

NACO Legislative Report



May 19, 2023

[Video Report](#)

Biennial State Budget Advanced

The Legislature passed a nearly \$11 billion [budget](#) this week that provides state aid to schools, funds for a new prison, and money for the Perkins County canal. [LB814](#), the mainline budget, includes \$100 million in roads funding to be used to leverage \$500 million in federal funding through the Bipartisan Infrastructure Act. During debate, Senator Bruce Bostelman asked for \$6 million to \$8 million of those dollars annually to continue funding the [County Bridge Match Program](#). Other funds would be directed to studies of inmate classification and staffing needs at the future prison, rural workforce housing, and increased provider reimbursement rates. For FY23-24, \$5 million will be appropriated for radios and equipment to establish interoperable communications between state agencies and volunteer fire departments, and first-aid, rescue and emergency squads.

[LB813](#) would make adjustments to the FY22-23 budget including lowering the amount appropriated for homestead exemptions due to fewer than anticipated applications. [LB815](#) would appropriate funds for senators' salaries and [LB816](#) would fund the salaries for constitutional officers. [LB799](#) would set the salaries for judges. [LB282](#) would approve tort and workers' compensation claims against the state.

The bills were sent to Governor Jim Pillen for his signature. He has five calendar days, excluding Sunday, to sign, not sign, veto in total, or line-item veto the bills. The Legislature can override the total or part of any line-item vetoes by 30 votes.

The Legislature also passed [LB574](#), a bill to limit gender-affirming medical treatment for youth, after returning it to Select File on Tuesday for an [amendment](#) to include a 12-week abortion ban.

Next Week

Next Monday, senators will begin first-round debate on [LB50](#), a criminal justice reform bill, and a voter ID measure. LB50 would enact some of the policy changes recommended in a study conducted by the Crime and Justice Institute and offered last year as [LB920](#). It includes statutory requirements for problem solving courts, and parole and probation changes. A Judiciary Committee amendment would create and enhance criminal penalties and change parole eligibility.

Voter ID

After weeks of negotiation and multiple drafts, the Government, Military and Veterans Affairs Committee sent at voter ID measure to the floor. In November, voters approved adding [language](#) to the Nebraska Constitution that states "Before casting a ballot in any election, a qualified voter shall present valid photographic identification in a manner specified by the Legislature to ensure the preservation of an individual's rights under this Constitution and the Constitution of the United States."

Senator Julie Slama, who headed the petition drive to place the issue on the ballot last November, introduced LB535 to implement voter ID. She supports strict ID requirements and rigorous verifications for voting by mail. The Government Committee's amendment would allow a variety of documents to be used as IDs and allow mail-in voters to supply a drivers license or state ID number as verification. Voters with a reasonable impediment to obtaining an ID, such as a disability or religious objection to being photographed, could be exempted.

The amendment has been filed to [LB535](#) and [LB514](#), an election omnibus bill prioritized by the Government Committee. Numerous procedural motions have been filed to both bills.

If a voter ID bill is not passed during the remaining nine days of the session, a special session would be needed if the new procedures are to be in place for the May 2024 primary election.

Omnibus Tax Bill Advances from General File

Nearly 30 bills were amended into [LB727](#), a Revenue Committee priority bill, on General File. As introduced, the bill would allow a sales and use tax exemption for nonprofit corporations. As advanced, it includes measures on treasurers deeds, inheritance tax reporting, property tax postcards, homestead exemption applications for veterans and more. Select File debate is expected to be scheduled for Tuesday or Wednesday.

Here are some of the highlights and the original bill numbers.

[LB344](#) would set a five year cut-off date for claiming the refundable income tax credit for school taxes. The credit, which was enacted two years ago, is made available in the year in which taxes were paid, regardless of the year that the taxes were due. Last year, delinquent property taxes from 1998 were paid and an application was submitted for the income tax credit. County officials researched 25 years of tax district changes to be able to apply the relatively small credit. Senator Christy Armendariz introduced the bill on behalf of NACO.

[LB577](#), as introduced, would require counties to give multiple additional notices to delinquent property taxpayers before and after tax sales, as well as limiting the usage of treasurers deeds. As amended into LB727, the list of delinquent taxpayers would include the name of the property owner of record and the property's street address, if available. After a tax sale certificate is sold, the purchaser would notify the owner by personal service. An administrative fee of \$100 or the cost of service, whichever is greater, would be collected from the property owner if taxes are redeemed. 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. After a treasurers deed has been recorded, the purchaser would pay the surplus to the previous owner of the property. The surplus would consist of the assessed value or the amount received from a subsequent sale, less the amount needed to redeem the property and pay all encumbrances, as well as an administrative fee of \$500.

[LB97](#) would clarify the inheritance tax information personal representatives of estates are required to report to county treasurers and treasurers' subsequent reports to the Department of Revenue. The first reporting period for treasurers would run from January 1, 2023 through June 30, 2023. Beginning on July 1, 2023, the reporting period would encompass each fiscal year.

[LB529](#) would revise the process and timeline for issuing personalized pink postcard notices of property tax hearings. It would clarify that school bonds are excluded from the property tax request amount that is used to calculate increases triggering a hearing. It would require attendance of at least one elected official from each taxing entity participating in the hearing and state that attendance of a quorum does not violate the Open Meetings Act. Counties of more than 10,000 would have to post a link to their proposed budget on their website. Participating political subdivisions would send information electronically to the county assessor by September 4 and the county clerk would notify the assessor of the date, time and location of the public hearing.

[LB370](#), as introduced, would have required a red slip of paper to be included in tax statements to remind taxpayers to claim their refundable income tax credit. As amended into LB727, the reminder would be a notation on tax statements indicating that failure to pay back taxes and interest could result in the loss of the real property.

[LB580](#) would allow land that is used in production agriculture to retain its special valuation when it is annexed.

[LB4](#) would allow veterans with a permanent and total disability to reapply for a homestead exemption in every year divisible by five, rather than every year.

[LB447](#) would expand last year's tax deduction for health insurance premiums for retired law enforcement officers to professional firefighters. Firefighters, their dependents, and dependents of law enforcement officers would be eligible for college tuition waivers similar to those granted to law enforcement officers last year.

[LB706](#) would authorize the state to issue up to \$450 million in road bonds. An amendment is expected to change the funding source from state sales taxes to motor vehicle fuel taxes to address constitutional concerns.

[LB96](#) would exclude twine used in commercial agriculture from sales and use tax. A similar exemption was adopted for net wrap [last year](#).

[LB100](#) would allow waste treatment and disposal plants to be eligible for incentives under the ImagineNE Nebraska Act. A plant is being expanded near Kimball.

[LB407](#), the Good Life Transformational Projects Act, would provide corporate tax breaks for areas drawing out-of-state shoppers and tourists.

[LB697](#) would extend historic tax credits in the Nebraska Job Creation and Mainstreet Revitalization Act.

Economic Recovery Act Advanced from Select File

Last year the Legislature set aside \$335 million in ARPA funds and state general funds to assist North Omaha, South Omaha, and other communities disproportionately impacted by the pandemic. This year, [LB531](#), which was advanced from Select File on Thursday, would continue allocating those funds. On the first round of debate, approval was given for a museum for Malcolm X, federal health clinics, innovation hubs and an airport business park, among other projects.

On Select File this week, an amendment was adopted that contains several tax increment financing (TIF) bills. [LB98](#) would revise procedures for cities to authorize micro-TIF through an expedited review process and require TIF payments to be remitted to the holder of the indebtedness. [LB532](#) would make a number of technical changes that had been proposed as separate bills last year. These include eligibility reviews of areas designated substandard and blighted or extremely blighted for more than 30 years and creating processes for removal of the designation. [LB170](#) would harmonize the definitions of "substandard" and "blighted" in the Community Development Act and the Nebraska Investment Finance Authority Act. In addition, [LB45](#) would create the Revitalize Rural Nebraska Grant Program to assist cities of the first and second class and villages to apply for grants for the demolition of dilapidated commercial property.

Interim Study Resolutions Introduced

Thursday marked the final day to introduce interim study resolutions. Each study resolution is assigned to a legislative committee for further examination during the summer. The studies are prioritized by the committees and some have public hearings. The studies examine issues related to bills introduced this year or that might be addressed in the 2024 session. Selected studies of interest to counties are listed below by number, introducer, and description.

Taxes

[LR186](#) (Albrecht) Interim study to examine issues raised in LB820, 2023, relating to valuation of land in Nebraska

[LR235](#) (Linehan) Interim study to examine the delinquent tax sale and tax deed process for delinquent real property taxes

Homestead Exemptions

[LR155](#) (Day) Interim study to examine Nebraska's disability classifications for the homestead exemption

Retirement

[LR157](#) (McDonnell) Interim study to examine the public employees' retirement systems administered by the Public Employees Retirement Board

Courts

[LR127](#) (DeBoer) Interim study to conduct a comprehensive examination of court fees as a funding source for the court system and the judicial branch

Criminal and Juvenile Justice

[LR124](#) (Conrad) Interim study to examine the scope of collateral consequences of criminal law violations in Nebraska in employment, housing, licensure, and other categories

[LR125](#) (Conrad) Interim study to review juvenile justice involvement for youth who are excessively absent or truant from school

[LR194](#) (McDonnell) Interim study to research, through collaboration among various stakeholders, ways to address juvenile justice reform

[LR201](#) (Fredrickson) Interim study to examine mental health and addiction issues within the Nebraska criminal and juvenile justice systems and options to increase services and alternatives to current responses of the criminal and juvenile justice systems

Broadband and Wireless Service

[LR172](#) (Vargas) Interim study to examine the occupation taxes imposed on wireless telecommunications services

[LR184](#) (Moser) Interim study to examine the deployment of broadband services within the State of Nebraska

Roads

[LR189](#) (Day) Interim study to examine issues of road maintenance in Nebraska, with a specific emphasis on potholes

[LR247](#) (Cavanaugh, J.) Interim study to examine issues raised in LB133, 2023, relating to laws regarding the use of eminent domain by state agencies, boards, commissions, and other political subdivisions

Zoning

[LR238](#) (McDonnell) Interim study to examine the location of recreational vehicle parks, entertainment venues, and other recreational development and the impact of zoning regulations related to flooding on locating such facilities

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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