

# NACO Legislative Report



June 2, 2023

[Video Report](#)

## Legislature Adjourns Sine Die

The 108th Legislature, First Session, adjourned sine die on June 1 -- two legislative days earlier than originally [scheduled](#). The early adjournment date means that bills without a specific effective date will become operative on September 2.

This session will be remembered for the multitude of filibusters and Christmas trees. Less than 60 bills were actually passed but nearly 150 more were incorporated into those bills and adopted. Bills that were not passed or killed will carry over to 2024.

Tax cuts, school funding reform, voter ID, concealed carry, abortion, and health care for transgender youth were some of the major issues tackled by the body during this session.

## Veto Overrides

On Wednesday, the Legislature considered motions to override Governor Pillen's line-item vetoes of two budget bills, [LB814](#) and [LB818](#). Attempts were made to reinstate funding for workforce housing, court appointed special advocates, raises for legislative staff, Medicaid provider rate increases, and housing for homeless pregnant and parenting teens.

[MO1148](#) would have reinstated vetoed funding for two Supreme Court operations. The veto struck a proposed \$500,000 annually for two years for the Supreme Court to assume ex officio clerk of the district court services and \$250,000 per year for funding for court interpreters. The veto message stated that the Supreme Court "has enough funding to manage potential increases in demand for these services." The override was unsuccessful. [LB363](#), which would transfer ex officio functions to the state over a two-year period, remains in committee.

An override [motion](#) to provide \$1.2 million in funding for more staff and pay raises for the State Auditor's office was successful. Proponents spoke about the need to track the influx of federal funding over the last several years as well as catching up on regular audits of state agencies. Thirty votes are needed to override a veto. The motion received 31 votes.

## Bills Passed by the Legislature

The Legislature passed a number of bills in the final days of the session.

[LB50](#) enacts many of the criminal justice reform proposals suggested by a study that was conducted two years ago as part of an effort to reduce prison overcrowding. These include expanded problem solving courts and probation pilot programs. Much of the debate centered on mandatory minimum sentences and habitual criminal enhancements.

[LB92](#) is a banking omnibus bill that includes harmonization of language allowing levying for bonds after voter approval but before the bonds have been issued. It also requires governing bodies of political subdivisions to pass bonds to notify the county assessor by July 1 or by August 1 for bonds issued by cities of the metropolitan class.

[LB157](#) allows courts to appoint a temporary guardian for limited purposes. Courts are given authority to waive fees for name changes by persons who are unable to pay the costs.

[LB227](#) revises state Medicaid reimbursements for hospitals, creates overdose fatality review teams to collect data on opioid overdose deaths, and expands Medicaid postpartum coverage to at least six months.

[LB531](#) continues allocating ARPA funds to North Omaha, South Omaha, and other communities that were disproportionately affected by the pandemic. It includes funding for federal health clinics, innovation hubs, a Malcolm X museum, and other projects. It revises procedures to expedite micro-TIF (tax increment financing) and makes technical changes to the TIF process.

## Bills Signed by the Governor

Governor Jim Pillen signed the following bills this week.

### Voter ID

[LB514](#) implements voter photo identification requirements. Voters can use a variety of governmental, college, and tribal photo IDs for identification. Voters casting mail-in ballots must provide a state drivers license or 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, can be exempted.

### Broadband

[LB683](#) creates the Nebraska Broadband Office within the Department of Transportation. Applicants for funding from the Universal Service Fund must replace all cell tower equipment that is manufactured in China by this fall. The sunset date for the County Bridge Match Program is extended from 2023 to 2029. The Underground Excavation Safety Committee is created to review investigations of violations of the One-Call Act.

### Scrap Tire Recycling Grants

[LB565](#) extends funding for scrap tire recycling grants through 2029. Other sections of the bill allocate funds to public power districts to help the state compete for a regional clean hydrogen hub designation and expand authority for predator control to employees and tenants of landowners. It allows the Department of Natural Resources to use alternative methods of contracting, such as design-build, for water and natural resources projects.

### Critical Infrastructure Utility Worker Protection

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

### Tax Relief Package

[LB243](#) is one of three tax relief bills introduced on behalf of Governor Pillen. It shifts community college funding to the state, limits property taxes levied by schools, and increases the amount of funding under the Property Tax Credit Act. Counties and other political subdivisions will pay 14 percent interest, rather than nine percent, on unpaid property tax refunds beginning 30 days after the amount is certified by the assessor. A fourth member will be added to the Tax Equalization and Review Commission beginning July 1, 2023.

[LB754](#) is the income tax portion of the package. It reduces individual and corporate income tax rates and provides a child care income tax credit.

[LB583](#) provides approximately \$300 million per year in state aid to schools through a per-student foundation aid formula.

### Legislative Video Archives

[LB254](#) requires the creation of a closed-captioned digital library of the Legislature's floor debate and committee hearings. It also extends the Legislative Mental Health Care Capacity Strategic Planning Committee for another year for the completion of a study.

### E-15 Fuel

[LB562](#), the E-15 Access Standard Act, increases consumer access to E-15 gasoline by requiring new and significantly remodeled retail motor fuel sites to sell the fuel from at least 50 percent of all fuel dispensers, with some exceptions. The bill expands eligibility for the Beginning Farmer Tax Credit Program. Political subdivisions regulating food trucks are authorized to enter into interlocal agreements with other public agencies for licensing reciprocity.

### Motorcycle Helmets

[LB138](#) was introduced to make yearly updates to motor vehicle laws to reflect federal changes. It was amended to include a repeal of the motorcycle helmet laws for riders who complete a safety course. It lowers the amount of matching funds counties are required to provide for state aid bridges from 50 percent to up to 20 percent of the replacement cost, as determined by the Department of Transportation.

### Education Issues

[LB753](#) creates the Opportunity Scholarships Act to provide an income tax credit for contributions to scholarships to private and parochial schools. A ballot referendum has been filed to place a repeal of the program before voters in 2024.

[LB298](#) is intended to help address teacher shortages by enacting a compact with other states to allow more reciprocity in licensing. Other sections require reporting the number of students with dyslexia more to adopt written dress and grooming codes that accommodate attire, tribal regalia, hairstyle, adornment, and other characteristics associated with race, national origin, or religion.

[LB705](#) is another bill intended to address teacher shortages by distributing retainment grants to teachers and easing the paths for prospective teachers. It distributes more than \$24 million from lottery funds to new and existing education programs. It prohibits the suspension of students in kindergarten through second grade.

## Call for 2024 County Legislative Proposals

If you have an idea for legislation that would make your county service more effective or efficient, please contact [Jon.Cannon@NebraskaCounties.org](mailto:Jon.Cannon@NebraskaCounties.org) or [Beth.Ferrell@NebraskaCounties.org](mailto:Beth.Ferrell@NebraskaCounties.org) or your affiliate or district representative. NACO will be working throughout the summer on potential legislative issues for introduction in 2024. These issues will be presented to the NACO Board at the Oct. 12 Legislative Conference in West Point.

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