

Nebraska Legislative Preview — The Definition of Insanity By Dennis Crawford



Young people are repelled by the GOP's culture wars.

Jim Pillen and his Republican allies in the legislature are out to prove that the definition of insanity is doing the same thing over and over and expecting different results. During the most recent legislative session, the Nebraska Republicans cut taxes by a whopping \$3.1 billion over the next five years. In addition, most of the tax cuts were grabbed by the rich and corporations.

The legislature's tax cutting spree has done nothing to alleviate the serious labor shortage in Nebraska. State senators, corporate CEOs and various other interested parties have cited developing ways to recruit and retain more workers as one of their highest priorities for the 2024 session. Last summer, Pillen established a task force to come up with legislative solutions.

The labor shortage in Nebraska has been caused by the retirement of the baby boomer generation and the continuing out migration or brain drain from Nebraska by the younger generation. This trend has been exacerbated by the pandemic since

many people are out of the work force with long COVID.

"Nebraska's "brain drain" — the net loss of college-educated people through migration to other states — has more than quadrupled in the last decade. That's a blow to the state's potential economic growth and future prospects. . . . Worse yet, Nebraska's brain drain is among the worst in the country. *World-Herald* calculations show that among the states, only North Dakota and New York by percentage are posting higher losses." *Omaha World Herald*, December 31, 2023.

Now the data indicates that "individuals 25 years and older with other (lesser) levels of educational attainment also are leaving the state," says Josie Schafer of the Center for Public Affairs Research at the University of Nebraska at Omaha. In 2022, approximately 1,000 adults aged twenty-five and older with an education of high school diploma or less left Nebraska. Schafer said that the drop marks a shift from several previous years when Nebraska was attracting individuals in that education group.

Erin Porterfield, executive director of nonprofit Heartland Workforce Solutions investigated why blue-collar workers are now leaving Nebraska. Among reasons cited are that negative experiences with racism "contribute to feeling unsafe" and to reduced employment and social opportunities. "Feeling like Nebraska isn't for everyone," was another refrain, along with increased limits "on rights for people of diverse identities, including transgender care."

How are the Nebraska Republicans responding to this crisis? If you guessed more tax cuts for the rich, you would be right! Surprise! Surprise! They are consistent.

Pillen has pledged to cut property taxes "significantly" in the next legislative session. The Nebraska Governor promised to reduce property taxes by \$2 billion or 40%. Pillen would fund these massive tax cuts by cutting state spending by 6% and placing draconian spending caps on county and local governments. That would most likely include cuts to public school funding. (So much for local control.)

Senator Lou Ann Linehan doubled down on this failed strategy when she said that the state could

help by doling out more tax breaks to corporations that offer childcare benefits to their employees. In other words, Linehan wants to cut taxes (again) for corporations and hopes that it trickles down.

Pillen and the Nebraska Republicans plan to pay for these new tax breaks for the rich and corporations by increasing sales taxes. The Nebraska governor wants to increase the sales tax rate by one or two cents and by eliminating some sales tax exemptions. Sales tax increases are a tax increase on the poor and the middle class since they pay a higher percentage of their incomes on necessities than the wealthy.

Two Nebraska state senators (one current and one former) recently responded to the Nebraska drain brain crisis on Twitter.

Megan Hunt:

“Another brain drain news story, another day of watching state leaders ruminate about how we will keep young people here, as they block healthcare access, LGBTQ+ workforce protections, food assistance to qualified recipients, min wage, public transportation development...etc.”

Adam Morfeld:

“If we were more focused on things young Nebraskans cared about and less focused on going after LGBTQ people, gutting public education, making reproductive healthcare impossible to obtain, and giving tax breaks to wealthy folks, then maybe we wouldn't lose so many young people.

If lawmakers want a guide to keeping young people in the state, here you go:

1. Stay out of our bedrooms
 2. Invest in public transportation, culture, and entertainment
 3. Affordable housing
 4. Invest in childcare and healthcare
 5. Legalize marijuana
- Whew that was tough.”

I would add to the list the repeal of Nebraska's so-called right to work (for less) law. Corporate “right to work” laws drive down wages. Nebraska is a low wage state and won't be able to retain workers in the absence of pay increases.

Nebraska voters can begin to bring about the change we need in the 2024 election cycle. It is anticipated that ballot initiatives on medical marijuana, paid family medical leave and abortion rights will be voted on in November 2024. Progressive ballot initiatives have a history of success

in Nebraska. Voters have approved the Medicaid expansion and an increase in the minimum wage.

Already, numerous good Democrats have announced runs for the legislature around the state. I would urge you to invest your time and money in some of the legislative races. The composition of the legislature makes a big difference. Many voters don't realize how powerful and important the state senators are. A successful election cycle can put a check and balance on the ambitions of the extreme Nebraska GOP.

“Don't agonize; organize. No whining; just winning.” Nancy Pelosi. Now let's get it do

Help Democrats Win!

“Volunteering is the ultimate exercise in democracy. You vote in elections once [or twice] a year, but when you volunteer, you vote every day about the kind of community you want to live in.” -Author Unknown



Lancaster County Democratic Party Candidates

By Bailey Feit, Mary Fischer, and Chris McCoy.

We are excited to announce our first in a series of articles about Democratic candidates in Lancaster County. Quotes were obtained from the original press release which was published 11/16/2023.

This month we are introducing Jason Prokop, candidate to represent Nebraska Legislative District 27.



As Director for First Five Nebraska, Prokop serves as a powerful advocate for early childhood care and education, and he fully understands how those measures enrich the lives of our youngest, most vulnerable citizens. Prokop has extensive public policy experience that will be indispensable in the Unicameral as we continue to fight for stronger

support for teachers and public schools with better funding solutions.

"I'm running for the Nebraska Legislature to refocus our government on the priorities that people care about — pocketbook issues like fixing our tax system and providing real property tax relief, growing our economy so that hard working Nebraskans can get ahead, ensuring healthcare is affordable and meets the needs of families, and keeping neighborhoods safe and strong," said Prokop.

Prokop is also focused on expanding affordable healthcare options and building stronger, safer communities across Nebraska.

"Nebraskans believe in hard work and strong communities that can support our families," said Prokop. "I'll take my experience to the legislature and deliver results for Lincoln and Nebraska."

Legislative District 27 serves southwest Lincoln and a portion of southwest Lancaster County. Jason Prokop has received the endorsement of Nebraska Senators Anna Wishart, Eliot Bostar, Danielle Conrad, Jane Raybould in addition to former U.S. Senator, Ben Nelson, to name a few.

You can learn more about Jason Prokop's campaign, donate, and/or sign up to volunteer at jasonprokop.com.

First Five Nebraska is a non-profit organization focused on infant and toddler education and childcare. Additional information is available at firstfivenebraska.org

Union Activity is Good for the Nation — Part 2

By John Markey

In the last article, I closed with some gloomy statistics about the concentration of wealth in this country, I want to expand on them. According to the Federal Reserve Bank of St. Louis, The top 10% in America own 70% of all household wealth, while the bottom 50% own a paltry 2.5%. Also, Millennials and Gen Z on average own about 70% of the wealth that Gen X owned at the same stage in life.

Digging deeper into the report, the statistics are even more alarming. It's statistically true that Millennials and Gen. Z own 70% of the wealth Gen x had at the same stage of life, and 74% of Boomers, but these figures are for the generations in their entirety, not per capita. These generations were very different in size.

The study looked at each generation when its average age was 34. For Boomers, the year was 1989 when they accounted for 42.2% of households and held 21.1% of household wealth, 50% of what their numbers would suggest. Some of this can be expected as younger households will have less wealth than those which are older and more established.

For Gen X, the year was 2006. Gen X accounted for 28.2% of households but held only 9.9% of household wealth, 35% of what their numbers would suggest. In 2023, Millennials and Gen Z were 31.7% of households but held a paltry 5.7% of household wealth, 18% of what their numbers would suggest.

In the mid-1970s, union membership was down to about 25% from its peak of 35%. It was at this time that wages stopped growing along with productivity. By 1989, when the wealth of the Boomers was measured, union membership was closer to 15%. It declined even further for the following generations.

It used to be part of the American dream that children could expect to do better than their parents. The decline in union membership has upended that dream and lowered the expectations of younger generations. The growth in union activity in the last year has given me hope that we can return the American dream and more fairly distribute the nation's wealth among the people who go to work and create it.

The Republicans Know That Trump Is Losing

By Dennis Crawford



Biden is now the front runner in the 2024 presidential election.

The political world was rocked by a flawed *New York Times*/Siena poll on November 5 that allegedly showed that Trump was leading in the battleground states. The poll was garbage since it grossly inflated Trump's support with Hispanics, African Americans, and young people. Despite its obvious flaws, this poll dominated the media narrative for several weeks even though other polls showed Biden in the lead or tied with Trump.

After the *New York Times* ran that poll, they found several Democrats who expressed concerns off the record that Biden was losing. The mainstream press can always find a few Democratic bedwetters who will deliver Republican talking points. After that, the press highlights the remarks of the fearful Democrats and ignores the more confident ones. Rinse. Repeat. That's how political reporting works in America.

Here is a reminder of how Democrats always fret, from the *New York Times* on September 10, 2011: "Democrats Fret Aloud Over Obama's Chances"

And in a campaign cycle in which Democrats had entertained hopes of reversing losses from last year's midterm elections, some in the party fear that Mr. Obama's troubles could reverberate down the ballot into Congressional, state, and local races.

"In my district, the enthusiasm for him has mostly evaporated," said Representative Peter A.

DeFazio, Democrat of Oregon. "There is tremendous discontent with his direction."

The anonymous Democrats quoted in this piece feared that Mitt Romney and even Rick Perry, could beat Obama. That didn't age well.

Republicans rarely express any doubts about their front runner who is currently facing 91 felony counts and numerous civil lawsuits that could bankrupt him. In addition, Trump has dragged the GOP down to defeat in every election cycle beginning in 2018. The GOP's "Orange Jesus" was the first president since Hoover to lose control of the White House and the Congress in one term.

The GOP followed that up with losses in 2022 and 2023. Trump endorsed candidates lost across the board in the battleground states. Even though we had a Blue Wave on November 7, 2023, the press ceased mentioning it after election day and has continued to cherry pick the polls that make Trump look strong.

Evidence is beginning to emerge that the Republicans themselves don't believe the polls that put Trump in the lead. Republican National Committee (RNC) Chair Ronna McDaniel is under fire following another disastrous election cycle of losses in 2023. Several prominent Republicans have publicly blamed McDaniel for the party's losses in 2022 and 2023. Former Arkansas Governor and presidential candidate Mike Huckabee said the RNC lacked a "cohesive message," while presidential hopeful Vivek Ramaswamy launched a petition drive to remove McDaniel.

"We've become a party of losers at the end of the day," Ramaswamy said at the third Republican presidential debate. "We have to have accountability in our party. For that matter, Ronna, if you want to come on stage tonight and look the GOP voters in the eye and tell them you resign, I will turn over, yield my time to you."

"What concerns donors and activists is that the RNC is not focused as much as it should be on turning out voters, chasing ballots in the general election," said one GOP strategist.

The GOP's long losing streak and Trump's legal jeopardy have caused fundraising for the RNC to dry up. The RNC heads into the crucial 2024 election cycle with just \$7.6 million in cash on hand. It is 10% of what it had in late 2019. "There's significant anxiety," said Oscar Brock, a committee member from Tennessee. Henry Barbour, a longtime member from Mississippi, said the reasons for the poor fundraising are obvious: "2020, and then 2022" — and at the top of the list: "Trump."

Republican insiders like Brock doubt the big money of 2020 can be raised because many GOP

donors are disenchanted with a third Trump nomination, especially since there is a strong possibility that Trump will be a convicted felon next year. Brock said many donors are also worried about the GOP's extreme anti-choice views, and how it might continue to motivate swing voters to vote Blue.

Republican anxiety about Trump is probably also fueled by the fact that a majority of the independent polls taken in recent weeks have Biden tied or ahead. The much-hyped *New York Times* which had Biden trailing Trump several weeks ago, now has Biden leading 47%-45% with likely voters. The Democrats have gained 3 points in 538's Congressional Generic tracker, and Navigator's recent House battleground tracker polling found Republican erosion, and the Democrats now with a decided lead.

Here are the 16 recent polls showing Biden ahead or tied ([via 538](#)):

- 47-45 NYT/Siena (LVs)
- 49-48 Monmouth
- 49-48 NPR/Marist
- 47-46 Quinnipiac
- 42-41 YouGov/Economist 12/2
- 44-42 YouGov/Economist 11/25
- 39-37 YouGov
- 40-36 and 37-35 Leger
- Reuters had Biden +4 in the battleground Presidential states.
- 45-45 Clarity
- 44-44 Yahoo/YouGov
- 41-41 Cygnal
- 43-43 Economist/YouGov 12/6 and 12/20
- 43-43 Morning Consult 12/2

In a new poll released by Echelon Insights on December 23, Biden has retaken the lead from Trump by a 48%-47% margin. The last time Biden led in their poll was in July. The poll also shows Biden leading in the swing states by a landslide lead of 52%-44%.

"By now, we all know the media is going to hype any poll that is favorable for Trump and bury ones that are favorable for President Biden. It is gonna be up to US to combat this narrative and start to turn the tide in public opinion." Chris D. Jackson.

It can no longer be said that Trump is front runner in the 2024 election. (I doubt he was ever the front runner in the first place.) Instead, it can be accurately said that Biden is the favorite to win the 2024 election. Thus far, the mainstream press has ignored Republican doubts about Trump and the Biden comeback in the polls.

Will the media ever cover these results show Biden is now ahead as much as they did the flawed polling that showed Trump leading? Poll after poll

show Biden winning. Why does the media continue to ignore this?

Currently, the most important electoral information aren't the polls — it's the Democrats' ongoing overperformance in elections of all kinds across the country since the Supreme Court threw out *Roe*. The GOP hasn't had a good election night since the *Dobbs* decision. The 2022 and 2023 elections instructed us that focusing our understanding of politics largely on polls is simply unreliable. There was no red wave in 2022 and we had a blue wave in 2023.

The Republican Party is the Nebraska Huskers of politics. They were great in the past but not anymore. Before every Husker football season, there is great hype. The press and the fans all predict a great season. Then they play the games. The Huskers inevitably fall apart and have a poor season.

Similarly, the press and the GOP predict a red wave. Then the campaign begins. The GOP nominates bad candidates, takes extreme stands on the issues, and has poor messaging. After that, the GOP has a poor performance on election day and loses the election. Rinse. Repeat.

The economy has finally turned the corner and is improving across the board. Unemployment and inflation have declined significantly since Biden took office. Consumer spending is strong, and travel is at an all-time high. We have many reasons to be optimistic about the economy in 2024.

If the economy collapses during a Trump presidency, you will be prosecuted and arrested if you dissent. Donald Trump has promised to deploy the military to arrest protesters under the Insurrection Act. There are no checks on the president's power under this law. Trump has also promised to prosecute political opponents and journalists.

There wouldn't be any real checks and balances in a second Trump presidency. The Republicans in Congress would just let Trump do what he wants to do. The current SCOTUS has a 6-3 GOP majority. Would they save the Constitution from Trump? Do you want to take that chance?

It's America or Trump in 2024. Choose wisely.

Chile's Object Lesson in Democracy

By Jim Schaffer

Chile is one of the world's most democratic countries. According to a ranking compiled by the University of Wurzburg, it sits at 29, second highest in South America. The United States is further down the list at 36, in a tier categorized as a "deficient democracy."

As a sign of its commitment to the democratic process, in 2020 Chileans decided to draft a new constitution. The trouble with their current one is that it was written by group of just twelve people under the direction of a brutal military dictator, Gen. August Pinochet. That constitution from 1980 limited personal rights and supported a system of huge income disparity. Ten percent of the country's people own about 80% of the entire nation's wealth.

That inequality led to massive protests in October 2019 and eventually a call for a national constitutional convention. The result of Chile's wrestling with the complex rules of democratic government offers an object lesson for the U.S.—things that get broken during the reign of a dictator are not easily fixed.

Chile is still coping with a bloody and tragic past. To cite one example, the country was able only recently to extradite a former Army officer accused of torture and murder during the early days of the military takeover. The alleged culprit, Pedro Barrientos, had emigrated to Florida in 1990, the same year the bloody dictatorship of Pinochet came to an end. This past December, he was finally stripped of his U.S. citizenship and returned to Chile for trial.

Victor Jara, a famous folk singer and victim of Barrientos' brutality, was a supporter of socialist President Salvador Allende. He was seized and taken to a Santiago stadium where thousands of prisoners were held. There, he was beaten and shot—one of the first of more than 3,000 Chileans killed for opposing Pinochet's iron-fisted rule. The stadium is now named for Jara and remains a public monument to the tragedy.

Barrientos's return to Chile (think of the movie *The Boys from Brazil*) was an appropriate moment, just as the country concluded a year of commemorations marking the 50th anniversary of the coup. The expulsion also came days after the death of Henry Kissinger, the prime architect of covert U.S. plans to destabilize the Allende government. As Kissinger famously said, "The issues are much too important for the Chilean voters to be left to decide for themselves."

Turn back to 2020 when Chileans voted to write a new constitution. After more than a year of intense discussion, delegates produced a remarkably progressive document, one that legalized abortion, adopted universal health care, and guaranteed over one hundred other

rights. What was especially fascinating about the process, from the prospect of democracy, was that professional politicians were excluded.

People had grown so distrustful of politics and politicians that they decided to exclude them from the convention. According to Prof. Claudia Heiss of the Universidad de Chile, about 90% of the delegates had never held political office. Only a third even belonged to a political party. To provide as much diversity as possible, convention rules mandated gender parity—there would be exactly the same number of women as men. Seventeen seats were reserved for Chile’s indigenous peoples.

As a consequence, the traditional political elites lost their ability to control the process and to control the agenda. “This had a good side,” Heiss said, “that it opened to new groups, and to represent new interests. But it also had a bad side because it made it very difficult to negotiate, to develop general platforms as a constitution should have.”

The delegates worked night and day, she said, and “really tried to listen directly to many people.” They held over 600 hearings during their proceedings. But symbolically, “I think they also scared a lot of people. Many of them didn’t wear jackets and they didn’t look like regular politicians.”

The result of their deliberations was a very long constitution that provided a lot of rights but little detail to explain how they would actually work. “It was really a declaration of intentions rather than full-fledged provisions,” Heiss said.

Despite high hopes, on Sept. 4, 2022, 62% of Chileans voted to reject the new draft constitution. The country vowed to try again, this time under the leadership of President Gabriel Boric: “I pledge to do my utmost to build together with Congress and civil society a new text that will take on board the lessons learned and to interpret the views of a broad majority of citizens.”

That second draft turned out to be an abrupt about-face from the first draft, one that might have been even more repressive than the constitution Chile was trying to replace. On Dec. 17, 2023, that draft, too, was rejected by a national vote.

So for now, the process of replacing or revising the constitution is over. “I want to be clear: During my term, the constitutional process is closed,” said Boric after the most recent vote. “The country became polarized and divided, and the constitutional process failed to channel the hopes of achieving a new constitution written for all.”

People will draw many conclusions from this development but for Americans, one lesson is clear. If the country should fall into a dictatorship, recovering the principles of democracy will be extremely difficult.

Spilling Bill’s beans: Tech billionaire spent \$113 million on Nebraska farmland

By Destiny Herbers

Published with permission.

Bill Gates’ Nebraska neighbors don’t know he owns the soybean field down the road. Here’s the story of his spending spree, including the massive loan he took out against his land.

A glance at federal records shows the series of Nebraska farms listed as foreign owned, though there’s no country attached and no hint that these farms with unassuming names might be related.

Willowdale Farms, Merrick County Farms, Dove Haven Ranch, Champion Valley Farm, Schroder Family Farms and many more are concentrated in northeast Nebraska but spread to the southeast corner and west nearly to Wyoming.

In Nebraska’s business records, they have one similarity: Each farm’s office address leads to a single-story brick building in the St. Louis suburbs, an office park housing a dentist, lawyers and, until recently, a farmland investment startup called AgCoA.

For years, AgCoA was owned by the Canada Pension Plan Investment Board, a government-owned group managing the retirement funds of 21 million Canadians.

But in 2017, the Canadian board decided to offload a half-billion dollar chunk of its American farmland portfolio – including all 22,830 acres of its Nebraska land.

The buyer of those unassuming-sounding Nebraska farms wasn’t publicly listed. Until now, the financial details of the transaction and the gargantuan loan he’s taken out against it have remained publicly unknown. The buyer’s name: Bill Gates.

The billionaire who co-founded Microsoft has, in the past six years, spent more than \$113 million buying Nebraska farmland.

The *Flatwater Free Press* analyzed five years of land sales data, between 2018 and 2022, originally gathered by a University of Nebraska-Lincoln College of Journalism and Mass Communications data journalism class.

If that data would have included the year 2017 – when Mt. Edna Farms, the Gates-owned company that made that massive purchase from the Canadian pension board – then Gates would have been the top buyer of Nebraska ag land by money spent. Since 2017, he has spent more than double the second-place buyer.

Gates’ farmland is held by more than [20 shell companies](#) spread across the country. Some lead back

to a P.O. Box in Kirkland, Washington, the city where Cascade Asset Management, which manages all Gates' investments, is headquartered.

Others are linked to Lenexa, Kansas, and Monterey, Louisiana, population 371, where [reporters have previously traced Gates' operations](#).

These limited liability companies, buried under layers of business names, overlapping employees and addresses in at least three states, form a network more tangled and opaque than the one created by the Church of Jesus Christ of Latter-day Saints, [which is buying a giant amount of Nebraska ranch land](#).

Because it's hidden, Nebraskans living and farming in communities where Gates is among the largest landowners are often unaware that one of the world's richest men owns the cornfield down the road.

Gates now owns around 20,000 acres of farmland across 19 counties in Nebraska after selling some land in recent years. He owns the largest chunk of land, about 8,500 acres, in Holt County.

"I think if you ask on the street, who owns Mt. Edna Farms, nobody'd even know what it was," said Bill Tielke, chair of the Holt County board. "So it's not like people realize that he does own that much land in Holt County."

Mt. Edna has a farm manager in Holt County, Tielke said, and local people work for the farm and rent the ground. Tielke has worked as a crop adjuster for local farmers who rented Mt. Edna's land and said that if they hadn't told Tielke that Gates bought the land, he wouldn't have known.

"I don't remember it throwing up any bells or whistles or anybody even saying anything about it," Tielke said.

The Nebraska Farm Bureau, through spokesperson Cassie Hoebelheinrich, declined to comment on Gates' farmland ownership.

"This is an issue we really don't follow and isn't a priority for us," Hoebelheinrich said in an email.

Gates' land ownership has been the source of much rumor, and some concern, in Nebraska, partly because of his connections to the Bill and Melinda Gates Foundation, which runs programs addressing issues of global public health, sustainability and climate change.

If Gates' land was given to a nonprofit – potentially making it exempt from property taxes – it would "decimate" the counties involved, State Sen. Tom Brewer, a Republican whose district covers 11

rural counties in central and northern Nebraska, said in an email.

"It would force action from the Legislature to protect the counties," Brewer wrote.

But the farmland is one of Bill Gates' financial investments, said the company who manages those investments, not part of the Gates Foundation's portfolio.

"The investments that Cascade makes in Nebraska farmland are not connected with the agricultural or climate initiatives of the Bill & Melinda Gates Foundation," a Cascade spokesperson said in an email.

Cascade Asset Management declined to answer further questions about its Nebraska farmland purchases and the structure of the affiliated LLCs.

Gates himself recently publicly reinforced the idea that his farmland purchases are investments.

"The decision to buy this land was made by people who help manage my money so that we get a good return, so that the Foundation can buy more vaccines," Gates said on a November episode of Trevor Noah's podcast. "And they saw that if we could invest in land and (improve) the productivity of that land, that it would have a good return."

Buy, borrow, die

Gates doesn't simply receive rent checks from his Nebraska farmland. He's also using it to borrow staggering sums of money.

Three days before Christmas 2021, Mr. Edna Farms filed paperwork with Dawson County, clearing the path to use a part of Gates' land as collateral.

Gates' LLC then took out two loans against his Nebraska farmland.

The total of those loans: \$700 million.

The obvious question: Why is Gates, who Forbes deemed the world's richest man 18 different times between 1995 and 2017, using Nebraska farmland to take out a \$700 million loan?

[Using IRS data, the news outlet ProPublica](#) estimated Gates' total average annual income between 2013 and 2018 was \$2.85 billion, with an average federal income tax rate of 18.4%. That income primarily came from sales of Microsoft stock, which is taxable.

But extremely high net-worth individuals like Gates often use a strategy of borrowing against their assets – like land – if they want spendable money. Selling those same assets would generate taxable income, said Adam Thimmesch, a University of Nebraska College of Law professor specializing in business and tax law.

"If you can hold those assets until you die, all of that taxable gain goes away, so the ideal tax planning technique, if you're wealthy enough to be able to do it, is to invest in those appreciating assets," Thimmesch said.

If certain conditions are met, tax law then allows someone to inherit the land and avoid paying taxes on the long-term appreciated value if they sell it, Thimmesch said.

In the meantime, ultra-rich Americans can borrow against their assets to fund their lifestyles or make other investments. Banks are happy to lend money for something like farmland, the law professor said, because there's security in the value.

"Then on your death, your heirs can sell the property if they need to, to pay back the debt, and there's just no tax liability anymore," Thimmesch said. "So you can eliminate that entire layer of tax, while still kind of enjoying the benefits of being wealthy while you're alive."

In order to use this so-called "buy-borrow-die" method, Gates would need to place his Nebraska farmland in his own name before he dies or be the sole owner of Mt. Edna Farms LLC.

The corporate structure and official ownership of Gates' various shell companies has never been publicly explained. It's impossible to know now if his land would be eligible for the tax provision, Thimmesch said.

Cascade Investment declined to answer questions about the loan, and the management of Gates' investments beyond confirming that they are not connected to the activities of the Gates Foundation.

Below the surface

Gates' land ownership in Nebraska includes [the valuable water beneath that land](#).

He has access through 191 existing wells, which add to the value of the land for farmers and investors alike by providing crop irrigation.

Gaining access to groundwater is often a priority for potential farmland buyers. If you own land in Nebraska, you have the possibility of accessing the underlying groundwater, but natural resource districts regulate how water is used.

"I'm sure that the NRD is well aware (of Gates), and that every one of those wells is no doubt permitted, and has associated certified acres and probably does some annual reporting to the NRD as well," said Don Blankenau, a lawyer who provides water-related legal counsel to Nebraska NRDs.

Gates' existing wells were transferred to Mt. Edna with the lump sum purchase of land in 2017,

public records from the Nebraska Department of Natural Resources show.

"We don't treat Bill Gates any different than Dean Edson or anybody else. They can have that land, but they don't own the water," said Dean Edson, director of the Nebraska Association of Resource Districts. "If they want to use the water, Bill Gates is gonna have to come get a permit."

If you buy land in Nebraska without a well, there's no guarantee your local NRD will grant a permit to dig one. But if the land already has a well, the NRD has likely already certified its use. The landowner, be it Bill Gates or Bill Jones, can continue to use that water so long as the use follows existing rules, Blankenau said.

"I've heard over the decades I've done this, people are always concerned that somebody's gonna go out and buy a big tract of land in the Sandhills, and then transport that water away," Blankenau said.

That's nearly impossible, he said, because Nebraska has tight limitations on the transportation of groundwater, especially outside of state borders or as a commodity. An investor like Gates moving large quantities of groundwater via pipeline or trucking operation would attract the attention of neighbors and the local NRD.

"If you extract groundwater out of the ground, carbonate it and add sugar to it, you've got soda pop, and you can move that all over the place. Same thing with beer, one of my law partners started brewing, and I always tease him that he's exporting groundwater in the form of beer," Blankenau said.

In Holt County, Gates' operation has gone mostly unnoticed by neighbors and county officials. And the actual farming of that land has barely changed.

But Gates' land buys still matter, said Tielke, chair of the Holt County board. The purchases of any large outside investor limit the opportunities of small farmers to break into the industry.

"I think it's going to cause a lot of problems for future generations to get young people started," Tielke said. "It's getting pretty hard to compete with these guys that are coming here buying this land now."

Flatwater Free Press reporter Yanqi Xu contributed to the data analysis used in this story. The series, "Who's Buying Nebraska?" was made possible by a grant from the Center for Rural Strategies and Grist. December 21, 2023

LCDP Holiday Party

Photos from the annual LCDP Holiday Party, held on December 19, 2023.







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I hereby authorize the Lancaster County Democratic Party to charge the credit card below for a one-time donation of \$_____.

Signature _____

_____ **Electronic Donation via ActBlue**

I am sending a separate electronic donation via the County Party's ActBlue account:

<https://secure.actblue.com/contribute/page/lancaster-county--ne--democrats-1>

_____ **Check or Money Order Enclosed, payable to Lancaster County Democratic Party**

Make check or money order payable to Lancaster County Democratic Party or charge to:

_____ VISA _____ MasterCard # _____ Exp. Date _____

Please return this form to the Lancaster County Democratic Party, PO Box 83213, Lincoln NE 68501-3213.