

# NACO Legislative Report



May 25, 2023

[Video Report](#)

## Tax Proposals Passed in Final Days of Session

With five days remaining in the legislative session, the Legislature passed major changes to tax policy, including property tax relief ([LB243](#)), income tax relief ([LB754](#)), and school funding proposals ([LB583](#)) introduced on behalf of Governor Jim Pillen. The governor will have five days, not including Sunday, to take action on the bills.

He signed one bill this week, bringing the total number of bills signed this session to 12. [LB276](#) is a measure to increase access to outpatient mental health and substance abuse treatment. In addition, two of the budget bills adopted last week were line-item vetoed. The full veto message is [here](#). It includes cuts to Medicaid reimbursement rates, rural workforce and middle income housing, and a number of other items.

The Appropriations Committee has filed [override motions](#) to reinstate funding for housing, Medicaid provider rates, and staffing in the state auditor's office. Senator George Dungan has filed a motion to reinstate funding for the Supreme Court's operations. Veto override motions will be scheduled for debate on Wednesday.

Bills continue to be amended into Christmas trees. On Wednesday, [LB91](#), a bill to repeal the motorcycle helmet law, was amended into [LB138](#), an annual update of motor vehicle laws.

## Voter ID Advanced from First Round

On Monday, the Legislature advanced the Government, Military and Veterans Affairs Committee version of a voter ID bill from the first round of debate. The measure was introduced in response to voters' approval of a photo ID requirement last November. Senator Julie Slama, who headed the petition drive to place the issue on the ballot, introduced [LB535](#) to implement voter ID. Two other proposals, [LB228](#) and [LB230](#), were also introduced to enact voter ID and other election revisions.

The Government Committee planned to use LB535 as the vehicle for voter ID but late last week opted to use [LB514](#), another election bill and committee priority, for the voter ID provisions. Senator Slama led a filibuster of LB514, questioning the constitutionality of the provisions and raising the possibility that a special session might be necessary to fix the bill before the 2024 elections.

As advanced, the bill would allow voters to use a variety of photo IDs. Voters casting mail-in ballots would provide a drivers license or state ID number or a photocopy of a valid ID. Voters with a reasonable impediment to obtaining an ID, such as a disability or religious objection to being photographed, could be exempted.

LB514 was passed over for second round debate on Wednesday to further examine the constitutional concerns. It appears on the [agenda](#) for debate on Tuesday.

## Criminal Justice Reforms Advanced

[LB50](#), a bill to enact criminal justice reforms, was advanced from the first and second rounds of debate this week. It would expand problem solving courts and create a pilot program to use courthouses as points of access for virtual behavioral health services for court-involved persons. Other pilot programs would hire assistant probation officers and create probationer incentive programs. It would streamline parole processes and align them with best practices.

These concepts were recommendations in a 2021 study by the Crime and Justice Institute of options for rehabilitation, programming, and other criminal justice reforms to help reduce prison overcrowding in Nebraska. In 2022, these proposals were introduced as [LB920](#) but the bill failed to advance.

Like last year, the policy disagreements focused on early releases of inmates, including mandatory minimum sentencing, and changing habitual criminal laws.

A Judiciary Committee amendment would add seven other revisions or technical bills. Time ran out before 10 additional bills that had been heard by the Judiciary Committee could be amended into LB50. Instead, these were amended onto [LB157](#) before it advanced from the first round. Some of these include expanding the use of small estate affidavits ([LB330](#)) and allowing courts to waive fees in name changes ([LB183](#)).

## Omnibus Tax Bill Advanced from Second Round

[LB727](#), the Revenue Committee's omnibus property tax bill, advanced from Select File on Tuesday. Nearly 30 bills were amended into LB727, including revisions to the treasurers deed process that is used by purchasers of tax sales certificates to obtain title to property with delinquent taxes. On Thursday, the U.S. Supreme Court decided [Tyler v. Hennepin County, Minnesota](#) that found keeping surplus equity after a sale of property with delinquent taxes is a violation of the Takings Clause of the U.S. Constitution. Although Nebraska's law, unlike Minnesota's law, allows the purchaser, rather than the county, to keep the proceeds, the bill proposes new language to require purchasers to return the excess equity, less costs and fees, to the owner. Treasurers deeds would be limited to properties for which 110 percent of the assessed value of the property as described in the tax sale certificate, less the amount needed to redeem, is \$25,000 or less. In all other instances, the purchaser would have to use a foreclosure process. These sections would become operative three calendar months after adjournment.

Some of the other provisions of the bill would set a five year cut-off date for claiming the refundable income tax credit for school taxes ([LB344](#)) and clarify the inheritance tax information personal representatives of estates are required to report to county treasurers, as well as treasurers' subsequent reports to the Department of Revenue ([LB97](#)). Language from [LB529](#) would revise the process and timeline for issuing personalized pink postcard notices of property tax hearings. [LB4](#) would allow veterans with a permanent and total disability to apply for a homestead exemption once every five years, rather than every year. [LB580](#) would allow land that is used in production agriculture to retain its special valuation when it is annexed.

## Bills Passed by the Legislature

### Broadband

[LB683](#) would create the Nebraska Broadband Office within the Department of Transportation. The bill, which was passed on Tuesday, would also require applicants for funding from the Universal Service Fund to replace all cell tower equipment that is manufactured in China by this fall. It would extend the sunset date for the County Bridge Match Program from 2023 to 2029 and create a committee to review violations of the One-Call Act ([LB122](#)).

### Scrap Tire Recycling Grants

Funding for recycling scrap tires would be extended until 2029 under [LB565](#) that was passed on Tuesday. In 2022, counties used \$400,000 in grants from the scrap tire recycling program to help keep old tires out of road ditches and creek beds.

LB565, as introduced, would allocate grant funds to public power districts for engineering and modeling to help the state compete for a regional clean hydrogen hub designation. Other provisions amended into LB565 would increase compensation for members of the Oil and Gas Commission ([LB395](#)), broaden authority for predator control to employees and tenants of landowners ([LB400](#)), and revise the definition of a quorum for the Game and Parks Commission ([LB425](#)).

### Critical Infrastructure Utility Worker Protection

[LB191](#) would give critical infrastructure utility workers priority access to personal protective equipment, medical care, and preventative health services during declared emergencies. Other bills incorporated into LB191 would reimburse mental health examinations for first responders ([LB460](#)) and revise workers' compensation notice requirements ([LB639](#)).

### Legislative Video Archives

[LB254](#) would require creation of a closed-captioned digital library of the Legislature's floor debate and committee hearings. It would also extend the Legislative Mental Health Care Capacity Strategic Planning Committee for another year. Legislation adopted last year tasked the committee with hiring a consultant to do a study of the acute care hospital beds being used by persons with mental health issues but funding for the study was unintentionally omitted.

## Legislative Round Table at County Board Workshop

As this legislative session begins to wind down, it's time to start thinking about NACO's legislative priorities for 2024. County board members are invited to join their NACO district representatives on Wednesday, June 7 at 4:00 p.m. during the [County Board Workshop](#) for round table legislative discussions. Legislative proposals from county officials and affiliate groups will be discussed and prioritized during NACO's Legislative Workshop on October 12 in West Point.

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