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Nebraska Association of County Officials

Legislative Report

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Session Debate Priority Bills

Debate this week focused primarily on General File senator, committee, and speaker priority bills. When the body reconvenes on [Monday](#), they will take up seven bills on consent calendar and then return to priority bills. Consent calendar bills must be non-controversial, with no general fund impact and no dissenting votes to come out of committee. Votes on advancement are taken after 15 minutes or when debate ends, whichever is sooner. Speaker Mike Hilgers announced plans for a second consent calendar in early April.

[LB41](#) is on the consent agenda for Monday. It would add townships to the list of entities that automatically receive their distribution of tax dollars rather than making a request for distribution. Cities, schools, educational service units, county agricultural societies, and fire districts already receive distributions automatically. NACO supports the bill.

The Appropriations Committee continued to work on the budget this week and bumped back the release date. The budget must be placed on General File by the 70th day of a 90-day session. Thursday was the 50th day of the session.

Economic Development Tools Advanced

Bills to provide economic development in all areas of the state were advanced from General File this week.

[LB40](#), Senator Mike Groene's priority bill, would enact the Nebraska Rural Projects Act to provide state matching funds for the development of industrial rail business parks in counties of less than 100,000. As advanced following the adoption of a Revenue Committee [amendment](#), up to \$50 million of matching funds would be appropriated. Applications for up to \$2.5 million in investments would receive \$2 for each \$1 investment. Larger projects would receive \$5 for every \$1 invested. The bill

would help develop a business park near Bailey Yard in North Platte and could be used for rail parks in Seward, Scottsbluff and other cities.

[LB156](#) as [amended](#) would create the Municipal Inland Port Authority Act to develop up to five large, shovel-ready commercial and industrial mega-sites for development by major companies. Cities of the metropolitan, primary or first class that encompass more than 300 acres, counties with a population over 20,000, or a city and one or more counties could create an inland port authority by resolution. Port authority districts would be subject to two or more of the following location requirements: within one mile of a navigable river, within one mile of a major rail line, within two miles of an interstate highway or four-lane divided highway, or within two miles of a major airport with commercial service.

Inland port authorities could plan and develop the property within an inland port district, engage in marketing and recruitment, own and operate an intermodal facility, and issue revenue bonds. The authority would be exempt from state and local taxes and could not levy taxes. In counties, it would be administered by a board of nine members appointed by the county board chair with approval by the county board. The Legislature would transfer \$5 million from the state's General Fund in FY22-23 and FY23-24 to provide financial assistance for the projects. Amendments will be offered on Select File to clarify funding questions. Senator Justin Wayne introduced the bill and the Urban Affairs Committee prioritized it.

[LB544](#), which was introduced and prioritized by Senator Wayne, would provide tax incentives to businesses that locate or expand in urban areas with high poverty and unemployment rates. It is aimed at smaller businesses that do not fall within other incentive programs and would be used in Omaha and Lincoln.

Phone Surcharge Bill Fails to Advance

A bill to align wireline and wireless phone surcharge authority statewide fell five votes short of advancement from General File on Tuesday. Existing law authorizes all counties to charge 50 cents per landline. All counties except Douglas County can also charge an additional 50 cents per line. The maximum surcharge on wireless phones is 70 cents, except in Douglas County where the cap is 50 cents. The wireless rate is set by the Public Service Commission, which collects and distributes the funds. [LB215](#) would strike the exception for Douglas County so that the maximum rates would be the same statewide.

Opponents argued that funding for 911 should already be a priority in local budgets and that new federal funds should be used to offset any need for increased fees during the pandemic. One senator suggested that the state should assume responsibility for providing 911 services and the necessary funding. Proponents shared information about the features of [NextGen 911](#), such as using regional dispatch centers and rolling over to another call center if there is an outage.

Revenue Committee Sends Bills to General File

Bills to require county treasurers to give notice of insufficient property tax payments and to require tax protesters to show the requested valuation were among the bills advanced from the Revenue Committee this week. Most bills were not prioritized but could be amended into other bills or considered for a consent calendar if they meet the requirements.

[LB292](#), as introduced, would require county treasurers to accept partial payments of property taxes. Existing law allows, but does not require, county boards to pass a resolution allowing treasurers to accept partial payments. A proposed Revenue Committee [amendment](#) is more narrowly tailored to address the problem of unintentional short payments that led Senator Curt Friesen to introduce the bill. In the example he cited, a taxpayer inadvertently paid less than the amount due and the check was returned. Interest accrued on the full amount due until the taxpayer paid the missing amount. The amendment would require county treasurers to apply the insufficient payment and notify the taxpayer

of the unpaid amount within 30 days. Interest would accrue on the unpaid amount only. If the remaining amount due was not paid within 30 days from the notice, the treasurer would return the payment and interest would accrue on the full amount. LB292 was not prioritized.

[LB291](#) was introduced by Senator Brett Lindstrom on behalf of NACO. It would require the Tax Commissioner to prescribe the form used for property tax protests. The protester would have to list the requested valuation on the form. The bill would take effect on January 1, 2022. LB291 was not prioritized.

[LB521](#) would require requests for tax exemptions on real or personal property to include an estimated value of the property on the [Form 451](#). Applications without the estimated value or any other required information would be denied. LB521 was not prioritized.

[LB214](#) would define the terms wasteland and recreational land for assessment purposes. It would provide direction in how to determine the primary use of land for agricultural and horticultural purposes. LB214 was not prioritized.

[LB466](#), as introduced, would require county assessors to prorate taxes for the year of the sale when real property is sold and the buyer and seller haven't agreed to a different proration of taxes. When real property is sold in Douglas and Sarpy counties, typically the current year taxes are not estimated or prorated between the parties. Prior year taxes, which are paid in arrears, are prorated as if they are current taxes. A Revenue Committee [amendment](#) would place the duty to prorate taxes on treasurers, rather than assessors.

[LB644](#), which was introduced and prioritized by Senator Ben Hansen, would enact the Property Tax Request Act. It is intended to provide tangible, readable information about how much taxes are increasing. It would require political subdivisions to hold joint public hearings and notify constituents by postcard of the hearing, proposed tax rate changes, and property tax requests. The deadline to submit property tax requests to the county clerk would be moved from Oct. 13 to Oct. 15 and the county board of equalization would certify levies by Oct. 20, rather than Oct. 15. A committee [amendment](#) would change the information on the postcard and move the deadline for political subdivisions to set budgets from Sept. 20 to Sept. 27.

Bills Advanced from Select File

County clerks would no longer issue locksmith licenses under [LB169](#), which was advanced from Select File, the second round of debate, on Tuesday. Under existing law, clerks issue locksmith registration certificates for a \$5 fee. Although the application form asks if the applicant has been convicted of law violations and requires the names and addresses of three references, there is no authority or requirement to conduct background checks.

[LB255](#), which was [amended](#) before being advanced from Select File, would provide \$50,000 to the families of public safety officers, including law enforcement officers, firefighters, emergency responders, and correctional officers, who are killed in the line of duty. The amount of compensation would be adjusted annually based on the Consumer Price Index. Claims would be filed with the state's Risk Manager. The bill would take effect on January 1, 2022.

[LB387](#) would exempt military retirement benefits from individual income taxes for taxable years beginning after January 1, 2022.

Bills Passed by the Legislature

County clerks would not have to submit a monthly marriage license report to the Department of Health and Human Services under [LB93](#), which was passed by the Legislature on Thursday. The report is not necessary because the information is available electronically. The bill was introduced at NACO's request.

Other bills passed by the Legislature include [LB368](#) and [LB369](#) that would add authority for the State Auditor to obtain access to working papers and audit reports. A late fee of \$20 per day could be imposed for failure to provide access or file reports.

[LB94](#) would ratify actions taken pursuant to Governor Ricketts' Executive Order [20-13](#) which allowed early implementation of the Online Public Notary Act during the pandemic.

[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.

[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 mailed directly from production to the customer. Counties are already allowed to charge for postage to mail license plates to customers.

[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.

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