



August 1, 2024

The Honorable Lou Ann Linehan
Chair, Revenue Committee
Nebraska State Legislature
Room 1116, State Capitol
1445 K Street
Lincoln, NE 68508

RE: Oppose LB 48_S1

Dear Chair Linehan:

On behalf of Chamber of Progress, a tech industry association supporting public policies to build a more inclusive country in which all people benefit from technological leaps, I write to urge you and your colleagues to oppose LB 48_S1, which would impose a 2% delivery fee on delivery services throughout the state.

While the fee would apply only to sellers, it would likely be passed on to consumers in the way of increased prices or additional fees for delivery services. Price increases and fees would disproportionately burden the state's most vulnerable members, including residents of food deserts, individuals with disabilities, and low-income families who depend on the reliability of delivery services. The fee would also harm small businesses and increase damage to roadway infrastructure.

Delivery fees on delivery services increase costs and threaten access to essential goods and services for marginalized communities

Recent data highlights the growing reliance on delivery services nationwide and its impact on underserved communities. Between 2021 and 2022, 54 percent and 41 percent of adults surveyed nationwide reported they were likely to have

frequently used an app to deliver food and groceries, respectively,¹ and studies suggest the average order frequency for groceries will increase at a 12 percent annual rate over the next five years.²

Delivery services are critical for families struggling to access essential household goods. In 2018, 12.8% of Nebraskans were food insecure, including 79,000 children.³ For these residents, grocery and meal delivery services increase options for healthy, nutritious food and other household essentials. Moreover, about 11% of Nebraskans live with a disability.⁴ Many of these individuals, who have difficulty shopping in person, also depend on delivery services for prescriptions, groceries, and household goods.⁵ The imposition of fees on delivery services can exacerbate challenges in accessing essential goods and services for people with disabilities, who often face additional financial burdens.⁶

A survey of Colorado residents found that the burden of a 27-cent delivery fee fell hardest on low-income families. Families earning less than \$75,000 spent 2.5 times as much on delivery fees as families earning over \$200,000.⁷ Increasing the cost of deliveries of food and household goods would further burden struggling families in Nebraska.

Fees on delivery services hurt small businesses and workers

As of 2023, Nebraska hosts nearly 167,878 small businesses, employing about 47% of the state's private, non-farm workforce.⁸ Imposing fees on sellers for delivery orders would hurt small businesses who depend on deliveries to reach customers across the state. Businesses would be forced to either shut down delivery options, limiting the number of customers they could serve; bear the costs of the fee themselves, cutting into their profits; or pass the fee onto consumers by raising prices. In any case, the fee would result in decreased

¹ See Chamber of Progress

http://progresschamber.org/wp-content/uploads/2022/07/COP_Civic-Innovation_ANALYSIS.pdf

² See Online grocery sales will increase at 12% annual rate over 5 years, report says

<https://www.grocerydive.com/news/online-grocery-sales-will-increase-at-12-annual-rate-over-5-years-report/641578>

³ See Food Insecurity https://nebraskalegislature.gov/pdf/reports/research/food_insecurity_2020.pdf

⁴ See Disability in Nebraska <https://dhhs.ne.gov/Reports/Disability%20in%20Nebraska%20Report%20Card%202021.pdf>

⁵ See Home delivery services serve up improved accessibility to food and more

<https://www.ameridisability.com/home-delivery-services-serve-up-improved-accessibility-to-food-and-more/>

⁶ See The National Disability Institute

<https://www.nationaldisabilityinstitute.org/wp-content/uploads/2018/12/finra-infographic.pdf>

⁷ See Chamber of Progress

<http://progresschamber.org/wp-content/uploads/2024/02/EY-Chamber-of-Progress-Colorado-delivery-fee-analysis-02-27-2024-FINAL.pdf>

⁸ See Small Business and Entrepreneurship in Nebraska

https://www.unomaha.edu/nebraska-business-development-center/_files/publications/small-business-nebraska.pdf

business revenues and decreased wages for delivery drivers. When a 27-cent fee was imposed on delivery orders in Colorado, many small businesses raised concerns about increased costs, and customers complained about increased prices.⁹

Fees on delivery services would also increase roadway usage and environmental damage

Delivery services, particularly retail and e-commerce deliveries, consolidate trips and use route-optimization technology, making them more efficient than multiple individual trips. Price increases as a result of this fee would discourage consumers from choosing delivery options and result in more individual trips to the store, putting more cars on the road and more emissions in the air. In Nebraska alone, the use of delivery services could result in over 53,000,000 fewer miles driven in one year, reducing wear and tear on roadways and decreasing roadway emissions.¹⁰ This fee would undermine the state's efforts to reduce greenhouse gas emissions by 30% by 2030.¹¹

Delivery services are critical in supporting marginalized communities and sustaining small businesses statewide. Delivery fee policies should not jeopardize the benefits they provide to families and workers. As such, we urge you to **oppose LB 48_S1**.

Sincerely,



Kouri Marshall
Director of State & Local Government Relations, Central US

⁹ See New Colorado retail delivery fee causing issues for small businesses
https://www.kktv.com/2022/07/07/new-colorado-retail-delivery-fee-causing-issues-small-businesses/?utm_source=dlvr.it&utm_medium=twitter

¹⁰ See Efficiency and Emissions Impact of Last Mile Online Delivery in the U.S.
<https://progresschamber.org/wp-content/uploads/2024/06/Chamber-of-Progress-Efficiency-and-Emissions-Impact-of-Last-Mile-Online-Delivery-in-the-US.pdf>

¹¹ See Nebraska Unveils State's First Climate Action Plan, Aims to Reduce Emissions by Over 30%
<https://www.urnrd.org/nebraska-unveils-states-first-climate-action-plan-aims-reduce-emissions-over-30#:~:text=If%20fully%20implemented%2C%20the%20proposals.greenhouse%20gas%20emissions%20in%202021.>