for legislative approval may have detrimental effects on our programs. In addition, if the agency proposes an emergency regulation, which can only be effective for 180 days, the agency may not be able to complete the full APA-required promulgation process during that time frame. Under current law, the agency will begin the non-emergency regulation promulgation process immediately

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after the emergency regulation becomes effective to ensure that there is no gap in regulatory coverage. Excuse me. If the agency is unable to complete the full regulatory process with legislative ratification in 180 days, the result is a regulatory gap that poses a risk to agencies' federal funding, and the health, safety, and welfare of Nebraskans. The bill also requires duplicative publication of the proposed regulation in the newspaper. The APA currently requires the agency to publish the proposed regulatory change on the Secretary of State's website at the initiation of the promulgation process, and requires the agency to publish notice of the public hearing on the proposed regulation in a newspaper. The bill, as drafted, would now require the agency to publish the full version of the regulation in the newspaper; this would be duplicative, and will be an additional cost to the agency. Given the length of some of the chapters of regulations, it is unclear if newspapers will be willing or able to publish the full regulation. Thank you for your time, and I'd be happy to answer any questions.

HANSEN: Thank you. Are there any questions for the committee? Senator Ballard.

BALLARD: Thank you, Chairman. Thank you for being here. In your testimony, you said emergency regulations. Can you give us an example of an emergency regulation?

JAIME HEGR: Sure. So, under, under current APA law, the agency is able to promulgate an emergency regulation if there is an immediate loss-- or, excuse me, an unforeseen loss of federal funding, or an immediate threat to the health, safety and welfare. That emergency regulation promulgation process goes through the governor's office. There is specific documentation required for that. And then, at the same time, again, because they're only effective for 90 days with the opportunity for one additional renewal for an additional 90 days-- that's the 180 days-- the agency begins the regular formal rule-making process, which includes a notice of public hearing, attorney general's office approval, none of which is involved in the emergency process.

BALLARD: OK. And so, you're saying this-- if we pass this law, the 60 days would impede--

JAIME HEGR: It-- yes. Particularly if you're not in session, it would be virtually impossible, absent-- even, even with a special session, you may not be able to get through the promulgation process within the 180-day window. It can be time-consuming now, even without that constraint. Going to public hearing, members of the public have the

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opportunity, obviously, to provide comments, which can result in edits which may or may not be substantive. If they are substantive edits, that requires going back to a second hearing, which, again, can eat up that 180-day time frame. So, if you're going back to a second hearing and you're adding the legislative piece on the back end, it would be virtually impossible to accomplish that promulgation in that window of time.

BALLARD: Thank you.

HANSEN: Any other questions from the committee? Senator Clements.

CLEMENTS: Thank you. Thank you for being here. Have you been involved in working on reducing some of the regulations that were mentioned by Mr. Zoeller?

JAIME HEGR: I have.

CLEMENTS: And could you describe that process, and-- what kind of training does it take to do that?

JAIME HEGR: Sure. So, the agency, under the executive order that was issued by then-Governor Ricketts in July of 2017, I believe, began the process of going through to look at every single regulation on the books-- which, at the time, was roughly over 400 chapters of regulations-- to identify the cost-benefit analysis of it. If there's a federal mandate, if there's a state requirement to have regulations, and the impact on the health, safety and welfare. That was done in conjunction with, obviously, program experts and program legal at the agency, at which point, then, the re-promulgation process began for all those chapters of regulations, to remove anything that wasn't absolutely necessary to be in place, something that wasn't federally-required to be there, wasn't mandated to be there in state statute. And in-- through that process, the agency has reduced over 100 chapters of regulations and over a million words off of the books since 2017.

CLEMENTS: Do, do you think the agency is still as effective as it was before?

JAIME HEGR: Yes. Any regulation that we do now, whether it's a new regulation or an amended regulation, goes through that same analysis. Nothing would leave the agency to go through the promulgation process without reviewing it through that exact same lens going forward.

CLEMENTS: Thank you. Thank you, Mr. Chairman.

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HANSEN: Any other questions? Senator McKinney.

McKINNEY: Thank you. Just kind of clarification. You said the bill is unclear around, like, the APA process, but don't other states have to go through the APA process?

JAIME HEGR: I'm not familiar with the other states' process. They would, I assume, have something similar, but I'm not familiar with what theirs is.

McKINNEY: OK. Because I-- I'm just asking because other states have adopted this, and if they're having to go through the APA process, then somehow, they've been able to get around it as well. I was just curious. But thank you.

HANSEN: All right. Seeing no other questions. Thank you for coming.

JAIME HEGR: Thank you.

HANSEN: Anybody else wish to testify in a neutral capacity?

ROBERT M. BELL: Chairman Hansen, and members of the Executive Board, my name is Robert M. Bell, last name is spelled B-e-l-l. I'm the executive director and registered lobbyist for the Nebraska Insurance Federation, the state trade association of Nebraska insurance companies. I appear today neutral on LB366. The Nebraska Insurance Federation is the primary trade association of insurance companies in Nebraska. The Federation consists of 49 member companies and 9 associate members who write all lines of insurance. Nebraska insurers provide high-value, quality insurance products to Nebraskans that provide financial, financial protections to Nebraskans during difficult times. You're probably aware that Nebraska has a very large and active domestic industry, includes \$25.77 billion of annual economic benefit to Nebraskans and 32,000 jobs. Insurance is a state-based regulatory system that relies on the Nebraska Department of Insurance accreditation through the National Association of Insurance Commissioners, commonly referred to as the NAIC. During the 1980s, a rash of insurance company insolvencies spurred the NAIC to develop financial regulation standards and an accreditation program to certify the various insurance departments across the nation to meet and to continue to meet on a variety of legal, financial and organizational standards. Financial examinations done by an accredited insurance department or accepted by other accredited jurisdictions. To bring that discussion back to Nebraska, an accredited Nebraska Department of Insurance means that financial exams completed by the

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Nebraska Department of Insurance, or-- yeah, Nebraska [INAUDIBLE] insurance on federation member companies will be accepted by all members of the NAIC. Without accreditation, Federation members would be subject to the time and expense of financial examination by other jurisdictions. Therefore, the Federation has a vested interest in the accreditation of the department. Numerous rules and regulations adopted by the Nebraska Department of Insurance impact accreditation. In this bill, there is a \$1 million impact over five years, which is going to be incredibly easy for an insurance company or a regulation to meet, if it's dealing with billions of dollars on investment or valuation of insurance products, et cetera, et cetera, and we wanted to bring that to the attention of this committee as you-- this board-- as you deliberate on LB366. I would note that there's not that many rules and regulations that are adopted by the Nebraska Department of Insurance, hence our neutrality. And this one other comment-- I, I was thinking about this in a-- in terms of credit for reinsurance, which is the, the laws that regulate reinsurance agreements between insurance companies. And recent laws that passed 5 years ago or so required regulation as well to pass with that, and a decision-- I, I, I think it will be made if, if this would pass would be-- would we just go ahead and bring the regulation via statute? So-- just a consideration.

HANSEN: OK. Thank you. Any questions from the committee? Seeing none. Thanks.

ROBERT M. BELL: You're welcome.

HANSEN: Anyone else wishing to testify in the neutral capacity? All right. Seeing none. We'll welcome Senator Riepe back up here to close. And while he does, we did have 6 letters in support for LB366, 1 in opposition, and 0 in the neutral capacity.

RIEPE: Thank you, Chairman Hansen, and members of the committee. The humor line of, of Kenny's [INAUDIBLE] terms of the governor's-- clearly always wants to beat Iowa and, and Oklahoma was not lost on me. And I'm sure it wasn't on you. I wonder-- I think we're all aware and concerned about the level of regulations and rules that are promulgated, both at the state level and at the national level. We're trying to size down that, sort of clean up our act, if you will. To me, the analogy that I make for this Legislature is like a sports analogy, where you-- the coaches will always tell you, you have to have follow-through. So, it's not enough to simply pass legislation, but you have to make sure that it's implemented, and that it's implemented correctly. The process to get there, we think, is through

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the REINS Act. I'm reminded a few years ago when I was in this chamber, I served with Senator [INAUDIBLE] Sue Crawford. I don't think she'd mind my saying that. And she had shared with me that she had at least one bill that was pigeonholed by the agencies; they simply didn't like it, and so they never acted on it. We can't-- that's not acceptable. So, with that, I thank you for your time and attention.

HANSEN: All right. Thank you. Any questions from the committee?
Senator Dorn.

DORN: Thank, thank you, Senator Hansen. Thank you for being here. I, I guess-- as your bill, as presented, it's only-- you're only looking at, I call it, new legislation. I think the governor people were here, and they are looking at some back legislation, but you're only looking at new legislation. And if so, what-- you have any estimate about how many bills a year this might affect? Five? Ten?

RIEPE: Well, not to try to be clever, but more than one. But-- no, I do not. I do not have an estimate in terms of how many bills would come in, because first, we have to set the mark. If it's \$1 million, or is it \$5 million, or is it 2, or-- where's it at? And then, we can go back and say that would come up to this number of bills.

HANSEN: All right. Seeing no other questions. Thank you very much.

RIEPE: Thank you. Thank you all.

HANSEN: All right. That'll close the hearing for LB366. We'll open it up now for LB364, and welcome Senator Quick to open in about 30 seconds. Just thought your bill was that popular for a second, didn't you? All right. Ready whenever you are.

QUICK: All right. Good afternoon, and thank you, Chairman Hansen, and members of the Executive Board. I'm Senator-- or, I'm Dan Quick, D-a-n Q-u-i-c-k, and I represent District 35. And today, I'm introducing LB364. LB364 would allow the Executive Board to provide approval of an indication of intent to incorporate land into the state park system while the-- while the Legislature is not in session. Over the interim, it was brought to former Senator Ray Aguilar's attention that the city of Grand Island, who now owns Camp Augustine, was interested in a potential relationship with Game and Parks. Having the area incorporated into the state park system to manage-- to be managed in conjunction with or as part of Mormon Island State Recreation Area. Once I was elected, it was brought to my attention, and I wanted to bring this bill forward. It is currently required in statute that the

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indication of intent is, is first approved by the Legislature, meaning that the indication of intent must be approved by the full Legislature, not by the Executive Board. While similar procedures exist for, for acceptance of donated real property by state agencies, and can be done by the Executive Board, the statute in these cases specifically provide for Executive Board approval when the Legislature is not in session. Section 37-4-- (37-)342, which the Game and Parks Commission would need to invoke, does not provide similar language. Due to this, we had to wait to introduce LR17, which would allow conversation between the city of Grand Island and Game and Parks to incorporation-- on the incorporation of Camp Augustine into the state park system to finally begin. The intention of LB364 is to allow legislative resolutions like LR17, which approves the intention of intent for Camp Augustine to be reviewed, heard, and possibly approved in the interim by the Executive Board instead of waiting for the Legislature to go into full session. This is really important to Grand Island, and also to central Nebraska, and there are testifiers behind me who may be better equipped to answer any que-- technical questions, but I'm happy to answer any questions you might have. And we would love to get this bill into General File.

HANSEN: All right. Thank you. Any questions from the committee? Seeing none. You going to stick around to close? OK. Thank you. All right. We'll take our first testifier in support.

TIMOTHY McCOY: Good afternoon, Chairman Hansen, members of the committee. My name's Timothy McCoy, T-i-m-o-t-h-y M-c-C-o-y. I'm the director of the Game and Parks Commission, and our headquarters building at 2200 N. 33rd Street here in Lincoln, Nebraska. We are obviously in support of this bill, and I would be happy to answer any questions you might have for me, because I know time's getting short.

HANSEN: All right. I like those kind of testimonies. All right. Speaker Arch.

ARCH: Just-- quick question. Is this specific to an issue that exists currently? Is that what's driving this?

TIMOTHY McCOY: Well, actually, actually, the, the statute was changed. Got the history back here. The, the statute was changed, I think, in 1984. Pri-- previously, it gave us the ability to enter into these sorts of, you know, lease agreements with another entity of government. Looking at the history, it was tied to the commission. We had several NRDs that have brought us properties with lakes; they wanted-- we were going to manage them as SRAs. What happened at that

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time was that we were entering into the agreement, and then us and I think the NRDs were coming to the Legislature's Appropriations Committee, saying we needed general funds. That's what started this. So, we've not had any conversations with the city of Grand Island. We had our legal counsel look at this language, and it's like, yeah, you, you really can't even meet-- they wanted to meet with us right away after they acquired the property. And it's like, we've got to wait to have a conversation, to get permission, to see what they're interested in, you know, have discussion, negotiations about what this might look like, because we do not want to be accused-- we don't want to violate statute.

HANSEN: Senator Dorn?

DORN: Oh, thank you, Senator Hansen. Thank you for being here. I, I guess is this, is this bill designed to, I call it, start the conversation? Or is this-- I thought this bill was kind of to get-- even to get approval, because we did-- a couple of years ago, I was on the building ground committee. We had to prove that the-- when the property that Kearney had for their shooting range then became yours, or whatever. So, there was a process for that. I guess, explain that difference.

TIMOTHY McCOY: There's, there's different process for acquisition. We can bring an acquisi-- if there's an acquisition, especially, especially anything that involves a donation. Normally, we have to bring it to the full Legislature or the Executive Board, and you were able to approve that--

DORN: Yes.

TIMOTHY McCOY: --that donation of property. But we don't have a way to start just a conversation with somebody that wants to work with us, because we don't know what their long-term goal is. If, if it turns into-- if it turns into acquisition, we will have to go through that process.

DORN: OK.

HANSEN: Any other questions? Seeing none. Thank you. Anyone else wishing to testify in support of LB364? Welcome.

BRAD MELLEMA: Good afternoon. Senator Hansen, Committee, thank you for listening on a cold and blustery afternoon. My name's Brad Mellema, B-r-a-d M-e-l-l-e-m-a. I'm director of tourism for Grand Island, Nebraska, and I wanted to stop by today and support what Senator Quick

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is doing with this process. We're obviously deeply interested in the potential project, a partnership with Game and Parks going forward, and understanding that, that this is a, a thing that needs to be worked out. So, I'm not representing the city in any way; I'm just on the tourism side, and recognizing that this is a very important potential project for south central Nebraska, and wanted to bring you that information and let you know that we're supportive of it.

HANSEN: All right. Any questions from the committee? Seeing none. Thank you. Anyone else wishing to testify in support? All right. Seeing none. Anyone wishing to testify in opposition? Seeing none. Anyone wishing to testify in a neutral capacity? Seeing none. Senator Quick, welcome you back here to close, and while he's doing that, we did have some letters. We had 3 letters in support of LB364, 0 in opposition, and 1 in the neutral capacity.

QUICK: Thank you, Chairman Hansen, and thank you all for, for being here for my less-controversial bill. So-- and I just want to expand upon-- you know, for Grand Island, this would be a great opportunity to, to have this happen, or to see them at least to start that conversation, because that'd be an-- a great economic driver for our, for our community, and for all of central Nebraska. And I know the LR is also part of this process, and that starts the con-- that, that also allows for that conversation to start, so that's also part of this whole process. And so, with that, I'll just hope we can get this out, and, and we can move forward into LR, and thank you for your time.

HANSEN: All right. Senator Clements.

CLEMENTS: When you first testified, I thought we were talking about an acquisition of property by Game and Parks. But is it more a lease arrangement?

QUICK: I, I think that would-- I, I don't know what their conversations will be. But it-- you know, they'll-- I know he talked about-- Tim McCoy talked about they'd have to come back to the Legislature, is my understanding, if they purchase a proper-- or, purchase a property, or of that way. But I don't know how it works on the lease agreement, or how that-- you know, what their negotiations' going to look like.

CLEMENTS: You mentioned the Camp Augustine-- is that part of Mormon Island?

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QUICK: It's actually-- it was the Boy Scout camp. So, Grand Island-- the city of Grand Island purchased the Boy Scout camp, and Mormon Island is adjacent to that, so it's part of that property, and it's, it's a state park already. And then, there's some other lands out there that I believe that they're going to have some conversations about. But this could be up to, you know, 400 to 600 acres, whereas right now, a state park there that's only, like, a hundred and maybe-- I don't know the exact number-- maybe 150 acres, something like that.

CLEMENTS: OK.

QUICK: And this would make it more like a-- it'd become a larger park.

CLEMENTS: Thanks.

HANSEN: Any other questions? Seeing none. Thank you very much.

QUICK: Yep. Thank you.

HANSEN: That'll close the hearing for LB364, and for our hearings for today. Thank you.