



July 26, 2024

The Honorable John Arch  
Speaker of the Legislature  
Nebraska Legislature  
Room 2103, State Capitol  
1145 K Street  
Lincoln, NE 68509

The Honorable Raymond Aguilar, Chair  
Executive Board of the Legislative Council  
Nebraska Legislature  
Room 2108, State Capitol  
1445 K Street  
Lincoln, NE 68509

RE: Oppose LB 26\_S1

Dear Speaker Arch, Senator Aguilar and Members of the Legislature:

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 26\_S1, which would impose a 27-cent fee on deliveries throughout the state.

This fee 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. It would also harm small businesses and increase damage to roadway infrastructure.

### **Delivery fees 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,<sup>1</sup> and studies

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<sup>1</sup> See Chamber of Progress  
[http://progresschamber.org/wp-content/uploads/2022/07/COP\\_Civic-Innovation\\_ANALYSIS.pdf](http://progresschamber.org/wp-content/uploads/2022/07/COP_Civic-Innovation_ANALYSIS.pdf)

suggest the average order frequency for groceries will increase at a 12 percent annual rate over the next five years.<sup>2</sup>

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.<sup>3</sup> 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.<sup>4</sup> Many of these individuals, who have difficulty shopping in person, also depend on delivery services for prescriptions, groceries, and household goods.<sup>5</sup> The imposition of delivery fees can exacerbate challenges in accessing essential goods and services for people with disabilities, who often face additional financial burdens.<sup>6</sup>

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.<sup>7</sup> Increasing the cost of deliveries of food and household goods would further burden struggling families in Nebraska.

### **Delivery fees 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.<sup>8</sup> Increasing delivery fees would threaten many of these businesses, especially restaurants and businesses that depend on online marketplaces to reach customers. While the fee would not apply to direct purchases businesses in their first year of operations or those earning less than \$500,000 per year, many small businesses operate on online marketplaces in order to reach more customers and take advantage of sophisticated logistics and shipping operations. Orders made on those platforms would be subject to the fee, resulting in higher prices for consumers. Those price increases would cause a drop in demand, decreasing business revenues and

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<sup>2</sup> 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>

<sup>3</sup> See Food Insecurity [https://nebraskalegislature.gov/pdf/reports/research/food\\_insecurity\\_2020.pdf](https://nebraskalegislature.gov/pdf/reports/research/food_insecurity_2020.pdf)

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

<sup>5</sup> 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/>

<sup>6</sup> See The National Disability Institute <https://www.nationaldisabilityinstitute.org/wp-content/uploads/2018/12/finra-infographic.pdf>

<sup>7</sup> 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>

<sup>8</sup> See Small Business and Entrepreneurship in Nebraska [https://www.unomaha.edu/nebraska-business-development-center/\\_files/publications/small-business-nebraska.pdf](https://www.unomaha.edu/nebraska-business-development-center/_files/publications/small-business-nebraska.pdf)

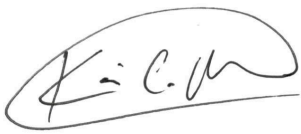
wages for delivery drivers. When a similar fee was imposed in Colorado, many small businesses raised concerns about increased costs, and customers complained about increased prices.<sup>9</sup>

### **Delivery fees 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. Unnecessary delivery fees 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.<sup>10</sup> This fee would undermine the state's efforts to reduce greenhouse gas emissions by 30% by 2030.<sup>11</sup>

Delivery services are critical in supporting marginalized communities and sustaining small businesses statewide. Tax policies should not jeopardize the benefits they provide to families and workers. As such, we urge you to **oppose LB 26\_S1**.

Sincerely,



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

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<sup>9</sup> 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](https://www.kktv.com/2022/07/07/new-colorado-retail-delivery-fee-causing-issues-small-businesses/?utm_source=dlvr.it&utm_medium=twitter)

<sup>10</sup> 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>

<sup>11</sup> 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.>