

NACO Legislative Report



April 5, 2024

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Debate This Week

The Legislature began and ended the week with cloture votes. On Tuesday, senators advanced a shell [bill](#) representing the first half of a property tax relief package after a cloture vote. On Friday afternoon, an unsuccessful cloture vote ended debate on [LB575](#), a bill to address access to restrooms and other school facilities by transgender youth. Between, the Legislature advanced priority bills from General and Select File. In addition, bills were debated to increase documentary stamp taxes ([LB1363](#)) and expand county and school liability under the Political Subdivisions Tort Claims Act ([LB25](#)). No vote was taken to advance either bill from the first round of debate.

Next Week's Schedule

Next week, the Legislature will be in recess on Monday. Tuesday and Wednesday will be late nights of debate so that bills advanced from Select File can have the necessary layover day before Final Reading on the 60th day, which is April 18. Speaker Arch told senators that there is not time to amend bills into other bills and cautioned them that spending four or eight hours to take bills to a cloture vote will jeopardize the amount of time available for other bills. Tuesday's agenda will not be available until Monday so that he can work with senators and the bill drafting office to ensure that bills and amendments are ready for debate. [LB1402](#), a scholarship funding bill, is expected to be scheduled for first-round debate late on Tuesday.

Property Tax Package Advanced

Debate on Governor Pillen's property tax package began this week. A Revenue Committee [amendment](#) was offered to [LB388](#) that would increase sales taxes and eliminate certain sales tax exemptions to generate funds for property tax relief. LB388 had been introduced last year as a shell bill in case it was needed by the Revenue Committee. The sales tax increase met with opposition and the committee amendment was not adopted before cloture was invoked. The shell bill was advanced from General File with hopes of finding a funding solution before the second round of debate. Some senators suggested that delaying the income tax cuts adopted last year might be an alternative source of funding.

The second bill of the package, [LB1331](#), advanced from General File 45-0 on Tuesday. The bill originated in the Education Committee and as amended would replace the current refundable income tax credit for school taxes paid with a front-loaded credit that would appear as a line-item on property tax statements. It would establish a new school funding formula that would provide additional state aid per student. Without the funding source proposed in LB388, the additional state aid cannot be implemented.

With four days remaining in the session, it is unclear whether there will be time for further debate on these bills.

Veterans Assistance Bill Advanced in LB1300

A bill to make county veteran services available to all veterans was incorporated into [LB1300](#) and advanced from the first round of debate on Thursday. Existing law limits assistance to veterans who served during designated times of war or conflict. [LB869](#) was introduced by Senators Eliot Bostar and Mike Jacobson on behalf of veterans service officers and NACO.

The underlying bill, LB1300, would require the Department of Administrative Services to review critical procurements produced by foreign adversaries and identify alternative sourcing in the event there is a supply chain disruption due to a conflict in the Pacific. The Governor, Nebraska Investment Council, and a newly-created Committee on Pacific Conflict would also be required to evaluate and report on the impacts of these and other threats. The bill would prohibit the state and political subdivisions from entering into contracts that would result in government funds being transferred to companies organized under the laws of foreign adversaries.

Another bill amended into LB1300 would prohibit county boards from increasing their salaries by more than the cumulative percentage change in the Consumer Price Index for the period since the last salary increase, plus one percent. Salaries could not be increased more than once every two fiscal years. Two-thirds of the county board could place the question of increases in excess of this amount on the ballot at the next general election. This concept was introduced as [LB1358](#).

Other provisions of LB1300 as amended would codify the Wildland Incident Response Team (WIRAT) coordinated by the State Fire Marshal to provide assistance to volunteer firefighters ([LB1243](#)) and create grants to develop security measures at nonprofit organizations ([LB887](#)).

An [amendment](#) was offered to change Nebraska's electoral votes to a winner-take-all method but it was determined not to be germane.

Tax and Exemption Bill Advanced from First Round

[LB1317](#), one of the Revenue Committee's 2024 shell bills, was amended to include provisions from nearly a dozen other bills before it was advanced from General File on Thursday. These are some of the bills that were included:

[LB1134](#) would allow a 30-day grace period to pay additional taxes due after a Tax Equalization and Review Commission decision increasing the value of property. This is similar to the grace period when a homestead exemption is denied and taxes are due. Senator Brad von Gillern introduced LB1134 on behalf of NACO.

[LB1067](#), which would repeal inheritance taxes, also contains language to clarify reporting the classes and state of residence of beneficiaries to the Department of Revenue. This section was amended into LB1317. This language does not change inheritance tax rates.

[LB1217](#) would add property tax exemptions for nursing homes and assisted living facilities, as well as student housing owned by charitable nonprofit organizations. County assessors would use a three-year average to determine the valuation placed on rent-restricted housing projects for the current year.

[LB1389](#) would create a personal property tax exemption for broadband equipment deployed in areas receiving federal BEAD (Broadband Equity, Access, and Deployment Program) funds or within qualified census tracts in cities of the metropolitan class.

[LB893](#) would create a personal property tax exemption for business equipment used in the manufacturing of liquid fertilizer or any other chemical applied to agricultural crops, or the manufacturing of a liquid additive for a farm vehicle fuel for taxpayers who receive incentives under the ImagiNE Act.

[LB1397](#) would state that land used for commercial purposes is not, by definition, agricultural or horticultural land.

[LB1043](#) would require economic development corporations holding property in high-poverty areas to develop the property within two years. Failure to do so could lead to penalties, including loss of the property tax exemption.

[LB1218](#) would establish a three-cent excise tax on electricity used at commercial electrical vehicle charging stations.

Bills Advanced from General File

Numerous bills were advanced from General File, the first round of debate, this week.

[LB399](#) as advanced, would require applicants for proposed electrical generation facilities with a generating capacity in excess of 10 megawatts to hold at least one public meeting in one of the counties where the facility would be located. At least 50 percent of the governing body of the electric supplier would have to attend the hearing in person or by video conference and would have to explain the need for the proposed facility and the type of facility. Real property owners in any of the counties in which the facility would be located would be provided with an opportunity to comment on the proposal. These requirements would not apply if the proposed facility would be located on real property owned by the applicant at the time of the application.

[LB870](#), as introduced, would require law enforcement agencies to notify sexual assault victims of the intended disposal of forensic evidence related to their case after the statutory 20-year retention period. Victims could request preservation of the evidence for an additional 20 years. A Judiciary Committee amendment revised the bill to provide an exception from notice requirements for forensic evidence that is provided anonymously. Law enforcement agencies which store forensic evidence would need to have a written policy that details retention periods and methods for carrying out notice requirements.

[LB1085](#) would increase the population thresholds that determine the number of judges needed in separate juvenile courts.

[LB1326](#) is intended to encourage public/private partnerships in the development of housing authorities. The bill would require housing agencies and their controlled affiliates to provide notice of property tax exemptions to county assessors. It would remove a requirements that affiliates be “wholly owned” by the agency.

[LB910](#) would permit but not obligate emergency care providers to provide emergency medical care or transportation to a veterinary clinic to law enforcement canines injured in the line of duty if no person is requiring medical attention or transport at the time.

[LB631](#) would move parole supervision from the Board of Parole to the Department of Correctional Services (DCS). It was amended to include provisions on community work release ([LB348](#)) and reentry housing ([LB334](#)). Counties, cities or villages could be required to inspect reentry housing facilities to enforce the state building code or applicable local building or construction codes if the county, city or village has taken on the responsibility of code enforcement. Inspection fees could be assessed. The Office of Probation Administration would submit a quarterly report to the Legislature that includes data on the number of individuals who are sent to jails to serve custodial sanctions and the number of jail beds and days used for persons serving custodial sanctions.

[LB1195](#), as introduced, was intended to address the shortage of attorneys in rural Nebraska and help recruit county attorneys and public defenders by increasing population thresholds to allow more to engage in private practice. A Judiciary Committee [amendment](#) removed the original language and replaced it with portions of five other bills. Language from [LB1220](#) would increase the maximum value of property that can be transferred through a small-estate affidavit from \$50,000 to \$100,000. Sections from other bills would establish criteria for legal service grants from the Commission on Public Advocacy ([LB1265](#)) and clarify jurisdiction over juvenile matters on tribal lands ([LB832](#)).

Bills Advanced from Select File

The Legislature advanced a number of bills from Select File, the second round of debate, this week.

[LB1030](#) would revise the county bridge match program by creating a working group to score applications and determine the awards. The governor would appoint two representatives from a list of county highway superintendents, county surveyors, or county engineers submitted by NACO. The Director-State Engineer of the Department of Transportation would select three representatives of the Department. The bill would transfer \$4 million to the program in 2024 and another \$4 million in 2025.

[LB1031](#) would help facilitate the expansion of broadband in Nebraska by giving incumbent service providers deadlines to replace copper wire or lose high-cost support from the Nebraska Universal Service Fund (NUSF). It would set minimum speeds of 100 megabits per second (Mbps) for downloads and 20 Mbps for uploads. Provisions from several other bills were incorporated into LB1031 on General File. Language from [LB865](#) would require each broadband provider to report information about standard internet plans and rates to the Public Service Commission (PSC). [LB1255](#) would require all 911 services to be migrated to next-generation 911 by January 1, 2026 unless the Federal Communications Commission (FCC) requires a different date. [LB1256](#) would require communications service providers to report 911 outages to the Public Service Commission. Such reporting is already required by the FCC. The PSC would hold a hearing on the outage within 90 days. Other provisions would revise at-large membership on the Nebraska Information Technology Commission to include a representative from the ag sector ([LB1038](#)) and increase the number of participants per household who are eligible to receive specialized communications equipment assistance for persons who are deaf, hard of hearing, or speech-impaired ([LB1080](#)).

[LB1335](#) would clarify that the Nongame and Endangered Species Conservation Act (NESCA) applies only to initial actions to create new roads and other infrastructure, not to work on existing man-made structures and the associated right-of-way. The Nebraska Act, which is stricter than federal requirements, requires documentation of the potential impacts of construction on endangered or threatened species.

[LB20](#) would restore voting rights to felons after they have completed their sentences. Existing law, which was enacted in 2005, prohibits convicted felons from voting for two years after they completed their sentence, including any parole term.

[LB1074](#), as amended, contains several bills heard by the Banking, Commerce and Insurance Committee, including [LB1176](#) that regulates local government investment pools. It would set out the investment objective of such pools – preservation and safety of principal, liquidity, and yield. Pools would have to display disclosures about liquidity risk and FDIC coverage on marketing materials. Pool investment advisors would have to hold licenses required by federal or state law to sell securities. Language from [LB872](#) would prohibit state and local governments from accepting central bank digital currency as a form of payment. [LB1294](#) would adopt the Data Privacy Act to limit the use of consumers' personal data.

[LB1301](#) would enact the Foreign-owned Real Estate National Security Act. It would prohibit certain individuals, foreign corporations, and foreign governments from purchasing property in the state. The Department of Agriculture and Attorney General would be responsible for determining that ownership is in violation of the Act and taking action for divestment of the property.

[LB874](#) would revise childcare licensing requirements and create a property tax exemption for nonprofit organizations that own or operate a childcare facility. As introduced, the bill would prohibit political subdivisions from instituting residency requirements for family child care homes but this language was removed on General File.

[LB876](#) would revise Nebraska's Safe Haven law to allow parents to surrender infants up to 90 days old at hospitals, staffed fire stations or law enforcement agencies, or emergency care providers.

[LB934](#) was introduced at the request of the Attorney General to harmonize authority under two consumer protection laws. Among other provisions, it would allow the Attorney General to request a jury trial in civil claims filed under these laws. A Judiciary Committee [amendment](#) would also allow named defendants to request a jury trial.

[LB1051](#) would eliminate obsolete provisions in the juvenile code. A working group of judges, attorneys, researchers and other stakeholders was created after a 2022 interim study to update the code to make it easier to

navigate. The changes proposed in LB1051 are the noncontroversial recommendations of that group.

Bills Signed by the Governor

This week Governor Pillen signed mid-biennium budget [adjustments](#) that transfer cash funds from state agencies to help fund affordable housing, repairs to the water system at the women's correctional center, and other spending. A separate spending bill, [LB1412](#), would earmark funds for court interpreter pay, reallocate ARPA funds, and make other changes to the budget adopted last year.

Following are some of the other bills signed into law this week. Bills without an effective date will take effect on July 19, three calendar months after adjournment.

[LB1162](#) was introduced for NACO by Senator John Lowe. It updates the authority for county sheriffs to collect mileage fees when using a county vehicle to serve process. The changes reflects current practices. It requires fees to be reported to the county treasurer when they are collected, rather than when they are earned.

[LB877](#) addresses the unintended consequences of last year's legislation on special valuation for small parcels. The bill restores language requiring parcels eligible for special valuation to consist of five contiguous acres or more. For smaller parcels, the owner or lessee would need to provide a tax document reporting a profit or loss from farming for two out of the last three years. The bill took effect on April 3.

[LB894](#) requires candidates for county sheriff to be certified before filing for office. Currently sheriffs must obtain certification within eight months after being elected.

[LB1143](#) repeals outdated statutes related to health districts. Health districts were created in 1939 and have since been replaced with county health departments, district health departments formed through interlocal agreements, and city/county health departments. [LB1111](#), a bill introduced this year to restrict the authority of city-county health departments to independently issue directed health measures, remains in committee. Last year's bill, [LB421](#), was sent to the floor with a committee amendment but was not debated.

[LB1004](#) updates last year's bill to repeal motorcycle helmet laws in response to suggestions from law enforcement, the Department of Motor Vehicles, and the riding community. It allows experienced riders who already hold a motorcycle operator's license to forgo extended in-person training classes and instead requires only a three-hour online safety course. Passengers are required to wear a helmet unless they are at least 21 years of age and the operator is licensed and has completed training. The bill took effect on April 3.

[LB1204](#) allows holders of microdistillery licenses to operate rickhouses to store spirits. Other provisions increase the dollar amount triggering the payment of taxes by nonprofits operating lotteries or raffles and prohibit disclosure of lottery winners' names without consent for prizes over \$250,000.

[LB1102](#) recognizes October 17 as Nebraska Missing Persons Day and May 19 as El-Hajj Malik El-Shabazz, Malcolm X Day. Days of recognition are not considered holidays for purposes of time off or holiday pay.

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