

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee January 24, 2025

**von GILLERN:** I'm Senator Brad von Gillern from Elkhorn, representing the 4th Legislative District, and I serve as chair of the committee. The committee will take up bills in the order posted. This public hearing is your opportunity to be a 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 testifiers sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it's 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 to the official hearing record. And I encourage-- I know we've got a lot of folks here to testify on a couple of these bills. If you're not able to come forward or if someone else has already testified on behalf of what you'd like to say, please utilize those, those yellow sheets to make sure that we, we have you on 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'll 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'll finish with a closing statement by the introducer if they wish to give one. We'll 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'll have one minute remaining. And when the red light indicate-- and the red light indicates you need to wrap up your final thoughts. Question 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's just part of the process. The 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 position statements, comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at [nebraskalegislature.gov](http://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

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in the committee statement. I'll now have the committee members with us introduce themselves, starting on my left.

**SORRENTINO:** Thank you, Chairman von Gillern. My name is Tony Sorrentino, Legislative District 39, Elkhorn and Waterloo.

**KAUTH:** Kathleen Kauth, LD 31, the Millard area.

**BOSTAR:** Eliot Bostar, District 29.

**JACOBSON:** Mike Jacobson, District 42.

**MURMAN:** Dave Murman from Glenvil, District 38, representing eight counties along the Kansas border.

**DUNGAN:** George Dungan, LD 26, Northeast Lincoln.

**IBACH:** Teresa Ibach, District 44, eight counties in southwest Nebraska.

**von GILLERN:** Thank you. Also assisting us today is my legal counsel to my immediate left is Charles Hamilton. And on the far left is committee clerk Linda Schmidt. Our other legal counsel, Sovida Tran, is out at reserve training or reserve, reserve duty today, so we thank him for his service to our country. Our pages for the committee today will stand and introduce themselves, please.

**LAUREN NITTLER:** Hi, I'm Lauren, I'm in my second year at the University of Nebraska-Lincoln I'm from Aurora, Colorado, and I'm studying agricultural economics.

**JESSICA VIHSTADT:** My name is Jessica. I'm a sophomore at the University of Nebraska-Lincoln. I'm from Omaha, Nebraska, and I'm studying political science and criminal justice.

**von GILLERN:** Thank you, ladies. And with that, I'll hand it off to Vice Chair Jacobson.

**JACOBSON:** All right. Thank you, Chairman von Gillern. We'll open the hearing on LB208 and Senator von Gillern, you're welcome to give your open.

**von GILLERN:** Thank you, Vice Chair Jacobson. Good afternoon, committee members. For the record, my name is Senator Brad von Gillern, B-r-a-d v-o-n G-i-l-l-e-r-n. I represent Legislative District 4, including west Omaha and Elkhorn. I'm here today to introduce LB208, a clean up

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bill that I brought to the Legislature on behalf of the Department of Revenue. Unlike LB209, which we heard the other day, the Department of Revenue cleanup, this bill is a bit more technical. Fortunately, Nebraska tax commissioner Jim Kamm is here to testify in support of this bill and answer additional questions you may have after my introduction. The major selling point of LB208 is the fiscal note, which projects around \$1.27 million in savings from now through the '26-27 fiscal year. The bill's objectives can be broken down into several main points. First, to prevent certified service providers that perform sales and use tax functions for model 1 retailers and sellers from receiving any other collecting fees if they're already compensated through the streamlined sales and use tax agreement. The Department of Revenue has indicated that the cost of the additional collection fees that this bill seeks to eliminate is around \$750,000 each year. LB208 will keep those dollars in our General Fund. Second, to protect Nebraska taxpayers from violations of taxpayer confidentiality by employees of the state of Nebraska. Nebraska Revised Statutes 77-2711 subsection (7) previously established disclosing information obtained in the course of any investigation into the records of activities of persons or retailers by the Tax Commissioner, State Treasurer, as well as their employees and employees of the Department of Administrative Services as a Class I misdemeanor. LB208 expands this to include any other person who discloses such information. This is meant to ensure that taxpayer confidentiality breaches by employees and former employees of the Department of Revenue and other state agencies are covered by this offense. Thirdly, to update positions-- or excuse me, provisions for the streamlined sales and use tax agreement to include amendments through December 31st, 2024. Fourth, to clarify that the eligibility for the refundable Child Care Tax Credit passed in 2023 is to be limited only to Nebraska residents. Fifth, to apply to the highest combined-- to apply to the highest combined sales tax rate in a given area for online sales, in which only a five digit zip code is given. This will ensure Nebraska is not losing out on taxes levied on sales in locales that share a five digit zip with a Good Life District for existence-- for instance. The bill stipulates that in the event that the nine digit zip code is given, the lowest combined sales tax rate for the relevant locale is to be applied. Sixth, and finally, to convert the distribution of the nonrefundable food pantry tax credit and refundable Nebraska biodiesel tax credit from a pro rata to a first-come-first-served basis in the event that the \$1.5 million cap is reached. This would harmonize distribution of these credits with the distribution of every other Nebraska tax credit, and prevent major delays anticipated by the Department of Revenue in the distribution of

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these credits, since as the law currently stands, the Department cannot determine the amount to which any filer is entitled under these program and-- programs until all requests have been filed and processed and determine whether or not the annual cap has been reached. Converting distribution of these credits to a first-come-first-served basis will streamline the process. I'm aware that people in the agricultural community have had some questions, particularly around the biodiesel credit portion of this bill. The point I want to make in this regard is that distributing on a first come, first served basis will get people their credit sooner and ensure that people are receiving larger tax credits. I'll continue to work with those interested parties throughout the rest of the year to make sure that any ch-- any changes we make will work as intended, and if not, make reasonable and necessary adjustments next session. With that, I thank the members of the Revenue for-- Revenue Committee for considering LB208. I'd be happy to take any questions.

**JACOBSON:** Any questions from the committee? All right. Seeing none, thank you, and I trust you'll be here for the close, since you've got a few other activities yet today here. I'll ask now for any proponents.

**JAMES KAMM:** Thank you, Vice Chairman Jacobson and distinguished members of the Revenue Committee. My name is James Kamm, J-a-m-e-s K-a-m-m, and I have the privilege and honor of serving as Nebraska's tax commissioner. I want to start out by thanking Chairman von Gillern for bringing LB208 on behalf of the Department of Revenue. As Senator von Gillern pointed out, there are some technical aspects to this bill, which I will do my best to expound upon in my testimony here today. The proposed legislation at its highest level essentially harmonizes, cleans up, and in the case of the model 1 sellers close the loophole that our team has uncovered. One of the agency's charges, both in statute and in our day to day operations, is to continually seek to improve our system of administration, to provide greater efficiency and convenience to the state's taxpayers. I believe LB208 supports that charge. As my colleague, Property Tax Administrator Sarah Scott pointed out yesterday in her testimony on LB209, this bill is one of two pieces of legislation that the DOR will be asking this committee to consider this year. LB208 makes several important changes that would greatly benefit the state of Nebraska, the DOR, but most importantly, our taxpayers. First off, LB208 changes language dealing with the collection fee for model 1 sellers. Nebraska is a full member state with a Streamlined Sales Tax Governing Board, which, among other streamlined provisions, provides a free service to sellers using a certified service provider or CSP to perform their sales tax

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collection responsibilities-- to, to perform those sales taxes. Those sellers are model 1 sellers under the revenue code. If a model 1 seller sales and use tax functions are performed by a CSP, that CSP is compensated by the state of Nebraska through a contract with Streamline. Under this legislation, the CSP will not be able to receive any other collection fees. In other words, CSPs are currently allowed to collect two different fees when they help us collect our sales taxes. The bill removes a second fee that is intended for Nebraska retailers so that the CSPs receive only one fee. As you can see through the fiscal note, there will be a cost savings to the state. The next change brought in this legislation is adjusting the default state sales tax rate in our rates and boundaries files that assign the tax rates to each five digit and nine digit zip code when a, when a seller uses an incomplete address. I told you it's going to get a little technical. Previously, a state defaults to the lowest state sales tax rate. This bill changes that to the highest sales tax rate. This was not usually a problem in the past, but as Senator von Gillern alluded to, with the creation of the Good Life Districts, there is a risk of losing sales tax revenue with the current default process. This also addresses collection of local sales taxes that will be collected in that Zip code when sellers do not have the purchaser's full address information. The changes that LB208 makes would require default to the highest possible sales tax rate in the zip code, which would mean if the buyer or seller isn't providing the complete billing information, the state would assume the higher sales tax option. The next change contained in LB208 is simply to require someone to be a Nebraska resident to be eligible for the child tax credit, similar to how other refundable income tax credits are treated. Without this change, a resident of another state whose child goes to a daycare in another state would be eligible for this credit if they worked even just a few hours in Nebraska during the tax year. We're also requesting changes to the administration of the food donation tax credit and the biodiesel tax credit. When these two tax credits went into effect last year, unique language was used dealing with the pro-rata process. Under the current law, if the donation limit was hit, every donation requested over the year would be pro-rated equally. This causes challenges with processing these credits resulting in, in-- which, which could result in a delay of the tax return being sent, or the possibility of the DOR requesting moneys back from the taxpayer. Every other tax credit with financial limits attached to them received on that date-- they are received on a prorated basis based on the day the limit is hit. The process makes it easier to process tax credits and ensures DOR's being efficient and effective in our administration for our taxpayers. DOR's requesting

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that we change these two credits to operate like other tax credits that currently exist. And finally, LB208 makes two other changes. First, it has language that says "or any other person" when dealing with the confidential requirements for state sales tax. This change mirrors the state income tax confidentiality law requirements. This means that a former DOR employee would be subject to civil and criminal misdemeanor penalties if, if after leaving the DOR, they take confidential sales tax information with them and use it for personal or professional gain. This change is designed to protect Nebraska taxpayers from having their taxpayer information misused. Two sentences and I'll be done, Vice Chair.

**JACOBSON:** [INAUDIBLE].

**JAMES KAMM:** And lastly, LB208 simply updates the ratification date for the streamlined sales and use tax agreement through December 31st, 2024. So with that, I'll be happy to take any questions.

**JACOBSON:** Questions from the committee? All right, seeing none, thank you for your testimony.

**JAMES KAMM:** Thank you.

**JACOBSON:** Other proponents? Others wishing, wishing to speak in favor of the bill? OK, seeing none, any proponents or-- excuse me, opponents?

**TIM KEIGHER:** [INAUDIBLE]

**JACOBSON:** It's in there somewhere.

**TIM KEIGHER:** I can see it. My apologies.

**JACOBSON:** We knew it was in there.

**TIM KEIGHER:** Well, I'm colorblind, too, so it's a good thing it's another color. Good afternoon, Vice Chair Jacobson and members of the Revenue Committee. My name is Tim Keigher, that is Tim Keigher, and I'm here before you today as the registered lobbyist for the Nebraska Petroleum Marketers and Convenience Store Association in opposition to LB208, but specifically just to the section that deals with the biodiesel aspect. I guess when this bill was passed and these credits were given, it was agreed upon that they would be pro-rated over everyone that applies for the credits, not on a first-come-first-served basis. Our issue with that is some large retailers, which are my members, could suck up all the credits and not

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allow my smaller members to even get any of these credits. So that puts them at a competitive disadvantage on the street with a retail price because they're not getting the credit and the larger marketer is. So we would ask that you strike that section. I'd be happy to work with the Department of Revenue on a better method of coming up with pro-rating it, but as on a first-come-first-served basis I don't think is fair to all retailers. So with that I'd be happy to answer any questions.

**JACOBSON:** Questions from the committee? I guess I would have one. I, I understand and I assumed that that's probably what your testimony would be. And I understand you're right in terms of how this would, would, would actually work. I guess I'm, I'm not quite sure what the department costs are to, to administer it the way the bill was originally passed on proration. I'm trying to figure out if there is, if you have any other solutions at this time as to how we might be able to do that and carry this out, maybe within the industry itself. Any thoughts there?

**TIM KEIGHER:** You know, I guess-- I know that there was an application deadline. So to me, maybe you move that deadline up further to give them more time to do it. To me, they're applying for the credit, so if you have a deadline of March 1st, everybody applies, you know how much credit is being asked for and you divide the \$1.5 million proportionately. I, I guess I don't understand what the real problem is, but I have not asked the Department of Revenue for any details either, so.

**JACOBSON:** We, we may be asking them that on the clo-- at some point here as well. So--

**TIM KEIGHER:** OK.

**JACOBSON:** That's good to know. Any other questions from the committee? If not, thank you for your testimony.

**TIM KEIGHER:** Thank you.

**JACOBSON:** Anyone else that like to speak as an opponent? No opponents? Any neutral testifiers? OK. Senator von Gillern, you're welcome to close.

**von GILLERN:** Thank you, Vice Chair Jacobson. Just a quick comment, the-- regarding the, the payment of the tax credits. Again, as, as I mentioned in my opening and as Director Kamm mentioned, this is the way that all other credits are paid out by the Department of Revenue,

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that it mirrors other policies. And the other, and I don't have the exact numbers, but I believe last year there were 700, around \$750,000 in credits that were issued. So we did not hit the max of the credits available. So everyone who applied got the credits, if, if that continues, if that increases this next year, anywhere close to the \$1.5 million in available credits, then that would be a signal that maybe we need to do something differently. But for now, there's no one that has not received a credit that applied for it and would not receive a credit that would apply for it based on the trends that we're seeing right now, for the-- particularly for the biodiesel. So again, as I indicated in my opening, if, if we do see a change in that, I'd be happy to address that in this next session. So with that, any other questions?

**JACOBSON:** Questions for Senator von Gillern? All right. Seeing none, that concludes our--

**von GILLERN:** Thank you.

**JACOBSON:** --hearing on LB208. And I'll turn the chair back to Senator von Gillern.

**von GILLERN:** Thank you, we're welcoming up Senator Bostar for LB182. Good afternoon.

**BOSTAR:** Good afternoon, Chairman von Gillern and fellow members of the Revenue Committee. For the record, my name is Eliot Bostar, that's E-l-i-o-t B-o-s-t-a-r, representing Legislative District 29, here today to introduce LB182, legislation that expands the accessibility of the Nebraska Affordable Housing Tax Credit and the Nebraska Child Care Tax Credit, creating greater investment in our state's affordable housing stock and childcare opportunities. Sections of LB182 pertaining to the Nebraska Affordable Housing Tax Credit expand eligible recipients to include nonprofit corporations and make the use of the credits easier by allowing a transfer, sale, or assignment of the credit through certification. Using a certificated credit would make the program much easier to use for smaller and mid-size investors who are currently effectively barred from engaging in the program by bureaucratic reporting and ownership requirements. By opening up the credits to small and midsize investors through certification of the credit, we are using a market based solution to create further investment in affordable housing across our state. This bill will also make the tax credit more usable for Nebraska businesses, financial institutions, and nonprofits, while the tax credit in its current form is more likely to be utilized by larger out-of-state investors.

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According to the Nebraska Investment Finance Authority, these changes will create a roughly \$8 million to \$10 million increase in investment in affordable housing in Nebraska annually. Currently, two types of credit of federal tax credits are used to create more affordable housing across our state, a 9% credit and a 4% credit. The 9% credit of the qualified cost of building or rehabilitating a property is available each year for ten years. Owners lower the amount of a property's debt financing by exchanging the credits for equity investments. There is a dynamically calculated cap on the amount of credits awarded. Credits are allocated to each state and distributed competitively once per year. The 4% credit is noncompetitive and awarded to developments that meet the program requirements. The allocation is tied to the state's tax exempt bond volume cap and maintains a continuous allocation cycle. The Nebraska Affordable Housing Tax Credit is linked to federal credits and is equally matched to the federal credits and distributed by the Nebraska Investment Finance Authority. The Nebraska Affordable Housing Tax Credit currently operates as an allocated credit similar to the federal credit. This means that the tax credits are generated as a result of an equity contribution to development. Investors, to obtain the credits, must have an ownership interest in the development. Allocated credits offer a structured, long term approach with potential tax benefits for investors, but involve significant direct compliance obligations of the investors as part of the ownership structure. As an allocated credit, the credit is currently not transferable other than to entities that have an ownership interest in the development. Certificated credits, on the other hand, generally provide immediate fiscal impact and greater market flexibility. Certificated credits would be initially allocated by the Nebraska Investment Finance Authority to the ownership entity of the development. Under their certificated model, the purchaser of the credit need not have an ownership interest in the development. Transferability without an ownership restriction has the benefit of increasing demand and the pricing of the tax credit, bringing more resources to cover the costs of development of affordable housing. It's worth emphasizing that the certificated state-- the certificated state Affordable Housing Tax Credit will open these opportunities up to business interests in Nebraska. LB182 would provide an alternative to the current allocated structure of the Nebraska Affordable Housing Tax Credit. This legislation would give a developer recipient of the credit the option to certificate or sell the state credits separate and apart from the ownership entity of the development. This alternative will provide developers with the ability to use the most efficient execution of the credits for their individual projects and drive better pricing by

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investors, bringing more funding to projects. LB182 will enhance the value of Nebraska Affordable Housing Tax Credits by creating additional optionality in the structure of affordable development projects. This, in turn will magnify the total investment in affordable housing across our state. LB182 goes on to expand recipient eligibility of the Nebraska Child Care Tax credit to include insurance companies and financial institutions, and clarifies that the tax credits can be used for income, franchising, premium, and retaliatory taxes. The underlying Child Care Tax Credit contains two parts. One, a tiered non refundable tax credit for any taxpaying entity or individual that financially contributes to support the child care industry; and two, a tiered refundable tax credit for families with children in licensed child care programs that have an annual household income of \$150,000 or less. Since its inception, the non refundable tax credit has been extremely popular and has encouraged private sector contributors to invest in and grow Nebraska's childcare infrastructure. For the 2024 tax year, roughly \$1.1 million of the \$2.5 million has been reserved and more applications are still being processed. However, the original bill did not include either insurance companies or financial institutions as eligible recipients for the non refundable tax credit. LB182 adjusts this in order to create more incentives for the private sector to support child care development in our state. We know how important it is to invest in our youngest Nebraskans, and we know that the private sector plays a vital role in making sure that all children have access to quality care. LB182 offers a simple solution and expands the accessibility of these tax credits so insurance companies and financial institutions can also apply and support our state's childcare infrastructure. LB182 offers market based solutions to increase greater investment in affordable housing and child care across Nebraska without imposing a fiscal impact on the state budget. I urge you to support LB182. I thank you for your time and attention and I'd be happy to answer any initial questions the committee may have.

**VON GILLERN:** Thank you, Senator Bostar Questions from Committee members? Senator Kauth.

**KAUTH:** Thank you, Chair von Gillern. Senator Bostar, how can this be an expansion of access without-- your fiscal note says nothing, so. It's zero. So how does that happen?

**BOSTAR:** It's amazing. It's magic.

**KAUTH:** Magic. The Bostar magic.

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**BOSTAR:** Yeah. So actually, you know, this is-- this is a little similar to a bill I think we did maybe two years ago, I'm trying to think of who I was on the committee, maybe three years ago, who was on the committee at that time. But-- and it was-- I bring it up because what we're doing today in this bill on the Child Care Tax Credit piece is similar to what we did previously on the Affordable Housing Tax Credit piece a few years ago, which is to add eligible uses for the credit. So, you know, when you get a, when you get a tax credit, it's used to offset tax liability. But if the tax credit is not allowable to be used for the specific type of tax liability that you may have, then that tax credit isn't of any value to you. So what we're doing here is we are creating, we're, we're expanding what the tax credits can be used for. We're not increasing the face value of the credits, and we're not issuing more credits. We're simply making them more valuable to the user. And in the case of the affordable housing tax we reach this point, by making them certificated, you're essentially creating a secondary market for the ta-- for the tax credits so they can be used by a much broader range of individuals, some who may not have ownership interest in affordable housing projects and developments directly, but may want to essentially invest in them, put money towards these and get the tax credits in return. So now they'd be able to do that. So all of the things in this bill are designed to make the tax credits more valuable to the end user and thereby driving a higher functional price in the market for the tax credits, which then in turn drives a higher level of investment, in this case in affordable housing and childcare. From the states perspective, we're not giving any more tax credits and we're not changing the face value of the tax credits. That's why it has no impact on our budget at all, it has no fiscal note. But we're using these measures to increase their value to the public and thereby driving more investment. Was-- hopefully that answered your question.

**KAUTH:** Yes. Yes. Thank you.

**von GILLERN:** Senator Sorrentino.

**SORRENTINO:** Thank you Chairman von Gillern. Senator Bosn-- Bostar, thank you for bringing this legislation. I like it. I just have one background question. I was not part of the committee or the Legislature. When the house tax, Affordable House Tax Credit or the Child Tax Credit came into being. I'm curious, why were insurance companies--

**BOSTAR:** It's a good question.

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**SORRENTINO:** --and financial institution's left off, and now they're on?

**BOSTAR:** So in this, you know, I'll, I'll accept some responsibility here, because I'm the one that introduced the bill a few years ago to add expanded use to the Affordable Housing Tax Credit. And since then, I introduced the Child Care Tax Credit. So I, I should have been more cognizant. The answer to your question that I'm taking the long way around to is most of our taxes, our income taxes, these kind of things are in one section of law, but not all of them. So, for example, when you get into like premium taxes on the insurance side, you get into retaliatory taxes, they actually exist in a totally different area of our statutes, so they get missed. That's why.

**SORRENTINO:** It's just a recovery action, basically.

**BOSTAR:** Yes.

**SORRENTINO:** Thank you.

**von GILLERN:** Thank you. Other questions? Senator Jacobson.

**JACOBSON:** Just for clarification, and I know you and I have talked this before the hearing and to really better understand what we're doing, and I had the same concern that Senator Kauth had that, you know, how do you, how do you do all this with no fiscal note?

**BOSTAR:** How do you make something out of nothing?

**JACOBSON:** Exactly. And I'm, I'm comfortable now that it makes sense. OK? And, and I guess I just want to confirm one other piece, that by expanding the eligibility and certification so that we can auction these or basically sell these off, the buyers are going to buy these credits at something below their marginal tax rate, but it's going to be closer to the marginal tax rate if you've got more people bidding. Is that essentially what we're doing? And it's going to bring more value back to the affordable housing developer who will have more money available, using the same credits, to build the project?

**BOSTAR:** Yeah, absolutely. And just so-- you know, maybe it's more understandable, right? If a tax credit is always going to be inherently worth less than the tax liability, because at 100% of we'll call it perceived value, you'd rather just spend the dollar on the taxes than use a tax credit. One because it's more liquid, you could do more things with it, it can generate a return for you, it's less of a hassle, frankly. Right? So they're, they're always going to be worth

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a little less than the 1 to 1 direct tax liability that they are satisfying. The objective is to get it as close to that as possible. And so right now, I'm just-- for example, I don't know how they're really perceived, but let's say right now they would be considered \$0.80 on the dollar. Right? It would be a worthwhile deal to make some specific investments in order to secure a tax credit. What we're doing here, and again, these, these numbers are, are fictitious, but what we're doing is we're trying to take it to \$.90, \$0.95 on the dollar. So you're essentially extracting more value into the investments that these tax credits are designed to support without generating any more tax credits because the tax credits become more valuable.

**JACOBSON:** That answers my question. I think it confirms my question.

**BOSTAR:** Thank you.

**JACOBSON:** Thank you.

**von GILLERN:** Any other questions from the committee? Senator Sorrentino.

**SORRENTINO:** Thank you, Chairman.

**von GILLERN:** Going to redo.

**SORRENTINO:** With regard to the sale of the credits. Is there a life span of that credit? Or can it be sold in '25 for '26, '26 for '27? Well, I guess what is the lifespan of a credit? I'm not sure.

**BOSTAR:** So there are, there are, there are limits to the credits in, in-- take the-- I generally don't-- I'm trying to think of what the, you know, the sort of the business case here would be.

**SORRENTINO:** I have earned credits and I want to sell them. Do I have to sell them within a particular time frame, or do they lose their functionality or value, or is it not?

**BOSTAR:** I think they're generated for a specific tax year. But let me, let me think about that and have another conversation to just make sure I'm going to give you the exact answer here.

**SORRENTINO:** That's fine. Thank you.

**BOSTAR:** But on the-- you know, both of these credit programs have caps. On the Affordable Housing Credit side, they're very dynamic caps that I-- representatives from, from NIFA are going to come and testify

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and, and can walk through all that. It's-- from our side, it's actually pretty straightforward because we're just matching federal. But the way the caps exist on the federal side is, is fairly complex. They can go through that. I don't feel like I'm the right messenger to walk through the federal tax credit scheme. On the Child Care Tax Credit side, we have a hard annual cap that the Department of Revenue will not exceed.

**SORRENTINO:** Thank you.

**von GILLERN:** Any other questions? Seeing none, thank you, Senator Bostar.

**BOSTAR:** Thank you.

**von GILLERN:** Our first proponent testimony? If you're going to testify, please move up to the front rows so that we can move things along quickly. Thank you. Welcome. Good afternoon.

**SHANNON HARNER:** Thank you. Good afternoon, Chairman von Gillern and members of the committee. My name is Shannon, S-h-a-n-n-o-n, Harner, H-a-r-n-e-r, and I'm the executive director at the Nebraska Investment Finance Authority. NIFA is pleased to testify in support of LB182. First, I'd like to thank Senator Bostar for bringing this legislation. This legislation will provide additional options for use of the state Affordable Housing Tax Credit, increasing potential investment pool of our developers ability to most effectively structure their particular development's needed funding for their capital stack, while not altering, as you recently heard, the state's investment in the program. So let me begin with just a, a brief summary of how the, the Low Income Housing Tax Credit, which we call LIHTC, and the Affordable Housing Tax Credit by the state, which we call AHTC work. The most important tool in the development of affordable residential housing, both in Nebraska and across the nation, is federal low income housing tax credits. And this effective credit provides investors with that reduction in their tax liability in exchange for their investment. And those invested funds are used by an affordable housing developer in construction of their development. The purchaser-- the purchase of the tax credits by an investor reduces the overall debt that's needed for development. And it's that that allows the owner to keep rents affordable at an agreed upon below market rate rent for low income families for a minimum of 30 and up to 45 years. In 2017, in support of affordable housing in the state of Nebraska, the Unicameral passed the Nebraska Affordable Housing Tax Credit Act. The AHTC, which stretches the amount of our federal credits, enabling NIFA to award

more projects and support creation of more units of housing. Projects are selected using a competitive process that's set out in NIFA'S qualified allocation plan, which is approved by our board as well as the governor. And there are always more projects proposed than funded. Since its inception in 2017, this program has supported creation of more than 4,600 units of affordable housing. The benefit to creating more flexibility in our current statute is that we can bring in additional, usually smaller scale investors such as community banks and insurance companies, who otherwise would not be interested in becoming an owner in a project which is currently required due to the compliance issues and the complexity. Because state credits often have different investors than the federal LIHTC, enhancing the flexibility of state cred-- of state credits for our investors is important. And the proposed changes provide an alternative to the current allocated structure of the state tax credit by providing the developer the option to certificate or sell the credit, separate and apart from the ownership entity of the development. And we believe this alternative will provide additional value to the AHTC, directly contributing to an increase in the number of units of affordable rental housing that we can create in the state. For a quick point of reference, allocated credits, which are the sole current option, are generated as a result of an equity contribution to a development. The investors obtain the credits, they must have an ownership interest, and this offers a structured long term approach, good benefits, but involves significant direct compliance obligations. Certificated credits, on the other hand, provide immediate fiscal effects with greater market flexibility, and the purchaser of a certificated credit need not have an ownership interest in the development. So this less restrictive transferability often benefits demand and pricing of the credit, bringing more resources to the cost of the credit. The purchaser of that certificated credit will also receive a federal deduction for state taxes paid. In closing, increased flexibility to award certificated affordable housing tax credits has several benefits. One, it will increase the type of investors interested in the credit. And second, it will increase investor interest and demand for the credits supporting higher prices. Currently, NIFA seeing \$.60 to \$.65 per dollar in the affordable housing state tax credit. Other states that have allowed certification get up to \$.80. So we anticipate that there will be a market increase. So LB182 sharpens our tool, providing different optionality, and we appreciate the importance of housing to our economy and ask that you would support this bill. Are there any questions?

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**von GILLERN:** Thank you for your testimony. Any questions from committee members? Seeing none. I don't have a question, but that's a great Affordable Housing 101 lesson. If you would make copies of that available to us--

**SHANNON HARNER:** Absolutely.

**von GILLERN:** --and maybe--

**SHANNON HARNER:** Yes.

**von GILLERN:** --all forty-some that aren't here.

**SHANNON HARNER:** Happy to that.

**von GILLERN:** That's a great, that's a great lesson. Thank you, I appreciate your testimony. Any other proponents?

**CHRIS HITE:** Thank you, Mr. Chairman. I'm Chris Hite, C-h-r-i-s H-i-t-e. I'm CEO of Sugar Creek Capital, and we are a fund that invests, invests money into affordable housing projects. The money is used to build them. They then get leased up and once they, each building is 100% occupied by qualified residents, tax credits are issued which then go to our investors. We do this across the country, including here in Nebraska since the inception. I want to today just say a few things, but I'm kind of a technical expert and if anyone wants to fire any questions or is wondering how this thing works, I'm happy to take them all. First thing is, Sugar Creek supports the concept of the bill, which is to expand the current market for tax credits. The current market is restricted to owners, as you've heard. This would remove that restriction. We believe it could possibly triple the amount of taxpayers that are interested in owning these tax credits. I know it was mentioned that it could increase the Nebraska appetite. It will increase the appetite for companies headquartered outside of Nebraska, big, big companies that don't want to have ownership of a project that they don't understand. They just want to buy the tax credit. That will increase the pricing. To the question that was asked earlier, 100% of the credits are claimed now, 100% of the credits will be claimed in the future. It's just like if you have an open house and two people show up to bid at it versus twenty people showing up to bid at it, or six people, you're going to get a higher price. So that's the concept of the bill, Sugar Creek's supportive of it. Happy to take any questions.

**von GILLERN:** Thank you for your testimony. Questions? Senator Kauth.

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**KAUTH:** Thank you. Chair von Gillern, is there, is there a marketplace, or how exactly are the credits sold?

**CHRIS HITE:** So each developer applies to NIFA for a reservation of tax credits. The developer has to successfully complete their project. But before they do that, they need cash. They can't borrow the money because there's low rents, and they couldn't afford the mortgage interest if they-- the whole idea of this is to keep rents low. So they need equity. So firms like ours. U.S. Bank, Raymond James, many other firms that you might have heard of that are national companies, Advantage Capital, will come in and front the money to get the thing built. Then the tax credits are issued and they go to our investors, which are major corporations generally. Sometimes they'll be individuals. Usually they're high income individuals. But traditionally the investor base is institutional capital. And there's just a, a marketplace where the buyers and sellers are speaking. And you've got a tremendous law firm here, Kutak Rock, that understands that marketplace, is in the middle of it on a national basis.

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

**von GILLERN:** Thank you. Other questions? I just had a question on, on, on the math, which isn't always my strong suit, but the previous testifier said that the, the price could increase from \$.60 to \$0.65 to maybe \$0.80, that's about a 30% increase. But I think I heard you say you could-- this could triple the amount of your investment?

**CHRIS HITE:** It could triple the demand.

**von GILLERN:** Triple the demand.

**CHRIS HITE:** Demand.

**von GILLERN:** OK. OK. So we're not going to triple the number of units that are being built.

**CHRIS HITE:** Right. And in response to the \$.60, \$0.65, that's-- the credit is not received at the same time that the \$.60, \$0.65 is paid in. In fact, it may be eight years, could be even nine in some projects, between the \$.60, \$.65 going in, and the credit being redeemed. So there's a, there's a financing discount. On an annual basis, the credits might sell for \$.90, \$0.91 in today's market. This should increase the credit to \$0.93 or something like that. I'm-- that's just guessing, but I think there-- it'll prove true.

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**von GILLERN:** So that eight year period, or nine year period, that's planning, that's development, that's construction, that's lease up.

**CHRIS HITE:** You nailed it. Yeah. So you get-- that's exactly right. So the money comes in just to close the deal, construction starts, more money comes in, biggest chunk usually at completion.

**von GILLERN:** Stabilization.

**CHRIS HITE:** Stabil--

**von GILLERN:** OK. All right.

**CHRIS HITE:** The fact that you know what stabilization is makes you a special senator. Yes.

**von GILLERN:** All right. OK. All right. Any other questions? Thank you for your testimony.

**CHRIS HITE:** Thank you. I did want to ask if this could be advanced to the General File. I'm happy to answer any questions.

**von GILLERN:** Thank you. We acknowledge your request. Next proponent? Are there any other proponents?

**JACOB HOPPE:** Good afternoon. Jake Hoppe with Hoppe Development, proponent, and partner of Sugar Creek's. And I'm speaking both on behalf of Hoppe--

**von GILLERN:** Could you just spell your name, please, for the record?

**JACOB HOPPE:** Oh. Yeah. J-a-k-e H-o-p-p-e.

**von GILLERN:** Thank you.

**JACOB HOPPE:** I'm speaking both on behalf of Hoppe Development and on behalf of the Nebraska Housing Developers Association, who we're a member of. And I think Carol's going to pass on doing testimony today. But the core of the matter has, I think, already been covered. From our standpoint, this is taking a tax rate that we're very used to putting, you know, assembling into our low income housing tax credit projects. We are a low income housing tax credit developer that develops throughout the state, we do 300 to 400 units a year in communities ranging from Valentine, Nebraska to Lincoln and Omaha. So this is just going to really, in our minds, increase the amount of proceeds that we're able to claim from a tax credit that's already

being allocated, enabling us to really, in essence, do more projects or refine the incremental project that can be done, given the fact that we're going to be receiving more proceeds for the credits that are being generated. It also reduces the transaction costs. So if you're bringing an, an entity into the partnership, not only are we going to get potentially paid, you know, additional proceeds for the tax credit, but it's an additional party who is not at the closing table, additional set of attorney's fees that aren't having to be paid. So it's both-- increasing the amount that we get for the credits, and then also sort of reducing the transaction fees associated with the project. And I think that-- there's-- it's very clear in Nebraska in the historic tax credit world, there is an anomaly where there-- half of your proceeds in from the state historic tax credit are certificated credit, half of them are an allocated credit. So for half of those credits, you need to be part of the partnership, for half, it's going to be certificated like what we're talking about. And there is about a \$.10 to \$.15 difference between what you're paid for the certificated credit versus the allocated credit, which really is a function of that challenge, I think, that we're talking about about having someone have to enter the partnership and the constraint on liquidity that that presents. So anyway, I'm happy to answer any questions from a developer's perspective.

**von GILLERN:** Thank you. Any questions from the committee members?  
Senator Dungan.

**DUNGAN:** Thank you, Chair von Gillern. Thank you for being here. Are you able to estimate, like-- I'm trying to think of the right way to ask this, the tangible effect in terms of like how many additional units you would anticipate being able to develop if this is accomplished? Because if the goal of what we're trying to seek here is additional affordable housing. I-- this all sounds like a great idea in terms of driving up the value of the tax credit, but what does that translate to in terms of a tangible effect on whether or not there's more affordable housing in the state of Nebraska?

**JACOB HOPPE:** Boy, that's a great question. If I were to-- it-- maybe in a typical 9% project, about half of the proceeds come from, from state and federal low income housing tax credits. I think I'd have to ask Shannon on how many 9% units we're doing a year, around 400. And if this is going to boost-- just super back of the envelope, don't hold me to it--

**DUNGAN:** Oh yeah. Ballpark [INAUDIBLE].

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**JACOB HOPPE:** --I can follow up, but I'd say maybe 10% increase in the amount of housing that can get produced using kind of the same number of credits. So yeah.

**DUNGAN:** So we would definitely see an increase. OK.

**JACOB HOPPE:** Yeah. Yeah. Because it's going to stretch the-- it stretches the contribution of the tax credits. So yeah, definitely there will be an increase in affordable housing as a result.

**DUNGAN:** Makes sense. Thank you.

**von GILLERN:** Thank you. Other questions? Seeing none, thank you for your testimony.

**JACOB HOPPE:** Thank you.

**von GILLERN:** Any other proponents?

**FRED HOPPE:** My name is Fred Hoppe, F-r-e-d H-o-p-p-e. I'm Jake's partner, and we develop affordable housing across this state, in a company called Hoppe Development. I'm also a member of the National Association of Homebuilders, and I'm here today representing the Homebuilders Association of Lincoln and the MOHBA, Metro Omaha Home Builders Association, who supports this bill. We are great proponents of this bill. And I say I'm, I'm a member of the, the, the low income housing tax credit steering committee of the National Association of Homebuilders. And in, in the national scope, having the broader ability to transfer tax credits is a tremendous advantage and has proven to increase the value we get for the tax credits we have. The-- to answer an earlier question from Senator Dungan, the tax credits and putting together a low income housing tax credit project is a-- really a stacking of financial capital put together to cover the entire cost of the housing. The, the increase in value we get for tax credits shrinks the amount of gap that we have to fill. So the other avenues of filling gap in this state, like the, like the, the affordable housing tax funds that are available and in great demand go further. In other words, instead of having to ask for a \$1 million, we may only have to ask for \$200,000 to fill that gap. So that is probably the most significant way where it, it can be quantified, that the changes here would increase housing, because it makes your gap funding go a lot further. The, the other thing that's significant about this. Certified credits. If we're getting certificates, we don't have to bring an additional partner into our partnerships maybe a year and a half before we complete construction. We're sitting in meetings, we've

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been sitting at meetings this last year with, you know, I mean, 25 people to put together different, you know, lenders, your partner that's buying the national credits, your partner that's buying the state credits. If these were certificated, the, the transaction for the state credits could-- they don't have to be a part of the partnership. So they're not sitting down and talking about what the terms of the partnership agreement are or any of that other stuff. And that's a tremendous investment for the entities that're buying the credits. And so even, even the administrative benefits are worth enacting the bill, particularly since, you know, it's, it's all the same amount of credits. So it's no difference to the-- to whether the state makes money or not. I mean, they're going to get used. It's just a question of, of whether it's administratively a heck of a lot easier for us and we, we have a lot of less people to deal with. And, you know, and if the credits were issued in units, so let's say you had \$1 million worth of credit and we got those certificates, \$100,000 apiece, ten certificates for, for the thing, you know, we could be selling them to, to small insurance companies or small banks, you know, on a 1 to 1 basis. And they don't have that administrative headache at getting in the partnership. And that's huge. I mean, it would appear to me anyway. Anyhow, in conclusion, and I'll answer any questions you have, but in conclusion, the, the-- we see this as a significant advantage for the industry in how we administer it and how we get those credits to being used. And I'd answer any questions anybody has.

**von GILLERN:** Thank you for your testimony. I'm sorry, I don't recall. Did you spell your name?

**FRED HOPPE:** H-o-p-p-e. But I did, I think.

**von GILLERN:** Thank you. Thank you . I'm sorry if I'm-- if you did earlier, forgive me. Questions from committee members? I just have a, a quick question. With your role on a national-- you have apparently have a national view that-- on this. What, what are other states doing? Are they primarily allowing certificated credits?

**FRED HOPPE:** There-- quite a few of them are, yeah.

**von GILLERN:** Like quite a few, like the majority, ten, twelve, your best guess?

**FRED HOPPE:** You know, I can't tell you, because we work primarily in Nebraska.

**von GILLERN:** OK. All right. But it's not unusual in other states.

**FRED HOPPE:** No, it's not unusual.

**von GILLERN:** All right. Thank you for your testimony.

**FRED HOPPE:** You bet.

**von GILLERN:** Any other proponents today? Good afternoon.

**ELIZABETH EVERETT:** Good afternoon. Chair von Gillern and members of the Revenue Committee, thank you for the opportunity to testify today. My name is Elizabeth Everett, spelled E-l-i-z-a-b-e-t-h E-v-e-r-e-t-t, and I'm the deputy director for First Five Nebraska. First Five Nebraska is a statewide public policy organization focused on promoting the early care, education, and healthy development of our state's youngest children. I'm here today to testify in support of the sections of LB182 addressing the Child Care Tax Credit Act, and we'd like to thank Senator Bostar for his leadership on this issue. In 2023, the Nebraska Legislature passed LB754, which included multiple provisions, including the Child Care Tax Credit Act. This act established two separate tax credits. The first is a tiered refundable tax credit for qualifying parents and guardians of young children in child care with a household income of \$150,000 or less. The second is a non refundable tax credit for qualifying contributions that support the availability of, or access to, child care options in the state. For the purposes of this testimony, I will only be speaking about the nonrefundable contribution tax credit. So to receive this tax credit, eligible applicants must make a qualifying contribution to child care, then submit an application to the Nebraska Department of Revenue for the same tax year in which the contribution was made. Eligible applicants include any individual or entity subject to state income tax. Qualifying contributions may include financial donations to establish or expand a child care program, strengthen the early childhood workforce, provide child care tuition assistance to families in need, and others. The contribution tax credit went into effect in the 2024 tax year. Since that time, it has been enthusiastically embraced by taxpaying individuals and entities throughout the state. In 2024, nearly \$1.1 million has been approved by the Department of Revenue, and more applications continue to be processed. In the 2025 tax year, or for the 2025 tax year, roughly \$101,000 has already been approved. And again, more applications come in for the 2024-- 2025 tax year right now. Many contributors have stated that the availability of the tax credit was pivotal in their decision to make qualifying contributions to child care in the previous and current tax years.

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While the non-refundable tax credit is open to most taxpaying entities, it has become apparent that the original legislative language unintentionally excluded financial institutions and insurance companies as eligible contributors. This is because these entities are subject either to franchise taxes in the case of financial institutions, or premium and related retaliatory taxes in the case of insurance companies. These types of tax liabilities were not accounted for in the original language of LB754. So LB182 is a simple fix so that these individuals can also have access to the tax credit. Currently in Nebraska, as most of you know, child care programs continue to struggle to meet their operational expenses, even as families are struggling to afford the rising cost of care. The nonrefundable tax credit is emerging as a viable way to have Nebraska's private sector address these challenges. With my limited time left, I do want to answer some of the questions that were asked. Senator Sorrentino, you asked how often or how, how long can the specific tax credit be used for. This tax credit can carryover for up to five years if the individual has not used it.

**SORRENTINO:** Thank you.

**ELIZABETH EVERETT:** Another question that was asked was how can this, again, provide and, and increase the access to quality child care? For us, what we're seeing is that most of the larger contributions are coming from these large corporations. So folks like manufacturing companies, larger businesses, but most of the capital campaigns, some of the largest contributors want to be insurance companies and financial institutions. We received a lot of requests for them, asking about why they were not included in this and that they want to help child care the best that they can. So for us, this is just going to address a gap. And for us, hopefully this will be able to show that once there are these larger contributions being made to these capital campaigns such as to support child care, there is a need for these smaller businesses, maybe these smaller individuals, to provide even a small contribution. Because, again, anything to support child care is going to make a long difference for our state. I'm happy to answer any questions that you might have--

**von GILLERN:** Thank you.

**ELIZABETH EVERETT:** --and please move the bill forward. Thank you.

**von GILLERN:** Thank you for your testimony Questions from Committee Members? Seeing none, thanks for being here.

**ELIZABETH EVERETT:** Thanks.

**von GILLERN:** Any other proponents? It's a low chair. It's not just you.

**KERSTEN HIGGINS:** I'm a very short person.

**von GILLERN:** It's not just you.

**KERSTEN HIGGINS:** Well, good afternoon, Chair von Gillern and members of the Revenue Committee. My name is Kersten Higgins, K-e-r-s-t-e-n H-i-g-g-i-n-s. I am the state and regulatory relations director for Mutual of Omaha, and I am here today on behalf of the Nebraska Insurance Federation. I'll speak to just one feature of this bill, which is the update to the Child Care Tax Credit to better align the law with how insurance companies pay taxes in Nebraska. Other industries can already seek this tax credit against their income tax, and this bill allows insurers to take a credit against premium tax, as we've discussed, which is the primary way that insurers pay their taxes to the state. I might get fired if I don't remind you that insurance is the third largest industry in Nebraska, and insurers are active members of the state's business and philanthropic communities. This bill improves opportunities for our industry to invest in the child care sector, which we know faces many barriers. And a strong child care sector is critical for working families across every community in our state. We believe this bill further encourages businesses to invest in Nebraska's future and its growth. We're grateful to Senator Bostar for acknowledging that the insurance industry is an important economic driver for the state of Nebraska. And we believe that aligning the child care tax credit with our industry's actual tax regime is a worthwhile effort. For these reasons, we'd like to encourage your yes vote on this bill. Thanks for your time.

**von GILLERN:** Thank you for your testimony. Any questions from committee members? Seeing none, thanks for being here.

**KERSTEN HIGGINS:** Thank you.

**von GILLERN:** Proponents? Good afternoon.

**RYAN McINTOSH:** Good afternoon, Chair von Gillern, members of the committee. My name is Ryan McIntosh, appearing before you today as a registered lobbyist for the Nebraska Bankers Association in support of LB182. I don't have a whole lot else to add other than to thank Senator Bostar and First Five Nebraska for working on the specific

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portion of the bill that includes financial institutions and insurance companies. Nebraska banks are vital to their communities, especially in the rural areas. In particular, banks have taken a leading role in solving the child care crisis that exists in these communities. I can give you numerous examples, Security First Bank in Laurel, Midwest Bank in Deshler, that have made substantial donations to solve these issues in very, very creative ways. And this would expand that. Thank you.

**von GILLERN:** Thank you. I know this is your first rodeo, so I really shouldn't have to remind you to spell your name.

**RYAN McINTOSH:** This, this is my first time testifying.

**von GILLERN:** First season.

**RYAN McINTOSH:** Mcintosh, M-c-I-n-t-o-s-h.

**von GILLERN:** Thank you very much.

**RYAN McINTOSH:** Thank you.

**von GILLERN:** Any questions from committee members? Thank you for being here.

**RYAN McINTOSH:** Thank you.

**von GILLERN:** Other proponents?

**DEXTER SCHRODT:** Good afternoon, Chair von Gillern, members of the Revenue Committee. My name is Dexter Schrod, D-e-x-t-e-r S-c-h-r-o-d-t, appearing on behalf of the Nebraska Independent Community Bankers Association in support of LB182. We'd like to thank Senator Bostar for seeking expansion of the application of the Child Care tax credit to the franchise tax found in Nebraska Revised Statutes 77-3801 through 3807. The NICB has been active and vocal on legislation that helps to increase the availability of child care in our communities. And we were in front of this very committee a few years ago supporting Senator Bostar's original Child Care Tax Credit bill as a well thought out idea to improve the availability of child care across the state. I do just want to mention that one of the most important aspects of the bill is the provision that allows, as we've heard, the transfer, sale, and assignment of affordable housing project tax credits. This change will enable smaller local investors to monetize their tax credits, making it more financially feasible for them to invest in affording-- affordable housing projects locally from

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the start. By providing this flexibility, we encourage a broader range of investors to participate in the market. And as we've heard, ultimately leading to more affordable housing options for our communities. We thank you for your time and we respectfully request the committee to advance this bill.

**von GILLERN:** Thank you for your testimony. Clearly, it's Friday afternoon. Could I ask you to spell your name, please?

**DEXTER SCHRODT:** I, I did spell it. I did.

**von GILLERN:** You did? All right.

**IBACH:** Yeah, he did. We were counting.

**von GILLERN:** OK. All right. OK.

**DEXTER SCHRODT:** Thank you, Senator. Thank you to the left side over here.

**von GILLERN:** I stand corrected. Clearly, it's Friday afternoon.

**DEXTER SCHRODT:** Yes.

**von GILLERN:** Yeah, we're all ready. Thank you for your testimony. Any questions from committee members? All right. Thank you.

**JACOBSON:** The question is, could he spell Ryan's first name?

**von GILLERN:** Any other proponents? Seeing none, any opponent testimony regarding LB182? Seeing none, anyone who'd like to testify in the neutral position? Seeing none, Senator Bostar, would you like to close? And you already spelled your name, so we're good.

**BOSTAR:** I could spell it again.

**von GILLERN:** You spell it faster than anyone spells their name.

**BOSTAR:** Thank you, Chair von Gillern, members of the committee. I appreciate your time and attention, again, to this matter. This is-- honestly, this really is sort of a no brainer. We spend no money on behalf of the state, and we get more returns for our programs that are already running. And so I, I hope that we can get this done. We've done similar things in this committee, like I said before in the past. Sometimes we miss things that help us expand the usability of a tax credit, and then we come back and we do that after the fact. Pretty standard. Again, thank you. Be happy to answer any final questions

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that the committee may have. I know we have other things to get to as well as.

**VON GILLERN:** Any questions from committee members? Seeing none, thank you, Senator Bostar.

**BOSTAR:** Thank you.

**VON GILLERN:** And we have no letters, no written-- oop, we do. Yep, no online comments. And we'll move on to LB115. Welcome to Senator Ballard.

**SPEAKER 3:** This is you.

**VON GILLERN:** Good afternoon.

**BALLARD:** Good afternoon. All right. Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Beau Ballard, for the record, that is B-e-a-u B-a-l-l-a-r-d, and I represent District 21 in northern Lancaster County. I'm here today to introduce LB115, which is legislation to amend the Volunteer Emergency Responder Incentive Act by incent--by increasing the refundable income tax credit from \$250 to \$1,000 annually. This legislation would also make the tax credit available to volunteers in a taxable year in which the volunteer qualifies for the credit. Current law provides that the credit is available only after the volunteer has qualified for two years and thereafter each year in which the volunteer first, first responder qualifies. In increasing the tax credit to \$1,000, the Legislature will recognize that volunteer firefighters and volunteer emergency medical service providers have provided and continue to provide fire suppression and emergency response services to local communities, state highways, and interstate-- interstate, state park, recreational areas, and state correctional facilities in Tecumseh and a host of other proportions around the state. Nebraska cities, villages and counties cannot afford the cost of maintaining their current level of volunteer emergency service-- response services without the presence of a local pool of commitica-- committed and dedicated volunteers and first responders. Public safety provides-- provided by these volunteers is a necessary function of government. The public health and safety and welfare of the people in many Nebraska communities rely upon the functions provided by them. Our volunteers and first responders' recent efforts include Covid, wildfires, and tornadoes after they conc-- off--offer concrete examples of a critical role that they play in our state. Covid placed a tremendous strain on our volunteer emergency medical providers, who

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at times were forced to choose between working at their place of employment or continuing to participate as a volunteer first responder. Yet many volunteer emergency medical providers continue to risk their health and lives by responding to calls to aid of those in need. Regarding the wildfires, wildfires over the last several years, the areas impacted by wildfires have increased across the entire state. In the early 2000s, the wildfires were generally located in north central Nebraska and the panhandle. Now, due to a period of drought and massive wildland fires covering many acres across Cass, Lancaster, Gage, Jefferson, Lincoln, Dawson Counties, and the panhandle of Nebraska. The increase in the frequency and scope of wildfires have placed a tremendous strain on volunteers, first responders throughout the state. Yet they continue to serve diligently to help those [INAUDIBLE] by the fires. Including, probably important to many of the members on this committee, the aftermath of the tornadoes of 2024, our volunteer further demonstrated their value to our state by arriving in first on the scene in many cases. They stood ready to provide lifesaving medical care and played vital roles in cleanup efforts, helping people rebuild their lives. We saw once again, our volunteer emergency providers are critical to preserve the communities and the good life as a whole. Despite their critical role, volunteer departments now face serious hurdles. Recruiting and retaining qualified volunteers has grown increasingly difficult, as evidenced by volunteer rosters in continued decline. Furthermore, the duties and responsibilities of our volunteer first responders have also become more complex and time consuming, requiring an even higher degree of dedication to cope with the new talent challenges and technology changes. LB115 will help departments retain volunteers who currently [INAUDIBLE] and recruit, recruit new qualified Nebraskans, furthering-- furthering strengthening our emergency services for years to come. I'd be happy to answer any questions that you might have.

**von GILLERN:** Thank you, Senator Ballard. Any questions from committee members? Senator Murman.

**MURMAN:** Yeah, I just got to have a quick comment. I, I think our fires in southwest Nebraska a few years ago, I'd put them up against any of the fires anywhere except maybe the north central fires. Just a comment.

**von GILLERN:** No bragging.

**MURMAN:** Is that correct?

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**BALLARD:** I, I, I will, I will let that to-- I won't touch that one, no.

**MURMAN:** Overall.

**von GILLERN:** Any other questions or comments from committee members? Seeing none, thank you for your testimony. We invite up our first proponent testifier.

**KENNY KRAUSE:** Senator Ballard did a great job in his introduction, by the way. So. Oh, Sorry. Good afternoon, Chairman and committee members. My name is Kenny Krause, K-e-n-n-y K-r-a-u-s-e. I'm here today representing the NSVFA as District Director of the Nebraska State Fire Chiefs Association and the retired fire chief of Fairbury Rural Fire Department. I'm here to support LB115, and thank you for your time considering this important legislation introduced by Senator Ballard and others introducing senators. As I prepared for today, I wondered if the Class A uniform that you see me in this afternoon is how I wanted to represent the volunteer fire service of Nebraska. After brief consideration, I decided there was no better way and here's why. Over 25 years ago, I started my service to my community as a volunteer firefighter. The expectations of the service that we provided at that time were nothing compared to today. As a matter of fact, we were considered the basement savers, meaning we were going to save anyone's house or belongings. Today's expectation couldn't be farther from the truth. Our volunteers are expected to perform and train at levels that our brothers and sisters in the career service provide. Our volunteers have dedicated themselves to rise to this level. In 2015 as I was serving as chief the Fairbury Rural Fire Department, we experienced what I would call the fire of a lifetime. It was a very large hog confinement facility, with building after building burning and thousands of animals perishing in this fire. As I'm retelling this event to a relative here in Lincoln, his comment to me was, you only do what you can till the professionals arrive, right? And I'll never forget that. We are the professionals. There is no one for us to call, we must handle any situation that comes our way. This is where the vol-- volunteer fire service has made a drastic change. As I said, we must train and respond to the highest level because that's what's expected of us. As an example, Gering Fire Department recently held their awards banquet. These are a couple statistics from their 2024 year. They ran 995 calls for service and documented over 11,900 hours of training and fire prevention. These are the men and women who are leaving their day job, their paycheck to help those in need. Fairbury Rural Fire has utilized this tax credit since its inception, and sees it as a vital recruitment and retention tool, and

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it helps us to motivate our active members to participate in a higher level. In closing, the Nebraska State Volunteer Fire Association and Nebraska Fire Chiefs Association support LB115, understanding that Nebraska volunteer firefighters are appreciative and deserving of your support. Thank you.

**von GILLERN:** Thank you for your testimony. Any questions from the committee members? Senator Jacobson?

**JACOBSON:** I guess my question is-- and first of all, thank you for what you do. I'm, I'm always amazed at the volunteer, you know, EMS services and firefighters. It's, it's amazing people are willing to do that. And to that point, what's happening to your ranks? In other words, are you able to find new firefighters to come in, volunteer? How is that changing with, I guess, social dynamics today?

**KENNY KRAUSE:** Across the state, it's declining and getting harder to get volunteers all the time. As you know, today, most young people need something in return. And a lot of times all we get is appreciation that you just gave us. And sometimes that's not enough for some people.

**JACOBSON:** Do, do you know what the total count is today on volunteer service across the state, and--.

**KENNY KRAUSE:** No, I, I do know that our association has about, just under 10,000 members. I'm not sure the number of, of firefighters in the state.

**JACOBSON:** And one other thing, I guess. My understanding is, is that when it comes to volunteers, they're driving their vehicle from their home to the fire station or to the fire itself. No compensation, volunteering their time, volunteering. You're getting the equipment that you need. But beyond that--

**KENNY KRAUSE:** Yeah, you have to have people or the equipment is useless.

**JACOBSON:** That's right. That's right.

**KENNY KRAUSE:** And I think another testifier's going to address the, the needs of the volunteers provide.

**JACOBSON:** Thank you.

**KENNY KRAUSE:** Thank you.

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**von GILLERN:** Thank you. Any other questions? Seeing none, Thank you for your testimony, thank you for your service.

**KENNY KRAUSE:** Thank you.

**von GILLERN:** Next proponent? Good afternoon.

**DARREN NELSON:** Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Darren Nelson, D-a-r-r-e-n N-e-l-s-o-n. I farm near Genoa, Nebraska. I currently serve as captain of the Genoa Rescue Squad, and I serve on the Nance County Board of Supervisors. I'm here today on behalf of Nebraska Farm Bureau and of the Nebraska Ag Leaders Working Group. For your re-- reference, Ag Leaders Working Group consists of the following organizations: Nebraska Cattlemen, Nebraska Corn Growers Association, Nebraska Farm Bureau, Nebraska Pork Producers Association, Nebraska Sorghum Producers Association, Nebraska Soybean Association, Nebraska State Dairy Association, Nebraska Wheat Growers Association, and Renewable Fuels Nebraska. These groups are in support of the proposal to increase the income tax credit and change the qualification criteria for volunteer emergency responders. At Nebraska Farm Bureau, we have a longstanding policy that states, Nebraska Farm Bureau believes volunteer fire-- fireman and EMTs are vital service providers in Nebraska, and we support incentives to recruit and retain volunteers and professional personnel who fill these criteria roles across the entire state. Nebraska rural communities depend heavily on the dedication and selflessness of volunteer emergency responders. These individuals are the backbone of our emergency response system, providing critical fire, medical and rescue services in areas where professional responders are often unavailable due to geographic and financial constraints. Farmers and ranchers across the state understand the importance of these services firsthand in times of need, whether it is a field fire threatening crops and a property, a medical emergency in an isolated area, or a weather disaster, our volunteer responders are there ensuring the safety of our families, livestock, and communities. Without their commitment, the risk to lives and livelihoods in rural Nebraska would be significantly greater. Unfortunately, rural, rural volunteerism is facing growing challenges. Recruitment and retention of volunteer emergency responders have become increasingly difficult due to time commitments, financial burdens, and the sacrifices required. Enhancing the income tax credit for these individuals would serve as a meaningful incent-- incentive, demonstrating the state's recognition and appreciation for their invaluable service. Increasing the tax credit would encourage volunteerism, a greater financial incentive to attract new volunteers addressing the current shortages in many rural

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areas. Retaining current volunteers. This measure would help alleviate some of the personal financial strain facing volunteer, motivating them to continue serving their communities. Support rural communities by ensuring the stability of volunteer emergency services. We protect the safety and security of Nebraska's agricultural producers and rural residents. The Ag Leaders Group appreciates anything the state can do to lessen regulations, provide services, and support the men and women in these jobs and serve their friends and neighbors. Increasing the income tax credit from \$250 to \$1,000 for volunteer emergency responders is a small but powerful way to recognize the dedication and sacrifice of those who serve. It is a step forward toward ensuring the future of volunteer emergency services in Nebraska, and by the extension and the safety of and prosperity of our rural areas. We thank Senator Ballard for introducing LB115 on behalf of Nebraska farmers, ranchers, and rural families. We respectfully urge the committee to advance LB115 to the General File. Thank you.

**von GILLERN:** Thank you for your testimony.

**DARREN NELSON:** I will take any questions at this time.

**von GILLERN:** Any questions from the committee members. Senator Ibach.

**IBACH:** Thank you, Mr. Chair. As a proud rural resident, population 250 in Sumner, we have a great volunteer fire department. Do you have any idea what the average volunteer fire department, the number of volunteers on the average rural fire department?

**DARREN NELSON:** That varies a lot. I know communities along the interstate can be as few as six people on the emergency side. When it comes to fire, I'm not really up on that, I'm more a first responder on the medical side. I know some departments are doing a hundred and some calls with six people a year. Fortunately, we're fortunate, I've got about 20 active people and we only run about 60. But our local departments run about 100 calls a year, which really on a small department is a lot.

**IBACH:** And on average, do any of the first responders, do they do both? Do they do EMT and fire?

**DARREN NELSON:** Yes.

**IBACH:** OK. Across the board, they're usually.

**DARREN NELSON:** Yeah.

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**IBACH:** Yeah. OK. Thank you very much. Thank you, Mr. Chair.

**von GILLERN:** Thank you, Senator Ibach. Any other questions? Seeing none, thank you for your testimony. Thank you for your service. Next proponent?

**JEREMY MCHUGH:** Good afternoon, Senator von Gill--Gillern. Thank you and the members of the committee. Jeremy McHugh, J-e-r-e-m-y M-c-H-u-g-h from Murdock, Nebraska, banker by day, and volunteer fire is part of a small community. We're very fortunate in Murdock. We've got 25 members and over the course of the last five years, we've gone from about fifteen calls, and we've doubled that. We're up to about 30. We meet a couple of times a month. Being just south of Mahoney State Park, in between Lincoln and Omaha, interstate calls are starting to happen more and more for us to help out. We've got field fires is-- are on the rise. We're in, we're in a drought area, and like the previous presenter said, we're chasing field fires all the time. So mutual aid is, is huge in our area. So we've got Elmwood, Weeping Water, Manley, Avoca, Greenwood, and Greenwood covers interstate as well as Ashland. And so there's times in the day that everybody's still working their 8 to 5 job. So being able to support other departments has increased our, our calls. When we get into the field fires, as I'm headed there and you can see the smoke from a couple of miles away, I have my cell phone, of course. Don't chase me for this, but I'm calling farmers because I know they have tractors and disks hooked up. And that's the only way 40, 50 mile an hour winds, we're going to get something stopped. And so it's a, it's a group effort to do this. And this tax credit is just a thank you, a support from, you know, our elected officials on the ever changing climate as well as population in our areas. You know, as far as the monetary thing, it's, it's, it's a tax credit, it's, it's going to support and show the support for us. But you know, we're a bunch of farmers, we're bunch of mechanics, we're, we're just rolling our sleeves up and going out and doing the work. And so I appreciate the time, the effort to consider this bill. And I think it'd be greatly appreciated by, by everybody.

**von GILLERN:** Thank you for your testimony. Any questions from the committee members? Seeing none. Thank you for being here, thank you for your volunteerism. Next proponent?

**DAN MALLORY:** Good afternoon.

**von GILLERN:** Good Afternoon.

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**DAN MALLORY:** My name is Dan Mallory, D-a-n M-a-l-l-o-r-y. Thank you, members of the committee to entertaining my, my story, and what I'm about to present. I represent the Bennington Suburban Fire District just outside of Omaha. It's one of the fastest growing areas in, in the state. We are a combination department, so it's a little bit unique. We have career staff on duty 24/7 but we are supplemented with volunteers. Currently we have 17 career members and I have 40 volunteers. Our volunteers are still the backbone of our organization. They are needed, and we need to support them. And as I have mentioned, Bennington's kind of unique as far as a combination. There are several other combination departments throughout the state. But myself as a combination fire chief, I also volunteer with Fort Calhoun Fire. I live outside of Fort Calhoun, neighboring to Bennington, and I volunteer in the community that I live in. I'm also the fire chief there, so I volunteer as a fire chief on my time off when I'm away from work. It's a lot, yes. I'm 100% behind this bill, LB115, to support our volunteers. I see it. I feel it. I feel the increase in the call volume in Bennington. I feel the increase in call volume at Fort Calhoun. Bennington responded to 1,500 calls last year. And in order to qualify for this, I think we also need to look at how we qualify for this, as far as the point system. 1,500 calls means my volunteers in Bennington need to make 150 calls to get their credit for call response. And if there's a way to make an amendment, or somebody to take a look at that, it's a challenge for our volunteers at Bennington to make 150 calls a year where there's several departments that are only going to make a fraction of that in a year. So if we had something out there, because we're not the only department, we neighbor Irvington, they make over a thousand calls. Blair is right down the road, 1,300 calls there. These volunteers are spending a tremendous amount of time, and many of them don't make the 10%, so they don't really qualify for this tax credit. But they're still doing it because they're helping the community. So that's one of the things I wanted to talk about today, was not only supporting this, but also taking a look at maybe amending how we earn the points in order to qualify. Our volunteers responded not only fire, but EMS. All of our volunteer members for Bennington are EMTs as well. They respond to fire, EMS, natural disasters. It was brought up earlier, the tornado event that came through. Our community was devastated by the tornado. We had about 75 homes that were impacted. Our volunteers were right there. We had 22 of our volunteers were out doing search and rescues. They removed an elderly female from one of her-- from a house that was collapsed. She was in the basement. Got her removed to, to safety. They help us out day in and day out. They also spend time in our station. Our volunteers do 36 hours a month in the station,

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responding alongside our career personnel. So it's a lot. They do a lot. And we need them. Financially, we can't afford to be 100% career. When I hire a new firefighter, just to pay for wages and benefits, we're looking at about \$100,000 a person. And our volunteers are saving us a tremendous amount of money in that aspect. So in closing, I would support this and I wish we also look at how we accumulate the points so that it benefits the men and women that are risking their lives and serving their communities. And with that I'll entertain any questions.

**VON GILLERN:** Thank you for your testimony. Questions? Senator Sorrentino.

**SORRENTINO:** Thank you, Chairman von Gillern. With regard to the points, my understanding, and honestly, till yesterday, I didn't know how you accumulate points. I want to point a clarification. You can earn 25 points by responding to 10% of the calls.

**DAN MALLORY:** That's correct.

**SORRENTINO:** Your, your other 25 points by going to seminars and practices and all that. So what you're saying-- you can't earn all 50 points by just going to the seminars. You have to have the participation factor to get to 25. So it's a combination of the two.

**DAN MALLORY:** Yes, there is a maximum. So like public ed events where they're going out and teaching to schools or daycares or having open house and that type of things, there's a maximum amount, 10 points.

**SORRENTINO:** Max is 25 points.

**DAN MALLORY:** 20 points for training, 25 points for response. So.

**SORRENTINO:** You have to have the 25 for responding.

**DAN MALLORY:** If you don't, if you don't have the response, it is extremely difficult to qualify for that.

**SORRENTINO:** The second question is, and I apologize if you're the wrong person, I, I don't know who all is-- I maybe should have asked Senator Ballard early on, and I apologize. We're going from \$250 to \$1,000. I'm sure there was some science into that instead of to \$500, to \$3,000. Any idea how we arrived at that?

**DAN MALLORY:** I, I do not have an answer for that.

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**SORRENTINO:** OK. And if there are anybody else, I'd love to hear it. Thank you.

**VON GILLERN:** Thank you. Any other questions? Seeing none, thank you for your testimony. Thank you for your service. I live very close to those-- where the path of the tornado was, and saw what you and your partners did, so thank you. I appreciate it greatly.

**DAN MALLORY:** Thank you.

**VON GILLERN:** Other proponents? Good afternoon.

**TOM HAMERNIK:** Good afternoon, Senator, or Chairman von Gillern and members of the Revenue Committee. My name is Tom Hamernik, T-o-m H-a-m-e-r-n-i-k. And I'm here on behalf of the Clarkson Volunteer Fire and Rescue Departments and the Nebraska State Volunteer Firemen's Association to show our support for LB115. I've been doing this a long time. This-- I'm in my 46th year as an active volunteer firefighter and EMT. My family owns a local business in town. My brothers and I and our employees answer a lot of daytime calls because fewer and fewer people are working in our community, and fewer yet are able to respond from their place of work. And one of the issues we have is, is finding volunteers whose employers are willing to cooperate and allow them to get off when they need to. I personally know of departments that don't try and qualify for the tax credit because they don't think it's worth it. You're asking volunteer officers who are already putting in a tremendous amount of hours to, to dedicate themselves to track more hours and to follow the requirements of the law and to make sure that the paperwork gets submitted in time to qualify for that tax credit. So I know two of our neighboring communities don't do it. And the fire chief said, I won't do it, I've already got my hands full. And so in a sense, there were people that were actually insulted that it was such a small amount and they were upset with us that we didn't seek more because they felt that it was not up to what it should have been. But in, in our, in our community, we take full advantage of it. Approximately half of our volunteer firefighters and EMTs qualify for the tax refund. And it's not just the money, it's being recognized on that list. It's made a difference in our community, both with, with our active members and with our potential new members. I'm primarily here because of the EMT part of it. We've got some new senators in the Legislature, and the-- we are really becoming short of volunteer EMTs across rural Nebraska. Our group is aging and has been for some time. And the tax credit is a, is a huge recruiting tool. And it also keeps our older folks active and still responding to calls. I think, as was stated earlier, we rely heavily on our volunteer fire and EMS services

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across rural Nebraska. And although we have, we have seen, or we have-- I guess we have heard that the solution to this issue is, is for a paid service across the state, currently, there is no one political subdivision that's responsible for EMS in the state of Nebraska. We get very little support as far as recruiting and retention from our city councils, county boards. And until someone has responsibility for that, it's going to remain that way. There are, there are communities in Nebraska that should have paid services. But a lot of rural Nebraska, it just is-- the, the cost to our rural taxpayers will, will be staggering. And, and if that's done, those response centers will have to be regionally located. And our response times and transport times to the hospitals will increase from what they are now. And that's, that's a real negative in my mind. In a lot of cases, we could have someone to a hospital before our responding squad could get there, get to our community from, in our case, maybe Stanton or Schuyler. And so that, that's really important to us. Having quality, especially rural EMS services allows some of our more, more older community members to stay in their communities, stay around their families. And that's really important to our communities. And it's part of our Nebraska lifestyle, the good life that we enjoy here in Nebraska. And so I'd encourage you to support LB115. In response to a question asked earlier whether people do both fire and EMS. In our community, years and years ago, the founding fathers had listened to different situations where fire and EMS were separate services and they butted heads. And so years ago, they decided, no, we're going to be one department and we're going to all be part of that same department and we're going to-- everybody's going to get along, and that's the way it's stayed. So in order to be an EMT and or an emergency medical responder in our community, you have to be a fireman as well. That means you come to fire drills, you follow the same restrictions that all the other firemen do. And it's kept our group together and kept us strong. So it's been valuable for us.

**VON GILLERN:** Thank you for your testimony. Questions? Senator Kauth.

**KAUTH:** Thank you, Chair von Gillern. Thank you for coming here today. In your testimony, you mentioned you're facing a severe shortage of volunteers and cooperating employees. Can you talk about the cooperating employees part of that?

**TOM HAMERNIK:** Cooperating employers?

**KAUTH:** Employers, thank you.

**TOM HAMERNIK:** That's one of the things that our fire chief has brought to my attention, as, as, as much of an issue as it, as a, recruiting volunteers is finding employers within our communities that are willing to let their employees go. In our case, we have a nursing home in our community. And so there are a lot of daytime calls and they need to be-- somebody needs to respond to them. We, we don't have a private ambulance service in Columbus or-- there is one paramedic service in Norfolk, but we don't currently have a private ambulance service located in our area. So it's, it's our squad that are taking people to the hospitals, and we're pretty much centrally located between Norfolk, West Point, Fremont, Columbus, and Schuyler. So we have people that doctor at all of those locations, so we end up transporting to all of those hospitals.

**KAUTH:** So, so to clarify, your employers have to be encouraged also to give them time off for them to participate in that.

**TOM HAMERNIK:** We, we talk to employers and trying to get them to realize that, that it's their parents and grandparents that we're, that we're transporting and they need to remember that in, in their dealings with, with our community members and our, our people.

**KAUTH:** OK. Thank you very much.

**von GILLERN:** Any other questions? Senator Ibach.

**IBACH:** Thank you, Mr. Chair. How many-- thank you again for coming in today, too. How many volunteers do you currently have on, on your force?

**TOM HAMERNIK:** I believe we have about 36 total fire and EMS people. I would say probably 20 of them are almost 60 and older. And, and we, we are fortunate, we do have a younger group of folks that are 40-ish that have really taken hold and, and are helping us out, have taken the EMT class, have taken Firefighter 1, and they're very valuable members of our group.

**IBACH:** That's a pretty sizable radius that you serve. What would you-- if you were to guess, how many would be the perfect number of folks that volunteer on your force? If you could--

**TOM HAMERNIK:** Our bylaws allow up to 50. If you had 25 people that were active, it would make a very good department.

**IBACH:** OK.

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**TOM HAMERNIK:** But people have different degrees of activity. And in our rescue squad, I think we have 24 and we probably have 11 that are very, what I would call very active.

**IBACH:** OK. Thank you very much. Thank you, Mr. Chair.

**von GILLERN:** Senator Jacobson.

**JACOBSON:** Just a quick question. You mentioned that you've got neighboring departments that feel like the \$250 that's there today just doesn't move the needle for them. Does \$1,000 move the needle?

**TOM HAMERNIK:** I, I really can't speak for them. I would certainly hope it would. It--

**JACOBSON:** I'm just trying to figure out that-- I mean, there is a fiscal note tied, attached to this.

**TOM HAMERNIK:** Absolutely.

**JACOBSON:** And, and we're really not looking for bills with fiscal notes this year.

**TOM HAMERNIK:** I understand.

**JACOBSON:** And so I'm trying to figure out if we ended up somewhere in between \$250 and \$1,000, whether we're just wasting our time or whether we need to be \$1,000 or stay where we're at.

**TOM HAMERNIK:** I don't think you'd be wasting your time at all.

**JACOBSON:** All right. Thank you.

**TOM HAMERNIK:** I hope, I hope we can move forward with it.

**von GILLERN:** Thank you. Senator Sorrentino.

**SORRENTINO:** Thank you, Chairman von Gillern. To that point of Senator Jacobson, I'd love to see this go somewhere. And \$2 million's a lot of money. I may direct this to Senator Ballard. You know, there could be a middle ground, even if it's not the number, but instead using the credit to offset whatever tax is due that year. And if you can't use it all up, you carry it forward for five years. You get, you get to use it all, but the fiscal note will be reduced significantly. It might go to half or a third of that. Just something to think about. Thank you.

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**von GILLERN:** Thank you. This is kind of inside baseball conversation. I'm not asking you to endorse that or, or negotiate it. So there's more than one way to skin a cat around here. So thank you for your testimony.

**TOM HAMERNIK:** You bet. Thank you.

**von GILLERN:** Thank you for your service. Any other proponent testimony?

**MICHEAL DWYER:** Well, it takes a whole five minutes to get organized. I should have enough copies for the senators. OK, I can't believe I did that, do you have my testimony? I told you it would take five minutes. OK. Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Micheal Dwyer, M-i-c-h-e-a-l D-w-y-e-r, and I appreciate the opportunity to testify on LB115. I'm a member of the Nebraska State Volunteer Firefighters Association Legislative Committee, and I serve as co-chair for the new Nebraska EMS task force. Thank you, Senator Ballard, for introducing this important legislation to help sustain volunteer fire and EMS services. I believe you may have already had this report in your offices, but I'm happy to give you another, the fourth version of the Future of EMS in Nebraska. That report is a product of my 41 year career as an active volunteer firefighter and EMT, 22 years of policy work on fire and EMS iss--issues, over 140 interviews, information from 22 state and national reports, countless hours of research, meetings, emails, texts, conversations, maps, testimony and everything else. The short version of these 39 pages is that calls are up, the number of responders is down, the trend is historic and the current system of EMS in Nebraska is not sustainable. To be clear, fire and EMS are essential services. We just haven't, we collectively, just haven't figured out how to put some teeth in that, specifically who's responsible and how are we going to pay for it? To be clear, fire and EMS are a 24/7/365, all hazard, all weather, always on the front line, always the first line of help for rural Nebraskans. In fire departments that provide EMS, medical services account for approximately 80 to 90% of those services. To be clear, nothing happens in rural fire and EMS unless a volunteer chooses to leave family or work, bed or dinner, midday or midnight to serve their neighbor. The money, the equipment, the training are important, but worthless unless an individual chooses to respond. In 2023, Nebraska Public Media survey of 257 volunteer fire and EMS departments that led to the NPN-- NPM, excuse me, documentary Working Fires, asked the number one issue facing the fire-- said, that survey said, the number one issue facing departments, was the inability to recruit new

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members. The number two issue was that existing members are aging. When asked if the current trends in recruiting and retaining members continue, will the quality of service in your department be increased, stay the same, or decreased, 59% said that service will decrease. In my opinion, policy and funding around public safety is always reactive. The flooding in North Carolina, the wildfires in Southern California, where I grew up, are evidence of that. Many people, including some in this room, have told me quietly that it will take a big ugly for Nebraskans to take our pleas for support seriously. The 2018 floods, and the wildfires the last four years, and the tornadoes in eastern Nebraska, which I was part of, are certainly big uglies, and we have made progress, and I appreciate that, we appreciate that. But the issues with retention and recruiting remain the same. LB849 Nebraska Statute 35-1301 states in part, the Legislature recognizes that volunteer firefighters and rescue squad personnel have provided fire suppression and emergency response services to their local communities for over a century, at only a fraction of the cost to the taxpayers which would have resulted from implementing a system of paid fire departments, rescue squad members. LB849 was passed in 1999. We will skip a couple of parts, just in the interest of time. Obviously the question today is the fiscal note, Senator Sorrentino. I'm sorry, Senator Jacobson, I believe, referred to that. I would point out that your Nebraska Department of EMS, and the new EMS assessment, I have a copy here, values the total cost to replace EMTs, EMTs alone at \$174 million annually. I believe that is low for a number of reasons, and that doesn't necessarily include fire fighters. The current cost of the \$250 tax credit is appo--excuse me, is approximately \$600,000. I believe the fiscal came in at around \$2 million for the increase. My question for you is, and I say this as a fiscal conservative, does Nebraska want to choose to do \$2 million, or does Nebraska want to be forced to do \$174 million a year? Sooner or later, Nebraska is going to have to pick a horse, if only because one of the horses just isn't survivable or sustainable. With that, I would be happy to answer some of the questions that came up earlier.

**VON GILLERN:** Thank you for your testimony. Questions from committee members? Seeing none, thank you for the information. Oh, Senator Kauth. Sorry.

**KAUTH:** It's all right. Thank you, Chair von Gillern. Mr. Dwyer, how many currently meet the definition of active?

**MICHEAL DWYER:** Say that again, I'm sorry.

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**KAUTH:** How many-- what, what percentage of your volunteer firefighters currently meet the definition of active.

**MICHEAL DWYER:** That's a great question. And I'm going to use rough numbers because it's a little hard to get data. There's roughly 13,000 volunteer fire and EMS providers in the state of Nebraska. And typically the statistics, and I just got this updated from Fran Krejci I think is her name in the Department of Revenue that there's been around 2,400 people that have taken advantage of the tax credit. That's been pretty consistently-- the, the numbers have gone up and down a little bit because of that first year, so the fiscal numbers, the financial numbers have gone up and down, but it's still around that \$600,000.

**KAUTH:** And then a follow up. What is the average age of your volunteer firefighters?

**MICHEAL DWYER:** I'm joking because I get to, I'm young, and it wouldn't qualify. Difficult question to answer. I can only add and totally refer to what's been said in surveys and what we know just from traveling around that we're aging significantly. On one hand, it's, it's a significant challenge to get young people to devote the amount of time and dedication 24/7 that perhaps was inherent in living in rural America 20 or 30 or 40 years ago. Add to that, when I became an EMT, it was an 81 hour course. Now it's a 160 hour course and at least that much in study time. Add some practical time to that and some ride-alongs, and you can approach 350, 400 hours pretty quickly. And that's a tough ask. On the other hand, every time I hear that we just can't get young people to join a department, there are departments in here, and certainly the one that I point to regularly is Pierce, Nebraska, in a town of 1,700 people that has 91 people on their department. So there are people that are certainly breaking that mold with really good and strong leadership. It's a long winded question-- answer to your question. I hope that helps.

**KAUTH:** But, but so your concern is, as you guys aged, the ability to attract the younger people into--

**MICHEAL DWYER:** Oh, yes.

**KAUTH:** --the volunteer firefighter would be benefited by an increase in the tax credit?

**MICHEAL DWYER:** Abs-- no question, yeah. And, and just to the point that was made earlier by Chief Mallory about the, the cap. That makes

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a lot of sense, because if you're in an department, and one of the other gentlemen here was 15, 17, 30, 20, 30 calls, I'm from Chambers, Nebraska, my family is, and they're running 35, 40 calls a year. So your 10% is four. But if you're in Chief Mallory's department, or in Blair, Nebraska, or some of the other ones, then your 10% to qualify is 150 calls. There, there should be, in my opinion, a better system for that. Very quickly, with respect to the points, I would only add that there's some opportunities, I think, to do some other things with that point system. One of the issues, and the gentleman from Clarkson alluded to this, is that if you have 30 people, whatever, 40 people, whatever the number is on your roster, there is a significant percentage of those that just aren't active. They may show up for a big ugly, but for regular, mediocre every day during the day kind of calls, you just don't see them very much. One of the things that the point system does, particularly as we increase that amount, is it not only addresses recruiting and retention and just getting more bodies there, but it also encourages those people that, you know what, \$250, I'm meh. I, I've heard the same thing that was mentioned, it's not a lot of money. But, but certainly the increase to \$1,000 is significant. And I think it would not only increase for new members, but it would just get more people up into that category of being active.

**KAUTH:** Thank you very much.

**MICHEAL DWYER:** Thank you. Any other questions? Seeing none. Thank you for your testimony. Other proponents.

**MARLENE BOMAR:** Good afternoon, senators. My name is Marlene Bomar, M-a-r-l-e-n-e B-o-m-a-r. I am testifying in support of LB115 today on behalf of the Nebraska Emergency Medical Service Association, an association of career and volunteer emergency responders. This statewide organization is made up of licensed emergency medical responders, emergency medical technicians, advanced emergency medical technicians, and paramedics. NEMSA is very appreciative for Senator Ballard for his efforts in supporting emergency medical services for the volunteer-- and the volunteers. Across Nebraska, and especially in rural communities, people rely on volunteers to participate as active emergency responders. It is vital that we support these volunteers as they are sometimes the only people responding to emergencies in their communities. These volunteer opportunities allow people to give back to their communities, and we want to see this engagement continue. To retain and increase the number of volunteers, we support an increased tax credit from \$250 to \$1,000. In some cases, this work can be life threatening and dangerous for volunteers. We also continue to

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experience more emergency calls and fewer volunteers. Communities around Nebraska are experiencing shortage of staff and volunteers in emergency medical services. Our presence can be the difference between life and death in Nebraska communities. LB115 directly supports our strength in numbers approach as it will help with the recruitment of volunteers. We would like to acknowledge that with a limited budget during this legislative, legislative session, it can be difficult to prioritize state funding. I assure you that this incentive will greatly benefit Nebraskans who are dedicated volunteers for EMS. This increase is not too much to ask for our state-- of our state to contribute for well-staffed, well-trained, and well-equipped volunteers who take care of our communities statewide. On behalf of the Nebraska Emergency Medical Services Association and our dedicated volunteers, I express my gratitude for your time and attention today. Thank you.

**von GILLERN:** Thank you for your testimony. Any questions from the committee? Seeing none, thank you for being here and for your service. Any other proponents?

**ANDREW FOUST:** Good afternoon Chair von Gillern and committee members. My name's Andrew Foust, A-n-d-r-e-w F-o-u-s-t. I'm the safety and legislative director for SMART-TD. We are a labor organization that represents over 1,200 railroad members across the state. We would like to thank Senator Ballard for introducing LB115, which increases the tax credit for volunteer firefighters. Our members work closely with first responders when rail accidents, injuries and deaths occur. With 85% of firefighters being volunteers and a large percentage of these issues happening in rural areas of the state, most of the time we work with these volunteers. These are people who might already have been working a full time job and yet still-- they still dedicate their time and energy to keep our communities safe. We believe that offering this tax credit to these selfless individuals is a small but significant way to acknowledge their invaluable contributions. This bill will not only support our current volunteers, but also encourage more citizens to step up and serve their communities in this vital role. A great example of this is our assistant legislative director who works full time for the Union Pacific, and in her off time is a volunteer fire fighter EMT in Hershey, Nebraska. A typical day could be leaving her full time job at midnight and taking a call to save a life at 2:30 a.m. This could happen multiple times in the week. This, this, this kind of dedication is not unique. It is echoed by, by many volunteer firefighters who balance demanding careers with their commitment to volunteer firefighting. Their willingness to respond to emergencies at any hour, often sacrificing personal time and rest, is a testament to

their dedication and relentlessness. Or resilience, I'm sorry. Our organization supports this bill because it ensures that in the event of an incident in rural Nebraska, there will be qualified individuals ready to assist our train crews and enhance our communities' safety. Thank you for allowing me to provide testimony today, and I'd be willing to answer any questions at this-- at any ime. I'd like to answer Senator Jacobson and Senator Kauth's question, earlier question. As of November 5th of 2024, in Nebraska, there was 1,491 paid firefighters and EMT, and then paid per call, which some volunteers are paid per the call they take, those are 308, and unpaid are 15,419. Senator Ibach also asked a question about some stations volun-- supplementing other stations. That's occurring right now in Hershey, Nebraska. They supplement Southerland, Nebraska, and I'm sure it goes across the state. And then fire and rescue, there are 342, and then just fire, there's 136 in the state. So I'd be happy to answer any other questions you might have.

**von GILLERN:** Thank you. Any other questions from committee members? Senator Ibach.

**IBACH:** Thank you very much, Mr. Chair. Thank you for identifying those numbers. That helps us with, you know--

**ANDREW FOUST:** Thanks to Google.

**IBACH:** Yeah. And I guess I could have Googled it, but thank you for doing it.

**ANDREW FOUST:** No, I-- any way I can help.

**IBACH:** All right. Thank you very much. Thank you, Mr. Chair.

**von GILLERN:** Thank you. Seeing no other questions, thanks for your testimony.

**ANDREW FOUST:** Thank you.

**von GILLERN:** Any other proponents? Good afternoon.

**JOHN BOMAR:** Good afternoon, Chairman and Revenue Committee members. My name is John Bomar, J-o-h-n B-o-m-a-r. I'm here to testify on behalf of the Nebraska State Fire Chiefs Association, which I serve as the legislative committee, and I also serve on the Nebraska State Volunteer Firefighters Association e-board. I have been a first responder for 48 years and I am a past chief. I am here to testi-- today to testify in favor of LB115, the Volunteer Emergency Responders

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Incentive Act for both associations. A couple of things that come to mind. First, we would like to say thank you for the \$250 we are able to get now, but that is less than a dollar per day for being a volunteer on call 24/7/365 days a year. When the call comes in, we get up and leave our families sitting at, at the table eating without their first responder. Most likely that meal will go to waste. Then for the first responders that have kids do--doing other activities, or out with the family enjoying our time together, and we get a call. We get up and leave their activities to go help one of our citizens in need or one of our neighboring departments for mutual aid. I feel that-- I feel if we could get the incentive raised from \$250 to \$1,000, this would help in getting more people to join and stay there with their departments. For the most part, I don't think there are many departments that give stipends to their first responders, and if they do it is small amount. We as first responders pay money out of our own pockets to belong to a department, such as for field training, meals, and other costs like getting paid when responding to help people or families in need, or coming to Lincoln to testify. We as leaders would like to see our members take Firefighter 1, Firefighter 2, Haz-Mat classes, and EMS classes. Yes, most departments pay for the books, and maybe let them use a department vehicle to attend the class. But again, these classes take them away from their family one or two nights a week, and one or two night week-- weekends to-- a month to get this accomplished, training. The hours of the classes run anywhere from 80 hours to around 160 hours to complete the class. In these times where families do what they can to get by, they still respond to the station or to a scene on the call. In closing, we are asking that you please pass LB115 and help first responders that help the great citizens of Nebraska. Thank you for your time.

**von GILLERN:** Thank you for your testimony. Any questions from committee?

**JOHN BOMAR:** A question I think Senator Jacobson asked on the \$250. When that bill was introduced, we tried to get \$500, and it did end up \$250. And I think it was everybody voted in favor at that time, so.

**von GILLERN:** Thank you. Senator Jacobson.

**JACOBSON:** Maybe just, I, I appreciate that information. And I would just tell you that one of the things that I'm looking at the fiscal note at, at I believe \$2 million and, and if-- I think that's probably based upon the current utilization. And so you've got kind of a double edged sword here. You raise the amount, I'm guessing the utilization goes up, and so that I would think would have an impact ultimately on

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the fiscal note as well. And so I don't diminish in any way the work that you do. And I guess I would agree with the earlier statements that if we were paying everyone as a, as a paid force, it would be a lot of money. The question then becomes is that counties, cities, or counties in particular, and state, and whose responsibility is it and how do we get there? But I-- we've got a real bargain today with the volunteers. I'm, I'm fully in support of trying to do more. I think the question really kind of comes down to the dollars that we have at this point and how do we allocate those. And so that's going to be the challenge. And-- but I think I'm in full support of trying to do more to really reward those that are out there, you know, doing this, this service, which is critically important.

**JOHN BOMAR:** And we appreciate that. And I did talk to Senator Dover, and he's on the Appropriations Committee, and that's basically what he said too, that they would try to find some money. But they couldn't promise us enough.

**JACOBSON:** Well, my district, that would include Thedford, and I'm looking up in that area. And you've got a long, long distances for EMS. Very few people that are wanting, particularly young people, are wanting to step up. It is a critical problem. And then you're looking at how far do you transport to hospitals once you get there. So, so this is a real problem, particularly in rural Nebraska, that we've got to get a better handle on. So thank you.

**JOHN BOMAR:** If I may, last Tuesday, I talked to a first responder from Ainsworth, and they were called to west of Valentine for a rescue call for a heart attack. That's about 60 miles to Valentine and then another 30 miles to the call. So that's-- luckily, Valentine to get a call, but that's still a lot of serious things that we need to look at. If we lose our EMS and, and fire and smoke committee, we lose our communities. So thank you.

**von GILLERN:** Thank you for your testimony--

**JOHN BOMAR:** Thank you.

**von GILLERN:** --and for being here, and your service.

**JERRY STILMOCK:** Mr. Chairperson, members of the committee, my name is Jerry Stilmock, J-e--r-r-y S-t-i-l-m-o-c-k, testifying on behalf of our client, the Nebraska State Volunteer Firefighters, and the Nebraska Fire Chiefs Association. I am not going to hit everything I asked-- that I was asked to, that I intended to talk about, I'll do it

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off the floor with your courtesy and time. Simply to say, times have changed. For the first time ever, governor, a governor of the state of Nebraska called a first responder summit. There were only two issues discussed: wildland fires and EMS. You've had an opportunity to spend time with the governor. I'm not boasting, bragging, or whatever, he spent two and a half hours with the volunteers. We were there from 8:00 to 4:00, he came in the afternoon and received a briefing. The point in coming up, and I'm going to share everything else off the floor when, when you allow me time. We no longer have the number of volunteer firefighters or rescue personnel because of funding cuts back in the early 2000s, there was a requirement that each department report to the Fire Marshal, Fire Marshal carry that data. And what's happening now is happened, had happened then, got to cut, got to cut. got to cut. So what happened? Well, the Fire Marshal said, well, we can do away with this data. Let's just, let's just continue to rely on the volunteers to show up. So that went away in the early 2000s. There is not enough money-- you're going to do it all year long, we know it's going to happen. Cass County went to a paid service. Why? Because the volunteers had dissipated. Nebraska city, the city of, dissipated because the volunteers weren't showing up. They have to go out and pay for, and there's not enough money, as you well know. The-- Senator Kauth, last-- in the reporting year of 2023, there were 2,400 first-- volunteer first responders that qualified and received the credit. The numbers have been 2,000 to now 2,400. Volunteers on the EMS side, they have to cover for a weekend. I, I, I cannot say it with honesty, Jerry Stilmock, if I was a volunteer in my community, I would be on for that weekend from Friday evening until Sunday evening. And if I wanted to leave to go to a Husker football game or basketball game or whatever, I want to go shopping, I have to find a substitute before I could leave. That is what happen-- is happening not just in some communities, but several communities. The-- ladies and gentlemen, we simply never want to know what happens when someone doesn't answer the call. I'm going to step back. I thank you for your time. You've been at it for an hour. I know. Senator Ballard, I presume Senator Ballard, would have words. Thank you very much, Senator Ballard, Thank you for bringing. Ladies and gentlemen, good day.

**von GILLERN:** Thank you, Mr. Stilmock. Any questions from the committee? Just a comment.

**JERRY STILMOCK:** Go, sir.

**von GILLERN:** For you and for everyone who has spoken, everybody on this side of the table understands what it's like to give of

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themselves beyond their compensation. So this is a-- this is a-- this is a very sympathetic room.

**JERRY STILMOCK:** Yes, sir.

**von GILLERN:** Thanks for your testimony.

**JERRY STILMOCK:** Good afternoon. Thank you.

**von GILLERN:** Good afternoon.

**LYNN REX:** Good afternoon. Chairman von Gillern, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We're here today in strong support of this bill. We appreciate Senator Ballard introducing it. Just a little bit of perspective. There are 528 cities and villages in the state of Nebraska. 17 of the 31 cities of the first class, that means a population of 5,000 or up, are the only ones with any paid firefighters. And not all of those are full fire departments. North Platte also has some volunteers that assist, Norfolk does, many of them do. And so this is just critically important because I know a few years ago in talking to some senators, some of your colleagues, a couple of them are not here anymore. But one of the things that they mentioned was, you know, well, we're in, we're in a metro area. We've got paid firefighters here, we've got them in Omaha, we've got them in, you know, you know, all through Sarpy County, whatever. Well, the reality of it is, as you do in Lincoln, but at the end of the day, you're not always going to be in that bubble. And so these are incredible individuals who give a great sacrifice to their families, to their communities, for little or nothing. And I realize that \$2 million is a lot of money. I understand that. But I also understand, you know, you look at what can be done with property damage with a fire, which by the way, doesn't even compare to the loss of a life. And so, Nebraska as a state, you don't pay for fire protection for your university systems, your state colleges, your other properties. There's a lot of things that paid and volunteer do to assist the state of Nebraska. So I would hope that in context, this seems like a very small number. And again, I fully appreciate the fact that every, every one of you are subsidizing the state of Nebraska. I fully understand that. And you put in a long-- a lot of long nights, and a long, a lot of long afternoons as well. So I'll just cut my testimony short by saying I cer-- I certainly hope that you advance this bill. And I certainly hope that we can find a way to put in the entire amount, because I think this is just the beginning of what really needs to happen so that we can address the EMS issue, and really what is a

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crisis in the state of Nebraska. With that, I'm happy to respond to any questions that you might have.

**von GILLERN:** Thank you. Any questions from the committee? Seeing none, thank you for being here--

**LYNN REX:** Thank you very much.

**von GILLERN:** --and for your testimony. Any other proponents? Seeing none, any opponent testimony? Seeing none, anyone who'd would like to testify in a neutral position?

**BRAD WELLS:** I'm not really neutral, but--

**von GILLERN:** You really kind of got to claim a spot.

**BRAD WELLS:** OK. [INAUDIBLE].

**von GILLERN:** This is your slot.

**BRAD WELLS:** Brad Wells, B-r-a-d W-e-l-l-s, Central City Fire Department, currently the fire chief, 12 years, been in the department for 37 years. I just retired my EMS number after 40 years this year. I guess I'm here-- the point system is probably the biggest thing. When I did my-- I posted it, I know the guys appreciated that got it. Because as soon as I put out the notice, I posted it, a lot of them came down to see if they were on the list. The problem I had was the 16 that I had-- you know, I have a full department, 35, so I'm very fortunate there. I've got five on the list, very fortunate there. And I think I can safely say that it's definitely appreciated, but this is not what holds my department together. You know, the compensation is not what drives these guys. But I had-- problem you-- look at the 16 that did make it on and they were close, everybody was right on the edge. So the thing I passed out was just a few of my rough thoughts on maybe some tweaks. And the thing I didn't think about is the other departments that have that kind of calls. How do you get that? I had 52 calls this last year, so I can appreciate-- I didn't even consider that, you know, that, that call volume, so. So I'd like to, you know, maybe take a look at the point system. Most of our training is done in-house. We find opportunities for training. We try to take advantage of fire school. But other training opportunities out there like state sponsored and stuff, that's tough to get together. Most of the-- most of everything we do is in-house. So yeah, the point system, drills count so much, meetings count so much. We meet twice a month. I consider our meetings as really a drill, because we make sure that every time we do get together, all the equipment's gone through, all

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the trucks are checked, everything's operational. And we try to make a point that we're talking to business, even at the meetings. And then the drills, we have multiple different things there. Through the course of the year, we'll do training burns. We do a lot of activities in our community. The fireworks, fundraisers, dances, whatever we can do to put out-- we do a junior fire patrol, which takes several months over the course of the winter. So we try to push our fire prevention as hard as we can. And my crew does a great job as far as participating in all that. And even if we had more leverage there. So I think the one thing I took out of there is like the ten points for an officer, I think I'd say for our officers, if it helps out, move that around, take that out. We'll-- we can make it up, the points the other-- you know, another way rather than taking advantage of that. So I think that's my-- I know a couple of communities are just like the folks mentioned. They don't take advantage of it. The, the off-- the chiefs don't turn their paperwork in. I don't think it's really tough. But there again, those guys are running, sometimes they're lucky to run four or five people on there. I don't know if this is the push they need to get more people in or not, I don't know if that works. But I know my guys appreciate it. But it's not the, you know, the fact that really drives them to it, so.

**von GILLERN:** Very good.

**BRAD WELLS:** In a nutshell, so I guess if it had something involved in realigning the point system, and I was a little concerned like, you know, \$1,000, that's a-- sounded like a big bite to me at one shot, you know. Maybe sneak that up. But, you know, that's kind of why I take a neutral, like, eh, maybe this isn't exactly what I'm looking at, so.

**von GILLERN:** Good.

**BRAD WELLS:** That's my spiel.

**von GILLERN:** Thank you for your testimony. Any questions? Senator Ibach.

**IBACH:** Thank you, Mr. Chair. How many-- thank you for coming in today--

**BRAD WELLS:** You bet.

**IBACH:** --by the way. And how many volunteers do you have on your--

**BRAD WELLS:** I have 35.

**IBACH:** 35.

**BRAD WELLS:** We're fire only. We don't do EMS. [INAUDIBLE]. Because I just turned my EMS license out. EMS, I don't know what [INAUDIBLE].

**IBACH:** And do you coop with neighboring communities at all?

**BRAD WELLS:** Absolutely.

**IBACH:** OK. And--

**BRAD WELLS:** It's the, the small villages that, you know, if they get half a dozen people they're, they're doing good, I can say that we just had a call last night, piece of junk camper fire. I had 75% participation. I can usually count on the lion's share of my department showing up to whatever it is.

**IBACH:** And what's your hot, sweet number for number on your force? What would be your sweet spot.

**BRAD WELLS:** As far as--

**IBACH:** Numbers

**BRAD WELLS:** Our bylaws call for the 35, the 35 is a good number for us.

**IBACH:** OK. Thank you.

**BRAD WELLS:** It's always nice to have the three or four on the backs ready to step in. So we've had a full department for, like I said, I've been here 37 years and the majority of that we've always kept a solid number together, so.

**IBACH:** Thank you. thak you, Mr. Chair.

**BRAD WELLS:** Don't know if that speaks to our community or what, but.

**von GILLERN:** Yep. Senator Dungan.

**DUNGAN:** Thank you, Chair von Gillern. Real quick. I just very briefly pulled up the statute about the point system. It looks like that was established in 2001. Has there not been any changes to the point system since that was initially implemented?

**BRAD WELLS:** Not that I--

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**DUNGAN:** To the best of your knowledge?

**BRAD WELLS:** Not that I'm aware of, no.

**DUNGAN:** OK. It seems like something that maybe we should talk about in the future.

**BRAD WELLS:** And for me, Senator, the thing was the training part of that, I think that was like maybe too much on that, because it's just tough for--

**DUNGAN:** Got it.

**BRAD WELLS:** You know, I appreciate the fact that my crew shows up for the calls, the meetings, the drills, But to have them you know, they do go to a fire school. But beyond that, and like the courses that are available, the timeframe-wise, that's just tough. That's why most of our stuff is handled in-house. If we have the opportunity to do like a training burn and stuff like that, we try to invite the neighboring communities to, you know, so that helps out pointwise. But what I'm looking for is, you know, an active crew that, like I said last night with the camper fire, that I can count on. We emptied the barn, and the trucks were full. And the guys, they're-- I'm confident they do good.

**DUNGAN:** Thank you very much for being here. I appreciate it.

**BRAD WELLS:** Thank you, Senator.

**von GILLERN:** Thank you for your testimony.

**BRAD WELLS:** Thank you all.

**von GILLERN:** Any other neutral testimony? Seeing none, Senator Ballard, would you like to close?

**BALLARD:** I'd just like to thank the committee for their time today. I would just like to say thank you to all the testifiers that came today. Being raised in a town of 180, I rely on volunteer firefighters for not only my, my home, but also my business. So I just want to thank them for everything they do for Nebraska, and coming here to testify. I look forward to working with the committee on finding a number that fits in the overall package. Thank you.

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**von GILLERN:** Great. Any questions from the committee? Seeing none, thank you. That will close our hearing on LB15 [SIC, LB115], will close our Revenue hearing today.