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## Nebraska Association of County Officials

# Legislative Report

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### Inheritance Tax Reduction Advanced from Revenue Committee

Although it has not been officially reported by the Legislature, NACO has received word that [LB310](#), a bill to significantly reduce inheritance tax collections, has been advanced by the Revenue Committee with an amendment that would lessen the blow to counties. As introduced, the bill proposes a formula to lower inheritance tax rates and increase exemption amounts through 2024, then annually reduce the exempt amount. Under the amendment, the tax rates and exemptions would be subject to a lesser one-time change. County treasurers would report data on the number of beneficiaries, amount received, and whether they are residents.

A separate bill on inheritance taxes, [LB377](#), would change the definition of relative to include spouses and former spouses of the decedent's relatives if the relative was married to the spouse at the date of death of the decedent. It was advanced from the Revenue Committee on a 8-0 vote.

Action on a third bill with inheritance tax provisions has not been officially reported but NACO has been told that [LB133](#) was advanced by the committee. It would eliminate inheritance taxes as part of a plan to replace sales, income, and other taxes with a consumption tax. A related proposal, [LR11CA](#), would place consumption taxes in the Nebraska Constitution. LR11CA was prioritized by Senator Steve Erdman.

### Full Days of Debate Begin Next Week

The Judiciary Committee wrapped up its final hearings this week with testimony on eight bills, including three acts to protect privacy: [LB199](#) to adopt the Face Surveillance Privacy Act, [LB277](#) to adopt the Doxing Prevention Act, and [LB370](#) to adopt the Personal Privacy Protection Act.

Next Monday, floor debate will be held in the morning beginning at 10:00 a.m. Executive sessions for committees are planned for the afternoon. Although there may be other scheduling changes later, full days of debate will be held for the rest of the session. Bills on Monday's [agenda](#) include [LB285](#), an

election omnibus bill, and [LB83](#), a measure to expand the use of video conferencing for open meetings. Speaker Mike Hilgers' memo outlining the plan for next week can be found [here](#).

## Three Percent Cap on Property Taxes Prioritized

[LB408](#), a bill to cap property taxes at 3 percent over the prior year unless voters approve a higher rate, has been prioritized by Senator Suzanne Geist. A Revenue Committee [amendment](#) would allow a governing body to vote to exceed the limit for no more than two consecutive years, not to exceed 9 percent over a three-year period. Senator Lou Ann Linehan has offered [AM521](#) as a technical cleanup to the committee amendment.

Three other property tax bills have been prioritized. [LB2](#), introduced and prioritized by Senator Tom Briese, would reduce the valuation of agricultural and horticultural lands to 30 percent of actual value when levied to pay the principal and interest on school bonds. [LB454](#) would reduce the assessed value of ag land from 75 percent to 55 percent and adjust the school aid formula. It was introduced and prioritized by Senator Curt Friesen. [LB644](#), from Senator Ben Hansen, would require additional notice, including a postcard to all affected property taxpayers, if the property tax request for the coming year exceeds the prior year's request. All three bills remain in committee.

### Other Priority Bills

Senators and committees finished designating their [priority bills](#) on Friday. Speaker priority bills will be announced on March 16. While a priority designation does not guarantee that a bill will come out of committee and be debated on the floor, priority bills and the state budget will be the focus of debate during the remaining 48 days of the session. Some non-prioritized, noncontroversial bills will be advanced through a consent calendar process. The Speaker's March 4 [memo](#) sets out the requirements for bills to be considered for a consent calendar.

Following is a list of some of the priority bills affecting counties. The senator or committee making the designation and the bill's current status is shown after the description.

### Senator Priorities

[LB2](#) Change the valuation of agricultural land and horticultural land for certain school district taxes – Briese, Revenue Committee

[LB40](#) Adopt the Nebraska Rural Projects Act – Groene, General File

[LB54](#) Change immunity for intentional torts under the Political Subdivisions Tort Claims Act and the State Tort Claims Act – Lathrop, Judiciary Committee

[LB103](#) Appropriate funds to aid counties to pay certain federal judgments – Dorn, Appropriations Committee

[LB236](#) Permit counties to authorize carrying concealed weapons as prescribed – Clements, General File

[LB307](#) Change provisions relating to appointment of counsel for juveniles – Pansing Brooks, General File

[LB338](#) Provide powers and duties for the Public Service Commission regarding redirection of funding for broadband services – Bostelman, Transportation and Telecommunications Committee

[LB371](#) Provide for games of chance under the Nebraska Racetrack Gaming Act at state, district, and county fair locations – Aguilar, General File

[LB388](#) Adopt the Nebraska Broadband Bridge Act – Hilgers, General File

[LB408](#) Adopt the Property Tax Request Act – Geist, General File

[LB409](#) Provide a moratorium on construction of electric transmission lines and create the Electric Transmission Line Study Committee of the Legislature – Brewer, Government, Military and Veterans Affairs Committee

[LB454](#) Adopt the School Property Tax Stabilization Act and change the valuation of agricultural land – Friesen, Revenue Committee

[LB542](#) Authorize the issuance of highway bonds under the Nebraska Highway Bond Act – Walz, Revenue Committee

[LB644](#) Adopt the Property Tax Request Act – B.Hansen, Revenue Committee

[LR11CA](#) Constitutional amendment to require enactment of a consumption tax and prohibit certain other forms of taxation – Erdman, Revenue Committee

### **Committee Priorities**

[LB17](#) Change actuarial valuation and amortization provisions for certain state retirement systems – Nebraska Retirement Systems Committee, General File

[LB51](#) Change and provide qualifications for and duties relating to certification of law enforcement officers, require accreditation of law enforcement agencies, prohibit chokeholds in law enforcement, and require policies on excessive force – Judiciary Committee, Judiciary Committee

[LB83](#) Change the Open Meetings Act to provide for virtual conferencing – Government, Military and Veterans Affairs Committee, General File

[LB215](#) Change 911 service surcharge provisions – Transportation and Telecommunications Committee, Transportation and Telecommunications Committee

[LB274](#) Provide for a promotional farmers market special designated license under the Nebraska Liquor Control Act – General Affairs Committee, Select File

[LB285](#) Change provisions relating to elections conducted pursuant to the Election Act – Government, Military and Veterans Affairs Committee, General File

[LB568](#) Change provisions relating to truancy, juvenile courts, the Community-based Juvenile Services Aid Program, the Commission Grant Program, and compulsory education – Judiciary Committee, General File

[LB572](#) Change provisions of the Livestock Brand Act – Agriculture Committee, General File

### **Bills Reported Out of Committees**

The following bills are among those reported out of committee this week. Some received priority designations and are likely to appear on the agenda for General File debate in the coming weeks.

#### **Government, Military and Veterans Affairs Committee**

All counties except Douglas and Lancaster could enact ordinances to authorize the carrying of concealed weapons by persons who are not otherwise prohibited from doing so under state or federal law under a Government, Military and Veterans Affairs Committee [amendment](#) to [LB236](#). The county board would have to receive “advice and counsel” from the county sheriff before enacting such an ordinance. Persons carrying concealed weapons who are contacted by peace officers or emergency services personnel would have to immediately disclose that they are carrying a concealed weapon. Senator Robert Clements prioritized the bill.

[LB285](#), which was selected as a Government Committee priority bill, contains election law changes proposed by the Secretary of State. It would change the starting date for candidates to file for office from December 1 to January 5. This change would allow more time for redistricting and clarify that campaign reports for two years would not need to be filed with the Nebraska Accountability and Disclosure Commission. The filing deadlines of February 15 for incumbents and March 1 for all other candidates would remain in place. A committee [amendment](#) would prohibit posting voter registration lists on the internet. LB285 is the second bill on the agenda for floor debate on Monday.

[LB261](#) would require counties to provide metal grave markers for persons who served in the active duty or reserve forces of the U.S. military, the Nebraska National Guard in active duty federal service, and the Nebraska National Guard on or after July 1, 1973. Currently the markers are available for persons who served during a period of war, actual hostilities in any war, or a conflict prior to April 6, 1917. It is unclear how many veterans would be eligible for markers or what the financial impact would be.

#### **Judiciary Committee**

[LB271](#) would codify a 24/7 sobriety program that would use twice-a-day testing to allow participants to receive a special permit for limited driving during the pendency of a DUI. A committee [amendment](#) would clarify that a 24/7 sobriety permit could only be issued to persons under an administrative driver’s license revocation.

[LB352](#) would increase the court automation fee, training fee, and dispute resolution fee. A committee [amendment](#) would incorporate [LB150](#), which would increase the indigent defense fee that is used to fund the Commission on Public Advocacy. More funding is needed because the number of court filings has decreased and the Commission is defending more cases in counties.

[LB307](#) would not allow a court to accept a waiver of counsel by a juvenile unless an order is in place prohibiting the juvenile's removal from the home. Senator Patty Pansing Brooks prioritized the bill.

[LB568](#) would increase funding for Community-based Juvenile Services Aid that is provided to counties through grants to reduce the risk of juveniles coming into contact with the juvenile justice system. The bill also addresses truancy. A committee [amendment](#) would reduce the proposed funding from \$10 million to \$8.5 million. The Judiciary Committee has prioritized the bill.

### **Nebraska Retirement Systems Committee**

[LB17](#), a Nebraska Retirement Systems Committee priority bill, would shorten amortization periods for the judges, state patrol and schools retirement plans. A committee [amendment](#) would incorporate increased court fees earmarked for the judges retirement system. The current fee of \$6 would be increased to \$12 beginning July 1, 2025. Clerks of the district court and county court would remit fees monthly, rather than quarterly.

### **Revenue Committee**

In addition to the bills mentioned elsewhere, the Revenue Committee reported out [LB63](#), which would extend the deadline for county assessors to recommend permissive property tax exemptions to county boards from February 1 to March 1. Senator Brett Lindstrom introduced the bill on behalf of NACO and county assessors.

[LB189](#) would strike existing authority for a political subdivision to make property tax refunds over a five-year period if the refund would create a hardship creating a serious interference with its governmental functions. Instead, refunds would have to be made out of the next budget. Interest would accrue on the unpaid balance at a rate of 9 percent.

## **Bills Advanced from Select File**

[LB93](#) would eliminate an obsolete mailed report of marriage licenses issued each month. The information is available to the Department of Health and Human Services electronically. NACO requested LB93, which was introduced by the Government, Military and Veterans Affairs Committee.

[LB94](#) would prohibit invalidating transactions completed by an online notary in the period between Governor Ricketts' [Executive Order No. 20-13](#) in April and the effective date of [LB186](#) (2020) that allowed online notarial acts. LB186 was originally scheduled to take effect on July 1, 2020 but the pandemic accelerated the need for such services. Pursuant to the Order, LB186 took effect on April 2.

[LB66](#) would make technical cleanups to laws passed in 2019 to allow financial institutions to use a single-bank pooled collateral system to provide security for deposits of public funds in excess of FDIC coverage. An emergency clause was adopted before the bill was advanced from Select File.

[LB106](#) would begin to generate funds to pay for an updated drivers' license issuance system. The existing \$3 fee for insurance companies, banks, and others who access drivers' license records would be increased by \$4.50. The new system would be implemented by 2032. Senator Ben Hansen offered and withdrew amendments to decrease the new fee in 2032. He stated plans to pull the bill back from Final Reading for discussion on a cleaner version of the concept proposed in the amendments.

[LB113](#) would update motor vehicle statutes and create a funding mechanism for a new Motor Carrier Division computer system within the Department of Motor Vehicles (DMV). It would allow DMV to charge postage and handling fees on all specialty license plates directly from production to the customer. This authority is already available to counties.

**LB509** would revise statutes related to the State Treasurer's office, including replacing language requiring the State Treasurer to "draw a warrant on the State Treasurer in favor of" counties with a requirement to "make payments to" counties.

## Bills Passed by the Legislature

**LB174** would modernize Department of Transportation laws and make more substantive changes to licensing laws for county highway superintendents and city street superintendents, such as combining licenses for persons holding multiple licenses of various classes. It would increase the threshold for reporting damages from a motor vehicle accident by a peace officer or vehicle operator from \$1,000 to \$1,500. If a peace officer investigates a crash, the operator would not have to file a report.

**LB25** would implement Amendment 2, which was approved by voters last year. It would extend the maximum duration of tax increment financing projects from 15 years to 20 years if more than half of the property is designated as extremely blighted.

**LB532** would revise unclaimed property laws to allow aggregated reporting and allow unclaimed property holders to accumulate property until the value exceeds \$50 before submitting it to the State Treasurer. Currently the amount is \$25.

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